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THE UNREASONABLENESS OF UNBELIEF.

When John Locke wrote *the Reasonableness of Christianity*, and John Toland, his *Christianity not Mysterious*, they were both rationalists, though Toland went a step beyond Locke, altogether discarding revelation as an unnecessary crutch with which he had seen his predecessor hobbling before him. We know that Christianity is indeed mysterious, that the gospel of Christ is a hidden mystery unless it be revealed to the minds of men. We know that no amount of observation and speculation of human reason, no process of induction or deduction, from whatever analogies or premises, can establish one single article of the Christian faith. It was one of the fundamental errors in mediaeval scholasticism when the schoolmen endeavored to demonstrate the reasonableness of Christian dogmas before the tribunal of the human understanding. Anselm's "*Credo, ut intelligam*" was, in principle, as truly, though not in the same degree, unsound as Abaelard's "*Intelligo, ut credam.*" The "father of scholasticism" deceived himself and his friend Boso when he endeavored to *prove that God was made man by necessity*, and to prove it in such a way *as to satisfy by reason alone both Jews and Gentiles.*[1])

1) "*Cum enim sic probes Deum fieri hominem ex necessitate, ut . . . non solum Judaeis, sed etiam Paganis sola ratione satisfacias.*" Anselmi *Cur Deus homo*, Lib. II, cap. 22.

PARAGRAPHS ON INSURANCE.

Insurance, more especially, Life Insurance, has of late been much and variously discussed in various parts of our synod, and from what we have seen and heard of utterances on this subject, the chief difficulty in the way of many brethren toward a correct understanding of some of the aspects of the question would seem to lie in a lack of clearness and precision in their concept of the essentials of the subject and of the distinction between the various kinds of insurance with which we have to deal from an ethical point of view. That there are others besides theologians who are somewhat in the fog concerning the theory and practice of Insurance will appear from the following remarks of an expert, who says:

"Life insurance is an Egyptian mystery to almost everybody. The number of people in the world who believe they understand it could easily be seated in a small theatre; and, of these, there is probably not one who would admit that the others are better than tyros or dunces. The principle

is simple enough, but as soon as we advance beyond the principle, the differences of opinion begin to manifest themselves, and the further we go, the more they multiply. This mysterious and elusive nature of the business has many advantages for the sharper. It enables him, by skillful glibness, to gloze over difficulties which might otherwise be apparent to the obtuse or the illiterate. It also causes the law of insurance in almost every country to be in such a state that there are loopholes for fraud by any scoundrel who has the ingenuity to invent a new and plausible scheme for that purpose. Again, it leaves the sharper free, even after his operations have been exposed, to argue that the non-fulfilment of his promise was due, not to intentional fraud, but to the unexpected and, perhaps, unaccountable failure of the scheme to 'work out.' If he can do no better, he can so confuse the question as to make a clear exposition of the fraud impossible, and so to leave the world little or none the better for the lesson of his failure. As in the case of other branches of the business, we shall find that life insurance, from the beginning and throughout its course, has been attended by evils of many kinds, and has been a potent cause of demoralization.''[1])

The same author writes:

''Fire insurance, it is true, is not so complicated a business as marine insurance; but it is quite complicated enough to be easily misunderstood, especially by one who has not been brought up to it. One of the most curious things in our modern life is that lawyers—the people who practically make and actually enforce all our statute laws —do not understand insurance. There is no belief more firmly imbedded in the insurance man's mind than this— that if he goes into court to fight a case, he is as likely to find his lawyer arguing against him as for him. Not because the lawyer is unfaithful, but because he is so often

1) Alex. C. Campbell, Insurance and Crime, p. 187.

unable to get it through his head that in taking up an insurance case, he is dealing not with an ordinary, but with a special contract. Here, for instance, is an article from *The Insurance Monitor* for April, 1878, entitled, 'Why the Companies are Defeated in the Courts,' which says:

"'The unfitness to try an insurance case of the average lawyer who is versed only in a general practice will be attested by all insurance men who have undertaken to coach one of these attorneys during a trial. Over and over again, we have heard the stereotyped complaint, 'We could not make our lawyer understand our case.'"[1])

It is not our present purpose to contribute a systematic treatise on this *terra minus cognita*. But we hold that the following extracts from several professional writers on Insurance, which we give without further comment, may be welcome and of service to some of our readers.

I.

Insurance may be defined as a device, or measure, by which loss or damage from the happening of any named contingency may be borne or shared by the many, instead of falling upon one individual alone.

Sheppard Homans, Pres. Provident Saving Life Ins. Co., N. Am. Rev., vol. 156, p. 315.

