

public, a portion of whom may become members, the law requires an exhibit of each company's affairs. It would give us great pleasure to be able to record the fact that the mutual principle had been carried out, and that satisfactory publicity had prevailed in the making of the customary annual statements. Much, unfortunately, is not the case. Anything like a full, business-like statement of affairs, in detail, such as a board of directors is required to make to the stockholders of a company, is the exception and not at all the rule among life companies. Important expenditures aggregating from a quarter of a million to a million or more dollars are covered under a single vague entry in the reports; nothing definite is shown about the cost of new or the expense of caring for the old business; new premium receipts are padded with irrelevant items; agency expenses and commuted commissions are inextricably confused; home office expenses, including salaries, are treated *en masse*; the profitability or unprofitability of buildings owned is concealed instead of being revealed, and a variety of minor transactions are "lumped off" without explanation.

Not only are these grave defects in the alleged annual statements found, as a rule, but anything like a frank statement of the various kinds and classes of insurance issued is unknown. This is especially true of the form of insurance known as tontine, which in the experience of some companies goes to make up a very large part of the business. Beyond the fact that a certain portion of the surplus—stated in bulk—belongs to the tontine business, nothing whatever is known. All else is a sealed book to the general membership, and equally unknown to the special tontine membership. We do not care here to raise the question as to whether the formation of special classes of policy holders with special privileges is consistent with the principle of mutuality, and we do not here enter upon a criticism of the tontine system, as such. The point which we urge is that a knowledge of the practices and of the condition of a company belongs of right to the policyholders as members of a mutual confederation. It has also recently transpired that a policyholder of one of the grants has entered suit in a United States Circuit Court, to compel a statement of the particulars of the settlement offered him on a tontine policy. Similar attempts, we believe, have been made before with this and other companies; but so far as we are aware, the courts have been prevented from pursuing an extended inquiry by a private settlement of the cases out of Court. Very likely such will be the history of the case referred to. Of the merits of the particular case referred to we know nothing, and refer to it here simply to show that the mutual principle does not prevail. We know of no good reason why a company should refuse to give, upon application, a simple statement of account covering the history of John Brown's policy when settlement is offered him. We assume of course that the books show, as they profess to show, exactly how the results belonging to any tontine policy have been reached. Certainly the information is not the exclusive property of the book-

keeper or of the board of directors, but if mutuality means anything it is also the property of the holder of the policy. The excuse for withholding information of this kind is, we believe, that the attempt to furnish the information to several thousand members would entail great expense. Of course this is a very flimsy excuse, for, aside from the fact that probably not more than one man in a hundred would ask for the detailed information, any business which is in danger of bankruptcy from the employment of a clerical force sufficient to carry out the fundamental principle upon which it appeals to the public for business can scarcely find justification for its continuance.

The simple fact is, that the application of the mutual principle to life insurance means a frank and full report of the officers to their constituents, the members, or else becomes a transparent sham. The public, who have long been taught by the companies themselves that the policyholders constitute the company, are growing more and more dissatisfied with meagre statements, and with the assumption from home offices that the officers are really the company, and information if imparted comes of grace from the powers that be and not of privilege founded on vested rights. It seems to be quite time that either all that is professed by the companies conducted on the mutual plan be put in practice, or that the system be abandoned outright and corporate control through stock-holders take its place. Ambiguity does not belong to true life insurance management.

NATIONAL CONVENTION OF INSURANCE OFFICIALS OF THE U.S.

The twenty-fifth Annual Convention of Insurance Officials of the United States was held at Alexandria Bay on the 5th instant. The Hon. James F. Pierce, superintendent of insurance of the State of New York, presided, and took as a text for his address of welcome, Washington Irving's words on the influence of nature in forming character. He likened the business of insurance to "a stream deep as it is broad, and bearing with honorable faith the bark that trusted to its waves."

"Interference by the State," said the speaker, "is but for the purpose of freeing it from the dangerous sand-bar or perfidious rock."

A most valuable contribution to the work of the Convention was a paper on the official statements from life companies, required by the several States, entitled "Statement Blank for Life Companies," and read by Mr. George S. Merrill, commissioner of Massachusetts, and was as follows:—

"The present form of net balance blank was adopted by the Convention in 1874, and went into general use in 1875. Very few modifications of it by authority of the Convention have since been made, the principal one being a division of premium income into new and renewal and a separation of the cash from the other income items.

"When the form was adopted by the Convention, the convenience and importance of uniformity, both to the companies and the departments, seemed so apparent, that it was agreed that no change ought to be made in the blank by any one of the departments until the suggested change should have been submitted to the Convention for full consideration and discussion; then, if found necessary and appropriate, the change could be incorporated and the uniformity of the general form be preserved.

"The importance to the companies of the uniformity