Insurance in Light of the Gospel

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It is often repeated that C.F.W. Walther and the early Missouri Synod forefathers were against insurance and even called it sinful. But rarely is it laid out as more than gossip. While this paper does not inspect the claims of Walther, it does seek to explore the topic of insurance from a theological stance. It will show sympathetically how the first Missourians might have viewed this subject in their own historical context.

Insurance is a relatively simple concept, that affects everyone dramatically in the United States and other developed countries. But is it still a new phenomenon and immature in some respects.[1] Insurance carries a very different connotation today than it did some 150 years ago. The laws governing it, public expectations, and societal moral views of insurance were only reasonably solidified about 100 years ago. Leading up to this change, insurance and its moral interpretation took a drastic turn.

What makes insurance a difficult and challenging topic in any time period is its technical and legal nature. While the concept is simple and widely used, the true nature and intricate inner workings of insurance have rarely been understood. This is especially true for those who mistakenly find security and solace in these legal promises, making it practically a religion.[2] Despite its more conservative turn of nature and its rise to ascendancy as a universal tool and "right," it still poses problems for Christians in theory and practice, just as its critics said it

[1] Long-term care insurance has had growing pains just recently, with many insurers leaving the market.

[2] "Indeed, next to affection and religion itself insurance has done more to smooth the pillow of the dying than any other agency in the world." *Insurance Monitor* (1863), quoted in Vivianna A. Rotman Zelizer, *Morals and Markets: The Development of Life Insurance in the United States,* (New York: Columbia University Press, 1979)41.

would more than a century ago.

A Shifting Definition

The history of insurance for the common person in America before 1840 is scant. It was more a novel idea than an accessible tool. Only commercial fire and marine insurance were commonly available. But life insurance faced unique skepticism, legal questioning, and moral attacks almost universally.[3]

The reactions to the idea of life insurance were extreme on both sides, even after it began to be accepted in the U.S. The Missouri Synod leaders were neither in the minority, nor against common public sentiment, at first. "Thousands of persons of religious influence turned their backs upon life insurance, as in impious institution that they dared not countenance for fear of perpetrating some unpardonable sin."[4] Insuring lives did not become firmly established until after 1860, while before that it was considered dangerous for society and morals.[5] On the other hand, once it started to take root, some claimed it to be a panacea for the world's ills: "for I regard Life Assurance as the greatest movement in the world for uplifting humanity."[6] During the nineteenth century, it was loudly proclaimed to be the world's cure and simultaneously its downfall. But it is just about impossible to imagine life without insurance now, especially considering the large role of the Social Security, Medicare, and Medicaid insurance programs.

To accurately judge and discriminate these statements dealing with insurance, we must first have a careful definition. A private insurance agreement is a legally binding contract. It is simply a promise to pay in the future. "Insurance is affordable because it involves an exchange of unequal values. The insurance buyer pays a relatively small premium, or a series of small premiums, in exchange for the insurer's promise to pay for a potentially large loss."[7] This contract spreads

[3] "Some ignorantly talk of property insurance being the same as life insurance." "Life Insurance," *Lutheran Witness,* March 21, 1898 (Chicago: English Evangelical Lutheran Synod at Missouri and other States), 154.

[4] Zelizer, *Morals and Markets: The Development of Life Insurance in the United States,* 73.

[5] Zelizer, *Morals and Markets: The Development of Life Insurance in the United States,* 101-2.

[6] Alfred Arthur Reade, *The Story of Life Assurance,* (1903) (http://openlibrary.org/books/OL25278645M/The_story_of_life_assurance_...).

[7] Kevin Lynch and Glenn Stevick, Jr., *Fundamentals of Insurance Planning,* 4th edition (Bryn Mawr, PA: American College Press, 2011), 6.2.

the risk of disaster across all people insured, so no one suffers a complete loss.

