

an amended Act clearly exempting from the tax *all* life premiums paid by the assured. As the case now stands, it is not alone United States companies which are placed at a disadvantage, but all colonial companies, and probably part of the Scotch companies as well. An Australian or a Canadian company must be held, under the decision, to be as strictly "foreign" as a company from the United States or from Germany.

UNQUESTIONABLY THE FORMATION of the "National Association of Life Underwriters" at Boston, an account of which will be found on another page, was an event of no ordinary importance, and marks an era in the progress of life assurance. It does not simply mean that the business has come to rank in importance and magnitude with banking, or railroading, or manufacturing interests, for it has for some time done more than this, but means rather the recognition by the right men of the fact, which, with scant recognition by them, has always existed, viz., that legitimate life assurance, working through a diversity of companies and methods, is indivisible in interest and an essential unity. This frequent meeting together to discuss common interests and to eat and drink together like christians means, to a great extent, the driving out of the life agency ranks of the devil of discord and the destructive spirit of misrepresentation and unseemly strife. This organization means that honorable competition has come to be recognized as entirely compatible with the manners of gentlemen and the intercourse of friends. As such we hail it with satisfaction, and trust that in like manner the life agents of Canada may do honor to themselves and service to their business by some kindred form of association.

IT WAS UNFORTUNATE, we think, that the convention of life insurance agents and managers, who met the other day at Boston to form a national association, decided upon a name for their organization which is clearly a misnomer. The gentlemen who were the leading spirits in the movement ought to have known that a life insurance agent, whether general or special, is no more an "underwriter" than he is a gravedigger. It is doubtless admissible to call the agents of fire insurance companies who are authorized to issue policies underwriters, for such they are in a qualified sense, as modifiers and signers of the policy. Not only does the life agent have no such authority, but is expressly prohibited by his company from waiving, changing or in any way modifying the terms of the policy, and his name appears nowhere thereon. He has no more to do with the issuing of the policy than a manufacturer's agent has with the making of the articles he sells. The plea that common use sanctions the application of the term to life agents is worthless because untrue. No such use of the term by the best authorities on insurance can be shown. It is purely a descriptive term, and not like the character "x," used arbitrarily by general agreement, to stand for an unknown quantity. It would have been well to have called the organization by its

obvious name. The gentlemen composing it are life insurance agents, and they simply formed a national association. The name should have expressed the fact.

SOME OF OUR exchanges across the water seem to revel in their real or assumed ignorance of facts concerning the Mutual Life of New York. The *Observer* of London has made itself ridiculous among well informed students of American life assurance, by its attempts to criticize the company, and now comes the *Insurance and Financial Gazette* of Ireland, pounding away at a man of straw which it sets up and calls the Mutual Life. It admits that it has not seen the full official report for 1889, and proceeds to generalize on its guesses, to the conclusion that the company is rapidly losing its business by lapses, surrenders, etc., that its rate of interest realized has decreased woefully, and that its management expense has much increased. As to the first charge, we will state for the benefit of our contemporary, that while the New York Insurance Report for 1889 shows the average percentage of surrendered, lapsed and not taken policies to total assurance issued by all the companies reporting to have been a fraction over 41 per cent., the percentage of the Mutual Life was 37 per cent. Not a bad outlook, especially taken in connection with the fact that the company's net gain in assurance in force for the year was nearly *eighty-four million dollars*. As to rate of income from investments, the earnings, including profits on investments, for 1888 on the mean net or invested assets were 5.89 per cent., for 1889 exactly 6 per cent. The growing expense bubble is effectually pricked by the statement that total expenditures, excepting to policyholders, or claims under policies, were 18.6 per cent. of the income in 1889, and 18.9 per cent. for 1888. We suggest that tilting at Gibraltar with a wooden spear would be quite as profitable for our misguided contemporaries.

WE NOTICE THAT "Thoroughbred" in the last number of the *Insurance Monitor* produces the figures in detail of most of the United States life companies, to demonstrate how senseless is the contention in certain quarters, that the life companies of this country ought to contemplate the speedy substitution of a higher standard for assumed interest than the present 4 per cent. standard in general use. We have dealt with this question several times of late in these columns, and shown that the companies have maintained practically the same rate of earnings on their total invested assets for five years past. Of course, as a matter of fact, the actuarial requirements are met when a company earns on its *reserve* the four or four and a-half per cent. assumed, and the article in the *Monitor* is designed to prove that the earnings for 1889 on the mean amount of reserve held were over 6 per cent. Unfortunately, the article has several considerable errors in stating the reserves as found in the New York Reports, while the interest earnings are overstated by more than three millions, mainly credited to one New York company, erroneously. Making the necessary corrections, we