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THE STORY OF LIFE ASSURANCE

BY A. ARTHUR READE
EDITOR OF "BUSINESS."



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TO
MY DEAR WIFE

I dedicate this book, because without her co-operation I could not have continued my insurance educational work for a period of nearly 20 years. This work has involved many sacrifices for the public good, but they have been made cheerfully. "What do we live for," asks George Eliot, "if not to make life less difficult for each other?"

What matter, I or they?
Mine or another's day?
So the right word be said,
And life the sweeter made?

Preface.

MOST people consider Life Assurance a dry subject. I suppose that I am an exception to the rule ; for I find it extremely fascinating. Sir Walter Besant advised authors to acquire a special knowledge of *one* subject, and write on that subject. That's what I did nearly 20 years ago, and I have been writing about Life Assurance ever since. In fact, I have had neither time nor desire to write upon any other subject ; for I regard Life Assurance as the greatest movement in the world for uplifting humanity.

I have written some thousands of articles about it, and many books for the benefit of Agency workers—for the men who secure the business. But I have long cherished an idea of writing a *popular* account of Life Assurance, and for many months I have been engaged in the intervals of a harassing editorial life in trying to put my idea into practice.

“ The Story of Life Assurance ” is not a large book, but large enough for the average man to digest. A famous author was once asked to write a biography of Napoleon in 36 pages, for an encyclopedia. “ Thirty-six pages ! ” he exclaimed, “ the thing is impossible ; give me 36 volumes ! ” The same difficulty confronts the man who would write a history of Life Assurance. Mine is not a history, but it traces the rise and progress of Life Assurance, and describes its advantages in a style more fascinating than a novel, and certainly more useful. There **are** no diagrams in it, or mathematical formulæ. “ The Story ” is a book, not for a day, but for all time. Whoever picks it up will, I venture to think, read it through from beginning to end.

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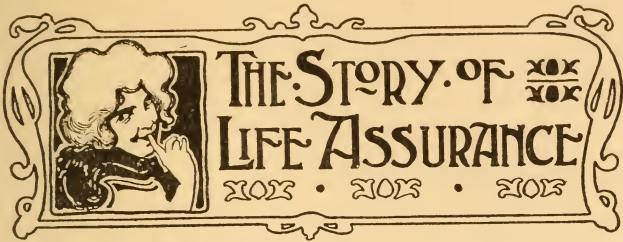
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*This fine old world of ours is but a
child
Yet in the go cart. Patience, give it
time
To learn its limbs. There is a hand
that guides.*

—TENNYSON.

THE principles underlying Life Assurance are as old as history. According to Dr. Talmage, God is the author and originator of the system; the corn cribs of Egypt formed the first working Company to dispense the blessings of insurance. Parson Pearson (Buffalo) begins the story with Noah, claiming that the Ark was the first paid-up policy, and that the first Mutual Insurance Society was organised in Egypt when God's insurance agent, Joseph, under the inspiration of religion, provided that each farmer should pay a premium of so many bushels of grain during the years of plenty that would return to his family during the years when he was no longer able to provide for them. In all ages, and in all countries, men have clubbed together for self-protection. Friendly societies existed among the ancients. Some had a system of collecting fees and paying benefits; in others, money was called for when there was a demand for funds to assist a member. In others, again, there was a regular collection of fixed amounts, and the payment of certain definite benefits as they matured. Mr. Cornelius Walford was of opinion that King Alfred first laid down the principles of mutual association and combination for good purposes. During the earlier centuries of the Middle Ages the poor, were

cared for by the Church. The benefits granted were food and clothing, housing, and medical attendance. This work was maintained through grants and bequests made to the Church. In the 14th century Guilds were formed which did excellent service for their members. In that century men appear to have lived an ideal life. The trade guilds looked well after the workers; the fear of poverty never was before them; an eight hours' working day was universal, and there were no women and child workers. The ordinances of the Guild of Berwick-on-Tweed, for instance, provided that "whosoever shall fall into old age or poverty, or into hopeless sickness, and he has no means of his own, shall have such help as the Aldermen, Dean, and Brethren of the Guild shall think right, and such as the means of the Guild shall enable to be given."

"The great man helped the poor,
And the poor man loved the great."

But Guilds were found inadequate to provide for the wants of a family when the bread-winner was removed by death; and it does not appear that any successful effort was accomplished until the beginning of the 18th century, when the Mercers' Company were induced by the Rev. W. Assheton, D.D., to insure lives. In Watts's *Life of Dr. William Assheton*, printed in 1714, evidence is given of the good work done by this pioneer of life assurance protection:

"I shall not publish what sums have already been paid; what widows are now jointured, and what sums they do now receive. It is more for my ease and satisfaction that persons concerned should consult the book published by the Wardens and so easy to be had by anyone. The company have received by subscriptions above £50,000, and do now pay out of the same £2,800 per annum to widows. So this can be no advantage to their own private persons, but some loss to the whole at present, which makes the wardens more strict and backward in taking in subscriptions than formerly. Neither did the Doctor gain a farthing by it though they presented him £160, for he often assured me that he had been at £200 expense from the beginning of the project. Yet he rejoiced and gloried at the successful finish of this work."

The assurance scheme of the Mercers' Guild proved, however, a failure, after an existence of 46 years. The cause of the failure was simply the want of proper materials for measuring insurance risks. Dr. Assheton had calculated his premiums far too low, and had failed to graduate them according to age. Fortunately, Parliament took a generous view of the mistake, and passed an Act granting to "The Commonalty of the Mystery of the Mercers" the sum of £3,000 per annum towards liquidating their assurance debts, the grant being for a term of 35 years, recoverable from the duties on coals. With this assistance, the great Guild soon retrieved its losses, remaining as rich as ever, after paying in full every man, woman, and child interested in their insurance undertaking.



“THE DIRECTORS SAT ROUND THE BOARD ROOM TABLE IN BEAUTIFUL ROBES, TRIMMED WITH FUR.”