A precise definition of the insuring agreement proves problematic. "Insurance contracts are aleatory contracts, that is, the insurer need perform only if a condition occurs. To that extent the insurance contract is contingent upon the chance of an event."[8] Here we have why some have taken issue with insurance: it looks perfectly aligned with gambling. In the 1800's this was a common charge: Life insurance is "a series of wagers between the insurer and the insured, with chances of gain amounting to the difference between the premium and the insurance benefit or sum insured. . . . The insured simply takes the place of the dice in a game of chance or the wheel in a lottery," so the result is "ill-gotten wealth."[9] According to its generic definition, insurance is simply a way to gamble.

While this seems outlandish today, insurance moved in a different direction due to legal judgments and public sentiment. But in the early and mid-1800's insurance was perceived and often practiced as gambling. In fact, there was no real difference at the time in the minds of most. Tontines, a popular combination of an annuity and a lottery "was an openly speculative form of life insurance."[10] The poor reputation of insurance was well-deserved.

The reputation and implementation of life insurance was shaped by earlier practices which were pure betting wagers. In the eighteenth and nineteenth centuries gambling contracts in England were taken out on the lives of public figures, and even strangers, as a pastime.[11] This was betting against life in order to shamefully profit. To celebrate death, the curse for sin, as a financial win, is clearly problematic for the Christian. It is rooting for the death of another with the basest motive: greed.

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[8] Emeric Fischer, "The Rule of Insurable Interest and the Principle of Indemnity: Are They Measures of Damages in Property Insurance? (1980), Faculty Publications, Paper 484. (http://scholarship.law.wm.edu/facpubs/484), 446.

[9] A. G., "Doctrinal Theology: Anthropology," *Theological Quarterly*, vol. III, No. 4, (1899), 442. Augustus Graebner also states here that property insurance is legitimate if "restricted to indemnity for material losses actually sustained."

[10] "Each subscriber contributed a certain amount of money which was invested for the benefit of all. Until his death, each participant received an annual income which then passed on to the survivors. The last to die was the 'winner.' " Zelizer, *Morals and Markets: The Development of Life Insurance in the United States,* 67.

[11] "Another common speculation was on the death of rulers and the election of popes." "When eight hundred German immigrants were brought into England by a speculator who then abandoned them without any food or shelter, wagers were immediately begun as to how many would die within a week." Zelizer, *Morals and Markets: The Development of Life Insurance in the United States,* 69.

As insurance became acceptable, gambling receded in reputation until it was outlawed in the U.S. in the early 1900's. Insurance used the legal concept of insurable interest to separate it from gambling. Modern insurance "is mainly concerned with the economic problems created by pure risks." "Pure risks involve only the chance of loss or no loss, whereas speculative risks involve the chance of loss, no loss/no gain, or gain."[12] The result was that "no matter how large the amount of insurance, the recovery is restricted to the loss actually sustained."[13] In other words, insurance indemnifies, or pays for a loss, but does not create a profit for the insured who incurs a loss. At best, he is no better off than before, though likely is he slightly worse off. Deductibles and co-payments function as a way for the insured to share in a loss, so the policy holder does not have an incentive to allow loss. If a home is insured for $100,000 without restrictions based on value, but worth only $50,000, the incentive to avoid loss would be minimal. This would create moral hazards, the tendencies, "often due to an insured's weakened financial condition, that are likely to increase loss frequency and/or severity."[14]

Insurable Interest

In view of man's sinful nature, insurance companies carefully craft their policies to reduce the incentive to want to collect on insurance, since the motive to profit by deceit and fraud is so powerful. There is little people will not do for money. But when one can only collect insurance proceeds to the extent he has ownership or legal interest, he has an valid insurable interest. "The insurable interest requirement arose to curb the use of gambling or wager policies that speculate upon the early death of the insured."[15] So while gambling introduces risk and the possibility of gain, insurance only to one's insurable interest merely spreads the already present risk, using the law of averages. In essence, insurers collect premiums to share the losses before the fact, so the predicted losses are averaged out across all. But insurance only works well where losses can be

[12]Lynch and Stevick, *Fundamentals of Insurance Planning,* 1.11-12.

