of less than seven days' duration, except when an additional premium shall be charged for the insurance.

4. That confinement to the house be required for the payment of full indemnity, except under policies for which additional premium is obtained.

Further recommendations applicable to both accident and health policies:

1. That prior to January 1, 1912, no features eliminated are to be reinstated on any policy, nor shall any company substitute for any of the features eliminated any new features, without requiring a specific adequate additional premium to the prevailing rates for policies of accident and health insurance now being issued."

To the second letter containing this plan, favourable replies were received from 49 companies. Replies to the first letter from companies that omitted to answer the second, twenty-eight in number, were of such a character as to indicate a favourable attitude to the plan as outlined in the second letter, so that a total of seventy-seven companies may be considered, the committee said, as favourably disposed toward this proposition.

At a third meeting, the attitude of several companies was considered to the effect that (as a condition of their accepting the proposed changes) either all companies should make the conditions which it is purposed to apply to new business following January 1, 1911, also apply to renewals after January 1, 1911, or be permitted to equip their agents with policies similar to those now being used for the purpose of enabling their agents to take care of such business as they might have in other companies but which they would, if afforded these facilities, be able to transfer to those companies newly entering the accident field. By reason of the size of these companies and their agency organizations it was deemed inadvisable to proceed further with the subject until the committee could report progress to the executive committee and be further instructed as to the course to be pursued. The committee notified, therefore, the companies of the situation, and asked to be continued with power to secure the active co-operation of the companies which had not, up till then, signified their approval of the eliminations proposed by the committee in their second letter.

These important recommendations gave rise, as has been said, to lively discussions extending over more than one day. A great bone of contention was the question as to whether or not the new conditions shall apply to renewals. The upshot of it was that a motion was passed approving the recommendations of the committee with regard to policy changes and instructing the executive committee to receive their report and continue the committee in order that it may continue its missionary work to induce all companies to agree to the proposed changes. A poll of the convention was taken to ascertain the understanding of each company as to whether the proposition applies to renewals or to new business only. The poll showed that three companies understood it to apply to all the business; while 19 companies understood it to apply to new business only.

MONTREAL BANK CLEARINGS made a new high record, this week of \$45,352,528, against \$44,509,192, last week's record.

RESERVES OF CERTAIN CLASSES OF INSURANCE COMPANIES.

Among the questions discussed by Insurance Commissioner Hardison, of Massachusetts in his recently issued annual report is that of the reserves of companies doing what is commonly summed up in the phrase a "miscellaneous" business. Reserves as now looked upon in insurance circles, says the Commissioner, have a wider significance than formerly, or before liability, surety and credit insurance began to be written. Reserves and unearned premiums were then practically synonymous terms. Now, besides the premium reserve, we hear of loss reserves, that is, funds held for undetermined losses upon which the contingency has occurred which entitles the insured to indemnity, the amount of which remains to be determined. In the three classes of insurance mentioned, loss reserves of this character have to be held in large amounts. In only one class, however, does the Massachusetts statute establish a rule for computing such reserves. Yet while it does establish a method of doing it for liability companies, there is a general belief, shared by the Insurance Commissioner, that this reserve although it has greatly increased the amounts held by the companies prior to its going into effect is not large enough to protect properly the interests which are depending upon it. Settlements under this class of policies are sometimes delayed for ten years or more, so that there are companies which cannot to-day give a completed experience on liability policies issued in the year 1900. Greatly to their credit the companies doing this class of business are eager to have new laws enacted which shall provide for the setting aside of adequate reserves, and a committee of managers of these companies representing practically all of them, is engaged in an exhaustive investigation to determine from the past experience of the companies what reserves should be carried to adequately protect their policyholders. The insurance Commissioners also have lately taken up the same question through a committee, and later there will be a conference with the committee of the companies to compare notes and come to conclusions. Quite likely a bill will be drawn up for the consideration of the Commissioners at their next convention, and if it passes muster there it will doubtless be presented to the legislatures of the various States for their consideration and judgment.

The question of surety loss reserves, says Commissioner Hardison, is more complicated; there has been less experience to use as a guide and it is probably true also that experience would not be as reliable a guide as in the case of liability insurance. The practice of the Massachusetts department for several years has been, however, to require the surety companies there operating to compare each year in their annual reports the actual amounts required to settle unpaid losses at the close of the preceding year with the estimated amounts carried as a liability, thus obtaining a line upon the adequacy of the estimates. With some companies, remarks the Commissioner, their judgment has seemed to be wide of the mark, and the department has reinforced these estimates by