

serve to reduce competition, however desirable that is conceded to be. The history of insurance is conclusive as to the fact that consolidations are always followed by new creations, a crop of new companies springing up of greater or less calibre to take the place of those eliminated. We trust that the prudence of the maxim, to let well enough alone, will not be overlooked by our good friends who are in the current of the amalgamation agitation.

ASSESSMENT AND LEVEL PREMIUM MORTALITY.

The theory of assessment life assurance is, that on account of the large accession of new lives, the infusion of "new blood," the death rate will show but a slight increase, and that the assessment rate from year to year will therefore show but a slight increase. Facts, however, demonstrate that this theory is only a pleasant fiction, and that those associations favored with the largest continuous new business invariably record a steady creeping up of the mortality rate. When tried by the rigid scientific test applied to level premium companies, viz., the consideration of years of exposure, deaths, and resulting death rate for a series of years, it is found that the leading assessment companies, so far from securing exemption from the unvarying law of mortality by some mysterious legerdemain, show a larger increase in the rate, even for the first dozen years, than the level premium or reserve companies. That this is so we call in evidence a published tabular statement by Actuary Walter C. Wright. We append the experiences of the following from one to eleven years, inclusive:—

Year of Assurance.	Mutual Life. Death Rate.	Mutual Benefit. Death Rate.	Connecticut Mutual. Death Rate.	Australian Mut. Prov. Death Rate.	30 American Offices. Death Rate.	12 Assessment Cos. Death Rate.
1	65	75	78	60	82	38
2	70	86	81	62	93	66
3	85	97	87	62	1.01	83
4	93	1.06	94	78	1.09	93
5	1.01	1.10	1.03	75	1.14	1.02
6	1.03	1.02	1.10	83	1.18	1.14
7	1.11	1.13	1.11	97	1.23	1.26
8	1.00	1.19	1.18	1.15	1.19	1.41
9	1.15	1.14	1.23	1.00	1.24	1.56
10	1.22	1.37	1.23	93	1.28	1.69
11	1.42	1.31	1.29	1.16	1.34	1.80
Total.	1.01	1.08	1.05	86	1.13	1.17

Here it will be observed that, while the assessment associations experience the inevitable increase of mortality which comes with increasing years, and for which the level premium system provides by its reserve accumulations, that increase is much more marked than in the experience of any individual company named or of the thirty American offices combined. In the sixth year the assessment companies' death rate exceeds that of the four companies given, in the seventh it exceeds the thirty companies, and goes on rapidly increasing up to the eleventh year, when it is higher by more than one-third than the average of the combined thirty companies. If we take the average of the last five years given, we shall find that the rate of the thirty companies is 1.25, as against 1.54 for the assessment companies; while the Mutual Provident of Australia is 1.04, the Connecticut

Mutual 1.21, the Mutual Benefit 1.23, and the Mutual Life 1.18. This comparison of experiences demonstrates not only that increasing mortality relentlessly follows the increasing age of insureds without respect to plans or promises, but that the selection of lives by the assessment associations is evidently made with less care than by the regular companies, as indicated by the more rapid increase in the death rate of the former. Inasmuch as the years of life exposed to risk, from which the above results are deduced, were considerably more at the commencement for the twelve assessment companies than for either of the four companies considered, it will be seen that the data for correct conclusions as to them was ample.

THE ROYAL-QUEEN ALLIANCE.

At this writing, there is nothing especially new concerning the proposed alliance of the Royal and Queen insurance companies. Comments on the situation are abundant, however, in our English exchanges. As samples of much that is said, we append two extracts from correspondents of the *Insurance Record* of London for October 17. The first, from "An Actuary," says:—

No sufficient reason has yet been advanced why the companies should coalesce. No official intimation has yet been given to the shareholders that a change was impending, and it is therefore not surprising that the projected union is regarded as more to the advantage of speculators for the recent rise than as beneficial to the true interests of permanent investors and, perhaps, of insurers.

Another correspondent, and who subscribes himself "Shareholder," says, referring to a former correspondent:—

It is true, as stated by your correspondent, the loss of the Royal is lower than that of the Queen; but the latter company having found the secret of success, viz., getting rid of and avoiding proved bad business, would year by year improve her position. Within the last three years these shares have risen some 122 per cent., as against a rise in the Royal's of 51 per cent. Why, therefore, this amalgamation, when we are on the right road to success and well able to hold our own? Having carefully gone into this matter, I cannot help thinking that there is great weakness both in the board and management in entertaining the idea, and trust that the shareholders will endorse this by voting against the amalgamation.

It may, we think, be regarded as certain that the shareholders of both companies will ratify whatever action the directors may recommend, and it is likely that the Chancery proceedings, afterward required to consummate the consolidation, will be favorable. Mr. E. F. Beddall, United States manager of the Royal, who returned last week from Liverpool, is credited with stating that the United States branch of the Queen will probably be continued for a considerable time substantially as at present. He also intimated, that a big American company might be organized, backed by several millions of Liverpool capital, which of course means the Royal-Queen pushing for American business under a new organization. It will be some weeks before the definite moves on the chess-board will be seen by the public eye.