

It is probable also that sufficient energy is not being devoted by the companies to the business of systematically following up lapses with a view to the re-instatement of the policies. A certain number of the companies have departments engaged in this work, apparently with beneficial results. But while last year lapses in Canada totalled over 85 millions, old policies revived were less than ten millions, a considerable proportion of these being industrial revivals. These figures suggest that there is considerable scope for a thorough policy of following up lapses with a view to re-instatement.

The ratio of lapsation is in a sense a measure of the efficiency of the life insurance machine. While there is life insurance, there will always be lapses, but their irreducible minimum in Canada is a long way off from the present figures. Until that irreducible minimum is reached the Canada life insurance machine cannot be said to be thoroughly efficient.

THE FAILURE OF ASSESSMENTISM.

It must be fully thirty years ago since *THE CHRONICLE* first took up the subject of the shortcomings of the assessment system of insurance as practised by the various assessment and fraternal societies which flourish throughout this Continent. Year in and year out since then, *THE CHRONICLE* takes some credit to itself that it has been in the forefront of the battle for sound life insurance. Again and again this journal has exposed the fundamental fallacies of the assessment plan of life insurance, both generally and in specific instances where Canadian orders practising this form of insurance have followed unsound lines. *THE CHRONICLE* has pointed out that the laws which govern mortality are inflexible, that the dying members in any large aggregation of human lives are a fixed proportion of the living members, that as the average age increases, so must the death rate increase, and that any plan to meet this increasing mortality by post-mortuary assessments must break down under the burden of those assessments. It was demonstrated that the introduction of "new blood" could not, save temporarily, arrest the onward march of the death rate and that the people who, under the delusion that the early assessment rate could be permanently maintained, came into the associations in regiments would, under the enormous and unlooked-for burden of increasing assessments, go out in battalions; that the deserters would naturally be those in good health who might hope to get insurance elsewhere, while those who stayed in would be in the main a bad class of risks. It was insisted that even under the most capable management and the most favorable conditions, the old assessment plan must fail, because it was an error in conception and a delusion in practice. The logic of mathematics and the experience of a century

and a half have shown that an equated or level premium providing for a gradually increasing fund, called a reserve, with which to meet future high mortality alone fulfills the conditions of permanent life insurance, and the history of the oldest companies was cited to demonstrate the certain and satisfactory protection furnished by them without any increase of the burden of premium payments.

At the present time, to a certain extent, the battle of sound life insurance against assessmentism has been won. No longer do the assessment societies and the fraternalists lift up their voices and proclaim their cheerful defiance of every known law of mathematics. Even to the most obstinate of fraternalists, it has been gradually brought home that the assessment system as it has been generally practised in Canada, has been thoroughly unsound and in the long run only capable of bringing disappointment to those who put their faith in it. Numerous organizations have dropped out of existence, destroyed by the inexorable law of mortality, and most of those now remaining have capitulated to force of circumstances. They are all in a hurry now to make radical changes in their plans. It is true that in some instances these changes are not wholly satisfactory in character, but still the important point has been reached where it is admitted by the leaders of the assessment movement themselves that the old lines of assessment insurance were rotten, and that if it is to continue it must be put on a sounder basis.

Whether under the changed circumstances assessment insurance will ever regain the tremendous hold upon the general public which it at one time held, but which has been badly shaken within recent years remains to be seen. Its chief asset is its social side. Man is a social and gregarious animal and likes dressing up, and the trappings of office of the fraternal societies in the past have often been sufficient to cover a multitude of shortcomings in finance. At present there is a strong revulsion of feeling against the assessment system. Members who have found that they have put their trust in a broken reed are falling off by hundreds, and it is probable that this movement will continue at least for several years more. Possibly, also, it will be found that the lesson which has been lately taught by the assessment societies to their members of the un wisdom of defying mortality laws has been so harsh and bitter that even the magic influence of social gatherings and gaudy trappings will be unable to oppset it and that the best day of the assessment societies and fraternalists has gone forever.

Mr. Lewis L. Laing, assistant manager Liverpool & London & Globe Insurance Company, has returned to Montreal after an absence of four weeks visiting important agencies of his Company in the West. This was Mr. Laing's maiden trip to the West.