

LIFE COMPANIES IN CUBA, PORTO RICO, AND THE PHILIPPINES.

Possibilities of Business in Those Countries—High Rates and Heavy Mortality—Obstacles to be Surmounted—The Sanitary Conditions.

The life insurance companies are alive to the situation in Cuba, Porto Rico and the Philippines, and before long it is thought will take action towards pushing their business in those territories. Several of the companies did a large business in Cuba before the war broke out, and some for a time found it profitable to accept risks in Porto Rico and the Philippines until hostile legislation and bad sanitary conditions made it difficult for them to continue. The problems of life insurance in tropical regions are, however, quite different from those encountered here, and although the past experience of several companies suggests the necessity of charging high rates to cover the increased mortality, it is believed that conditions in Porto Rico at least will rapidly improve, and that the large companies will establish branches there very soon. However that may be, it is known that the whole region is being carefully watched, and the companies which did business there under trying conditions before will not, it is thought, be slow to take advantage of the improvement which now seems to be assured. One or two of the companies still have a following in Cuba, and when it is possible to "work" that territory again, agents will doubtless be instructed to do so.

Officers of the large companies discuss the possible development of their business in what was formerly Spanish territory with much interest, and not a few have visited the region themselves or are fully acquainted with the difficulties under which their agents have hitherto been laboring. Some believe it is yet too early to consider the development of the field from an insurance standpoint, but all admit they will enter the territory if it seems expedient to do so. Darwin P. Kingsley, Third Vice-President of the New York Life Insurance Company, said: "The experience of our company, in the prosecution of its business in Cuba, Porto Rico, and the Philippines has not been such, under conditions heretofore existing, as to lead us to look upon those regions with any particular favor. Our records show that in volume our business in Cuba reached its maximum in 1888, 1889 and 1890, since which time there has been a steady decrease in the amount at risk. This has come from annoying legislation and a general feeling on our part that conditions upon the whole were none too favorable, even at the rate and on the form of policy which we were willing to issue. In Porto Rico our business reached its maximum from 1888 to 1892; while in the Philippines we have never done any considerable volume of business. On account of legislation in Madrid, we practically abandoned the prosecution of new business in the Philippines some years ago. Under the new conditions these fields will, of course, become more attractive, but many of the natural obstacles will probably never be entirely removed, and can be partially obviated only after the lapse of time.

"Our general mortality experience has not been in excess of that anticipated, and not beyond the provision made in the premium charged. Still, the general conditions of all these places, viewed from a sanitary and medical standpoint, is markedly unfavorable. In fact, a detailed consideration of the condition under which people live leaves one in a state of astonishment that the rate of mortality has

not been heavier. It is difficult to form a clear idea as to the possibilities of business in the Philippines should those islands be put under control of the United States. But as between Cuba and Porto Rico, in the light of what we have experienced, I should say that Cuba will present much the better field for us. Of course, it is much larger. With the lapse of time and improved sanitary conditions, particularly in the cities, under a system of laws which begin with the Anglo-Saxon idea of every-day honesty, there is no reason why Cuba and Porto Rico, and probably the Philippines, should not be a profitable field for the prosecution of our business, based, of course, on an adequate rate of premium."

Dr. Walter R. Gillette, general manager of the Mutual Life Insurance Company, said: "This company has never done business in Cuba, Porto Rico or the Philippines. Whether we will enter those regions in the future or not will depend very much upon the sanitary and hygienic conditions prevailing. The climatic conditions (being unalterable) will probably be met, if the company should ever do business in those countries, by charging what are termed 'tropical rates.' Business all along the line will unquestionably be developed in these new territories just as soon as they come under the full influence of the nineteenth century progressive movements, and when that takes place life insurance will undoubtedly keep step with the general improvement. The obstacles to be overcome are those which naturally present themselves in the conditions now prevailing as reported by the army and press correspondents. There would seem to be a total lack of sanitation in these countries, and this condition must unquestionably be changed before life companies will consider the possibilities of business, except through extraordinary and abnormal premium rates.

"The mortality in the tropics is always in excess of what it is in more temperate zones, and always will be regardless of any and all sanitary and hygienic rules and regulations. Animal life there is like vegetable life, *i. e.*, early ripe and early rotten, and this early mortality must be met by corresponding increased premium rates, which will necessarily limit the volume of business that can be had in such countries. Porto Rico presents the most desirable and favorable field for life insurance interests, as has been demonstrated already by companies that have done business there. As to the Philippines, I do not know whether or not any companies are doing business there, but fancy there may be some English companies insuring in those regions, as you can find them all through the islands of the South Pacific, and there would appear to be no reason why such an important territory as the Philippines should be overlooked while others in that locality have been occupied. It is of course understood that companies doing business down in any of the South Sea Islands or Philippine Archipelago would confine their risks wholly to the European population, which may be engrafted there for the purpose of general business. No company would think of insuring the natives of those countries under present conditions."

James W. Alexander, Vice-President of the Equitable Life Assurance Society, said: "I do not think we shall want to do business in the Philippines just yet. We considered that territory some time ago, and came to the conclusion that we did not care to insure the natives, and that foreigners were exposed to dangers, known and unknown, which could not be accurately determined in advance. We retired from Porto Rico on account of the mortality, and