progress, as we do in a world wide progress generally, and that the new may and ought to be a good deal better than the old, under the growing intellectual and moral light and wider experience of these last years of the nineteenth century. It is not too much to say that one of the grandest monuments of the world's progress toward an ideal social economy is to be found in life insurance, which to-day stands pledged by its nearly three thousand million dollars of assets to pay to more than five million beneficiaries ten thousand million dollars at the maturity of existing policies. These grand facts, however, do not blind us to the serious abuses which have crept in.

As the appreciation of life insurance benefits has grown among the people, the opportunity for a largely increased business has stimulated the companies, and notably so those on this continent, to great exertion, until commendable effort has grown into unseemly and demoralizing competition, involving methods unscientific and practices ruinous, if persisted in. All kinds of "new features" are brought out, many of them worthless or worse, purely for the sake of having something novel to cry up and down the land and to persuade every would-be insurer that "Codlin's his friend, not Short." Voluminous "estimates" emanate from head offices, and are extensively manipulated by dishonest or ignorant agents so as to look to the unwary policyholder like absolute guarantees, only, later on, to react on the company and multiply enemies. Not a little of the hostile legislation applying to life insurance, and growing more and more persistent, takes root in the widespread disappointment coming from unfilled and unfulfillable promises based on these "estimates;" a good illustration of which is the proposed bill before the legislature of Illinois, to prohibit among many other things, all guarantees and estimates excepting such as shall appear in the body of the policy.

Real progress and legitimate enterprise are in danger, to say the least, of being converted into venturesomeness and inconsiderate recklessness under the present high-pressure system. So great has become the strife for new business among several of the leading companies that fabulous commissions and bonuses to agents have been and are given, not only feeding the rebate evil but placing the means in the hands of field managers with which to seduce away the agents of competitors right and left. The policyholders have to pay for this costly elephant dance, for every dollar of excessive expenditure comes out of the surplus, present or prospective, belonging to the men who have paid and are paying the premiums. Thoughtful people are seriously asking themselves and each other where all this is to end, and a great many of those who take up with some of the prevailing forms of cheap insurance are induced to such a course by noting the illegitimate methods of the legitimate companies. We are among those who are hopeful of a better state of things among the life companies, however, for the abuses we have referred to are becoming so clearly seen and the inevitable consequences in the near future so apparent that we believe company managers will see the wisdom of changing their tactics, and return to a healthy conservatism which is not inconsistent with real progress and safe growth. It is the mission of the insurance press, the ally and best friend of the companies, to hasten the day by advocating only sound practices and prudent plans joined to honest methods, and like a faithful watchman to sound its clear note of warning whenever danger appears. That time we believe has come.

TERM BUSINESS IN FIRE INSURANCE.

The growth of term business is one of the most marked characteristics of modern fire underwriting, as is well known, and from present indications bids fair to go on increasing much more rapidly than the ordinary one-year business. Upon the appearance of the report of the New York Insurance Department on the business of 1891, we took occasion to call attention to some important facts stated therein, showing the enormous growth of three and five year business during the last dozen years. We were told by that report that the one-year risks in 1878 were $1,913,920,260, and in 1891 they were $3,704,705,650, or an increase of about 90 per cent. The three-year risks in 1878 were $810,-832,950, and in 1891 $3,077,719,157, or over 279 per cent. larger in amount in the latter year. In 1878 the five-year risks amounted to $433,827,155, and in 1891 to $1,808,442,483, an increase of almost 317 per cent. The relative increase of three and five-year term business and the one-year risks is thus somewhat striking. Or, to put it another way, the one-year business in 1878 was 58 per cent. of the total business, while in 1891 it had decreased to 42 per cent. The above figures pertain exclusively to the twenty-five principal companies by which the bulk of the business is transacted. In the opinion of some of the best fire underwriting authorities, this large increase in favor of the term business, especially *at present rates*, is unwise, and calls for more careful consideration than seems at present to be accorded it. The large increase each year of the unearned premium fund is a factor to be considered in all its bearings on future results to the companies somewhat more thoughtfully than mere surface conditions would seem to indicate. According to the *Weekly Underwriter*, which has a lengthy article on the general aspect of the term business, the unearned premium fund which in 1888 was 74.9 per cent. had increased in 1891 to 77.6 per cent., and is sure to go on increasing. We quote here, for its suggestiveness, the concluding portion of the *Weekly Underwriter's* article referred to:—

The other things connected with term business, and which we desire to speak of here, relate particularly to the figures which the National Board gives us and has given us for the last quarter of a century, and which, we hope, will some day be pitched into the rubbish heap and superseded by statistics which have some meaning and some relation to each other. What, for example, is the use of a ratio of fire losses to amount written in 1891, when in that year there were more than two thousand millions of risks in force more than were written, and upon which losses were paid? What is the use, except for purposes of self deception, of a ratio of fire losses to premiums, when some of your premiums are for three and five-years, and for one-tenth of the losses you have not had any premium at all? Why should the president of the National Board tell us in his annual report that the premium rate in 1891 was .8094 and the loss rate