AN ASSESSMENT FORECAST FULFILLED.

An esteemed subscriber has recalled the references we made some thirteen years ago to the United Brethren assessment society as being an interesting fulfilment of a forecast as to the ultimate fate of that association. There was nothing uncanny in our prediction; we claim no gift of prophecy, but in foreshadowing in 1883 the collapse of the United Brethren, which took place last winter, we simply pointed out the terminal point of a course when pursued in a certain direction, just as one who watches a toboggan sliding downwards is able to say where its career will be stopped. It was acknowledged then, as it was for many years, that the United Brethren was "the largest and best Pennsylvania assessment society, its affairs being most economically managed, and its lives being of a higher than average quality, the members being highly temperate, industrious, and free from the risks incident to a more promiscuous community. The argument which led up to the logical conclusion that this society had in it the elements of dissolution, is proven to have been sound by the result working out as predicted.

The great attraction of these companies is their offer of life assurance at a cheap rate. It costs a life assurance company a certain amount every year to carry a risk, this cost increases every year since the life assured is getting older. The companies, however, charge a uniform premium which does not increase.

As a result, in the earlier years the assured pays more than the cost of the risk, later on his payments are just equal to it, then they fall short of its actual cost. The process is analogous to the saving up to meet the necessities of the proverbial "rainy day," the day of decreasing strength, consequently of decreasing power to earn money to pay premiums. The companies accumulate the surpluses of the earlier years at compound interest to meet the deficiencies of later years. These surpluses, with interest, build up the reserve or net value of policies. Each premium in the regular companies is based upon the average amount required to enable the sum assured by the policy to be paid at maturity. As each premium is scientifically regulated on this safe basis it follows that the whole amount which is assured is absolutely guaranteed. In the earlier stages of the life of a policy, say up to the age of 60, the assured person is laying up a fund for his own personal benefit after that age, as he then secures an amount of assurance at a price far below what he could get it for as a new applicant. And yet if he dies before that time, there is a high degree of probability that his contributions of premiums during his life will fall short of equalling the amount due to his heirs. In a large number of cases the policy holders in the regular companies have paid in only a small percentage of the sum the company has been called upon to pay over to the heirs. The co-operative or assessment societies can afford to charge a smaller premium on a policy for a few years than the regular companies do for one covering all the life But when those few years run out the extra cost must be provided for. It is evident that if each member in an assessment society is to be paid $1,000, each one on the average must pay $1,000 in assessments, with something added for expenses. This is manifestly the case, as there has been nothing laid up by such societies, as in the regular companies, earning compound interest, to meet the increasing cost of assurance as the ages of assured persons advance. The one system is based upon a providential care for the future, so as "to make assurance doubly sure," the other system is one of the "come day go day" order, having no thought for the future, no provision for its needs, and consequently, in a very large number of cases, no ability to meet the engagements it has caused to be entered into and relied upon. The assessment principle ignores, or inadequately values, the absolutely uncontrollable effect of its members' lives, and consequently their mortality increasing every year. This is a law which practically cannot be overcome, and certainly not overcome equitably to the members. The United Brethren, for instance, had a mortality rate of 44 in 1876, 48 in 1878, 53 in 1880, 55 in 1882, and so it went on.

In 1874 the number of deaths to members was under one per cent., in 1894 it had risen to 4.37 per cent. In 1874 the cost of each $1,000 was $9.10, in 1894 it was $43.70 The average yearly payment for each $1,000 was $30.02, and it was increasing yearly, so that, a man who entered at any age from 21 to 45 actually paid heavier premiums than he could have been insured for in a strong company with a certainty of no increase in the payments In the case of the United Brethren all his payments were lost, whereas, had he been insured in a regular company, they would have all gone towards the fund for assuring the certainty of his policy being paid

The Travelling Men's Association of Chicago is finding out how this system works out. In 1877 it had 3 assessments, in 1882 14, in 1887 19, in 18[illegible] 24, in 1895 45. In the last three years the membership has fallen off about 30 to 35 per cent. owing to this mortality law becoming known Their death rate kills these societies sooner or later, and leaves the mourners without any pecuniary consolation. As members grow older, their payments increase, the less they are able, the more they have to pay. What wonder then so many sacrifice all they have paid in, and retire to escape the growing premium calls!

At the first sign of these calls increasing, the influx of new members is checked, as younger men do not feel disposed to furnish funds to supplement the shortcomings of others. When this inflow is stopped the process of deterioration sets in rapidly. As the average age advances so do calls, until those who remain in find themselves in the painful dilemma of having to furnish large sums to pay mortuary benefits which it is certain their heirs will never be able to collect. To such members length of life brings increasing burden of more frequent payments, and the prospect of a heart breaking calamity in having to discontinue, or to waste them. The "rainy day" of advanced age has come, and nothing is provided to shelter him from the storm. His "cheap" assurance turns out to be worse