

The business, however, shows considerable improvement in bulk, the books showing over eighty-three millions in assurances, as against less than sixty-five millions at the end of 1897. Claims were relatively heavier than usual.

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The total amount of the claims that have matured from the memorable wreck of the Channel excursion steamer "Stella" is now given as \$25,000. The latest addition has been a claim upon the Railway Passengers Assurance Company (the "Stella," it will be remembered, was run in connection with a railroad company) for \$2,500. The body upon which this insurance coupon was found, had been floating about in the channel for a couple of months, and yet the ticket was not destroyed.

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To get the largest possible amount of the best possible business at the least possible outlay, is one of the aims of good insurance trading. Such a home society as the Equity and Law Assurance Society and other such specialised institutions gets very high marks in this direction. For instance, this office increased its business by \$2,720,000 last year, and had it accompanied by a very favorable mortality experience. Working expenses were under ten per cent., and the interest yield from investment showed a rise. The Equity and Law last year made numerous concessions to civilian policy-holders, who were going abroad, and also issued a special and valuable twenty-year investment insurance policy. These are business-getters.

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Publicity is the soul of trade, and whether it be in reference to soap or insurance, it is a thing which cannot be overlooked. Therefore, the Mutual of New York, or rather its British branch, is preparing a most attractive exhibit which will be on view at the Crystal Palace next week. The exhibit takes the form of a set of pictorial diagrams representing insurance facts in easily grasped concrete forms. They will be illuminated and manipulated by an electrical apparatus, and are reckoned to make a considerable sensation.

RECENT LEGAL DECISIONS.

TAXATION OF AMERICAN INSURANCE COMPANY IN GREAT BRITAIN.—That the profits of a United States life insurance company, from premiums received in the United Kingdom, are liable to inland revenue taxation, has been decided in England by the Queen's Bench Division of the High Court of Justice. The Equitable Life Assurance Society of the United States was assessed in London, England, upon the sum of £80,000, for the three years ending April 5th, 1895, 1896 and 1897, and this assessment was confirmed by the Commissioners of Taxes. The insurance society appealed, and contended that the premiums paid to the company were contributed as an estimated amount required to cover the risks for the year, and the necessary expenses, and that any surplus or balance was not profit or gain liable to assessment, but was merely an excess of contribution over expenditure, which would ultimately be returned to the policy holders who had contributed it.

It appeared from the company's charter, obtained in the State of New York, that the company had a capital of \$100,000 divided into 1,000 shares of \$100 each; that the holders might receive on their stock a semi-annual dividend not to exceed 3 1/2 per cent., being seven per cent. per year; that the earnings and

receipts of the company over and above the dividends, losses and expenses were to be accumulated; that the affairs of the company were managed by a board of directors elected by the stock-holders; that the directors might by a three-fourths vote allow policy holders to vote (this power was never exercised); that the insurance business of the company was to be conducted upon the mutual plan; and that the directors should have power to divide the surplus assets or profits after making proper allowances for liabilities among the participating policy-holders of the company by way of bonus or increase of insurance.

It was contended for the Crown, that the company and its assets were not the property of the policy holders, who had neither control power, liability nor right, except such as the shareholders by their directors chose to give them; that the policy-holders were not members of the company, but were third persons who contracted with it; that the accumulated funds of the society were not the property of the policy-holders, but were accumulated profits, and that the company could not properly claim to be a mutual insurance company; that the provision of the charter that the insurance business of the company should be conducted upon the mutual plan, could only relate to the division of such portion of the profits as the directors might determine; that a division of a portion of the profits over and above the fixed dividend payable to the shareholders did not alone make the company a mutual insurance company.

The company replied, that when once the seven per cent. was paid to the shareholders, they had no further interest in the disposal of the surplus, and that, therefore, subject to the seven per cent. dividend, they were a mutual company and no profits existed.

In delivering one of the Judgments of the Court, Mr. Justice Darling said, that in this case there must be judgment upholding the assessments. It appeared to him that here there was an independent, distinct body, which was the company. That was independent and distinct from the policy-holders. It could not be successfully contended that there was only a mutual undertaking of insurance. If certain people agreed together to assure one another, and had paid into a common fund more than was necessary, and subsequently the surplus was repaid to the subscribers, that repayment would not be liable to tax as profits. That, however, was a different case from the present. Here there was a surplus, a portion of which was retained in the hands of the company. It was true that the company having received the funds, paid a certain part back to the policy-holders who were outsiders, but that did not affect the character of the funds. The surplus here amounted to profits, and the fact that they were paid away in part, to attract business, did not prevent their being profits. The argument for the company would lead to this, that realized profits in any business, if used to enlarge the business, would cease to be profits.

Policies were also granted by the company to persons without the right of participation in the profits of the company. It was not contended by the company, that they were exempt from income tax in respect of this source of profit. 15 Times Law Reports 376.

FOREIGN INSURANCE CORPORATIONS IN IOWA.—The State of Iowa having enacted a law, which in substance provides, that all insurance companies incorporated under the laws of a State or nation other than the United States, shall pay into the State Treas-