

the average expense ratio of the American companies, viz., 36.1 per cent.—and it cannot be less—and the total average of losses and expenses on the entire business of all companies amount to a little over 99 per cent. of the premiums received. The business for the past two or three years justifies no dividends whatever, so that what the stockholders get is the interest earnings on their paid-in capital and invested funds.

**That New
Valuation Law
In New York**

THE somewhat unexpected passage by the New York legislature, and its approval by Governor Flower, of the bill in effect abolishing the Actuaries' Combined 4 per cent. standard of valuations for life policies, has occasioned a good deal of adverse criticism. The new law provides, as stated in our last issue, that the superintendent of the insurance department shall make valuations upon the net premium basis according to whatever table of mortality may be adopted as its standard by the company for which the valuation is made, the standard so accepted by the superintendent being stated in his annual report. This regulation, it will readily be seen, is in accord with the system prevailing in Great Britain, where no uniformity exists as to valuation standards, the government requiring none. Under this new law a Canadian life company, for instance, using the H.M. 4½ per cent. table, can enter New York without change of its reserve standard, and so it could if, like the Atlas, it used a 2½ per cent. standard of valuation. Nearly every American company has for several years used the Actuaries' 4 per cent. standard, which is also the basis of valuation fixed by nearly all the States. The current conundrum seems to be, who was behind this singular change in the New York law, and what does it all mean?

**Pay the Men
who do
The work.**

WE notice that Mr. D. V. Mills, assistant secretary of the Scottish Equitable Life, in a paper read before the Faculty of Actuaries of Scotland on the "Remuneration of Life Agents," makes a very sensible suggestion, which we believe present conditions fully justify, and which might be adopted to advantage on this side of the water. He calls attention to the numerous agents appointed by the British life companies who devote only a fragment of their time to soliciting business, bringing in perhaps three or four applications in a whole year, and then only with the assistance of others, and yet who receive the same commission as is paid to active, pushing agents. He suggests that these nominal agents, of the dead-and-alive kind, be allowed at most only half the rate of commission paid to those who give to the business their entire energies, and who are the real builders up of the life insurance structure. Of course the state of affairs in this country is widely different from the old fossilized methods, on the other side, now disappearing, of trying to get business by the influence of "connections" rather than by the active personal canvass of the agent; but still there is a considerable number of hangers-on among us who work life insurance incidentally rather than earnestly and who are of little value to the companies. Our companies do

make some discrimination in commissions between the actives and the dummies, but there is room for a still wider range of compensation.

**Legislative
Injustice
To Insurance.**

How to solve the problem of hostile legislation to which the insurance companies are exposed in each of the forty-four States of the American Union is getting to be more and more difficult. What with valued policy laws, taxation of premiums, special deposits, prohibition of co-insurance, and paying tribute to municipal greed in half a dozen forms, the situation is becoming decidedly serious. When we find that a single State—Michigan—has in this year collected a premium tax from the fire insurance companies of almost *two millions of dollars*, and that most of the other States bleed the companies in the same way, though not quite so unmercifully, we get some idea of the extent of the tribute paid to insurance supervision. In 1891 the revenue in Michigan from all the insurance companies was \$187,511, though the expenses of the insurance department were met by less than one twentieth of this sum or \$8,652. In the other States there is also a wide disproportion between the actual collections from insurance and the needs of the departments. In Canada provincial and municipal taxation, added to the charges of the Dominion government, constitute a burden of unjustifiable proportion, but not quite so heavy as that carried in the States. There is apparently but one remedy: the companies know what it is, and yet instead of its being vigorously it is only gingerly applied.

**The Latest
Chicago
Novelty.**

CHICAGO is proverbially a city of great projects. The *Argus* not long since contained an article descriptive of a novel association, to which we had intended to give earlier attention, based upon the insurance idea, though not an insurance institution. It is a Mutual Medical Aid Association, and has for its president Hon. Carter Harrison, known to political fame, and recently elected mayor of Chicago, with Dr. DeWolf, formerly health commissioner of the city, as the head of the medical staff. The members pay into the association a weekly premium of 15 cents for a single individual, or 50 cents for a family not exceeding twelve persons, in return for which the association undertakes to furnish medical attendance. The city is divided into forty-one districts, each in charge of a physician who is to look after whatever ills the members of his district may be heir to, or, if desired, special medical treatment may be had at the central or head office. We are not surprised to hear that the medical fraternity who are not "in it" ridicule the project, for it interferes with protracted visitations to patients and corresponding charges. The interest of the association is of course in the direction of preventing sickness among the members and of curing them with expedition when ill. To this end attention to sanitary surroundings is given. The chief obstacle in the way of success, we should say, will be the enlistment of competent physicians in the service of the association at the moderate pay provided for.