A more ambitious attempt to provide insurance protection was made in 1705, when the Amicable Perpetual Assurance was formed by Royal Charter, in the reign of Queen Anne. It is on record that the directors sat round the Board Room Table in beautiful robes, trimmed with fur. Candidates were required to appear personally before this august assembly and voluntarily make oath as to their state of health, to the satisfaction of the Board. An explanation of their system is quoted from a "New and Complete Dictionary of Arts and Sciences," published in 1744 :

We have also insurances for lives, in virtue of which, when the person insured dies, a sum of money becomes payable

to the person on whose behalf the policy of insurance was granted. The principal insurance office of this kind is that of the Amicable Society for a perpetual assurance, kept in Sergeant's Inn, Fleet-street, London.

In this office, after paying the charges of the policy and 10s. entrance money, each person pays £5 per annum, by quarterly instalments, and from these payments the dividends, which usually amount to £100 and upwards, are to arise. All persons admitted are to be between the ages of *twelve* and *forty-five*, and in a good state of health. Any person is allowed to have two or three insurances or numbers on the same life, whereby such person will be entitled to a claim on each number so insured; and every claimant is empowered to put in a new life—in the room of the one deceased—within twelve calendar months next after the end of the current year.

By becoming members of this Society clergymen, physicians, lawyers, tradesmen, and all whose income ceases at the time of their death, may, in all probability, leave to their families a claim of not less than £100 for every £5 annually paid in.

The claim of Life Assurance as a science at that time appears to rest on the fact that the premium rates were to some extent based on mortality observations, and, although the scientific accuracy of modern Life Tables was then impossible, the business acumen of the directors is sufficiently exemplified by the width of the safety margin in the rates which they charged. The article concludes :

The value of insurance upon lives depends upon the *probability* of the continuance of any proposed life or lives during any *proposed term*. Any question of this kind may be determined from Dr. Halley's table (1692), and from the principles of the Doctrine of Chances. But, as far as we can learn of the practice on such occasions, the premiums paid to insurers are generally higher than any computation founded on observations concerning the probability of human life will warrant. Thus, it is not unusual to make a person pay 5 per cent. for the insurance of his life for a twelvemonth—that is, in case the person dies within the year the insurer is to pay £100 for every £5 received. Now it appears, from Dr. Halley's table, which estimates the probability of life low enough, that 5 per cent. is an adequate value only for a life of an advanced age, such as sixty-four.

As a comparison of the rates charged in those "good old times," with those for a similar benefit to-day, it may be stated

that the premium to insure a person aged 25 for one year for £100 is £1, and, for a person aged 45, £1 12s. 6d., whilst the average rate for all ages between 15 and 45 is only £1 5s. 6d., or, to put the point in another way, the premium paid for £100 of insurance protection 150 years ago would now purchase *term* insurance for £400. In all such cases the contract would expire at the end of 12 months.

It is obvious, therefore, that if the directors of the Amicable erred at all, they erred on the side of safety. According to Charles Babbage (*Comparative View of the Various Institutions for the Assurance of Lives*, 1826), "this rate of 5 per cent. was probably fixed upon from its appearing that the annual number of deaths in London was nearly one in twenty of the population." But an actuary considers this view incorrect, because the persons who made the rate were not students of such statistics in life contingencies as then existed, but practical business men who applied to the problem the same rule of thumb considerations which they were accustomed to adopt in fixing premiums in other classes of underwriting; and because he is unable to find any confirmation of the statement that the rate of mortality in London was one in twenty—that is, 50 per 1,000. Whether correct or not, the Amicable appears to have been a substantial Insurance Office; for it maintained a separate existence for 161 years, until 1866, when it was taken over by an up-to-date Society.

The history of life assurance in England really dates, however, from 1762, when the first Office was founded to insure lives at premiums graduated to the various ages at entry. It is called "The Society for Equitable Assurances on Lives and Survivorships," and was established by Deed Inrolled in his Majesty's Court of King's Bench at Westminster. It was projected in 1756 by James Dodson, author of "The Mathematical Repository," who had been declined by the Amicable, because his age exceeded 45. He considered his rejection *inequitable*, and therefore took steps to form a Society on an *equitable* plan. But the man who carried the idea to a practical conclusion is credited to Edward Rowe Mores, under whose inspection the business was first started, and whose services

were recognised by his election as a director for the whole term of his natural life. Mr. Mores played for some years a prominent part in the fortunes of the Society. He was mainly instrumental in procuring the deed of settlement, which it took six years to obtain. In that deed the objects of the Society are thus described : " It appeareth that many advantages and great benefits may issue and be secured to great numbers of persons in particular stations of life and circumstances and fortune from the establishment of a Society to be composed of such persons as shall be qualified and willing to become eventually contributors for equitable assurance on lives and



ROBERT SOUTHEY.

survivorships upon premiums proportionate to the chance of death attending the age of the life to be assured."

It is impossible to imagine why application for a Charter of Incorporation was opposed by the Law Officers of the Crown ; but success eventually crowned the renewed efforts of its promoters. Like every other Society, the Equitable had its own bye-laws ; in fact, it was burdened with them. There were not fewer than 70 in 1893, when a successful effort was made to the High Court of Justice to obtain a new constitution,

which swept away the old millstones to progress. One of the bye-laws limited profits to the oldest 5,000 policies. Evidently, Robert Southey was one of the lucky 5,000; for he took considerable pleasure in speculating upon the probable amount of his bonuses. He held policies for £4,000 in all; and, at his death, the Society paid his heirs over £10,000.



Insurance of Slaves.



In returning, I read a very different book, published by an honest Quaker, on that execrable sum of all villainies, commonly called the Slave Trade. I read of nothing like it in the heathen world, whether ancient or modern; and it infinitely exceeds, in every instance of barbarity, whatever Christian slaves suffer in the Mohammedan countries.

—JOHN WESLEY

ALTHOUGH the principles of insurance, as now understood, are essentially modern, born of the extraordinary development of commerce during the past century and a half, the ancients practised some form of contract for securing risks akin to insurance. In the time of Alexander the Great

(356 B.C.) the Greeks had a scheme of insuring runaway slaves, by which the contracting parties undertook, for a yearly contribution of eight drachmas for each slave in the army, to make good his price, in the event of his elopement.

