

Lapses, Death Losses and Membership in 60 Assessment Societies

Transacting business in the United States.

	POLICY ACCOUNT.						MEMBERSHIP.			Deaths Occurring.			Ratio of Death Losses per 1000.		
	1898.		1903.		1908.		1898.	1903.	1908.	1898.	1903.	1908.	1898.	1903.	1908.
	Written.	Lapsed.	Written.	Lapsed.	Written.	Lapsed.									
Group I. — Totals and averages (21 companies, aged 30 to 40 years) ...	50,982	48,417	93,978	54,062	54,237	55,707	571,368	654,681	609,448	7,750	9,189	9,559	13.56	14.03	15.68
Group II. — Totals and averages (16 companies, aged 25 to 30 years) ...	191,556	60,007	226,375	134,409	228,095	140,416	923,210	1603,406	1936,770	5,560	10,865	14,675	6.02	6.77	7.57
Group III. — Totals and averages (5 companies, aged 20 to 25 years) ...	10,997	7,939	21,291	13,411	24,653	25,331	69,535	112,196	155,192	513	951	1,547	7.37	8.47	9.96
Group IV. — Totals and averages (18 companies, aged 12 to 20 years) ...	113,185	31,791	173,990	75,944	210,569	87,969	287,160	780,678	1245,840	1,447	4,551	8,753	5.03	5.82	7.02
Grand totals and averages (60 companies, aged 12 to 40 years)	366,720	148,154	515,634	277,826	517,554	309,423	1851,273	3150,961	3947,250	15,270	25,556	34,534	8.25	8.11	8.74

LOSS OF MEMBERSHIP BY FRATERNALS.

As pointed out a week ago, for every \$100 of new insurance issued last year by eighteen fraternal orders doing business in the Dominion, \$120 terminated by maturity or lapse. Under such conditions it is not surprising that there seems little of the old-time enthusiasm in Canada regarding reserve-in-your-pocket methods of insurance. Strange to say, last year brought a considerable increase in fraternal associations in some sections of the United States, though the present condition of the older-established orders is far from affording encouragement to new ventures. It is no bright page in insurance history which chronicles the rise and fall of assessmentism in the United States. Of hundreds of business assessment associations few survive, but scores of fraternal orders still carry on more or less active operations. Indeed, those assessment associations and fraternal orders which are over ten years old carry about four million individual certificates on their books—so that the protection of millions of wives and children in the United States depends upon this precarious source.

In its issue of a week ago, *The Spectator*, of New York, gives a table of assessment orders listed according to age. Four groups are given, the first including those between thirty and forty years of age. In this group the average death rate is high and steadily increasing, while lapses last year exceeded new certificates written. Naturally the membership has shown a marked decrease during late years.

In the second group are included societies between twenty-five and thirty years of age, including the largest fraternal order and the largest business assessment association doing business in America. In this group the membership amounts to nearly

two millions, but the beginning of the end is in sight; the death rate shows an increase in each quinquennium, and the lapse ratio is materially greater than in former years.

And the same story is already being repeated in connection with groups three and four, although they include some of the large organizations between twelve and twenty-five years of age.

Altogether, the tabulation shows an increase in the death rate from 8.25 to 8.74 per thousand members during the past decade, while the lapse rate to new issues went up from 40.4 in 1898 to 50.8 in 1908. During the five years ended with 1903, the membership increased 1,299,688, while since 1903 the increase has been but 796,289, or about 40 per cent. less.

RATES AND THEIR MAKING.

The practical man is inclined to skepticism regarding academic comment upon his own line of business. And it is not surprising that fire underwriters have, some of them, been a trifle disdainful of the enthusiasm displayed by university professors in offering the underwriting wisdom of the ages condensed into lecture courses and measured out according to "major" and "minor" credits. But with the lopping off of some initial exuberance, the movement bids fair to be a useful one to insurance and business interests generally.

Certainly, if an article contributed to the August issue of the *Yale Review* be any criterion, the universities should exert considerable influence upon fire insurance development in America—not so much by any training of prospective underwriters, as by spreading a knowledge of insurance principles among the educated youth who are taking their places as subalterns in the general business army.