[13]G. Richards, *A Treatise on the Law of Insurance,* quoted in Fischer, "The Rule of Insurable Interest and the Principle of Indemnity," 448.

[14]Lynch and Stevick, *Fundamentals of Insurance Planning,* 1.5.

[15]Kenneth W. Kingma, "Update on Insurable Interests," presentation at the Michigan Institute of Continuing Legal Education, 2007, 2.

accurately measured and predicted and there are enough subscribers to use the law of averages. Risk is not reduced by insurance, rather those who suffer loss are indemnified, or monetarily repaid for some or all of their loss, but not for more than their loss. Losses are spread thin over many who will experience no loss, so that everyone loses a little (in premiums), rather than a few a lot.

Since, "the love of money is a root of all kinds of evil," it is not surprising that insurance, the possibility of money without work, is so abused (I Tim. 6:10). Insurers, along with legally accepting the risk, also have the main incentive to prevent loss. This is done before issuing insurance by strict underwriting, to make sure that losses are not above a certain actuarial average. If losses are too high, the insurer will be bankrupt and it will not be able to honor its promises to pay. So by not accepting the people who most need and want insurance, they don't burden others with likely losses. "Insurers are more interested in finding and accepting the clients who are least likely to have losses."[16] Insurance is an unusual business in that it purposely discriminates and charges more for the same product based on the characteristics of the buyer. The least likely to need it get the best deal. As described by the term "adverse selection," the people most desperate to obtain coverage are doing so selfishly, knowing they are very likely to suffer a sizable loss. This would defeat the purpose of sharing losses, if only those certain to lose obtained insurance. Then the premiums would be even higher than each individual's loss.[17] They are the very ones who will pay more for the promise to indemnify or are possibly uninsurable. The rule of insurable interest, as it developed, clearly distinguishes insurance from gambling.

The Sinful Insurance

The problem with life insurance is: what monetary value can be put on a human life? Insurance does not help or prevent loss, it merely conditionally promises to repay up to the actual loss sustained. So, how much is a life worth in dollars? This absurdity is what early rejectors of insurance saw much clearer than current Christians. It was not insurance, per se, that was

[16] Lynch and Stevick, *Fundamentals of Insurance Planning,* 4.1.

[17] It would be equal if not for administrative costs, profits, dividends, and charitable distributions, which all the subscribers pay for and do not go to claims. From the point of view of the insureds it is waste.

rejected, but the equating of life with a monetary value that was so repugnant. What insurable interest does one have in the life of another? Even today this is a pressing legal question and a cause of moral confusion, due to recent life insurance developments.

Strictly speaking, life insurance is not a contract of indemnity, rather, it is valued contract.[18] It does not repay to one's financial interest, instead it agrees to pay a fixed sum, regardless of whether the insured life had financial value to the beneficiary. Two problems are evident here: 1) valuing human life and 2) the possibility of financially gaining from another's death. In the cause of public interest, courts and insurers have attempted to limit the gambling possibility on human life, but the temptation to wish for death to gain financially cannot be eradicated completely.

"More directly than any other enterprise apart from slavery, life insurance set a price on human life." In what the English thinker Thomas Carlyle called the "cash nexus," a connection between things and people has been forged.[19] The cultural changes which allowed the diffusion of life insurance and the resulting equivalence of life with money cannot be over dramatized.[20] As Viviana Zelizer describes in her magisterial book *Morals and Markets: The Development of Life Insurance in the United States*, this required a change in "economic morality" and "religious ethos." As she points out, this shift in moral tide occurred around the year 1843.[21] The theological ramifications of the rise of materialism and its pricing of life are manifold.