The South-American slave-owners were the successors of the Greeks. So far as insurance upon their own lives is concerned, they were at first bitterly opposed to it. They considered insurance a reflection upon Providence, but held more elastic views when the question of insuring their slaves was placed before them. Human cattle were valuable property, bought and sold in the open market; men and women were stripped stark naked and flogged whenever their master suffered from a bad liver. If they died, what did Simon Legree care? Were not his niggers insured? But Legree was a better man than his sons. To-day, the *white* Christian of the Southern States gouges the *black* man's eyes out; gashes him with knives; burns him alive over a slow fire of green wood, or tickles him with red-hot irons.

In the days depicted in "Uncle Tom's Cabin," slaves were insured in lots. Thus, an old document tells about "Negro Policy No. 365" insured by the Phoenix Insurance Co., of St. Louis, dated March 10, 1851, and signed by John B. Camden, president, and W. H. Pritchard, secretary. The premium was 85.39 dols. (£17) and the risk 8,000 dols. (£1,600) for three months from noon of March 4, 1851, to noon of June 4, 1851, on sixteen slaves as follows: Tom, Frank, Sophie, Eviline, Jordan, Daniel, Ann, Hester, Henry, Lew, Zelina, Ellen, Nelson, Mary, Charlotte and Ann, in favour of Bolton, Dickins and Co., Memphis, Tenn., being at the rate of 500 dols. (£100) on the life of each one who might die during the continuance of the policy. There was a loss sustained under this policy, as the following endorsement shows:

Received of the Phoenix Insurance Company 498.08 dols. (£99) in full, in payment of negro girl, Charlotte, insured under this policy, No. 365, less forty-seven days' interest.

BOLTON, DICKINS & Co.

Memphis, May 21, 1851.

As a rule, however, it appears to have been the practice to issue a policy on each individual life. In the following case

the woman is known by a single name, and her age is not given, nor any other description of her than the mere title by which her owner knew her in distinction to his other human chattels. The policy, which is a model of the standard that pertained to that phase of the business, is for but one year, but it gives the slave-owner the right to renew it for one, two, or three additional years. The full text of the policy is as follows:

“ SLAVE LIFE INSURANCE POLICY.

No. 1,143.

“ The Albemarle Insurance Company, Charlottesville.

“ This Policy of Insurance witnesseth : That THE ALBEMARLE INSURANCE COMPANY, in consideration of the sum of *Twelve Dollars* to them in hand paid by *B. W. Green, of Henrico Co., Virginia*, DO ASSURE the Life of *Letty*, a slave, in the County of *Henrico*, State of Virginia, in the amount of *Four Hundred dollars*, for the term of one year, to wit : From the *Twenty-first* day of *March*, one thousand eight hundred and fifty-nine (at noon), unto the *Twenty-first* day of *March*, one thousand eight hundred and *Sixty* (at noon).

“ And the said Company do hereby promise and agree to and with the said assured, *his* executors, administrators and assigns, well and truly to pay or cause to be paid, the said sum insured, to the said assured, *his* executors, administrators or assigns, within ninety days after due notice and satisfactory proof of ownership and of the death of said Slave *Letty*.

“ Provided always, and it is hereby declared to be the true intent and meaning of this policy, and the same is accepted by the assured upon these express conditions, that the said slave is the fee simple property of the party insuring (or if otherwise, as stated in the declaration), and in case the said slave *now engaged as a farm hand shall be engaged in any occupation more hazardous*, or shall, without the consent of this Company previously obtained and indorsed upon this policy, pass beyond the limits of the State of Virginia, or in case the assured shall have already any other insurance on the slave hereby insured and not notified to this Company, and mentioned in, or indorsed upon, this policy, or shall hereafter effect any other insurance upon the said slave without the consent of this Company first obtained and indorsed upon this policy, or in case the said slave shall commit suicide, or shall die by means of any invasion, insurrection, riot or civil commotion, or of any military or usurped power, or by the hands of justice, this policy shall be void, null, and of no effect.

“ And it is also understood and agreed to be the true intent and meaning of this policy that if the declaration made by the said *B. W. Green's agent* bearing same date of this policy, and upon the faith of which this agreement is made, shall be found

in any respect untrue, then in such case this policy shall be null and void. The interest of the assured in this policy is not assignable, unless by consent of the Albemarle Insurance Company, manifested in writing. This insurance may be continued for such further term as shall be agreed on, the premium therefor being paid and indorsed on this policy, or a receipt being given for the same. In witness whereof, the Albemarle Insurance Company have caused these presents to be sealed with their seal and signed by their president and secretary, this 21st day of *March*, in the year of our Lord one thousand eight hundred and fifty-nine.

Attest :

W. T. EARLY, President.

JOHN WOOD, Jr., Secretary.

"It is hereby expressly agreed that the said B. W. Green shall have the privilege of continuing the within policy of insurance on the slave Letty for the further period of three years, from and after the 21st day of March, eighteen hundred and sixty, provided he shall, on or before the said 21st day of March, 1860, 1861, 1862, pay the within mentioned premium of twelve dollars, and further medical examinations will be dispensed with.

JOHN WOOD, JR., Secretary."

Even respectable Companies transacted this class of insurance business, the first claim paid by an American Insurance Co. being on the life of a slave.

Happily, slave insurance is now a thing of the past ; but it is a phase of the subject which is interesting, from an historical point of view, and deserving of permanent record. "The sum of all villainies" is abolished. But whether the *black* man is any better off is doubtful. We have now to abolish in Britain the worst slavery of those who make it their very plan of life to be always paupers and self-sold slaves. How can self-imposed slavery be abolished ? Not by iron cannon, not by the butt end of a musket, not by the policeman's baton, but by the silver-tongued eloquence of the Insurance Agent. If he can't do it, no other man has a ghost of a chance.

