

LIFE ASSURANCE MAGNITUDE AND SOUNDNESS.

The history of legitimate life assurance is a history of successful achievement from the very beginning of its career. Founded on sound principles and appealing to a need as universal as the extent of civilized human society, it has grown not only marvellously but on the line of a vigorous soundness characteristic of but few enterprises. Not half as old as Magna Charta and the trial by jury, the pillars of English and American liberty, it stands to-day pledged on two continents not only for the payment of more than ten thousand millions of dollars to policyholders and their beneficiaries, but equipped with invested assets of nearly four thousand millions, demonstrating its ability to keep its pledge to the letter. This present view of the magnitude of the business, however, is only like the view from the reviewing stand as a great and victorious army marches by,—the record of achievements in the field and the incidents of the triumphant march are the essential things for consideration. Magnitude is not necessarily synonymous with strength; results are the only adequate measure of the latter. Judged by this standard, life assurance is found, however, to be both great and strong. We have taken the trouble to go over the record of the business as represented by existing companies in the United States showing results from their organization, the business of the oldest dating back to only fifty-one years. Thirty-seven companies are included in our totals, embracing all the level premium companies, excepting a half dozen or so of the younger and smaller ones doing mainly a localized business, and omitting entirely those transacting industrial business. In age, the thirty-seven range from eight to fifty-one years, the average age being about thirty-three years, or a single generation of life. Massing results from organization to the close of 1893, we have the following aggregates:—

Number of policies issued.....	4,601,365
Total assurance issued, amount.....	\$12,717,300,000
Total premiums received.....	2,345,400,000
Receipts from all sources.....	3,021,660,500
Death claims paid.....	730,940,000
Endowments and annuities paid.....	158,700,000
Dividends to policyholders.....	394,810,200
For purchased and surrendered policies.....	311,114,800
Total paid to policyholders.....	1,598,565,000
Total assets Jan. 1, 1894.....	940,852,938
Assurance in force Jan. 1, 1894.....	4,590,038,000

If industrial assurance were included in the above, the assurance issued would be increased by 6 or two thousand millions, and the payments to policyholders by about sixty-eight millions. Great as are the above totals of the thirty-seven companies, the real significance of the figures is to be found in the relation of the various amounts to each other. It is not so much the matter of aggregates that is of first importance as it is the *proportion* of the aggregates. It will be seen that the total amount returned to policyholders has been \$1,598,565,000, and that the assets on hand, invested for and belonging to policyholders is \$940,852,938, making a total of \$2,539,417,938 received by and belonging to policyholders; while the amount paid the companies for premiums has been \$2,345,400,000. This

shows that the payments to policyholders, plus the assets on hand, have been \$194,017,938 more than they have paid in premiums. Such is the amount and earning power of the assets that any one of the companies might cease the issue of new policies entirely to-morrow, and yet pay every death and endowment claim as it matures as easily as it has paid these claims heretofore.

We might easily stop to moralize on the beneficent results to tens of thousands of homes and to society at large, because of the payment of the above almost \$890,000,000, for death claims and matured endowments, as shown. We might with propriety tell of the thousands of helpless orphans and sorrowing widows furnished with comfortable shelter and food and raiment and the means of education and the accessories of refinement, who otherwise would have been left to charity or the streets, many of them to swell the lists of vice and crime. As a factor in the solution of some phases of the social problem, the four and a half billions of assumed assurance on more than a million and a half of lives is of great importance; but at this time we desire only to call attention to both the absolute reliability and the economy to the policy-holder of the protection furnished by level premium life assurance, as compared with the assessment variety. The misguided advocates of that system talk much and earnestly about the low cost of the protection which their system claims to furnish, simply because the first half-dozen years of the thirty or fifty which are likely to represent the duration of the policy call for a comparatively small assessment premium, forgetting that true life assurance deals with *all ages* when constructing the premium. Experience has already demonstrated, in the few years of assessment assurance history, that in the best of the associations the cost to a policy of twenty or twenty-five years' standing will exceed that of a policy of the same age in the level premium companies, and must still go on increasing to a point of unbearable expense. The man who dies young is the only one who gets cheap assurance on the assessment plan—provided always that his beneficiaries get the assurance at all. On the contrary, the policy-holder in the level premium company has *not only* the guarantee of a steadily accumulating reserve, ample for the purpose, that his policy will be paid in full at maturity, but he gets this guarantee at a decreasing cost, not only theoretically, but actually, as the almost \$395,000,000, paid in dividends to policyholders, as above shown, demonstrates. Besides this, the policy-holder who finds himself, for any cause, unable or unwilling to continue his policy gets back, upon its surrender, either in paid-up assurance or in cash, approximately his portion of the reserve accumulations, as witnessed above by the more than \$314,000,000 of *cash* payments for surrendered policies. A more economical management during the past few years would have reduced the cost to the level premium policy-holder materially; but, as the account stands, the cheapest life assurance in the United States and everywhere else has been and will continue to be furnished by companies conducted on the level premium system, whose foundation rock is absolute safety to the individual, seriously imperiled never by the withdrawal of his associates. Statistics, so far as accessible, show the same results to regular life assurance as above chronicled among the life companies of Great Britain. The record above presented is magnificent in its proportions and an object lesson in its equities.