ment organisations have doubtless well served the cause of legitimate life insurance. Those whose eyes have been opened to the failure of the assessment system, cannot fail to see all around them friends and neighbours, who have been the beneficiaries of old-line life insurance. They will naturally, if they have not, as on too many occasions is unfortunately the case, got to old-age before they discover that they have been leaning on a bruised reed, turn to that kind of insurance that has repeatedly demonstrated that it can fulfil every promise and interpose unfailing succor in the hour of need. To all workers in the cause of legitimate life insurance, whether in the office or in the field, the time is propitious and the outlook encouraging. Confidence in the system and respect for its representatives is widespread and growing every day.

FIRE LOSS RATIOS BY STATES.

Our Chicago contemporary the *Argus*, publishes some interesting tables regarding the fire loss ratios by States. Its ratios are based on the business done by stock companies and the few mutuals which write generally on the cash plan. These companies carrying over 95 per cent. of the insured risks of the country, it follows that the underwriting results obtained by them offer a practical guide for purposes of study.

An admission by the Missouri insurance department, which is of particular interest in view of present circumstances that fire insurance is not as a whole profitable if the losses absorb more than 55 per cent. of the premiums, leads the *Argus* to an ingenious system of emphasis of unprofitable years. Some of the results shown are not particularly bright. In Alabama, for instance, seven years out of the last eight have been unprofitable; in Idaho and Maine, six out of the last ten; in Mississippi, the last five years have been unprofitable with loss ratios of from 59 to 86 per cent. and in two previous years of the last ten, the loss ratios were 90 and 75 per cent. respectively, so that of the last ten years, seven have been unprofitable. Tennessee has the same record of seven unprofitable years out of ten, though the loss ratios are not so high as in the case of Mississippi; in Oklahoma, South Carolina and Texas the last five years have been unprofitable; in Missouri the last four; in New Hampshire and New Mexico, five out of the last ten. A ten-year average, 1903-1912, shows in the case of California (including, of course, the 'Frisco disaster), a loss ratio of 148.17; in Maryland (affected by the Baltimore conflagration in 1904) one of 118.33; in Maine (where the Bangor fire of 1911 swells the returns) one of 69.15; and in Mississippi, 66.82. Several other States are close up.

Aggregate average losses in all the States during the last ten years have been as follows:—

1903	47.90
1904	60.15
1905	45.94
1906	108.05
1907	44.69
1908	54.36
1909	48.95
1910	51.09
1911	54.73
1912	53.91

THE POLICY LOANS PROBLEM.

From the standpoint of life insurance both as a beneficent institution and as a practical business, the situation is little less than deplorable, at least on its face. The whole growth and development of life insurance has been predicated upon the conception, not of a convenience offered to the insured, but of the fulfilling of a duty by the insured to those dependent upon him, a duty calling for the highest degree of unselfishness, self-restraint and self-abnegation on his part. No man who has spent his life in persuading the reluctant, the thoughtless and the happy-go-lucky to submit themselves to the severe regime of carrying life insurance, using the arguments of duty to accomplish this result, can help feeling something like abhorrence for a change that appears to undermine all he has been working for. He realizes how many cases of bitter disappointment, of just expectation mocked and even of actual distress must result for those left dependent by death, through this dissipation of what had been counted upon for the support of a decent and seemly life. Patience almost ceases to be a virtue when such possibilities are contemplated and when the thought insistently returns to the essential contradiction between the cause of the mischief and the very theory of the institution in which the mischief is showing itself.

A POSSIBLE DANGER.

From the purely business point of view, moreover, the thoughtful life insurance man can hardly see without anxiety an increasing possibility of disturbance, loss and even danger intruding upon a business never designed to meet this particular strain. It is not that policy loans are in themselves unsafe investments for the assets of life insurance companies. On the contrary, no investments are more absolutely secure. But the necessity of being always ready to make them and the uncertainty as to when they will be called for in a large volume introduce elements of incalculability into what requires to be absolutely calculable. The very basis of life insurance on its financial side is the continuous investment at a fair rate of interest of all but an infinitesimal part of the resources of every life insurance company. And this continuous investment must not be exposed to incalculable losses occasioned by sudden and perhaps pressed transfers from one form of investment to another. The panic year of 1907 startlingly revealed to the managers of our life insurance companies with what violence and in what numbers their policyholders may on occasion descend upon them for loans, some to save themselves from commercial wreck, others to obtain quickly the means to take advantage of the opportunities for profit afforded by such a time. Sales of investment securities in such ruinous markets may involve losses that are ill compensated for by the theoretically higher rate that policy loans bear, as compared with sound bonds. Though happily the companies were strong enough to meet successfully the demands made upon them in 1907, it is scarcely to be wondered at that the more far-seeing managers are apprehensive as to what might happen in another similar time, but with the practice of borrowing on life insurance policies vastly better known and more general than it was in 1907.—*Market World and Chronicle*. N.Y.