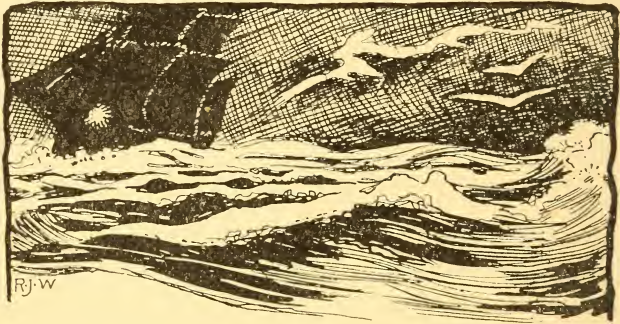


The Morality of Insurance.

*Divinity is not worth having,
much less paying for, unless it
teaches humanity.*

—WALTER SAVAGE LANDOR.

IN many old taprooms on the Cornish coast, ancient, though not venerable, natives talk regretfully of the days when the harvest of the sea was worth more than all the work on shore ; who babble of fights half in the surf and half on the strand, between men struggling for their lives and human fiends thirsting for their goods. One told a gruesome story how ships were deliberately lured to their fate. A ship's lantern was tied to the horns of a cow, and the animal driven



“THE ROCKING OF A SHIP'S LIGHT ON A STORMY, BUT OPEN SEA.”

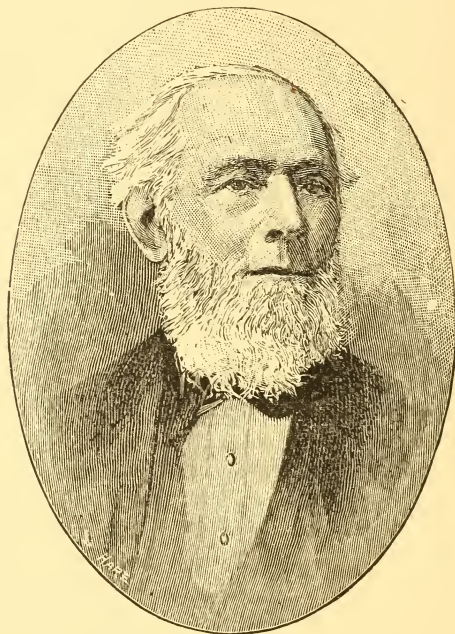
along the cliffs. The tossing of the lantern on the cow's horns exactly resembled the rocking of a ship's light on a stormy, but open, sea. Where one ship is another can go, and so the vessel sailed along unconscious of its doom until it broke on the rocks. The improvement of the Coastguard service has done what the pulpit failed to do—altered public opinion on the subject of wrecking.

A parallel case of wrecking comes from Ministers of Religion in relation to their attitude to life assurance. Fierce were their onslaughts against the new-fangled scheme of protecting the family against want. Even the Quakers anticipated objections; for, in the prospectus of the Friends' Provident Institution, we read: "The first is, that it implies a *distrust of Providence*; the second, that it bears somewhat the character of a lottery. Further consideration will, it is apprehended, show the fallacy of both these ideas; it will be seen that the plan bears rather the character of a community of property than of any selfish, hazardous, or distrustful speculation. It is the compact of a number of persons who agree together to put what they can spare into a common stock for their common benefit." Against one Office (established in 1812) an accusation was made that it set forth, in its profane tabulations, a perfectly reliable degree of certainty in human life, which Scripture, on the contrary, had declared to be of all things the most uncertain. It was charged with Immorality, as an interference with the ways of Providence. In short, the parsons of that time were the men of the false lights. Are their successors any better to-day? Do they ever show any wisdom in their treatment of national questions? This is not the place to discuss their attitude to questions other than to the question of life assurance; but, so far as *that* is concerned, its progress owes little to ministers of religion.

We may be pardoned, however, for referring to their opposition to one reform—the writing by sound. When Isaac Pitman invented phonography the parsons had a fling at phonography, in which they saw an enemy to religion. It appears that one member of the clerical profession, the Rev. Edward Bickersteth, denounced mesmerism, phrenology, Chartism, and socialism as the stalking-horses behind which the most Satanic lies, and the most absurd blasphemies, are sent forth against the Word of God! Phonographers were regarded as heretics. When it was proposed to hold a meeting in that centre of sweetness and light, Exeter Hall, Mr. Thomas Allen Reed had some difficulty in persuading the Committee that the reform sought by the promoters of the meeting had no reference

to theology, but that it was simply a means of rendering reading and writing a pleasure, rather than a toil. But, in spite of the denunciation of parsons like Bickersteth, phonography made great progress throughout the United Kingdom. So did Life Assurance.

In Scotland, their attacks at last aroused the thinking portion of the people, and excited inquiry, which resulted in a



Isaac Pisman

firm conviction of the value of the system. Thus life assurance triumphed over prejudice, and gradually won its way in public esteem. But the opposition of parsons will never be forgotten. In their turn, the narrow-souled creatures were lectured by the broad-minded and large-hearted men. "The days have

been," said A. K. H. B. (the Rev. Dr. Boyd), "in which it was taught from Christian pulpits that it is sinful for a man to insure his life. Probably the *rankest nonsense* ever heard in this world at various times has been taught from Christian pulpits. I have the happiness to speak to an intelligent congregation. It is not necessary here to preach as if I were preaching to idiots. And he is an idiot, and an incorrigible idiot, who doubts if it is right for a man to avail himself of a means God has put in his reach to provide for his children when he is dead, by practising a little self-denial when he is living. I am perfectly clear what He would have said on the question, who, when asked by a crafty adversary to run into risk which could be honestly avoided, answered, 'Thou shalt not tempt the Lord thy God.'



