

MR. SAMUEL YOUNGER'S PLAN FOR ASSURANCE OF INVALID LIVES.

To the Editor of the Assurance Magazine.

SIR,—Will you please to put in your list of errata the mistake in the first formula contained in my communication, p. 352 of your January Number. The expression should be read

$$\frac{\pi N_{x-1} - A.M_{x+n}}{M_x - M_{x+n}},$$

a clerical error, as is proved by my example correctly worked by it. Without going so far as Mr. Younger in saying that it has “no bearing” on his paper, a reperusal of my letter will show you that it was but preliminary to the subject matter of it.

Mr. Younger's method of pursuing his investigation into the necessary charge for the assurance of deteriorated lives is so widely at variance with my own ideas on the subject that, I am afraid, it is of no use prolonging a discussion on it. He does not attempt to impugn the accuracy of Mr. Gray's demonstration of his formula in your January Number, insisting only on the (very small) measure of confidence which he attaches to the opinion of his medical adviser. Not content with making a large deduction from the charge for each case at the outset in respect of this, his plan it seems has the effect of departing from this charge altogether in the event of the assured surviving a term, which Mr. Younger arbitrarily fixes at the tabular “expectation,” thus leaving the loss accruing from the earlier or premature deaths to be met by the premiums of the individuals paying them.

It is rather a novelty to import any consideration of the so-called “expectation” into an assurance formula, but, without stopping to comment on this, I would like to ask Mr. Younger one question—viz., How, on his own principles, he proposes to deal with the cases of deteriorated lives, assured for short terms, *i.e.*, for periods less than the tabular “expectation”?

I am, Sir,

Your most obedient servant,

Aberdeen, 1st June, 1863.

H. AMBROSE SMITH.