UNIFORM LAWS PROPOSED.

Outline of Life Insurance Bills Drafted by Committee of State Commissioners.

The Committee of Fifteen, which was appointed about a year ago at a conference of state governors, attorneys-general and insurance commissioners, has drafted a series of seventeen model bills, with a view to securing uniform legislature from as many as possible of the states of the union.

Standard Policies.

The first bill provides for the establishing of standard forms in which policies of life insurance may be issued, for the regulating of the conditions and privileges to be contained in policies of life insurance companies that do not adopt such standard forms. The forms given differ from the New York standard forms in that minimum loan values are to be the full reserve less $125 per $1,000 insured, instead of 80 p.c. of reserve. Then, too, dividends, if no option is selected, are automatically payable in cash instead of being converted into additions to the policy.

Preliminary Term.

Policies issued on the standard forms may provide for one year preliminary term insurance if the following clause is inserted: "The first year's insurance under this policy is Term Insurance."

The following valuation provision is made in the bills:

"If the premium charged for term insurance under a limited payment life preliminary term policy providing for the payment of all premiums thereon in less than twenty years from the date of the policy or under an endowment preliminary term policy, exceeds that charged for like insurance under whole life preliminary term policies of the same company, the reserve thereon at the end of any year, including the first, shall not be less than the reserve of a whole life preliminary term policy issued in the same year and at the same age, together with an amount which shall be equivalent to the accumulation of a net level premium sufficient to provide for a pure endowment at the end of the premium-payment period equal to the difference between the value at the end of such period of such a whole life preliminary term policy and the full reserve at such time of such a limited payment life or endowment policy."

Non-Standard Policies.

Companies are not to be compelled to use the standard forms, but if they prefer not doing so, they are required to include in their policies thirteen specific provisions which cover practically the same terms as are contained in the standard forms.

Then, too, the Committee recommends the permitting of variations when such are made necessary by the laws of non-conforming States.

Yearly Apportioning.

According to the second bill there would be required an annual apportionment and accounting of surplus beginning not later than the end of the third year, each policy-holder to be credited with or paid such a portion of the entire divisible surplus as has been contributed by his policy. It contains "contingency reserve" provisions similar to those of the new insurance laws of New York State. It further provides that every policy-holder shall on all participating policies hereafter issued be permitted annually to select the manner and method of the application of the surplus to be annually apportioned to his policy from among those set forth in the policy.

All apportioned surplus not actually paid over to the insured, or applied to his policy, shall be credited to him and carried as an actual liability and be paid at the maturity of the policy.

Deferred Dividends.

When policies are issued with deferred dividends it is provided that each company must "annually ascertain the amount of surplus to which all such policies as a separate class are entitled, and shall annually apportion to such policies as a class the amount of surplus, plus the actual interest earnings and accretions of such fund, as a distinct and separate liability to such class of policies on and for which the same was accumulated, and no company or any of its officers shall be permitted to use any part of such apportioned surplus fund for any purposes whatsoever other than for the express purpose for which the same was accumulated."

Directors.

In the election of directors of mutual companies the bills do not require the cumbersome publication of all policy-holders' names. Policy-holders are to be permitted to cast votes in person, by mail, by proxy or by representative. The provision that no person is to vote as proxy for more than twenty members is evidently framed to avoid repetitions of schemings like those characterizing the Untermeyer-Scrugham struggle for the control of the Mutual and the New York Life.

Other Regulations.

Investments are to be regulated and the buying of stocks is arbitrarily prohibited. No funds are to be diverted for political purposes. Rebates are banned and "stock agencies" forbidden. Salaries are to be limited to $50,000 for any one person.

Publicity.

The final bill deals with the matter of publicity, and includes provision for a Loss and Gain Exhibit with a statement showing separately the margins upon premiums for the first year of insurance and the actual expenses chargeable to procurement of new business incurred since the last annual statement. It must also show the profits earned on policies issued after the enactment, rates of annual dividends, with all plans and durations and four representative ages, rates of deferred dividends in a similar manner, rates of accumulations toward deferred dividends, with all plans and durations, and any and all reserve or surplus funds held by the company and for what purpose they are claimed respectively to be held.

The annual statement must give detailed information as to real estate held, mortgage and other loans, movement of securities, legislative and legal expenditures, salaries in excess of $5,000, death claims resisted or not paid in full, largest bank balances and various other matters.