A. K. H. B. Boyd

Perhaps the most common objection to life assurance was based upon a theory that to insure one's life was to distrust Providence. What *is* Providence? The dictionary defines it as "foresight; timely care or preparation; the care and superintendence of God over His creatures; a name applied to God." The word seems to have been in common use in Scotland. Thus, Scottish people refused to employ "fanners" in winnowing grain, designating their effect as "Deil's Win'," and when umbrellas were introduced, many people objected to them because *Providence* had decreed that the rain was meant to fall on the just and the unjust! They changed their minds, however, when it came to saving their own skin. For instance, a Highlander, when asked to give thanks to Providence for a wonderful escape from drowning, said: "Hooch, yes, Providence wass goot, bit I wass very cleffer myseel, too." Sandy understood better than his teachers the true meaning of Providence. Apparently, also, the Edinburgh Bailie (or magistrate) has little faith in Providence

as parsons understood that word. He was admonishing a poor woman to break off laudanum drinking. "With God's help, I will, sir," she replied. "You'll need all that," remarked the Bailie, "and your own strength of mind, too." This incident recalls the reply of Dr. Guthrie that Providence helps those who help themselves. "I feel as a minister," he said, "how important it is that, on sick or dying beds, the mind should not be distracted by domestic cares; and what better earthly relief from these than an Office such as this. People say, 'Trust in Providence.' Well, I say so, too; but I say: 'Trust in Providence and Insure your Life.'"



"I WAS VERY CLEFFER MYSEEL, TOO."

It is not contended that all ministers were alike in their condemnation of life assurance. Some exhibited enlightened intelligence. For instance, it is on record that the "venerable and reverend Dr. Johnston" opened and consecrated the business of a Scottish Office "by the utterance of solemn prayer!" Other Offices came into existence, and, gradually, pulpit opposition ceased. Occasionally, a practical interest in the movement was shown, as in the case of Dr. Petrie. When ex-Moderator of the General Assembly, it is reported that he never lost an opportunity of holding up life assurance

as a gospel tenet. If asked by parishioners for an introduction to the Duke of Richmond's factor, or steward, the doctor's first question always was, "Is your life insured, man?"

But, making every allowance for these exceptions, ministers of religion have done little to promote the insurance movement. If they have not opposed it from the pulpit, they have ignored it. "Ye blind guides, which strain at a gnat, and swallow a camel."



The Sentinel at the Gate,

*Will he now retire,
After appearance, and again prolong
Our Expectation?*

—JOHN MILTON.

IN our days the acceptance of a "life" depends largely upon the report of the doctor; but in the good old days the *directors* decided the fitness of an applicant for insurance protection. And each Board had its own ideas of fitness. The bye-laws of one Society required every applicant for membership who resided within 15 miles of London to appear in person before the Court of Directors, and to make

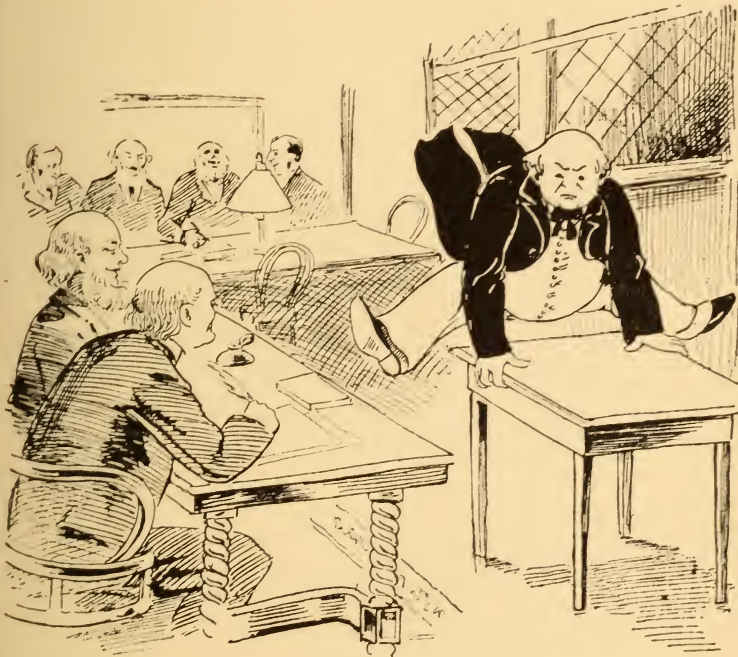


SAMUEL TAYLOR COLERIDGE.

oath "that he or she is in a good state of health, and hath no distemper which, according to the best of his or her knowledge-judgment or belief, may tend to the shortening of his or her days. The attendance of applicants resident more than 15 miles from London was dispensed with if they submitted certificates by the minister and churchwardens of the parish, and by the minister of an adjoining parish." But no certificate

could secure the admission of a man over 45. A bye-law barred the way to the acceptance of middle-aged men ; yet, notwithstanding care in the selection of members, the Society failed to hold its own, and its business was transferred to a stronger office.

It is clear, however, that some directors were not very strict at times, for they accepted Samuel Taylor Coleridge, who was never robust. He had suffered from "rheumatism and gout



"JUMP OVER THE BOARD ROOM TABLE."

complicated by other disorders ;" but at the time he insured his life, it is stated that he had "recovered from physical prostration," although under the spell of opium. On the other hand, directors rejected De Quincey, who—to quote his own words—was "regarded as an abomination of desolation." Fourteen Offices in succession, he tells us in his *Confessions*

of an *Opium Eater*, repulsed him as a candidate for insurance on the solitary ground of having owned himself to be an opium eater. "The insurance," he declares, "was of very little consequence to myself, though involving some interest to others." It is clear, therefore, that this eccentric little man had a high sense of honour, or he would never have submitted to so many snubbings from insurance directors for the sake of others.



"JUMP A FIVE-BARRED GATE."

In truth, it needed no little physical courage to stand the scrutiny of a Board of Directors. The test of sobriety adopted by the Cheshire police is to make their victim stand on one leg for five minutes. If he can manage to do that, he is considered sober. The directors of some insurance offices demanded an acrobatic performance from candidates for admission into the charmed circle of selected lives. They had to *hop round*

the room for ten minutes without stopping to take breath ; if they happened to be fat, they had to jump over the Board Room table to show their nimbleness. One man was rejected because, like Lord Byron, he had a club-foot. Yet that man could walk four miles an hour, *jump a five-barred gate*, and ride to hounds. The directors judged his vitality by the condition of one leg, yet that man lived to the ripe age of 89. And he was so disgusted with the decision of the Board that he started a Society on the mutual principle, and to him was issued the first policy. That Society is in a flourishing condition to-day, and has taken over several other Societies.

