

ON THE SAME SUBJECT.

To the Editor of the Assurance Magazine.

SIR,—In pursuance of that system of interim-communication which has always existed between Mr. Spens and myself during our printed correspondence in your pages, he now further refers me to some remarks of his, for insertion in your January number. I have only to state, in reply, that I conceive your readers, like myself, will be still sceptical as to the admissibility of Mr. Spens' two propositions, which I infer to be—firstly, that although a healthy man at 45 is readily to be distinguished from a healthy man at 25, still that time, in changing everything else, leaves the year's chance of mortality untouched; and, secondly, that about 8s. is the true premium for an insurance of £100 on a healthy man for one year, at any age from 25 to 45. If such be the conclusions to which Mr. Spens' own collected data, upon examination, lead him, I conceive I may fairly once again refer him to a former paper of mine, "*On the reliability of data, when tested by the conclusions to which they lead,*" and leave the question in the hands of your readers to determine what trust, for practical purposes, is to be placed in data from which such paradoxes spring, and how far such data are to be allowed to override other data which do not weaken but confirm our general impressions.

Your obedient Servant,

EDWIN JAMES FARREN.

GOVERNMENT INTERFERENCE WITH ASSURANCE
COMPANIES IN GERMANY.

To the Editor of the Assurance Magazine.

(The following extract from a letter from HERR RATH. G. HOPF, of Gotha, may be interesting at the present time.)

SIR,—In Germany the number of new Life Insurance Offices is considerably increasing, though many projects are hindered by the Governments. With the exception of the Hanseatic Towns, where insurance affairs are quite free and under no constraint at all, the rule is to be found in all countries of Germany, that an Insurance Company cannot be established without the permission of Government. Before granting this permission or license, the Government examines the statutes and tables of premiums, and demands alteration if it finds any one thing or another not according with its principles. Indeed, many an unsubstantial project is stifled in the first germ by this measure; but many a good enterprise is also put under a constraint which prevents its free movement and useful development. One great disadvantage is, that the different Governments of Germany act upon different principles; and that a new Insurance Company, when it has satisfied the prescriptions in its own country, must then also satisfy the claims of the other 34 States of Germany, which are frequently very different, before it can effect assurances and appoint agents in them. Some Governments are very strict in admitting foreign Assurance Companies; and the Austrian Government allows, a few cases excepted, no Company from an-

other country to appoint agents in its States. This want of competition was the reason why assurance was for a long time in Austria at a very low ebb; only lately it has begun to extend from Trieste, where some well organized Insurance Offices exist. Up till recently it was principally fire insurance, on which the different Governments practised a very restraining oppression; but lately they have begun also to extend it to life insurances. Thus, for example, the Hanoverian Government has lately demanded from all Companies which do business in that country by means of agents, that they should give in, besides the tables of premiums, also the mortality table according to which the premiums are computed—that they should also specify the net premiums, the marginal additions to the net premiums, and the reserve value of the policies for the different ages. The Government of Wirtemberg demands likewise the production of the mortality table, and stipulates moreover that each foreign Life Assurance Office should appoint a chief agent as plenipotentiary-general for the whole kingdom—that it should deposit every year with the Government statements of the new insurances effected in Wirtemberg, and of the amount of all the assurances there—that it submit, also, in questions of dispute, to the decision of the tribunals of Wirtemberg, and according to circumstances give bail to the Government for the punctual execution of its obligations. Thus the claims of different Governments are often very different; and many an establishment which has submitted to the claims of one Government can therefore easily be excluded from another country, because prescriptions are made in it which do not agree with those claims. In the great subdivision of Germany these are difficulties which throw great obstacles in the way of a beneficial development of assurance business. Every established Company, after having existed some time, would hesitate to make essential alterations in its statutes, because it would be obliged to obtain the consent of all those Governments to it in the countries in which it effects business, which is frequently subjected to great difficulties. As for fire insurance, the forms even of the proposals of insurance and of the policies are subject to the control of Government, and different Governments have laid down different rules for them; so that one and the same Company must use different formulæ at the same time, according as it effects insurances in this or that country. If your country shows the injury and defects which arise from the want of control as regards assurance, you will find soon in Germany the inconveniences which result from applying too many and too different regulations.
