has sheathed his sword, the New York belligerent has hauled down its "combination policy" flag, and everybody is happy. The Boston press dispatches inform us that the company is to discontinue writing its "ordinary life combination policy" everywhere, and be again admitted to Massachusetts. The pending bill before the legislature, or rather its insurance committee, providing for appeal from a decision of the insurance commissioner to the Supreme Court by any foreign insurance company, is to be withdrawn, and a similar bill without the retroactive feature prepared and put through soon by Commissioner Merrill himself. We think the company has acted wisely in removing the bone of contention, and it is well that the other parties to the recent conflict have at last been mindful of the important interests of life assurance as a whole, rather than of special interests or personal prejudices.

THE "NEW BUSINESS" FALLACY EXPOSED.

The question has been somewhat frequently raised of late, as to the wisdom of the aggressive policy adopted by some of the life assurance companies in seeking new business. A few British companies, nearly half of those of the United States, and some of those of Canada have, during three or four years past, pursued a policy of vigorous campaigning, and have kept the agency engine constantly at high pressure. In the case of the United States institutions, where this pushing policy has been so general, the growth of the business has been enormous, the gain of assurance in force during 1888 having been three hundred and forty and a half millions in amount, and during 1889 over four hundred and sixty-one millions. In certain quarters it is claimed that this high-pressure plan is a bad one, and that slow-going conservatism is greatly to be preferred. But why? Is it claimed seriously that there are elements of peril to a company which adds twenty or fifty millions to its assurance in force which do not belong to a company which adds only one or two millions, provided equal care is exercised in the selection of risks?

The only objection so far raised which is really worthy of notice is on the score of expense. Comparisons are paraded to show that the relative expense of management of the pushing companies is considerably larger than that of the conservatives, and great emphasis is placed on this point as though it were a decisive one. Nothing could be more misleading, for of two companies, the one with an expense ratio to income of ten per cent. and the other of twenty per cent., the latter may be a good deal the best in every way. It sounds somewhat plausible as an argument against aggressive tactics to hear that as such tactics call for heavy expense—new business often costing twice the expense loading—profits belonging to the older policyholders are unjustly taken to help to make up this large expense. To those who are in the habit of looking on the surface, and who jump to conclusions when one side of a question is seen, the above reasoning may seem to have force. We propose in this article to show that it is utterly fallacious. Fortunately for the settlement of this question, several of the United States companies have pushed to the utmost extent of their capacity for new business for four or five years past continuously, affording the data necessary to enable us to form reliable conclusions. From these companies we have selected the twenty having the largest amount of assets and assurance in force, dividing them into two groups of ten each. These groups we have called for convenience the "aggressives" and the "conservatives" respectively, the former representing those universally recognized as the "hustlers," and the latter the comparatively slow-going as to new business, though some of these habitually do a pretty fair amount of new business also. We invite attention to the following exhibit of surplus and total assets, with percentages, as important to our examination. The figures are from the statements of the companies themselves, as recently published.

AGGRESSIVE COMPANIES.

Name of Company.	Total Assets Dec. 31, 1889.	Total Surplus. Dec. 31, 1889.	Percentage Surplus to Assets.
Mutual Life	$136,401,328	$9,657,248	07.0
Equitable	107,150,309	22,821,074*	21.2
New York Life	105,053,601	15,600,000†	14.8
Northwestern	37,116,870	5,640,947	15.2
Ætna Life	34,805,819	5,745,091	16.5
Provident L. & T.	16,897,867	2,451,358	14.5
Penn Mutual	15,174,078	1,894,668	12.4
Massachusetts Mutual	10,415,817	857,342	08.2
National, Vt	5,971,506	921,820	15.4
Union Central	5,665,855	551,675	09.7
Totals	$474,653,050	$66,141,223	13.9

* Of which $15,972,463 belongs to tontines.
† $7,705,053 belonging to tontines.

CONSERVATIVE COMPANIES.

Connecticut Mutual	$57,874,972	$5,530,000	09.5
Mutual Benefit	44,629,228	3,407,511	07.6
New England	20,660,562	2,555,769	12.3
Germania Life	14,825,966	1,124,007	07.5
Manhattan Life	11,729,400	1,043,225	08.9
Washington Life	10,073,371	402,547	04.0
Phœnix Mutual	10,019,728	534,800	05.3
Home Life	6,708,449	1,404,378	20.9
United States Life	6,325,060	707,256	11.1
Union Mutual	6,158,616	317,128	05.1
Totals	$189,005,352	$17,026,621	09.0

In the light of the above figures, what becomes of the theory that the companies pushing vigorously for new business are doing so at the expense of the older policyholders? It will be seen that, so far from the aggressive companies having used accrued surplus unduly for the business of 1889, they actually hold in trust for their policyholders about *five per cent.* more to their assets than the conservatives. In other words, if all the companies here named could cease all new business to-day and distribute their surplus to the members, those belonging to the first class would receive about thirty-six per cent. more than those in the second class.

In order to make the situation still clearer we pursue our analysis a step or two further. We shall show just what the death rate and the expense rate to mean amount of insurance in force has been, not for a single