Sometimes, however, directors were easily satisfied. The late Provost of King's College, Cambridge, described one Board of Directors who considered that if an applicant had gone through a full course of fagging and ill-usage at Eton had slept in the "long chamber" dormitory all the time, and after undergoing all that Spartan training, was still alive, he might be regarded as a fairly safe life for assurance. Here are the ex-Provost's own words :—" In July, 1826, contemplating matrimony, I went to the ———— Life Insurance Society for a policy . . . I went before the Board—some sixteen men seated at a table covered with green baize—with friend Wray at the head.

" ' You are a Fellow of King's, I see, Mr. Okes, from your papers ? ' "

" ' Yes, sir.' "

" ' I infer then, necessarily, that you were at Eton and in College ? ' "

" ' Yes, sir.' "

" ' How long were you in College ? ' "

" ' Eight years.' "

" ' Where did you sleep ? ' "

" ' In the Long Chamber, sir.' "

" ' All that time ? ' "

" ' Yes, sir.' "

" ' We needn't ask Mr. Okes any more questions.' "

And they did not."

Sixty years ago a young man of 21 applied to an insurance

Company for an insurance on his life. He was not rejected, but he was asked to pay an extra. His life was considered risky because he did not drink beer, or rum, or brandy ; in a word, he was an abstainer. He declined to pay an extra, and immediately took steps to establish a Total Abstinence Life Association. That young man was Robert Warner. To him was issued the first policy in 1840, and it did not become a claim until December, 1896. For six-and-fifty years Mr. Warner was a director of the institution of which he was practically the founder, and, instead of shortening his life, he lengthened it, dying at the age of 81.

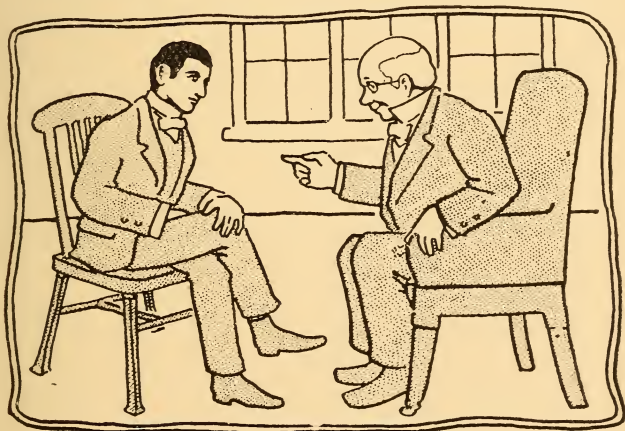
The directors of other Companies relied largely upon their agents' view of a Life risk. Thus, a Manchester Company (1824) printed the following schedule, which, when filled up, enabled the directors to form an opinion of the case :

*Queries to be answered by Agents.**

1. ARE you acquainted with the party whose life is to be insured ? If that is the case, how long have you been acquainted with him ?
2. Have you ever known or heard of his being indisposed ?
3. If he has been so, what was the nature of the complaint or complaints with which he was afflicted ?
4. Is he at this time, to the best of your knowledge, in perfect health ?
5. Are his habits and manner of living strictly temperate and regular ?
6. Is his complexion
 - _____ sallow ?
 - _____ fresh coloured ?
 - _____ pale ?
 - _____ flolid ?
 - _____ brown ?
7. Is he thin ?
 - _____ middle sized
 - _____ lusty ?
 - _____ bloated ?
8. Is his neck long ?
 - _____ short ?
 - _____ in proportion to his body ?
9. Is his chest broad ?
 - _____ narrow ?
 - _____ middle sized ?
10. Is he tall ?
 - _____ short ?
 - _____ of the middle height ?
11. Does his countenance indicate health ?

12. Have you observed any defect in his person ?
If so, of what nature is it ?
 13. Is there any thing in his manners, conversation, or appearance, which indicates ill-health, a feeble constitution, irregular habits or intemperate living ?
 14. Are you able to communicate any information as to the longevity of his parents and family in general, and the diseases to which they have been most subject ?—*And in particular, whether any of his near relations have died of consumption, asthma, or other pulmonary complaints ?*
 15. Is he married ?
 16. Do you consider him in *all* respects a proper person to be insured *and do you recommend him to the Directors as such ?*
- * *It is particularly requested that the Agent will give specific answers TO EVERY ONE OF THESE QUESTIONS.*

This plan seems an improvement on the rough-and-ready methods in use at that time ; but, as might have been expected, it proved a failure. Self-interest clashed with the interests of the Company, and resulted eventually in medical selection. This is a better method of finding out the weak spots in a man's body than the diagnosis of an interested agent ; better than getting the victim to hop round a room, or jump over a table.



“A PRIVATE AND CONFIDENTIAL CHAT.”

The Doctor in Life Assurance.

*"Sirrah, you giant,
what says the doctor to
my case?"*

—SIR JOHN FALSTAFF,
Henry IV.

HOW long should a man's legs be?" somebody asked Abraham Lincoln, who replied, "Long enough to reach the ground." The relationship between height, weight, and chest measurement takes a prominent position in the report of the medical examiner. If these are not found to be in their due proportion the Company may decline the case. Men are judged by the following Table, which shows the standard weight and height :

Height, Weight, and Chest Measurement.

