

STATE LEGISLATION PENDING.

Proposed Life, Fire and Casualty Enactments throughout the United States.

Somewhat detailed reference was made in THE CHRONICLE two weeks ago to Indiana's proposed insurance enactments. Its legislative activity in this respect is but typical. A dozen or more legislatures will this session concern themselves with new measures more or less radical in their bearing upon life, fire, casualty and other branches of the insurance business. Life insurance seems the most prominent except, of course, in California. Most of the proposed life measures follow the bills of the Chicago Conference's Committee of Fifteen rather than the provisions of New York's Armstrong enactments. From the latter there is already a marked degree of reaction apparent. Fire marshal provisions seem largely favoured, and the success of the work done by such officials in Ohio and some other States gives strength to this movement.

THE CHRONICLE'S summaries of legislation pending in the principal States have been made so far as possible from direct official sources, supplemented by digests prepared by such reliable United States exchanges as *The Insurance Post* (Chicago), *The Insurance Field* (Louisville, Ky.), *The Standard* (Boston), and *The Insurance Press* (New York). Space permits reference to only two States this week. In a subsequent issue information will be given regarding others.

ILLINOIS.

Governor Deneen in his message to the Illinois legislature recommended that fire insurance companies be prohibited from investing in the stock of other companies; that the law be so amended as to determine clearly the status of the unearned premium fund; that special deposits required of companies by other states for the protection of the policy-holders in those states be not recognized as assets of the companies in that state; that the laws authorizing the organization of mutual fire companies be made more stringent; the establishment of a state fire-marshal department; laws to control the operations in the State of Lloyds' unincorporated association and individual underwriters' organization. Since the governor's message was delivered a definite measure has been announced for consideration providing for a change in fire reserves and specifying the maintenance of a reinsurance reserve. It is proposed that no company shall declare a dividend except from funds received during the preceding calendar year from income earned on investments held by the company. Dividends cannot be declared of more than sixty per cent. of such income unless the company shall have a surplus equal to its liabilities. In arriving at these liabilities the companies shall charge at least 50 per cent. reserve on all premiums then in force. The reinsurance reserve is then specifically read into the law by requiring that all Illinois companies must maintain at all times, as a reinsurance reserve, at least fifty per cent. on all premiums in force. The only recommendation concerning casualty insurance related to foreign companies of that class, the governor recommending that they be treated the same as

other classes of foreign companies. Concerning life insurance, Governor Deneen included in his recommendations those of the Chicago Conference's Committee of Fifteen. In addition he recommended that the basis for valuing reserves be changed from the actuaries' 4 p.c. to the American experience 3½ p.c. table; that proper statutes be enacted to safeguard the interests of members of regular and assessment companies in case of reinsurance; that the organization of new assessment concerns (except fraternal) be forbidden; that outside companies be required to put up with their home states a deposit of \$100,000, the amount Illinois requires of home companies, and be compelled to show a certificate of such deposit, and that foreign companies be required to file a certificate showing a similar deposit in some State before being licensed in Illinois. A bill is also to be announced later dealing with industrial insurance. It is proposed also to provide for compulsory insurance for the benefit of the employee by the employer, who is to pay one-third of the premium, the expense to be charged and absorbed by the public as a part of the ordinary business costs.

TENNESSEE.

The Nashville Board of Trade several months ago was instrumental in organizing what is called the Tennessee Business Men's Fire Insurance League, which has drafted a bill calling for the repeal of "every present law on our statute books relative to fire insurance," except three items covering the proper entrance of a company into the state, payment of taxes on gross earnings instead of other taxes and penalty for resisting the payment of claims without proper cause. In the list of laws wanted are a number of provisions not mentioned in the old law.

Governor Patterson in his message, referred to the measures recommended by the Committee of Fifteen, which he recommended to the general assembly, calling special attention to the advisability of legislation on certain subjects.

The following legislation was recommended by retiring Governor Cox in his message to the Tennessee general assembly: "To establish standard forms of policies which may be issued by life insurance companies, and certain obligatory provisions in all policies. The regulation of annual apportionment and accounting by life insurance companies, both as to future and past policies. The prohibition of diversion of funds for political purposes. Regulation of investments requiring policies to contain the entire contract.

"Regulation of salaries limiting the amount of salary that may be paid any one person to a certain maximum amount. Regulation of disbursements. The defining of items to be reported on the annual reports of insurance companies. Requiring companies to invest within the State at rateable per cent. of reserve maintained on policies held by citizens of the State."

Regarding fire insurance, the retiring governor said the anti-compact law passed by the last legislature had benefited the people. The encouragement of county and mercantile mutuals was favoured, and laws to prevent fire waste were advocated.