

refer are indeed recognized as *scandals*, not only by life insurance men themselves, but also by others (outside of the profession) who are accustomed to give thoughtful consideration to all matters of apparent importance. It is impossible to remain blind to the evil tendencies of a recognized and admitted abuse, when it has become so notorious and indisputable that legislative enactment is resorted to in the vain effort to effect its suppression—as has been done, for instance, in the endeavor to bring a legal punishment upon “Rebaters.” When the *disease* prevails to such an alarming extent as this, it is mere folly to any longer continue to maintain that its *cause* is something unconnected with and independent of the system itself; because it must be perfectly clear to every one who will give the matter sufficient thought, that it is only through some reform in that system that any effort to remedy it, cure it, or eradicate it can be attempted with even the slightest chance of success.

Within the scope of such space as the INSURANCE & FINANCE CHRONICLE can spare, in its next four or five issues, I propose to give some critical consideration to the following matters :

1. An enumeration of the most palpable and self-evident of the abuses from which life insurance is today suffering.
2. The apparent causes of their inception and continued growth.
3. Their recognized effects, and the evident consequences of their continuance.
4. Such common-sense remedies as may suggest themselves to my limited comprehension and study of this subject.

In doing this, I need hardly say that I shall indeed be very pleased to receive (and would doubtless be greatly assisted by) any suggestions that may occur to thoughtful life insurance experts, or to any other readers of the INSURANCE & FINANCE CHRONICLE, as the subject opens itself for our study and review, and presents a wider reach of development for our consideration.

If, within the limit of space assigned to us, such an investigation can be successfully directed into the right channel, and if we can succeed in tracing correctly the *cause* of much of the trouble that now assails life insurance in its practical details and working, it is not unlikely that we may be fortunate enough to accomplish something useful in the way of indicating or suggesting specific remedies of value. The possibility (or even the extreme probability) that any such attempt may be in vain, and may only end in laying bare another failure, is not a good or valid reason against making the attempt. Indeed, to draw back from the task, and to refrain from making a much needed investigation, simply because of its *possible* futility, would be unquestionably an act of unmitigated folly and an evidence of unworthy cowardice.

In the first place, we may safely take it for granted, that no specification of the abuses to which the practical system of life insurance is subject can be regarded as complete, unless it embraces the following :

1. The so-called “rebate” evil, which is neither more nor less than the giving to the applicant by the agent, either the whole or a part of the commission compensation legitimately allowed to the agent by the company as a recompense for his services in securing the risk.

2. The enormous volume of life insurance that is written upon apparently *bona fide* applications, but never actually paid for; and the alarming lack of persistency of even that portion of the business which is written and actually settled for, and which bears every outward appearance of being perfectly legitimate and of having been legitimately obtained.

3. The fact that thousands of local and sub-agents are never taught to realize that in every detail of their work they should act as though they were held to a rigid personal accountability to the company they work for.

4. The actual suppression of the responsibility of the local or sub-agent to the company he represents, and the resulting subordination of his invaluable work to the limitless ambition of the manager or general agent, all of which results from the injudicious and persistent effort to effect too great a degree of centralization of the field work.

5. The large number of risks, of questionable moral and physical desirability, that are placed upon the books of every life insurance company, in spite of its most carefully devised precautions to guard it from this very danger, and the resulting increasing proportion of death claims of more or less suspicious validity.

6. Persistence in the dishonorable attempt to “twist” policy-holders from one company into another company, after they have acquired actual vested interests in their policies by making actual premium payments thereon.

7. The enhancing of the relative importance of the hazard of death, the experience of which is inseparable from those risks which are exposed to the constant strain and anxiety of heavy commercial and financial responsibilities. The relative importance of this consideration manifests itself when the most thorough canvass is made in large centres of population, to the comparative neglect of the rural communities.

I have not made the slightest attempt to classify these abuses in the order of their viciousness or of their relative or actual importance, having satisfied myself by merely enumerating them just as they occurred to me. It might have been desirable to have enlarged somewhat upon the subject of each of the evils herein referred to, but I refrain therefrom in order to economize space. Most of them are diseases so well known as to be sure of immediate recognition by life insurance men who can readily supplement my bare recital of them by as full and complete a consideration as their leisure will permit. Later on, in determining their causes, effects and probable remedies, I shall of necessity be led into some amplification of them, and of other phases of them, not thus far referred to.

Other evils of more or less far-reaching effect, and of apparently vicious tendencies second only to those al-