

which is now going on will have a tendency to continue to pull down the average rate of the fire tax for some years. But there is a limit to the reduction which can be made through this agency, and there are other circumstances, the dealing with which will have a more marked effect than this upon the fire tax.

As fire insurance is a tax upon the whole community, so its reduction to a more reasonable level depends ultimately less upon the activities of individuals than upon the awakened conscience of and action by the whole community. The fact that needs to be universally proclaimed is that the reduction of the disgraceful fire waste of this country can only be reduced by the combined action of those who pay the fire tax. It is only an awakened public conscience, stirred by the practical appeal to the pocket, which will put a stop to the activities of the careless or untidy individuals who keep their premises or their property in such a condition as to form a fire menace to the whole community in their locality; it is only the same agency which can bring effective pressure to bear upon public authorities and others and insist upon adequate water supplies and adequate apparatus and staff for fire prevention purposes. As the fire insurance tax is paid by the community so its reduction rests with the community.

WISCONSIN'S EXPERIMENT IN STATE LIFE INSURANCE.

The State of Wisconsin, which has of recent years achieved fame as a hot-bed of "advanced" legislation, is now making the first experiment in state life insurance on this continent. By an act of the legislature of 1911, the issue of policies of life insurance and annuity contracts by the State through what is known as the life fund was sanctioned. The insurance department was allowed two years in which to put the system into operation and the department has now prepared forms of applications and policies, schedules of premiums, tables of costs of insurance and reserves, and other data and forms for carrying out the provisions of the law, and the State is ready to do business.

This newest experiment in life insurance by the State possesses some curious features which differentiate it from other schemes of the kind. In the first place the State has no financial responsibility in this matter beyond the amount of the life fund. The State does not guarantee the insurance at all; the life fund has to stand on its own bottom, so that apparently the policyholders will not have the same security as in a stock company, where additional security is given to them by the capital. Applicants for insurance in this fund must be between the ages of twenty and fifty inclusive and may choose any of the following plans: ordinary life,

20-payment life, ten-year endowment, endowment at age 65 or term to age 65. Only normal, healthy lives can be accepted at present, but later on other plans of insurance and classes of risks and annuities will be provided.

The agent is to be done away with and in his stead applications will be made through various state and local officials, who are to receive the ludicrously small remuneration of 25 cents for transmitting the application and one per cent. of the first full annual premium. If the application is made direct the applicant is allowed the privilege of retaining this commission for himself. The applicant has to pay a two dollar fee for medical examination, which is under the supervision of the State Board of Health. The only expense on the life fund, it is claimed, is that of clerical help. Whether the State will pay for the skilled management which would seem to be necessary or whether there is to be no management at all does not appear. The reserve will be calculated on the American Experience Table of Mortality with interest at 3 p.c.

It will be interesting to see how this scheme develops in practise. To what extent it will affect the life companies operating in the State remains to be seen, but if any conclusion is to be drawn from similar experiments elsewhere, it would seem that the companies have little to be afraid of. It is quite within the bounds of probability that savings in agents' commissions and other expenses will be offset in other directions, by reason of the fact, as has been pointed out, that applications being made by those wishing to be insured, selection will be against the fund, so that the mortality may be greater than where the regular agency system is employed. Moreover, if there is only a small business carried on, economical management will not be possible. The fee to be paid to the state and city officials who transmit the business to the fund, is so small as to give them no incentive to increase the business, and unless the citizens of the State rise up in something of a frenzy of enthusiasm and demand to be insured in the newly started fund, it looks very much as though the Wisconsin experiment may easily share the fate of other agentless life insurance. The "old Equitable" of London, the British post office system and the Massachusetts savings bank system are examples of the fact that hitherto attempts to dispense with the agent in life insurance have failed of success. Under the New Zealand scheme of insurance by the State, agents are employed yet, as our contemporary, the Weekly Underwriter reminds us, a comparison of the business of the New Zealand government life insurance department with the business of the Australian Mutual Provident Society in New Zealand for 1911, shows that the business is behind the New Zealand branch of the Australian Provident in respect of amount, while the net cost of business in the Australian company is materially less than that of the government business and the net increase of the Australian company's business in New Zealand is greater. It is well known that the New Zealand government insurance business is conducted with more than usual efficiency and economy, and yet it is beaten on its own ground by the A. M. P. It is possible enough that Wisconsin's experiment may have the same experience.