No longer does God's creation and Christ's grace give value, but people are seen as investments which have a positive or negative value. Those disabled, unable to work, and unproductive actually have a negative "human life value" in purely monetary terms.[22] Of course, this leaves children and the elderly in a precarious position. This valuing of life is completely contrary to God's Word, since the weak should be more loved than those who can work. "Opposition to life insurance resulted largely from a value system that condemned a strictly financial evaluation of

[18] Lynch and Stevick, *Fundamentals of Insurance Planning,* 8.2.

[19] Timothy Alborn, "A License to Bet: Life Insurance and The Gambling Act in the British Courts," *Connecticut Insurance Law Journal,* vol. 14 no. 1, 1-20.1.

[20] This is the fatal flaw of capitalism: when it is without virtue or morality. Zelizer, *Morals and Markets: The Development of Life Insurance in the United States,* xii.

[21] Zelizer, *Morals and Markets: The Development of Life Insurance in the United States,* xi, xiii;

[22] Lynch and Stevick, *Fundamentals of Insurance Planning,* 8.1.

human life."[23] Here we have the source of vitriol previously directed against insuring life: To put a value on a life, even indirectly, puts it in the category of property. Today we can see the ramifications of a world where everyone has his price.

What is only chance to man is not to our heavenly Father. "Are not two sparrows sold for a copper coin? And not one of them falls to the ground apart from your Father's will. But the very hairs of your head are all numbered. Do not fear therefore; you are of more value than many sparrows" (Mt. 10:29-31). To confess Christ as Lord of heaven and earth, also makes Him Lord of life and death. Trust is better put in the absolute promise of God, than a conditional promise of man and his institutions. With twisted logic the insurance proceeds are seen to make death itself blessed: "It can alleviate pangs of the bereaved, cheer the heart of the widow and dry the orphans' tears."[24] It gives earthly security to the survivors in the form of money, which is all rebellious man really wants.[25]

In contrast to commercially contracting out this duty, Scripture speaks of our present individual duty: "Pure and undefiled religion before God and the Father is this: to visit orphans and widows in their trouble, and to keep oneself unspotted from the world" (Jam. 1:27). This surely involves more than money.

Insurance as the main source of support for widows and other dependents has silently caused a restructuring of society. We have quickly transitioned from a society where the weakest neighbors are dependent on charity, to one of naked capitalism and government responsibility. Impersonal transactions, obligations, and rights, have made actually caring and supporting the disadvantaged outmoded. This duty of loving the neighbor is now harshly imposed by taxes and laws, rather than being a free choice. It is fair to say the bonds of humanity are far weaker for it.

[23]Zelizer, *Morals and Markets: The Development of Life Insurance in the United States,* xi.

[24]Speech at the Convention of Life Assurance Underwriters, 1859, quoted in Zelizer, *Morals and Markets: The Development of Life Insurance in the United States,* 55.

[25]This was a presumably humorous advertisement from the 1700's: "Come all ye generous husbands with your wives Insure round sums on your precarious lives, That to your comfort, when you're dead and rotten You widows may be rich when you're forgotten." Zelizer, *Morals and Markets: The Development of Life Insurance in the United States,* 50.

A Mature Definition

"Life insurance" is a figurative term. It does not grant a better or longer life. "The system for which it stands has no life-preserving virtue in it, and no life insurance agency claims such virtue for it, nor does any policy-holder expect to find such virtue in it."[26] It is the same with health insurance—it actually does not address one's health, rather it is "medical expense insurance."[27] In its narrow, most proper use, life insurance is really income insurance for dependents. If no one depends on the income of the insured, there is no real insurable interest. When there is a net positive financial result from death, life insurance "shades[s] imperceptibly into gambling."[28]

In life insurance the standard definition of an insurable interest is from the 1881 U. S. Supreme Court case Warnock v. Davis:

