

far from this being the case, the matter of taxation is not the worst species of persecution they have to submit to. In nearly every Legislature there are men who seem to regard it as their right and privilege to devise laws against the insurance interest, laws more and more restrictive in their nature, many of which, if allowed to go into effect, would render the practice of life underwriting an impossibility. Many of the States that were formerly satisfied with a test of solvency based upon a four and one-half per cent valuation of policy liabilities, now require a four per cent reserve. Seeing the success of the four per cent. movement, it is only a question of time when some openly-avowed enemy of the business will introduce a Bill providing for some more stringent standard, say, for instance a three per cent. valuation, and then it will be in order for some other cranks to try and kill off the business of life insurance by repeating the experiment in other Legislatures.

Under such arbitrary laws, and in accordance with the absurd rulings of most of the Insurance Commissioners and Superintendents, the ability of the companies to comply with the ever-increasing requirements of the States is reduced to a minimum, by the disallowing of many items that should be included in the lists of valid assets. In this manner the candle is burned at both ends. The liabilities are forced up to the highest point, while the assets are depreciated to a minimum.

Another very great evil is the constant appointment of Legislative Committees to examine into some question or other that it is believed the companies will be unwilling to have made public. The object generally is to give some needy Legislators an opportunity of replenishing their exhausted exchequers. Thus we have special committees first from one State then from others, to look into the merits of the Tontine plan; to catechize the officers of the companies as to the size of their salaries; to find out whether they receive any bonus in addition to their salaries; and to try and find out many other things that the public does not wish to know.

The life companies have never contended that they should be *free* from supervision; but they have contended and do now contend that the supervision over them should be exercised by some regularly constituted and intelligent authority. This they surely have a right to demand. They would of course like to be held answerable to only one Insurance Department, say, for instance, a Department established at Washington by the United States Government. To be taxed such a sum only as will be necessary to meet the actual and unavoidable expenses of that Department. They would like to have a man at the head of this Department whom all would respect. They would desire him to be a practical and theoretical Insurance Expert, whose wide experience and thorough impartiality would insure a wise and competent administration of the affairs of the office. With such a man at the head of such a Department—with all political considerations thrown out of the question when his appointment was made—they would gladly agree to all the reasonable requirements of an effective supervision, and would be most thankful for being relieved from their present most onerous restrictions.

It would be difficult to formulate remedies for this condi-

tion of things within the limits of an article like this, but it is manifest that such a condition of affairs as has been herein referred to must admit of some radical treatment that would prove effectual.

In the first place the heads of Insurance Departments should not be *politicians*. They should, without exception, be men of large experience in the theories and practices of Insurance. They should be appointed on their merits, and when once appointed their positions should be assured to them so long as their course of action and conduct are above reproach. All proposed bills for the regulation or management of life insurance, fire insurance or any other form of insurance, should be first submitted to them. If their ripe judgment disapproved them they should be consigned to the waste-paper basket, unless very weighty reasons existed for over-riding the opinions and judgment of the head of the Insurance Department.

In this manner the public interests would be guarded even more jealously than they are now; the insurance profession would be enabled to run its own course without being daily subjected to toll by its adversaries; no unnecessary impediments would be placed in the paths of the companies; the cost to the policyholders would be materially reduced; those who desire to prevent their wives and children from becoming charges upon the charity of a cold world, would not have to pay an almost prohibitory premium for the privilege of relieving the State from a possible responsibility and certain pecuniary charge; an insurance company would no longer be the "*ignus fatuus*" of deluded and hungry legislators; and the State would be well rid of a very unsavory scandal.

It is of course possible that some measure of relief could be obtained under the present system. If the Commissioners and Superintendents of Insurance of the various States were all competent men having an intelligent appreciation of the needs of the public and of the companies alike; and if they were persistent in their endeavors to prevent unwise and corrupt legislation, they could undoubtedly effect a very great deal of good. But, unfortunately, most of them are politicians, who have nothing to recommend them for office but a slavish debasement to party service. The State of New York is now an honorable exception to this rule, being represented by Hon. John A. McCall whose fitness for the position he holds, and whose capabilities and merits are well-known, and have won for him the respect and esteem of the public and the insurance profession. It is to be hoped that the principles that dictated his appointment will in a short time receive recognition in many States that are now very unworthily represented.

Insurance needs all the encouragement it can receive and there should be a firm and determined effort made to free it from the evils that now encumber its progress and development in the United States.

We would review the action of the various State Legislatures defining the modes in which Life Insurance Companies can invest their assets, and restricting them to certain kinds of investments. Such a review would yield us much food for reflection, and would readily show how largely the companies' business is restricted in this manner, and