

of having four or five millions of business revived is surely far less than the expense of writing the same amount of new business.

And there is another side; the percentage of men who go through life without life insurance is yearly decreasing. If a man does lapse his policy, he will take another one somewhere, sometime. If the company in which he was insured takes time, trouble and expense to induce him to continue his policy, if he is a fair-minded man, he will appreciate it, so much so that when he wants another policy, he will come back to that particular company.

And further, the follow-up system leads to the writing of new business. The policyholder may be so convinced regarding the desirability and necessity of insurance, that he will not only revive his old policy but in addition will take out other insurance, or he may introduce the agent to some of his friends, who in turn will insure. For this reason it is wise to have an agent in some way connected with a re-instatement, if it be only to deliver the receipt.

It has been said and wisely so that "a penny saved is a penny made." We seem to be waking up to that fact in this age, in view of the spirit of conservation that is felt and seen on every hand in the business world. Certain it is that life insurance companies are more and more realizing that not only is it desirable to secure new business, but it also is imperative to evolve a system which will prevent or at least reduce the great drain on their life blood, brought about by the enormous annual lapse of policies. So long as life insurance exists so long will there be lapsed policies, and the greater the percentage of lapses, the greater should be the effort put forth to secure re-instatements.

THE POSSIBILITY OF STATE INSURANCE.

It is noteworthy how the attitude of the State in its relation to life insurance has completely reversed itself during the period in which this great institution has from small beginnings reached its present development, observes the New York Spectator. The inception of the system began in the form of annuities. These were in almost every instance granted by the State or the municipality, and were sold not especially as an aid to the individual annuitant but primarily as a means to recoup the exchequer. The original tontines which have carried the name of Lorenzo Tonti down through the centuries were conceived and operated exclusively for the benefit of the sovereign State treasury. Even Halley's Breslau tables of mortality, which made life insurance as we know it possible, were compiled and read before the Royal Society at a time when the British Government had suffered heavy losses through the sale of annuities, and it is not improbable that it was this fact which inspired him to his investigations and labors.

From this time on dates the origin and development of legal reserve life insurance conducted by private corporations. And from this also the transition in the attitude of the State begins. With the growth and development of the business the State has built up a mass of protective legislation to shield the policyholder, and has extended its supervisory powers to a point where in almost every civilized country the insurance business is the most closely scrutinized of all commercial enterprises.

This system has its drawbacks, and doubtless its iniquities, but in the long run is good. Now comes the latest development, a world-wide agitation for a return to primitive conditions, for State insurance. This is no chimera of the idealist; it is an economic reality. Germany has such a system inaugurated nearly thirty years ago and constantly expanding; England has recently passed a National Insurance Bill which makes the State an insurer. In the United States the idea has taken root and already borne fruit in the State insurance systems of Washington and Wisconsin. No man can predict how far the old-new idea will go. It is clear, however, that it will be more successful actuarially than the attempts of early times, which were based almost entirely on guesswork.

So the pendulum swings, through a few centuries, from absolute State insurance to the point of no State insurance and all private corporation insurance. Returning toward the original point of departure it is now in the area of part one system and part the other. Should State insurance prove successful in any measure and become a source of large revenue, the time will arrive when there must of necessity be competition between the State and the private corporation, and at that time will the already established supervisory departments, which are a part of the State, be entirely fair and unbiased toward business competitors of the State? No less an authority on insurance than William H. Hotchkiss, former Superintendent of Insurance of New York State, took occasion in a public utterance to predict a future adoption of State insurance in all lines. If such prophecies be destined to fulfilment, the question raised is not academic; it is real and practical.

PROBLEMS OF WORKMEN'S COMPENSATION INSURANCE.

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The advent of workmen's compensation for accidents has thrust upon the liability insurance companies many complex and difficult problems. The proper solution of these will require the exercise of much skill and hard work. The first problem thrust upon the companies was how to secure data on which to found the rates. The companies constituting the old Liability Conference recognized the necessity for a solution several years before any workmen's compensation act was put on the statute books of any State and early set about gathering data. What was needed was a table of deaths, permanent disabilities, and temporary disabilities relatively to the exposure. This, it was seen, could be obtained from the experience under the workmen's collective policies which the companies had been issuing. Workmen's collective policies are simply workmen's compensation policies called by another name and providing less benefits. The principle underlying each are the same. The Liability Conference accordingly collected a deal of data, studied the figures carefully, and compiled a table. The Workmen's Compensation Service and Information Bureau is now engaged in the compilation of a further and more extended table to supplement the earlier table compiled by the Liability Conference. Further information was obtained from the experience under Personal Accident policies and under Employers' Liability policies.