> In all cases there must be a reasonable ground, founded upon the relations of the parties to each other, either pecuniary or of blood or affinity, to expect some benefit or advantage from the continuance of the life of the assured. Otherwise the contract is a mere wager, by which the party taking the policy is directly interested in the early death of the assured. Such policies have a tendency to create a desire for the event. They are, therefore, independent of any statute on the subject, condemned, as being against public policy.[29]

This limits wagering on strangers, but allows for indemnification of more than income. It puts a price on "blood" or "affinity" relationships, even where no financial dependence exists. Even though law requires the insured to consent to an insurance contract on his life, a cash nexus is established. Invaluable gifts of God are price tagged. "A human life cannot be the object of commerce and it is disgraceful that death should become the source of commercial speculation."[30] This is not the sort of benefit referenced when it says "to die is gain" (Phil. 1:21).

Can life insurance be used in way to not give the impression that the priceless is being priced? Yes, in certain situations if there is a financial insurable interest. When an insured person's income supports dependents unable to earn an income, a life insurance amount that

[26] "Life Insurance," *Lutheran Witness,* (1898), 156.
[27] Lynch and Stevick, *Fundamentals of Insurance Planning,* 12.1.
[28] Alborn, "A License to Bet: Life Insurance and The Gambling Act in the British Courts," 4.
[29] Kingma, "Update on Insurable Interests," 2.
[30] The French jurist Emerignon, quoted in Zelizer, *Morals and Markets: The Development of Life Insurance in the United States,* 38. The French outlawed life insurance with this logic. It was allowed only after 1850 in France. Among European countries England was the exception by having life insurance before the mid-1800's.

does not create a financial gain, insures an income, not the person's life. No amount of money can compensate for a lack of companionship or emotional hurt—to think so is perverted. In a strict application of the insurable interest doctrine, financial indemnification from the insurer should be less than the present value of expected income earned by the insured and depended on by others. So, in the event of loss, the result is still a net loss, not a gain.[31] And where no dependents are extant, or their dependency is expected to end, so does any insurable interest, and therefore the strict need for life insurance.

This purely monetary approach does not value life or emotional attachments, but only existing dependents' support which can be calculated. This best approaches the understanding of insurable interest which works well with property. Life insurance then becomes "partial income replacement insurance."[32] The argument here theoretically eliminates all financial gain, while allowing dependents a reasonable level of support.[33]

But the legal definition of insurable interest does not require a financial interest in the person insured. Only some interest, "either pecuniary or of blood or affinity," that values the insured's life is required when the policy is taken out. What happens after this does not fall under the courts' or the insurers' purview. Thankfully, insurers recognize the possibility of abuse and seek to curtail such use when it is sold. But newer uses of life insurance have made the older charge of gambling valid.

[31]With similar logic disability insurance is usually limited to 50-70% of one's income to discourage people from wanting a disabling injury. The result is a significant financial loss, though not a catastrophic one. Even then the insurer would require continuing doctor diagnoses and cooperation. In comparison, life insurance, since it had no lasting insurable interest requirements, is really in its own category.

[32]While basic meets would continue to be met, this quote from the 1997 movie *Good Will Hunting* summarizes the agonizing tension with regard to other aspects of the relationship: "What is your obsession with this money? My father died when I was 13 and I inherited this money. Nearly every day I wake up, and I wish that I could give it back, that I would give it back in a second if it meant I could have one more day with him, but I can't and that's my life and I deal with it."

[33]This advocates against whole life insurance (which stays in effect for a lifetime) and for term life insurance only for the time period there are dependents.

