

interest necessary to support it when payable to another and to its status in the absence of such interest. The foundation of the difficulty lies in the principle of public policy which prohibits a gambling contract whose holder will profit by the death of another and the question is how far that principle shall be pushed. It is generally agreed that where the insured himself secures the policy and pays the premiums he may nominate the beneficiary regardless of interest. It would seem to logically follow that under the same circumstances a beneficiary may similarly be made such through assignment by the assured as well as by original nomination. The fact, that such assignments have so often been resorted to as a cover for fraud seems to have led some of the Courts to insist on a valid interest by the assignee, even when made in good faith. A re-assignment by the original assignee involves a somewhat different case, for the beneficiary is not here chosen by the insured, and there is ground for insisting on an interest which will support it.

It has been held by one or two Courts that while a beneficiary named in the policy may receive the money, he holds it merely as a trustee for those entitled to it. In some of the States an insurance interest is required by statute. Many of the precedents which have controlled this question in the various States were laid down before the contract acquired its present commercial character and when wager policies were a favorite form of gambling. The value of a policy may in a measure depend on its saleability. There seems no sufficient reason why a policy which is valid in its inception should not, like any other security, remain so in the hands of subsequent holders regardless of interest, or why a creditor having in good faith taken out insurance on the life of his debtor, himself paying the premiums, should not be entitled to recover the entire amount, even though the indebtedness has been subsequently cancelled.

LIFE BUSINESS IN THE UNITED KINGDOM.

The annual Blue Book on life insurance in the United Kingdom has just made its appearance. Unfortunately the figures in the returns which relate to the total sums assured are furnished by the companies only on the dates of their periodical valuations, and the total is, therefore, apt to vary irregularly, owing to the inclusion of a greater or less number of new returns in any particular year, the remainder being carried forward each time. The following table compares the aggregates as published in the Blue Books containing the accounts of the specified years:—

Year	Sums Assured		Revenue	Assets
	Industrial	Ordinary		
	£	£	£	£
1889	86,203,873	443,362,228	27,510,195	203,610,042
1894	144,142,569	529,184,344	33,954,345	240,397,866
1899	181,136,538	616,911,783	41,813,166	300,409,768
1904	241,866,981	696,627,128	49,362,998	366,717,138
1905	251,533,949	713,491,783	51,671,982	384,398,398
1906	267,469,613	726,875,009	54,214,221	395,754,177
1907	278,444,601	757,048,167	55,357,933	413,754,644
1908	285,806,599	767,644,460	57,385,002	429,229,886

In the first two columns are the amounts of insurance in force, less re-assurances, and though the increase is not quite even, for the reasons given above, it is quite evident that life insurance has progressed at a very rapid rate during the last 20 years. The pace has not been so fast in the later years, observes the Economist in commenting upon the figures, though the activity of the companies is as great as ever and the cry of the companies that competition is necessitating higher expenditure is probably due to some extent to the fact that uninsured lives are becoming more and more difficult to find. The total industrial insurances in 1908 increased by little over 7 millions as compared with 11 millions in the previous return and 16 millions in that for 1907. No period included in the returns extends beyond 1908, and the industrial depression may have been one of the causes of the falling off through the diminution in the saving power of the working classes. The revenue figures include both ordinary and industrial branches, and take account of income from every source, while the assets include those of the life and annuity funds, fire, marine and employers' liability funds and reserves and capital of all the companies which file a return under the Life Assurance Acts.

The slight reduction in the rate of expenses noted last year has only been maintained by the industrial companies, where the ratio has fallen from 43.33 in 1907 to 43.28 per cent. of the premium income in 1908, a small but satisfactory improvement. The ordinary companies, however, expended 14.02 of their premiums against 13.42 in 1907. Possibly, says the Economist, this rise in expenses, is due partly to the number of amalgamations which took place in 1908, for although expenses are ultimately reduced by the amalgamation of two companies, considerable expense is entailed by the operation itself.

The average rate of interest earned on the funds was £3 17s. per cent. for the "ordinary business" section, an advance of 4d. per cent. over the previous years figures. This rise in the interest rate has been the characteristic of recent years, and is the natural re-action from the situation of some ten years ago. At that time the problem of the actuarial world was the falling rate of interest, for the highest class of security yielded under 2½ per cent. The problem has solved itself, but the solution has proved an even greater trial for a rising rate of interest means declining prices for securities. A reduction in the interest earning power of investments would only affect the companies after many years of its operation, and could be allowed for by prudent management, but a fall in the value of marketable assets must be met at once. Thus the depreciation in investments in the year 1908 (which is practically the period covered by the return) amounted to £1,228,950 on investments of about £165,500,000. There can be little doubt from the individual accounts, which have appeared, says the Economist, that the depreciation in next year's summary will be even larger. This feature, though very unsatisfactory at the moment, must eventually prove a powerful factor in raising the rate of bonus for in the time of the falling rate of interest, the valuation rate was