The purpose of insurance is not to guard against loss, but to distribute loss. The insured person who makes a profit out of his insurance, or who fails to suffer loss by it, is in the same position as the man who takes more money out of the bank than he put in. If a man insures his house for exactly what it is worth, say two thousand dollars, and pays therefor twenty dollars, and the house is destroyed, he receives two thousand dollars. Thus, it will be said, he is in exactly as good a position, financially, as he was before. But this is not quite true, for he has lost twenty dollars. In

1) Campbell, Insurance and Crime, p. 171.

this respect, however, he is in exactly the same position as every other man insured for a like amount on equally valuable property and at the same rate—each of them has lost exactly twenty dollars, and each has two thousand dollars less twenty. The fact that the one man has two thousand dollars' worth of cash and the others each have two thousand dollars' worth of house does not affect the comparison. Not a man among them has gained anything, and not a man among them but has lost twenty dollars.

Campbell, Insurance and Crime, p. 4.

There is, theoretically, no money made by insurance. Insurance is technically held to be all loss. Companies or associations which carry on the business are only the distributers of loss.

Rich'd A. McCurdy, Pres. N. York Mutual Life Ins. Co., N. Am. Rev., vol. 156, p. 303.

Insurance is a guarantee of indemnity; its object is to replace money or other property, actual or prospective, that is lost. Insurance is not designed to avert disaster; it is not designed to afford a profit. If either of these features is added to the contract, as is often done, it makes more than an insurance contract of it.

Campbell, Ins. and Crime, p. 1.

Wherever danger is apprehended or protection required, it holds out its fostering hand, and promises INDEMNITY. This principle underlies the contract, and it can never, without violence to its essence and spirit, be made by the assured a source of profit. Bliss, Law of Insurance, § 2.

A compendious and useful volume is *The Chronicle Fire Tables*, a statistical account of the fires in the United States based upon daily abstracts of fire losses made up from the best available information. According to this work, the fire losses in the United States from 1874 to 1898, inclusive, amounted to $2,585,186,386, the insurance loss being $1,512,698,528. These figures . . . show us that, for more

than a quarter of a century, the loss to the people of the United States by fire amounted to over $100,000,000 a year. An analysis of the figures shows that the loss of late years has been over $125,000,000 a year. This would all be a direct loss to the owners of the destroyed or damaged property but for the work that the insurance companies do in distributing it among practically the whole body of property-owners. About sixty-five per cent. of the loss is thus distributed. Campbell, Ins. and Crime, p. 149.

As there never was a time, at any rate in the history of northern nations, when the people did not suffer loss through uncontrolled fire, and as there never was a time when men did not unite for their common protection against adverse forces, whether of the elements or of other tribes of men, so there never was a time when fire insurance in some form did not exist. I refer now to the true insurance which provides a fund to indemnify for loss. The old guilds, whose existence in some form was part of the life of the people as far back as we can go in their history, had this as one of their objects. One can imagine that, in some societies, it was not a very prominent object. For instance, Adam Smith tells us that in some parts of Scotland, even in his own time, the building of what was called a house was the work of one man for one day. Under such circumstances, the loss of a house by fire would not be considered a matter worth bothering the neighbors about. In the wooded part of America, the settlers can easily put up as good a house for each family as that family cares to have. But the lifting of the heavy logs is a job beyond the strength of any man. In the case of the burning down of a cabin, the ready help of the neighbors, through the instrumentality of that fine social device, the 'bee,' performed—still performs in many places—all the work that is done in the more complex social life of the cleared country and the cities by the fire-insurance company. Ins. and Crime, p. 124.

The danger to a poor family of being called upon to face ruinous expense, through the sickness and death of one of its members,—paying the doctor and undertaker, buying mourning, and so on,—has led, in some communities, to the formation of insurance societies to distribute the loss thus occasioned. 'Burial clubs' these institutions are often called.

Ins. and Crime, p. 30.

II.

The contract of life insurance or life assurance, is one which has been the frequent subject of definition. Baron Parke says: "The contract commonly called Life Assurance, when properly considered, is a mere contract to pay a certain sum of money on the death of a person in consideration of the due payment of a certain annuity for his life; the amount of the annuity being calculated, in the first instance, according to the probable duration of the life, and, when once fixed, it is constant and invariable. The stipulated amount of annuity is to be uniformly paid on one side, and the sum to be paid in the event of death is always (except when bonuses have been given by prosperous offices) the same on the other." Chief Justice Tindal describes it as a contract in which a sum of money is paid as a premium in consideration of the insurers incurring the risk of paying a larger sum upon a given contingency. The text writers have given similar definitions, with more or less accuracy and conciseness, but the best one is that given by Bunyon, who says after quoting the definition of Chief Justice Tindal: "The contract of life insurance may be further defined to be that in which one party agrees to pay a given sum, upon the happening of a particular event, contingent upon the duration of a human life, in consideration of the immediate payment of a smaller sum, or certain equivalent periodical payments by another."

