

and, to some extent, kept in check by the foresight of actuaries, are much inclined to follow in the same footsteps, and indeed in several instances have already committed themselves to one or two of them. In the old days there was always a large proportion of direct business on which no commission was paid. But already in our time it is the exception, in thriving Offices, to issue a policy in any other way than through a paid intermediary. And for this the Life Companies have to thank themselves. They have been in too great a hurry to increase their business, and, passing beyond the limit of natural increase, have come into collision with one another. Everybody, of course, knows that, in order to keep efficient, a Life Office must obtain at least as much new business each year as it loses by claims and surrenders. But, not content with this, many of them have been doing phenomenal things. If all this were accomplished by approved methods, we might well be proud of it, because it is to the public interest that assurance should become universal throughout the land. And in fact a good deal of it has been done by perfectly legitimate means. Unfortunately, however, the excellent results of the mortality of the past twenty years, aided by the contagion of the practice of the Fire Offices, have tempted many Life Companies to forms of enterprise which cannot in the end prove advantageous. They have given up the idea of direct business, have appointed an army of expensive Inspectors, have let the public into all the secrets of their business, have run into furious competition with one another, and last and most serious of all, have inaugurated the dangerous practice of rebates of premium and special terms to this and that public body under the pretext of curtailing expense.

We shall proceed to show that every one of these practices contributes directly to the increase of expenditure, while the last is simply suicidal, although the results, being so far cloaked under the average, are not immediately perceptible. This last practice is in truth the logical complement of the others, and cannot be understood without them. It came at the end, not at the beginning, and was in some measure forced on the Offices by their previous line of action.

They began, as we have said, by losing touch with the public. Formerly they simply advertised their rates and waited for the business, or appointed men as Agents who intended to devote time to the prosecution of it for a fair and reasonable commission. Their expenses were exceedingly small, and their profits excellent. It was under such circumstances that our most substantial Offices were built up. Then they began to appoint Agents wholesale, and to be loose about the payment of commission. The great object was to secure the business, and if it could not be obtained direct, there was no alternative but to pay commission for it. The privilege granted to solicitors was extended, and many who had no intention of cultivating the business were appointed Agents, and received commission on their own life premiums.

This led to greater keenness of competition, and in order to meet it Life Inspectors were introduced, not merely to give assistance to agents, but to follow up every person they could hear of who was likely to effect a Life Assurance. The Offices watched each other jealously, and increased the number of their Inspectors much as the European nations increase their armies and navies, of course, not to the same degree, though the principle of extension was much the same. As the number of Agents and Inspectors increased, it became more and more difficult to secure new business. City men found it extremely injudicious to hint that they were contemplating Life Assurance. Scarcely were the words out of their mouths than representatives of various Companies called with prospectuses and proposal forms, and were ready to enter into all the questions of rate, bonus, and policy conditions between their rivals and themselves. All sorts of policies were framed, not indeed to meet the demands of insurers, who would have been content with whole-life and endowment policies to the end, but to provide powder and shot for the new competitive warfare. In time the acute business men began to understand the business as well as those who gave their whole time to it. They were educated by complaisant Inspectors to examine and compare the various prospectuses, to demand new concessions, and to work off one Company against another. The ordinary Agent found himself obliged to seek the services of his Inspector in preparing for these good people, only to find too often that another Company had given way on some question that used to be a matter of principle, and the case was lost.

#### INSURANCE AND ACTUARIAL SOCIETY OF GLASGOW.

The monthly meeting of this Society was held on Monday evening, 13th ult., in the Lecture Theatre of the Philosophical Society of Glasgow—Mr. W. Smith Nicol, assistant manager City of Glasgow Life Assurance Company, the president, in the chair. There was a large attendance, and, after the ballot for admission of seven candidates, Mr. Nicol introduced the lecturer for the evening, Mr. F. J. Kingsley, sub-manager Royal Insurance Company, Liverpool, expressing on behalf of the members their sense of the great honour done to the Society by his consenting to address them. After a few preliminary remarks, Mr. Kingsley, who had chosen for his subject "Tariff Legislation and Risk Improvement," dealt with the question of cotton mills, describing especially the construction and arrangement of such buildings advocated by the insurance companies with a view of minimising the risk of fire. The improvement which has taken place in this class of risk in the past 50 years has been greatly brought about by the various tariff-rating regulations in force during that period, and now, happily, mill architects have seen the wisdom of following insurance acquirements. Mr. Kings-