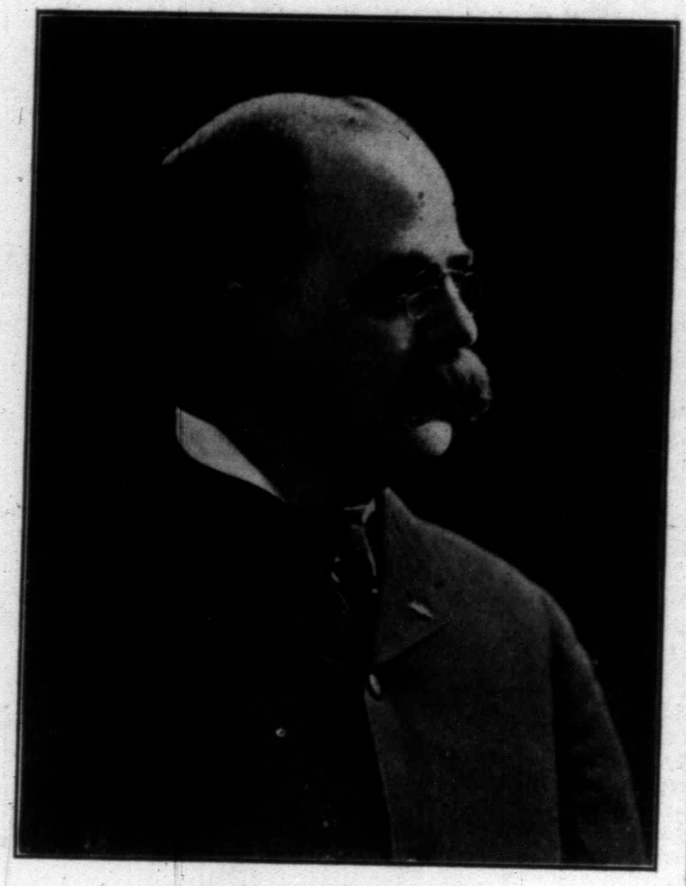
The work which has been done in this connection by your Executive Committee, and of which you will learn through its report, is such as to entitle it to the heartiest thanks of this Association and of every company a member of it. In no previous year in the entire history of accident and health underwriting has there been so large a number of bills affecting this branch of the insurance business as were introduced during the legislative sessions of 1908-1909. We should perhaps be grateful for the attention thus bestowed upon us, yet at the same time we may be pardoned if we silently breathe a prayer that some day our legislatures may see fit to devote their talents to the prevention of accidents rather than to the prevention of accident insurance.

Degree of Freedom to be Learned.

If I read the signs of the time aright the next few years, perhaps the very next year, will be the most critical time in the history of accident and health insurance—the time in which it will be determined with lasting effect what degree of state supervision shall be exercised over our policy contracts and how far we shall be left free agents to sell that which the public desires and which we can afford to sell at an obtainable price. It seems to me that this crisis is near at hand, and I feel that the chief object of this brief address should be to present to you this thought that we should counsel together wisely and effectively to produce the best results in safeguarding our interests.

It is unnecessary for me to review in detail the work which has been done by your Executive Committee. The



H. C. B. Alexander, President,
President and General Manager Continental Casualty Co., Chicago, Ill.

point that I particularly wish to make is that this good work which has redounded to the benefit of every member of this Association has been done at a personal sacrifice of valuable time on the part of the few who have been acting as your representatives in the matter. Every member of this Convention should be, and undoubtedly is, grateful for the personal sacrifice made and for the benefits received by all. But to my mind this is not sufficient. Believing, as I have stated before, that the critical time in the history of accident and health insurance is at hand, I believe that this Convention should now adopt some plan whereby it might minimize the calls which it makes upon the gentlemen who have served it in the past or who may serve it in the future, so as not to require such great personal sacrifice. I do not want to make a suggestion as to how this should be done except on broad lines. It seems to me that this Convention might with propriety and with profit to itself establish a bureau, similar to that established by the life presidents, whose sole duty it should be to take care of legislative work throughout the United States; that such bureau should have a competent manager with competent assistants who, during the season of legislation, would devote their entire time and attention to this matter; a bureau which should codify the existing laws which are now becoming almost as diverse as the states themselves, and present them in such shape as to be available for ready reference; a bureau which would watch the new legislation, and, representing all of the members of this Association, present its views with force and effect before insurance departments or before legislative committees as might be necessary; a bureau which should post companies as to legislation in prospect in their respective states and secure co-operation in the matter. I think a bureau to be formed along these lines, with the details to be worked out later, would most speedily justify its existence and the expense of maintenance.

Health Insurance Still in Infancy.

Your Executive Committee during the last year has tried to accomplish most of this work. It has given time, and attention to the matter in such amount that were this Association called upon to pay a reasonable fee it would find that it might well have maintained such a bureau as I have outlined, and if my judgment is correct, the next few years will afford more scope for the operation of such a bureau than there has been heretofore or than there may be thereafter. I need not mention before this Convention as illustrative of the opportunity for work along these lines that which was presented by legislation in the State of Minnesota during the past winter or that which is presented by the fact that at the Insurance Commissioners' Convention to be held next month it is extremely probable that the plan of the Commissioners will be put into effect to recommend the adoption of a uniform law in all the states,—a law prescribing the general provisions of the policy but not its form nor phraseology. Then, too, such a bureau as I have mentioned might very properly give efficacious attention to legislation on the subject of taxation,—both taxation by the state and taxation by municipalities in the shape of city licence requirements or occupation taxes. I have already gone into detail on this subject farther than I intended to. The subject is one which I commend to your most earnest attention, for I consider the necessity great, the opportunity ripe and the field of operation large.

It has been frequently stated at meetings of this Convention that the accident and health insurance business is but in its infancy. A review of the statistical figures of the past year but reiterate the truth. During the year of 1908 stock companies in the United States collected in premiums upon policies of accident and health insurance something over twenty-two million dollars. This is a large sum in itself, yet when considered in connection with the population of the United States eligible for accident and health insurance and needing accident and health insurance, it is but small,—probably less than one dollar per capita. Again I repeat the truth so often heard in this Convention that this comparatively meager showing is chargeable to ourselves. We have given scant, if any, attention to the education of our representatives and the general public has been left in a large measure in absolute ignorance of the benefits of accident insurance. It may perhaps be urged that the past year has not been a propitious one for large increases in business and that in view of the retarded recovery of many of our largest industries from financial depression, the showing made is a really excellent one. Nevertheless the time is now ripe for a more intelligent campaign of education, an education which shall force upon the attention of every insurable risk the knowledge that accident insurance is one of life's necessities. The distribution of the consequences of disaster whether such disaster affects the single individual or the entire community, is one of the fruits of civilization. Accident and health insurance is a distributor of the consequences of that form of disaster which bears most heavily upon the individual. To my mind it is a form of insurance which comes nearer to being one of the absolute necessities of the wage-earner than any other.

Something for Nothing.

Another point which attracted my attention upon a review of the work of 1908 as shown by the tabulated reports of the various companies is the great discrepancy between the amount of business written and the premium collected. This discrepancy represents just so much insurance given for nothing and is an amount so great in the aggregate as to be a very serious drain upon the resources of the companies. It does not dispose of this question at all to say that no claims were had upon the great volume of this business written but not collected. The greater part of all the business written but not collected was in force for some length of time, possibly averaging thirty days. During that time protection was given and the net result to the company was that on those policies which would have been profitable by reason of absence of claim it collected nothing, while if a claim did occur during the period of credit the premium was paid up and still the company lost money upon that particular business. Another way of expressing the same thought is to point out to