

cisely similar business on nearly similar principles. They are (according to the report of a recent Parliamentary Committee) distinguished from non-collecting friendly societies, such as the Odd Fellows, mainly in three respects: (1) their working expenses are proportionately much greater; (2) they issue policies of insurance on life alone, whereas the non-collecting societies always combine life insurance with sick pay; (3) they exist chiefly for the benefit of their managers, whereas the non-collecting societies exist for the benefit of their members. In all these points the collecting societies approximate to the industrial companies. Nine tenths of the business which they do is confined to four societies, each of which has a premium income of more than £100,000, viz:—

ASSOCIATION.	Founded.	Income.	Expenses.	Funds.
Royal Liv. Friendly Soc.	1850	£405,000	£156,000	£1,104,000
Royal Lond. Friendly Soc.	1861	190,000	83,000	272,000
Liverpool Victoria Legal Friendly Soc.	1843	403,000	185,000	684,000
Scottish Legal Fdly. Soc.	1852	103,000	39,000	265,000
Totals.....		£2,101,000	£463,000	£2,325,000

After commenting on the expense ratio to premium income, which varies with the proprietary companies from 41.3 to 50.5 and in the collecting societies from 37.8 to 45.9, the respective averages being for the former 41.9, and for the latter 42.1, the article has the following on the volume of business:—

As regards the amount assured with the industrial associations, and the number of policies issued, the published returns are not quite up to date; but probably we shall not be far wrong in assuming that at least £120,000,000 is at present assured with the industrial companies, and £27,000,000 with the collecting societies—corresponding to some 11,000,000 lives. Of this business, the Prudential company takes more than half, the policies in existence at the date of the last valuation (December, 1891) being 9,617,484 in number, assuring the sum of £93,390,879. The average amount of each policy was £9 14s., and of each weekly premium a fraction under 2d., both these amounts being slightly in advance of those given by previous returns. It is stated that probably the large majority of policies are on different lives. The immense and growing popularity of insurance among the working classes is shown by the fact that the premium income of the industrial associations has increased within the last six years by more than 50 per cent., and that probably more than 3,000,000 new policies were taken out in 1890, the last year for which we have general returns on this head.

COMPULSORY CLASSIFICATION ILLUSTRATED.

We are able to lay before our readers an object lesson of the plainest kind, showing how the compulsory classification scheme advocated by the *Spectator* looks when reduced to practice. It seems that the Government statistician of New South Wales assumes authority under the "Census and Industrial Returns Act of 1891" of that colony to require of every fire and marine company doing business therein a detailed statement on a most complicated blank form as large as a horse blanket, giving the particulars belonging to no less than 33 separate classes of risks. A second blank form is also furnished to make sure that all the secrets of the business shall be made known. In order to show just what is required of the companies, we append the headings of both blanks. The first heading

and number one of the 33 risks to be scheduled is as follows:—

DESCRIPTION.	BRICK and STONE.			WOOD and IRON.		
	Net amt. Insured.	Actual net Prem.	Net Losses	Net amt. Insured.	Actual net Prem.	Net Losses
1. Agricult. Risks..						
{ Workshops, barns, farm stables, implements, granaries						

The second blank is as follows:

DESCRIPTION OF INTEREST.	Gross amt. covered.	Gross Premiums	Gross claims paid.
On Buildings.....			
On Contents.....			
Other Interest not coming within the above.			

This Australian statistician, in order to make sure that every kind of risk is included in the detailed report, after naming the 33 with amplifications, similar to "Agricultural Risks" above, adds No. 34 as "Other risks not above specified," while in the second form above given it will be observed that "Other interest" not included in buildings or contents covers everything conceivable as a subject of insurance. Very naturally, the underwriters of New South Wales regard this requisition by a Government official as an unwarranted attempt to compel the companies to give for the simple gratification of the public curiosity information of private affairs having nothing whatever to do with the financial standing or condition of the companies, and a most vigorous protest is the result. The endless trouble and heavy expense of giving the information here required can be realized only by a trained insurance man. The *Spectator* can meditate at its leisure on what the result to the companies would be were its compulsory classification project carried out in forty-four States and six Canadian provinces. We believe in and have advocated a classification of fire risks by the leading companies, the results to be shared in common for the good of the business, but to be strictly under their control, like any other of the private affairs which concern business corporations and them alone. Compulsory classification for the public eye is entirely a different thing, inquisitorial, unnecessary, and an unwarrantable interference by the State with private rights and privileges. It is an interference not to be endured, much less encouraged.

A QUESTION ANSWERED.

We have received from an agent of one of our life companies the following, with a request for our opinion as to the reasons for the company's decision on the cases named:—

An applicant asks to have issued to him a twenty year term policy, not renewable, at the company's ordinary rate for a twenty-year renewable term policy. The company decides that this risk is not good enough for the term policy as applied for, and a thirty-year endowment policy is offered. My query is, if the man is good for a thirty-year endowment, why is he not good for a twenty-year non renewable term policy, ordinary rates being charged?

Another case.—The company offers a twenty year endowment where a twenty-year endowment, semi-endowment plan, is refused. If the risk is good for twenty years on the one plan why not on the other?

In reply, we remark that companies are constantly called upon to decide the perplexing question of what