

THE UPWARD CALL

*Brethren, I do not regard myself as having laid hold of it yet;
but one thing I do: forgetting what lies behind and reaching forward to what lies ahead,
I press on toward the goal for the prize of the upward call of God*

IN CHRIST JESUS.

(Philippians 3.13-14 NASB)

#02-08158

DECEMBER 16, 2008

MORAL HAZARD

In issue #02-08155, December 10, 2008, I mentioned the concept of **moral hazard** in relation to liars that will be excluded from the coming kingdom of Christ. The term *moral hazard* is used by the insurance industry to describe a situation in which policyholders have little incentive to avoid or prevent the very thing or event that they have been insured against. Insurance companies are in the business of providing insurance against specific losses; nevertheless, they do not like to pay claims unnecessarily. After all, they are profit centers. Consequently, they would rather insure people that are responsible and will take precautions to prevent losses from occurring, so that in the event a loss does occur, it is something that was beyond the control of the insured.

Please do not read into this that I am an advocate of insurance, for I am not. I believe that it is one of the industries that will be put out of business in the kingdom of our Lord. With God's law of restitution in force, moral hazard will not be allowed, for everyone will be held accountable for their actions and be required to make restitution. Consequently, insurance will not be necessary for certain types of losses. Even health insurance will not be necessary since healing the sick will be the norm.

Frankly, the term *moral hazard* does not make much sense; the words *moral* and *hazard* do not go together in the way the concept is defined. The word *moral* implies that there is some good ground in this term when, in fact, there is no such thing. I guess the hazard is a deterioration of morality. It seems that the concept has more to do with unethical behavior; perhaps a better term is **unethical hazard**, for at least this implies some bad behavior. Nevertheless, I will stick with the term.

The problem with moral hazard is that people become careless, and with carelessness comes a greater likelihood that the very thing that they are insured against will happen. But it is even more insidious than this, for some purposely become risk takers for personal gain. Why shouldn't they? After all, they know that if they fail, someone else will step in and rescue them, perhaps even pay them for being a failed risk taker. Just look at the banking and investment industry. In the game "*let's make a profit for ourselves,*" many took on risky investments, but not necessarily a risk to them. The FDIC insures the deposits. The Federal Reserve will do whatever it takes to preserve the Babylonian system by ensuring wealth remains in the hands of the few who know how to manipulate the system to keep the world in its bondage. The Federal government is the cash cow of last resort. And, the politicians, lobbyists, and unions have to do whatever it takes to preserve their power; after all, everything is too big to fail. We are living in the day of moral hazard in the extreme. It is corrupt, unethical, and immoral! We can only pray that God will bring it to its knees, sooner rather than later. As I have written previously, this Babylonian system, which includes not only the financial system but also the corrupt political system, is on the judgment block of God. May the inhabitants of the world be set free soon!

Let me state my concern another way: Moral hazard is not a good thing, for it means that people do not take responsibility for their actions or inactions because they expect someone or something else to clean up after them, so to speak, that is, to compensate them for their irresponsibility. Simply, they do not want to pay for their loss, even though they are the guilty party in bringing it about. But it is even more sinister than this, for it has become a **premeditated action** on the part of some, perhaps many, that say to themselves, "I can take this risk because if it goes sour, someone else (i.e. government, insurance) will come to my rescue."

Amazingly, in some cases, it has not even stopped at this point but has gone to the point of outright arrogance as some executives of bailed-out companies believe they deserve bonuses for leading their companies into trouble. Case in point; the executives of AIG, the huge insurance company that was too big to fail and that was bailed out by the government to the tune of \$159 billion to date, have been discussing bonuses for themselves. Merrill Lynch executives were doing the same thing until there was an outcry against it and they backed off. At least, this is what we are told. In case you missed the point: Why should they be compensated with bonuses for their failures that led to the overnight evaporation of the wealth of many who had investments in these firms? I call it **immoral lawlessness**, by which a select few seek personal gain at the expense of others.

Unfortunately, executives of some of these companies do not have a lock on immoral lawlessness, for it extends to our elected officials in Washington as well. Recently, it was the height of hypocrisy to watch some politicians parade themselves before the cameras to express their outrage and indignation over the auto executives that were begging for bailout money. What was hypocritical was the fact that the politicians that had culpability in the financial collapse were now demanding the auto executives be fired or resign. Isn't this like people living in glass houses throwing stones? These pontificating officials act as if they are totally innocent of bringing on any of the challenges our country now faces. Why don't they resign? They don't because the system is corrupt; this is how they make their living, and Americans accept it, to our shame.

As a side note, it amazes me that over 70% of polled Americans feel that Obama is doing a good job and that he will solve our economic problems, yet he hasn't done anything except to name some Washington retreads to his cabinet, and many are applauding this. I also find it interesting that Obama has never been fully forthcoming in releasing information about his history and it seems that no one in the media or the Democratic Party seriously vetted him. And yet, anyone who applies for a job in his administration is required to complete a voluminous application that reveals everything conceivable about the person's history. Now, we hear of the charges against the governor of Illinois who purportedly tried to sell Obama's vacant Senate seat to the highest bidder. No one is accusing Obama of being involved with this alleged lawlessness (remember, innocent until proven guilty), and I make no claim either. However, the political game of "who knew what and when" and "who said what to who" has begun, as well as "let's protect the president-elect from this distraction and move on quickly." Why does there always seem to be an incessant need to protect image and obscure or spin facts? It is all politics as usual. This goes part and parcel with the lawlessness of a corrupt political system.

I have to be careful in making sweeping generalities, but it seems to me that moral hazard goes along with the entitlement mentality that has permeated so many aspects of American society as more and more people are taking on less and less responsibility for their lives and are turning to others, most notably the government, to carry their load, so to speak. This is one of the great dangers that I see in the hope-and-change campaign of Barack Obama.

However, what I find most disheartening is how some segments of the "church" are caught up in moral hazard and entitlement as well. Recently, I heard a news report of a bishop who prayed that the government would bail out the three US auto makers. He stood by an SUV and prayed for the government to fix a problem that was caused by the very people that were going to Washington with hat in hand asking for money to keep their failing companies afloat. But what really caught my attention was that this so-called bishop stated something to the effect that we have to bring hope to the people. Hope! Did you get that? Here is a leader of God's people looking to a corrupt political system to bring hope to the Lord's people. What message is this bishop giving to the world? What sort of faith is he instilling in the people that he teaches on a regular basis?

For this reason, I remind my readers as much as possible, without being overly repetitive: we must keep our eyes on the Lord Jesus. He alone is our Savior and Deliverer. He is our Hope! Trust Him; cling to Him; walk in a way to please Him; love Him with your whole heart! He is coming soon, and we must be ready. The kingdom of our Lord and of His Christ is coming. This you can bank on!