stage of consumption. Upon her life was placed $16,000. Upon another pauper they had piled up on his life $12,000 of insurance without his knowledge and without any medical examination.

The insurance companies employed Col. John W. Hinsdale, an insurance lawyer of Raleigh, N.C., to defend them. After the institution of the criminal suits against the conspirators, which were brought to a successful termination by Col. Hinsdale last fall, the plaintiffs in the civil actions concluded to abandon their suits. At the present term of the United States Circuit Court at Raleigh, the last of the actions has been dismissed; and thus has ended the final act of this disgraceful drama.

THE LEVEL PREMIUM A GUARANTEE OF FIXED CONDITIONS AND THE PLEDGE OF SAFETY.

The old Latin maxim, *Ex nihilo nihil fit*, forcibly expresses a broad fact underlying all life insurance transactions. It is peculiarly true of the business that something cannot come out of nothing. If a thousand dollars comes out, it must first have been put in by somebody. It is an encouraging fact that the well-informed advocates of the assessment system have come to realize that proposed fiat insurance, like fiat money, is an absurdity, and that the fundamental principle governing the existence of either is that the realizable equivalent of every promise must be behind the promise. Somebody must pay in enough money to meet all death claims and expenses. The equated annual payments of the level premium companies are sufficient to do this without readjustment of the premium or disturbance of any kind. The payment fixed at the beginning is the fixed payment at the end of the insurance transaction. Incoming members do not increase or diminish the ability of the company to redeem all its promises, neither does the ever-lengthening mortality roll impair its stable resources. It is immaterial, so far as meeting all policy obligations is concerned, whether a dozen new members or ten thousand are received. Theory and practice exactly agree here, because theory is based on the unchanging law which ordains that two and two always make four.

The recorded experience of more than twenty British life companies, as we have heretofore shown in these columns, proves that for years they have paid out for claims arising under their policies a good deal more money annually than they have received from premiums, and yet their ability to do this has increased rather than diminished. The wizard power of compound interest, working on the over-payments of premium during the first years of the company's history, has created and augmented a reserve fund ample to meet all maturing obligations. The history of two companies in the United States, the Connecticut Mutual and the National Life, nominally of Washington, D.C., also furnishes ample proof of the fact that a company founded on the scientific level premium system can meet all policy obligations as easily when these obligations far exceed premium income as when the reverse is true.

For example, the Connecticut Mutual received for new and renewal premiums in 1895 the sum of $3,376,275, and paid for death claims and matured endowments $4,382,391. Where did the difference of more than a million dollars come from? From the fund accumulated for that very purpose, and called a reserve. That reserve amounted (4 per cent. Actuaries) to $53,166,-96, and was equivalent to almost eighty-five per cent. of its entire assets. More than this, besides paying over four and a quarter million dollars for claims, the company paid back to policyholders almost one and a quarter million dollars in dividends, and still had a surplus for future distribution of more than eight and a quarter million dollars. If, instead of issuing 4,428 new policies, the company had not issued a single policy, it could have paid all matured claims, and could continue to pay all claims until the last policy becomes a claim as easily and as surely as it paid the almost two thousand claims calling for the $4,382,391 which it did pay. What a potent factor interest becomes in the level premium reserve system is shown when we state that the Connecticut Mutual received over $3,000,000 last year as interest income, or only about $275,000 less than the entire premium receipts above given. The actual amount called for in settlement of death claims always has been and very likely will continue to be less than the amount assumed, and amply provided for in the premium rate of the company; but the excess so received simply goes to augment the surplus, which comes back in dividends to the policyholder.

Turning to the record of the National Life, above referred to, which for several years has ceased seeking new business entirely, and is simply waiting the running off of its old business in the natural order of maturity, and we find that in 1894—the last annual report now accessible—the total premium income was $19,144, while the losses and endowments paid amounted to $63,346, or more than three times the amount received from premiums. How did the company pay its claims in excess of contributions from policyholders? From the reserve, of course; and then had remaining a reserve fund of $977,979, and a surplus, aside from its million dollars of cash capital, of $86,743. Its total resources were $2,1[illegible],690, and the amount of insurance in force $2,033,578, or $88,112 less than the assets. In other words, if every policy were to mature at once, the company has money enough to pay every policy claim, and $88,112 to spare! That is the kind of security afforded policyholders by level premium life insurance. But policies do not mature like a note of hand on a given day, but throughout a series of years, and the almost million dollars of reserve, re-inforced by current premiums and current interest income (the interest in 1894 amounted to $120,635), will easily take care of these maturing claims to the last man, without calling for a dollar of the stockholders' money.

But further than this, both the Connecticut Mutual and the National Life, after acquiring a considerable business in Canada, withdrew as to new business nearly twenty years ago, and have been getting the acquired business run of the books here by natural maturity. In 1895 the Dominion report shows that the