Bliss, Law of Life Insurance, § 3.

In the great case of Dalby *v.* India and London Life Assurance Company, in explaining the difference between the contract of life assurance and that of fire or marine assurance, holding that the former is not, like the latter, a contract of indemnity, Baron Parke said: "The contract commonly called life assurance, when properly considered, is a mere contract to pay a certain sum of money on the death of a person, in consideration of the due payment of a certain annuity for his life,—the amount of the annuity being calculated, in the first instance, according to the probable duration of the life; and, when once fixed, it is constant and invariable. The stipulated amount of annuity is to be uniformly paid on one side, and the sum to be paid in the event of death is always (except when bonuses have been given by prosperous offices) the same, on the other. This species of insurance in no way resembles a contract of indemnity." Bacon, Law of Benefit Societies, § 16.

A contract of insurance is ordinarily one of indemnity; that is, the insurer agrees that upon the damage, loss or destruction of something he will, in the agreed way, indemnify the insured. It has been vigorously contended that a contract of life insurance is also one of indemnity, as much as fire or marine insurance. Mr. May, for example, in his treatise on insurance, says: "In the one case, the insurance is against the loss of capital, which produces income; in the other, it is against the loss of faculties, which produce income." And again: "It (the contract) can never, therefore, properly be entered into except for the purpose of security or indemnity; though the fact that the contract may, under certain circumstances, result as a profitable investment, does not vitiate it, if entered into in conformity to the principles which underlie it. But so far as it seeks any other object than indemnity for loss, it departs from the legitimate field of insurance, and engrafts upon the contract a purpose foreign to its nature." And

yet the same author has said that life insurance "in some of its phases, is not merely a contract of indemnity, but includes that with a possibility of something more." In Dalby *v.* The India and London Life Ass. Co., it was said of life insurance that it "in no way resembles a contract of indemnity," and Baron Parke again, in referring to the fact that Lord Mansfield decided the case of Godsall *v.* Bolders on the theory that a life insurance contract was, like one of marine insurance, one for indemnity only, says: "But that is not of the nature of what is termed an assurance for life; it really is what it is on the face of it,—a contract to pay a certain sum in the event of death." The Supreme Court of the United States cites this case and approves its reasoning, saying: "In life insurance the loss can seldom be measured by pecuniary values." We must conclude, therefore, that, though sometimes, as where a creditor insures the life of a debtor, the contract is in the nature of an indemnity, still, strictly speaking, a life insurance contract is not generally one of indemnity."

Bacon, Law of Benefit Societies, § 163.

A policy of life insurance differs in an important respect from a policy of marine or fire insurance. The latter are contracts of indemnity, and if the insured recovers the amount of his loss from any other source the insurer may recover from him *pro tanto*. "Policies of insurance against fire or marine risk are contracts to recoup the loss which parties may sustain from particular causes. When such a loss is made good *aliunde*, the companies are not liable for a loss which has not occurred; but in a life policy there is no such provision. *The policy never refers to the reason for effecting it.* It is simply a contract that in consideration of a certain annual payment, the company will pay at a future time a fixed sum, calculated by them with reference to the value of the premiums which are to be paid, in order to purchase the postponed payment."

Thus, though in a life policy the insured is required by 14 Geo. III. c. 48, to have an interest at starting, that interest is nothing as between him and the company who are the insurers. "The policy never refers to the reason for effecting it." The insurer promises to pay a large sum on the happening of a given event, in consideration of the insured paying a lesser sum at stated intervals until the happening of the event. Each takes his risk of ultimate loss, and the statutory requirement of interest in the insured has nothing to do with the contract. And so if a creditor effects an insurance on his debtor's life, and afterwards gets his debts paid, yet still continues to pay the insurance premiums, the fact that the debt has been paid is no answer to the claim which he may have against the company.

Anson, Law of Contract, p. 180.

The law of insurance, that it merely indemnifies for loss — not loss of the object of affection or ambition, but financial loss calculable in terms of hard cash — presupposes that the life of the person who is the subject of the insurance shall not be insured for more than its money value to the person in whose favor the insurance is made. If the amount insured is greater than this financial interest, then, to the extent of the overplus, the beneficiary has a financial interest in the death of the insured. This does not necessarily mean that, in order to secure that overplus, the beneficiary will at once put strychnine in the coffee of the insured; but it does mean that the weight of interest, whatever it may be, is on the wrong side of the balance.

Campbell, Insurance and Crime, p. 178.

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