

LIFE INSURANCE LEGISLATION OF 1911.

(Robert Lynn Cox, in the American Political Science Review.)

Laws enacted by the several states in 1911 brought the total number of statutory requirements affecting the institution of life insurance and its holders of thirty million policies up to about forty-five hundred. This figure does not include the requirements affecting domestic companies solely, with the exception of New York state. Were those to be added, the number would be much larger. Domestic laws should be considered in any general review of life insurance legislation, but there is no compilation of them, as it is not needed for practical purposes. No one company is subject to all the laws governing domestic and foreign companies in all states. But there are several which have to adjust themselves to the laws governing foreign companies in practically all the states, in addition to the domestic companies' laws of their respective home states. Therefore, there are some companies—the larger ones—which operate under nearly all the forty-five hundred requirements referred to. This gives one view of the present magnitude of the supervision of the business of life insurance by the states, in its practical application.....

While in theory all laws dealing with life insurance are supposed to be based primarily on the idea of protecting the interests of policyholders, as a matter of fact they are really approached from various viewpoints. Undoubtedly most of the legislation dealing with the administrative functions of the company, policy provisions, the conduct of the business and departmental supervision is approached from what is regarded as the viewpoint of the policyholder. However, the same cannot be said of the various statutes imposing varying rates of taxation upon policyholders' funds, for the twelve million dollars thus annually collected is exacted chiefly as a revenue proposition for the benefit of the public generally. This sum is many times more than the cost of insurance supervision. A calculation made on the basis of 1907 statistics shows that the ratio of expenses of state insurance departments, including the supervision of life, fire and all other branches to the amount of life insurance taxes collected ranged from 2.6 per cent. to 20.2 per cent., with the exception of a single state which collected no taxes. The state whose ratio was 2.6 per cent. collected more than one and one-half million dollars in life insurance taxes in 1907, while the cost of its insurance department that year was little more than \$40,000.....

BURDEN FALLS ON POLICYHOLDERS.

Any expense that is added to the business increases the cost of insurance and therefore falls upon present or future policyholders. Not only is this true of the taxes and fees imposed, but also of the expenses caused by the diversity of statutory provisions in the states. If a general policy form which applies to most states has to be amended and specially printed for a certain state, that additional expense is borne by the policyholders. So is it also with respect to special forms of voluminous statements that may be required by some states. The preparation of a special report by a large company for one state recently involved the exclusive use of a band of clerks for several months. The present lack of uniformity among statutory requirements

largely adds to the cost of insurance in many ways. At the home offices of all companies of considerable size there are various officials whose duties largely consist of keeping track of the statutory requirements in the different states and seeing that their companies conform to all of them. This is expensive, but it would be still more expensive to violate any of these provisions, even innocently.

(To be continued.)

Insurance Briefs.

President Elbridge G. Snow, of the Home Insurance Company, New York, on Monday reached the fiftieth anniversary of his connection with the company. In the half-century, he has risen from the ranks to the presidency of the company.

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The insurance business of the late Col. E. A. Whitehead will be conducted under the old name of the firm, E. A. Whitehead & Co., Ltd. Mr. C. T. Hoare has been elected president of the company, with Mr. J. S. Cassils, vice-president, and Mr. A. H. Shorey, manager and general secretary.

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The Western Assurance Company has received a license for the transaction throughout Canada of the business of Lightning Insurance, Explosion Insurance and Tornado Insurance in addition to the business of Fire Insurance and Inland Transportation Insurance for which it is already licensed.

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Talk about "sixteen to one!" The Maine insurance department is at present the best exponent of that theory. Its receipts from the insurance companies for the month of July amounted to just \$16,449 and its total expenditures, including salaries of the commissioner and his deputy, were \$1,247.10. Maine always was a protective state; no tariff for revenue only up there.—American Exchange and Review.

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During the electrical storms of the latter part of August, scores of barns in this section of the Province with all their contents were destroyed by lightning, and it has about come to be taken for granted that to be set on fire in a thunderstorm is the natural destiny awaiting every large barn. The scientist who will turn his attention to this problem and devise some really effective plan of protecting farm buildings from lightning will do a great thing for the farmers of Canada.—Strathroy Despatch.

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According to the record of industrial accidents maintained in the Department of Labour, that for the month of August showed that 88 workmen were killed, and 305 injured, compared with 108 fatal and 272 non-fatal accidents during the month of July; or a decrease of 20 in the number of fatal and an increase of 33 non-fatal accidents compared with the record for July. The largest number of fatalities occurred in the building trades and in the steam railway service, there being 11 workmen killed in the former and 25 in the latter. In the metal trades and steam railway service, the largest number of non-fatal accidents occurred, the record being 65 in the case of the former and 53 in the latter.