

Nobody will seriously dispute the proposition that equity must be preserved as far as possible between insurers if satisfaction is to be given. To secure and maintain equity between insurers, rates of premium must be so adjusted that each individual insurer, while he lives and keeps his insurance in force, must pay the full value of his own risk. This is secured at first and always under the level premium plan, if the rates charged are sufficient. Under what are called natural premium plans it is only secured by charging enough to start with to cover the ascertained value of present risk, and advancing the cost to each insurer when and as often as it is necessary to do so to secure from each insurer payment in full for all the risk covered on his own life, and also his full share of expenses of management.

Failing to require each insurer to pay fully for his own protection on an equitable basis, in order that funds may be in hand to meet claims, it is absolutely necessary that some other insurer must pay more than he should for the protection he is getting, and to adopt any method which does not preserve the equities