	MACAULAY. 2,000 persons of the average age of 28 years.	HUTCHINSON. 2,648 Males, ages from 15 to 40 years.	Medium Chest Measurement. ALLEN, New York.
Height.	lbs.	lbs.	inches.
5-ft. 1-in.	125	120	34
5-ft. 2-in.	128	126	35
5-ft. 3-in.	131	133	35½
5-ft. 4-in.	134	139	36
5-ft. 5-in.	137½	142	37
5-ft. 6-in.	141	145	37½
5-ft. 7-in.	145½	148	38
5-ft. 8-in.	151	155	38½
5-ft. 9-in.	156½	162	39
5-ft. 10-in.	161½	169	39½
5-ft. 11-in.	167	174	40
6-ft. 0-in.	173	179	40-41

Under such hard-and-fast rules John Wesley would have been rejected ; for his weight was only 120 pounds, and his height 5-ft. 5½-in. William Wilberforce weighed only 71 lbs. Clearly, *he* would have stood no chance in passing the sentinel at the gate, if the standard had been adhered to. Yet Wilber-

force lived to the age of 74. Thin men have suffered long and patiently at the hands of insurance companies, and have been "loaded up" for being "under weight." According to Dr. Symes Thompson, the acceptance of a very tall man introduces an element of more risk than average risk. The stout men have, on the other hand, been treated with considerable leniency. But Dr. French, an American physician, who has been discoursing on "Weight in Relation to Insurance," produces evidence to show that the risks with overweights are quite as great as the risks with underweights, though it has been the general practice of Insurance Companies to unduly favour the overweights. In every case, however, when any disproportion between height and weight appears, the case is either rejected, or accepted at an increased premium. Sometimes the Company is satisfied



“HOW LONG SHOULD A MAN'S LEGS BE?”

with an explanation; sometimes it will accept a healthy man, quite apart from the question of his height and weight, as in the case of the comedian "Little Tich."

Whether this eccentric comedian passed with "flying colours," or whether he was "rated up," we have no means of knowing; but the medical examination is a trying ordeal to some men. Some have a morbid dread of it. After all, it is merely a private and confidential chat with a doctor, and is over in a few minutes. It has been travestied times without number. Mark Twain, and other American humourists, have written funny articles about it, and many of the jokes



Could do with
a bit

Princes
Manchester

11/12/94

So
joins to hand, many
thanks, but my life is
already insured

Yours truly

Ho Tich

have enjoyed remarkable vitality, particularly the series of grotesque questions and the searching inquiry—"Have you had measles, and, if so, how many?" But the best satire is undoubtedly that of Josh. Billings:

"I kum to the conclusion lately that life was so onsartin, that the only wa for me tu stand a fair chance with other folks was to git my life insured, and so i kalled on the agent of the *Garden Angel Life Insurance Company*, and answered the following questions, which was put to me over the top ov a pair of goold specs, by a slik little fat old fellow, with a little round grey head, and as pretty a little belly on him as enny man ever owned: Questions

(1) Are you mail or feemail, if so, pleze state how long you have been so?

(2) Are yu subject tu fits, and if so, do you have more than one at a time?

(3) What iz yure precise fiteing weight?

(4) Did yu ever have enny ancestors, and, if so, how much?

(5) What is yure legal opinion ov the constitutionality of the Ten Commandments?

(6) Du yu ever have enny nite mares?

(7) Are yu married and single, or are yu a bachelor?

(8) Do yu beleave in a futer state; if yu do, state it?

(9) Have yu ever committed suicide, and, if so, how did it seem to affect yu?

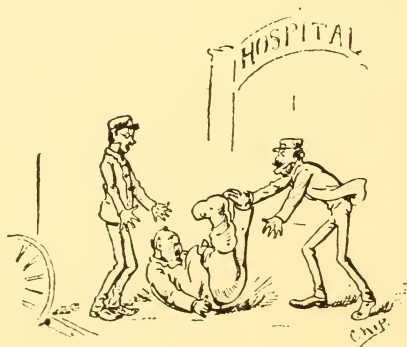
(10) What are yure private sentiments about yure living fourscore, can it be did successfully?

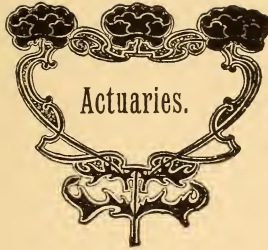
After answering the above questions, like a man, in the confirmatif, the slik little fat old fellow, with goold specs on, ced I wuz insured for life, and probably would remain so for a term of years. I thanked him, and smiled one of my moste pensive smiles."

It cannot be denied that some of the questions in the medical examination seem absurd, but an answer to them is considered essential to the forming of a right opinion of the state of a man's health; and whatever may be said against it, the system of medical selection is not likely to be abolished. Recently modifications of it have been adopted to meet the wishes of sensitive men; but the phrase "life assurance without medical examination" is apt to mislead people in assuming that they can secure life assurance protection on the same terms as others who undergo the ordeal. For instance, the most popular Company transacting this class of business will not accept a man or woman over 45, and then only on probation; it will pay only *one-third* of the sum insured if the policy-holder die

within the first year ; if he die during the second year, two-thirds ; *after* the second year the full sum insured. But, if he should die from accident, the full sum is payable at once. This is a liberal contract, but it is *not* life assurance at the start ; it is an expedient which will be adopted only by a few abnormally-sensitive men. " If you set out to take Vienna" said Napoleon, " take Vienna." In other words, don't take a substitute for it.

The conclusion of the whole matter is that there is only one way of getting into good Society, and that way lies through the door of the medical doctor. He is the sentinel at the gate. If you can't pass *him*, you can't secure life assurance protection from the start. True, you can have a make-shift sort of insurance, and, on the principle that half a loaf is better than no loaf at all, we must be grateful for small mercies ; but, unless you are a thoroughly healthy life, you cannot even get half a loaf. It may seem unkind to a candidate to be rejected as a " bad " life, but Insurance Companies are commercial undertakings, not charitable societies. If insurance were universal, Companies would probably be quite willing to abolish the medical examination and provide insurance protection for all ranks and conditions of men. As it is, they are obliged to discriminate between good and bad lives ; and an Office is successful in proportion to the care with which it accepts lives. Let us drop the subject :





*One can almost hear
their brains click.*

—OLIVER WENDELL HOLMES.