Current Life Insurance Abuses

"If an entire stranger to me were permitted to take out a policy on my life, his sole interest . . . would be my speedy death."[34] The taking out of a policy by someone with no insurable interest is illegal, but not after the policy is in force and any exclusions are met. Ownership of a life insurance policy can be given or sold to a third party. One common and poorly regulated field is when a terminally ill person sells their policy at a discount as a viatical settlement.[35]

> When a life insurance policy is viaticated, the new policy holder has no insurance interest in the life of the insured. Current insurance laws require that insurable interest exists only at the time of application, not throughout the life of a policy. However, the ownership of the policy by a complete stranger could create an incentive for the investor to encourage the death of the insured.[36]

The third party buyer is strictly an investor, so the earlier the death, the higher the profit. "Conversely, the investor's profits decline as the life of the original policyholder is prolonged."[37]

Other distasteful investment schemes have developed around this idea. Stranger-owned life insurance is nominally in the policyholder's name, but only until it can be sold. After the incontestable period is over, usually two years, a policy can rarely be revoked. Following this, the insuring agreement is valid in spite of death by suicide or even if misleading information was provided. The incontestable period is meant to protect presumably innocent beneficiaries, but the room for abuse is large. Investors and even charities can talk someone into insurance and pay for the premiums, hoping to buy it after two years and collect at their death.

A "dead peasant policy," or keyperson policy, is taken out by businesses on their employees. Here there is only an economic relationship, which can vary day-today with regard to insurable interest. This impersonal relationship can also be difficult to value financially. This type of life insurance has been the subject of some legal wrangling within the last decade.

[34] "Brockway v. Mutual Benefit Life Insurance," Co. 9 De, Rep, 249, quoted in Zelizer, *Morals and Markets: The Development of Life Insurance in the United States,* 80.

[35] This practice arose in the "mid-1980's in response to a new demand created by the AIDS epidemic." Lynch and Stevick, *Fundamentals of Insurance Planning,* 10.31.

[36] Lynch and Stevick, *Fundamentals of Insurance Planning,* 10.32.

[37] Sarah Quinn, "The Inversion of Morals in Markets: Death, Benefits, and the Exchange of Life Insurance Policies," unpublished paper (www.irle.berkeley.edu/culture/papers/quinn.pdf), 1.

One common option on many life policies is accidental death benefits. This is known as "the double indemnity provision because it usually doubles the standard death benefit if the insured dies accidentally." But the precise cause of death does not affect dependents or anyone else. "There is little reason for an individual to carry more insurance for an accidental death than for any other type of death, except as an appeal to the policyholder's gambling instinct."[38]

Another popular form of insurance is for children. Gerber sells many such policies. But children are usually dependent on adults, not the other way around. To benefit from a child's death is unseemly. Of course, that is not how these products are sold.[39]

Riskless Lives

Insurance spreads risk, but does not eliminate it. Instead, insurance guarantees loss, but only small, partial losses shared equally across a large pool of insureds. Since premiums must pay for claims, but also administrative expense and profits or dividends, insurance is also a net loss on average for all insureds. Without this basic math, insurance would not work, since it does not create from nothing. It merely redistributes money to those who have much higher than average losses. Only when the premiums are small and the potential losses are large does insurance work well. But insurance or rather the illusion of reducing risk has become the modern gospel.

One example of over-reliance on insurance is product warranties commonly sold on electronics and other consumer goods. Big box stores apply sales pressure to buy this specialty insurance, because it is immensely profitable. "They figure that profit margins on contracts are between 50% and 60%. That's nearly 18 times the margin on the goods themselves."[40] For some stores these tiny insurance policies made up their most of their profit. That is because consumers don't see the actuarial calculations and the profit margin behind warranties, but they understand risk as something to be avoided.

[38]Lynch and Stevick, *Fundamentals of Insurance Planning,* 9.27-28.

[39]While insurance to cover funeral expenses could be argued, most should be able to self-insure against this loss, instead of buying costly insurance. The emotional appeal works quite well as noted by the title of this book: *Traps Baited with Orphan, Or, What is the Matter with Life Insurance* by Elizur Wright, (Boston: J. R. Osgood, 1877).

[40]"The Warranty Windfall," Bloomberg Businessweek, Dec. 19, 2004, (http://www.businessweek.com/stories/2004-12-19/the-warranty-windfall).

