

LIFE ASSURANCE.

No. II.

We suggested in the March number of this Magazine the necessity of fuller statements in the reports of Life Assurance Societies, or a submission of their affairs periodically to official auditors or accountants. Life Assurance is effected generally for a purpose, supposed to be remote, and that certainly is remote in the majority of instances. Security, therefore, is a more essential object to the insured than an economy measured only by a small per centage; but recent revelations respecting the management of joint stock companies have shaken confidence in the reports of an unpaid directory. We have before us the balance-sheet of one joint stock company, which has been three years in existence, has always paid a dividend at the rate of seven to eight per cent, reported itself growing into wealth at last July, and actually never had, for the past two years, profits equal to more than two-and-a-half per cent, at any time, and only had that small surplus at one of its half-yearly meetings, while in last October all its capital was lost; and yet the directors are shrewd business men, who manage their own concerns after a different fashion. We need scarcely remark, that this company was unconnected with Life Assurance.

The overland mails from Calcutta, received since our last publication, bring painful intelligence regarding three Assurance Companies in that city. They had advanced money on the bills or shares of the Union Bank of Calcutta. The management of that Bank has been alike bad and unfortunate. The shares a short time since brought a high premium, although a payment of £20 on each is now requisite to meet the deficiencies. The money, therefore, lent by the Insurance Offices on that security, and so far as its credit carried them in making the loan, is entirely lost; while if any shares stand in their name, which we trust is not the case, they will be bound to contribute their proportion of the deficiency. Two of the companies belong to India, and one to this country. The British Company will sustain the loss without failing to meet a positive engagement, we believe; but there is still a loss to the shareholders. The Indian Companies will draw on their proprietary.

The fullest publication of accounts would not have averted this calamity. The parties interested would have deemed the Union Bank of Calcutta a first-class security. There probably would have been no objections made to the investment; and, perhaps, in a case of this nature, examination by a well-informed and amply-paid official accountant, would be more valuable.

We repeat our conviction that the societies are prudently managed; that their funds are carefully invested; and that their engagements will be fully met; but the strongest societies will welcome any investigation, and the weakest in years and funds will rejoice in any means of guaranteeing their prudence and stability.

The history of Life Insurance belongs mainly to the present century. The first public company, the 'Alliance,' was formed in 1706, but its business was for a long period limited, and more policies have been issued with several companies during the last ten years than were effected in the century 1706 to 1806.

The practice of Life Insurance was not unknown prior to the formation of societies expressly and solely

intended for that purpose. It is understood to have been first introduced in Lombardy, and many of our monetary transactions are derived from the practices of the Italian commercial cities in the middle ages. The tide of commerce fluctuates, and many of its favourite resorts are now, and have long been abandoned and deserted. Its course, hitherto, has been regularly from the east to the west. The cities and ports of Asia-Minor, that once supported a dense population and an active commerce, are abandoned and waste. The old maritime capital of Egypt, long deserted, is but of late again recommencing a career of activity and greatness. The Italian cities are even now struggling through blood and battle, for that freedom of thought and act that may again restore their faded prosperity. There are few spectacles in Europe nobler, in the midst of exciting times, than the determined spirit of the Flemings in resisting the influence of their mighty neighbours, and adhering to their national independence and Government before urgent temptations. Even from Spain, once so great and now so fallen, the future has vivid and good promise. Commerce and its blessings came to us over all these lands. Oppression drove it successively from them to find a refuge here. We carried its principles over the broad ocean, and planted them in a lonely and uninhabited land, where they have become rooted, and have flourished until, with all their rough independence and waywardness, we can point to the Anglo-Saxon race in America, and their deeds, as the most convincing monuments of British influence and greatness.

There is a division in the commercial current at our geographical point in the world. When it touched the Atlantic, the old unbroken flow was divided, as if it had struck its permanent centre from which it was to circulate to every land. The circumstances of our Eastern Empire are more extraordinary than that of any other conquest or possession in history. Its establishment infused a spirit of activity and enterprise amongst the merchants of Hindostan; which may flag but will not fail, until it has drawn into use all the resources of that great land, and raised the position of its vast population. The Eastern possessions of Britain go quite into the rear of the old haunts of commerce. They place the faded districts of Asia and Europe between two influences, and render them again the highways and the halting places of the merchants. The issue is apparent. As the central powers of Asia become extinguished or civilised, commercial influences will extend eastward once more—fill up their old localities—aid in rebuilding the waste places—and help, from selfish and personal matters, unconsciously, in establishing the words spoken of old by venerable and inspired men, and in bringing forward the time when peace and good-will shall bless a world wearied with error and injustice, and bestow upon it the great day of rest.

This is a digression, though toward a subject of interest, for few topics could be more instructive than a research in the footprints of the loom, the forge, and counting-house, and the ship-yard. Those Lombards reduced monetary transactions more nearly into systematic form than any of their predecessors. They made banking a science. They formed a correct comprehension of the influence of accumulation; and they had contracts intimately resembling those of Life Assurance, and based upon the principles that guide all of that nature.

A dry methodical detail of facts in the progress of