CHILIAN INSURANCE LAW.

The following report covering the insurance law of Chili is from Consul Charles S. Winans of Iquique:

"Insurance companies of whatever kind can carry on operations in Chili only by authority of the president of the republic. They are of two classes and are graded according to their capital. Those having a capital of 500,000 pesos ($182,500) or more are of the first class, and those under that amount of the second class. In order to qualify it is necessary for those of the first class to deposit with the minister of commerce and labour securities to the amount of 400,000 pesos ($146,000) and those of the second class 300,000 pesos $109,500). A yearly license of 4,000 pesos ($1,460) for life insurance companies of the first class and 3,000 pesos ($1,095) for companies of the second class is required to be paid at the office of the headquarters of the companies in Chili. In addition all companies must deposit 50 p.c. of their receipts of each year with the fiscal treasurer. These deposits can not be withdrawn without six months' notice that the risks covered by the deposits have been concluded.

"The president of the republic appoints inspectors to examine the books and accounts of all insurance companies. Such inspector must have free access to the books and archives. Every six months every insurance company must submit to the minister of commerce and labour, for publication in the 'Diario Official,' a statement of its operations for the previous six months, which must include premiums received, accidents, insurance paid, and risks pending in Chili. The account and annual balance of all insurance companies must be published in a newspaper of the locality in which the companies have their headquarters in Chili."

INCONTESTABILITY OF LIFE INSURANCE POLICY.

Reagan v. Union Mutual Life Insurance Company, 76 Northeastern Reporter, 217 declares that a provision in a life insurance policy making it incontestable for fraud after the expiration of a specified time is binding on the insurer, but that a provision making it incontestable for fraud from the date of the policy is invalid so that the insurer may defend an action on the policy on the ground of fraudulent representations made prior to the issuance of the policy, notwithstanding that by its terms the entire contract is contained in it in the application.

Full report of the case may be had from the West Publishing Co., St. Paul, Minn.

THE BANKING SYSTEM OF JAPAN.

The modern system of banking in Japan dates from the promulgation of the National Banks Regulations in November, 1872. Banks of every description have, since then, been established in quick succession, and these with the Bank of Japan at their head now number 2,200. These banks are divided by their nature into two classes, namely, those which have been established under the general banking laws, making it their object to facilitate the general circulation of money act chiefly as trading banks, and those which having been created under special banking laws have special objects and functions as agents for the supply of capital to particular enterprises. At the beginning it was decided to establish banks with a view to creating financial institutions for the development of trade, and facilitating thereby the redemption of Government paper money which had already been issued to an enormous amount. Accordingly in 1872 the Government, as stated above, promulgated the National Banks Regulations, which was modelled on the example of the National Bank Act of the United States and provided for the conversion of the national bank notes into specie. In August, 1876, an amendment was made in the same regulations, by which the national bank notes could be opened on security of national loan bonds, and were made convertible into paper money then in circulation. This amendment gave a great impulse to the creation of national banks which increased rapidly until at length they numbered 153. Since, however, the bank notes were convertible into paper money, they were practically no more than inconvertible paper money, and as a natural consequence they began to depreciate as their amount in circulation increased with the rise of new national banks. Thereupon, the Government refused, on the one hand from 1880, to permit the establishment of new national banks, and decided on the other to resort to drastic measures for putting the currency system on a sound basis. A further amendment was made in 1883 in the National Bank Regulations, by which the privilege of issuing notes was taken away from the national banks, and granted exclusively to the newly created Bank of Japan, and a suitable method for the redemption of the National Bank notes was taken. Meanwhile private banks and banking companies which did not come within the purview of the National Bank Regulations had increased in number until in 1884 their number reached 954, and there were no general provisions to control such banks and companies beyond their subjection to the control of the local authorities. To bring them under more efficient control, the Ordinary Banks Regulations and the Savings Banks Regulations were promulgated in 1890, and put into force three