For small and frequent losses, insurance works poorly and is ill-advised. Administrative costs and profits become a drain on premiums, so a small percentage of the premiums actually goes toward claims. In the rush to avoid risk, insurance has taken the place of actual wealth in the minds of many.[41] Newer forms of variable life insurance are a combination of two complex products: insurance with investing sub-accounts. Alone they are difficult to analyze, but bundled together high fees and complex restrictions can be hidden easily.

If a loss can be afforded (or avoided), it is always cheaper to retain the risk, rather than paying someone else to take it. A problem today is that many people are "insurance-poor." They have reduced their risk through handsome premium payments, but also any upside to gain through investing. Likewise, the incentive to reduce loss is also minimized. The traditional way to pass on accumulated wealth through inheritance is the best way to receive money after death, because it is not by obligation or promise, but by wish, generosity, and happenstance. "A good man leaves an inheritance to his children's children, But the wealth of the sinner is stored up for the righteous" (Pr. 13:22).

Downside But no Upside

Another potentially serious consequence of the insurance contract is a loss of control over legal settlement. Under the common-law doctrine of subrogation "an insurer who has paid a claim . . . takes over any rights of recovery that the insured might have against another party responsible for the loss."[42] In other words, the right to sue up to the amount paid by the insurer belongs to the insurer, not the insured who was actually harmed. This creates a potential conflict with God's Word:

> Dare any of you, having a matter against another, go to law before the unrighteous, and not before the saints? Do you not know that the saints will judge the world? And if the world will be judged by you, are you unworthy to judge the smallest matters? . . . Do you not know that we shall judge angels? How much more, things that pertain

[41] Dave Ramsey makes the bold claim that whole life insurance (premiums are paid until death) is the payday lender of the middle class. Like usury, it is costly and unnecessary. Despite the fact it is sold as an investment, it actually prevents many from accumulating wealth.

[42] Lynch and Stevick, *Fundamentals of Insurance Planning,* 6.12.

> to this life? ...But brother goes to law against brother, and that before unbelievers (I Cor. 6)!

Insurance is simply about money: repayment for a possible loss. But that indemnification can come at a high moral price.

By receiving the risk and the payment for accepting that risk, the insurer does what the consumer is unwilling to do: invest the insureds' premiums for a profit. They use investments, such as stocks and bonds, to risk capital for a profit.[43] This is a risk that does not have to be a gamble, when done prudently. Risk is not necessary a bad thing. Along with risk come incentive and opportunity to trust in our gracious Father. And financially without risk there is little possibility of gain. In contrast, insurance, used properly, provides no avenue for gain. It guarantees the loss of premiums with the possibility no benefit in return.

Conditional vs. Absolute Promise

The Gospel does not eliminate risk, it is a certain promise that the downside of our sins is not what it should to be. We believe that Christ loves us and forgives sins, not by a written contract subject to human laws, but by His own blood. He already suffered by death the loss we deserve, so that all sins are paid for, without exclusion. Christianity is not fire insurance for hell. Faith is not about avoiding loss, but the certainty of what we do not see: the Father's absolute love. We know God's love is not conditional upon our actions, but those of Jesus. This is where insurance, which is of the law, contrasts with the Gospel, which is a gift already given.

Insurance is a conditional promise. If an insurer miscalculates or has larger losses than it expects, it will go bankrupt. Then its promises are worthless. Even social insurance programs are dependent on a government's promises and credit. But we know from history that all governments fail; none are that long lived. As more promises are made, people unknowingly assume different risks. Whoever orders his life and depends on man's promises is embracing uncertainty, mutability, and the unknown.

[43] "United States life insurers [in 2009] had over $5 trillion of invested funds." Lynch and Stevick, *Fundamentals of Insurance Planning,* 4.22.

All private insurers limit their policies to non-systematic losses. For example, flood insurance is not standard on a homeowner's policy. That is seen as the government's responsibility, since it can affect so many. Likewise, war and nuclear events are excluded by all types of private insurance. In fact, insurance on a named-perils basis is limited to just the exact causes of loss specified. In this type of policy, all is excluded by default, unless the cause is noted in the contract.[44] All insurance contracts are lengthy and complex documents with coverage shaped by many conditions, warranties, and exclusions. The actual policy itself which is the insuring agreement is not often read and rarely understood by consumers. When consumers comfort themselves on reduction of their risk, they fail to see the risk retained and the additional risk created by insurance.

If there is widespread destruction and greater than expected losses result, it has the ability to topple the whole system. Because everyone is connected together and sharing in the risk through insurance, unexpected events could surprise people who think that risk is magically eliminated by insurance. It is important to realize that insurance does not create or eliminate anything, it simply pools risks and money to average losses. An insurance promise is only as good as the insurers ability to keep that promise. Insurance is a powerful tool, though with significant limitations.

Conclusion

Insurance is a fallible man-made promise. There are situations where insurance can be used without guilt: when a strict insurable financial interest exists. To trust in it, though, is folly. However, to use insurance is not optional today for most people.[45] It is too much to claim that God cannot use insurance as His benevolent tool. The problem is never outside man, it is his heart which misuses everything: "There is nothing that enters a man from outside which can defile him; but the things which come out of him, those are the things that defile a man" (Mk.

[44] Virtually all home policies exclude damage due to mold, fungi, and bacteria. Mud flows are covered by separate flood insurance, while mud slides are not. Lynch and Stevick, *Fundamentals of Insurance Planning,* 17.44.

[45] Liability coverage (which would indemnify a third-party if the insured is legally liable) is required to drive a car. Social security and other programs are automatically paid into.

7:15).

Even if many uses of insurance tend to encourage sin, that is not to say it cannot be used with a right faith in Christ. The concept of insurable interest, is quite practical in safeguarding insurance from becoming a wager. If possible, insurance usage should be continually monitored so no one is put in a compromising or awkward situation of profiting from death or destruction. Besides being financially prudent, it avoids any appearance of gambling. Above all, the complexities and legal technicalities of insurance help to show its promises, in spite of its economic effectiveness, not as secure, but fragile and limited.

The cultural effects of insurance inveigh against its material benefits. Insurance has silently helped remove charity from society. It has turned charitable gifts into legal obligations backed by contractual agreements. Of course, affection is no longer needed if life insurance provides security and comfort for the deceased's dependents. This impersonalization of society and dependence on legal rights has allowed the hearts of many to grow cold. What was formerly moved by sympathy is now a commercial transaction. Those who are unprovided for are not objects of pity today, but considered foolish for not planning with insurance. The assumption is that daily bread is a right and a given, not a blessed gift we receive from outside of us. Public and private insurance has loosened the bonds of humanity. This is the logical outcome of pricing human life like property: it causes us to have similar relationships to each.

Due to his sinful nature man, takes advantage of others in life insurance and finds more reason to not look for a gracious and almighty God. That is the world in which we live right now—one where people trust in conditional promises. But they are promises of the law, literally, that must be earned. Technicalities and loopholes always qualify insuring agreements. But because of the few circumstances, where there is no possibility of gain, it is not possible to label insurance sinful, even if it sorely abused.

The dominance and reliance on insurance has caused many ancillary changes to the foundation of our society. In many respects the spirit of cooperation engendered by insurance is like that of those who built the tower of Babel. It is without love or affection and has served to make praying for daily bread practically obsolete. While earthly lives have been enriched and God's

children can be thankful for these gifts, we know who provides for us.

The biggest risk of all is not temporal death—it is the eternal death we deserve because of our sins. In insurance, "energetic salesmanship became indispensable in breaking through client reluctance to deal objectively with the economics of death."[46] The tool that God has given His pastoral agents to address the afterlife is a simple, perfect, and complete promise that is lovingly absolute in Christ.

[46]Zelizer, *Morals and Markets: The Development of Life Insurance in the United States,* 30.