WHEN the great Turgot, while Chief Minister, was asked who were the real rulers of France, he replied by leading his questioner to a back room in a public office, and showing him a committee of commonplace middle-aged gentlemen gathered round a table, "Those," he pointed out, "are the men who really govern France, and, if I told you their names, you might not recognise any of them." Exactly the same language might be used in reference to actuaries. Inside their own Office they are supreme; outside they are unknown. They write no books; they make no speeches; they preach no sermons. Parliament knows them not; on public platforms they never appear. Yet these obscure men control the greatest financial institutions in the world:

One science only does one genius fit,
So vast is art, so narrow human wit.—*Pope.*

That a certain element of mystery attaches to actuaries is inevitable; but a closer knowledge of them would certainly dissipate some false impressions. "Who are those men?" asked a Montreal lady standing in one of the rooms of an hotel in which an Actuarial Society was holding its annual meeting. "Actuaries," replied the waiter. "Actuaries," she exclaimed, "why, they look like respectable people!" The word "actuary" was a new one in her vocabulary, and suggested some sinister association not in keeping with the make-up of the gentlemen themselves. Even among intelligent men a profound ignor-

ance of the work of actuaries is occasionally shown. For instance, an American actuary says that what dreams he may have had that the actuary boasted a scholarly science were rudely dispelled by Professor Klein, one of the profoundest and most celebrated of German mathematicians. In the course of a conversation, the Professor gravely asked him, speaking with great deliberation and distinctness, "Do you have any use for mathematics in your work?" Somewhat stunned, the American responded that the actuary's science did indeed, he thought, involve some nicety of mathematical calculation. "And what, may I ask," pursued the professor, "*is* an actuary?"



AN INSURANCE COMPANY IS A BEE HIVE.

What *is* an actuary? A mathematical acrobat, a man of figures. He fixes the rates to be paid by policy-holders for insurance protection, and the calculations relating to the reversionary and life interests of his Company. The practical application of the principles of life assurance to the computation of premiums, reserves, dividends, reversionary values, involves mathematical processes which only a trained mathematician can perform. In some portion of his work he has the aid of a ready reckoner called a Calculating machine. It adds and

subtracts, multiplies and divides, without the slightest waste of brain tissue on his part. The inventor of this machine was Charles Babbage. It is recorded that one evening in the year 1812, or 1813, he was sitting in the rooms of the Analytical Society at Cambridge, with a table of logarithms before him. He fell into a reverie, and a friend coming into the room, and seeing him half asleep, called out, "Well, Babbage, what are you dreaming about?" "I am thinking," replied Babbage, "that all these tables might be calculated by machinery." This was the first beginning of Babbage's famous calculating machine, and from that time his mind was occupied devising plans for carrying out his idea. A full account of it appeared in the *Edinburgh Review*, July, 1834; in the *British Almanack*, 1866; but the best description of the machine was written by an Italian named Menabrea, a translation of whose work was made by the daughter of Lord Byron. A very interesting article on "Arithmetic by Machinery," from the pen of Mr. George King, appeared in the first volume of the *Argonaut*. Count Strezlecki remarked to Mr. Babbage that in China, where he had lately been travelling, they took a great interest in his calculating machine, and particularly wanted to know whether it could be put in the pocket. "Tell them," replied Mr. Babbage, "that it is in every sense an out-of-pocket machine." Though backed by the British Government to the extent of £20,000, which he sunk, in addition to a part of his own private fortune, he failed to make it work, and never completed it.

Babbage declared himself a philosopher, and published an account of his opinions on various subjects under the title of "Passages from the Life of a Philosopher."

"I'm a philosopher. Confound them all—
Birds, beasts, and men; but, no, not womankind."

Like most mathematicians, Babbage was an unsocial man, with little or no love for his fellow men. Once, when Babbage, Peacock, and Dr. Whewell were walking across the quadrangle at Trinity College, Cambridge, Peacock observed, "Well, I think we can boast that we are the three ugliest fellows in the University." "Speak for yourself, Mr. Peacock," retorted Whewell, in evident annoyance.

This is Carlyle's description of the man : " Babbage continues eminently unpleasant to me, with his frog mouth and viper eyes, with his hide-bound, wooden irony, and the acriddest egotism looking through it."

We do not know any actuary who answers to this description, but we commit no libel when we say that, as a man, he is very reserved. His whole being seems wrapped up in mathematical studies. You can almost hear his brains click. But



A LONDON AMBASSADOR OF INSURANCE.

they click to good purpose. The whole business of life assurance is founded on mathematical certainty, and it owes much to the skill and conservatism of its grand body of actuaries. On the other hand, actuaries would be out of work if there were no Agents to bring grist to their mill. Above is a portrait of a King among Insurance Ambassadors.

Whence the origin of the word "Actuary"? In the old days of Rome, an *actuarius*, or, as it was sometimes called, an *actarius*, was a person who kept the "Acta," or Minutes of the Roman Senate, or of the Courts of Law. In modern language he was a Registrar or Recording Secretary. This meaning continued to attach to the word. An officer with the title of Actuary has always been, and still is, attached to the Lower House of Convocation of the Church of England. When the first British Life Assurance Company, the *Amicable*, was founded, the chief officer was called the "Registrar." When, however, the old *Equitable* was established, in 1762, the chief officer was, with equal appropriateness according to the ideas of the time, called the "Actuary"; and the modern use of the word may be said to date from the perhaps almost accidental selection of the title by the founders of that Society. Gradually, but surely, the word acquired a new and more limited significance. It was necessary that the Chief Officer of a Life Company should not only keep the records of contracts entered into, but that he should also be able to quote the terms on which the Company would be willing to enter into such contracts. He naturally, therefore, had to give attention to statistics regarding human life, and to their bearing on the financial interests entrusted to him, and thus it has at last come about that the name is applied only to those persons who are authorities in regard to the financial side of the science of life contingencies.

An actuary, then, is not only a mathematical acrobat, but a scientific financier. Plenty of people invest money, but how few succeed in getting their own back, to say nothing of interest! It would not be true to say that an actuary never makes a blunder, but he certainly never makes a plunge into the unknown commercial sea. "Not for a day, but for all time" is his motto. He stands in the position of a Trustee, not to one family, but to thousands of families, and, unlike some Trustees, he never betrays *his* sacred trust. Moreover, he succeeds in earning an average of three-and-three-quarters per cent. upon his investments. This rate may not seem large to the speculator, but an actuary is not a speculator; but an investor. *Safety* is his first consideration. "How long have

you been running on these waters?" asked a steamboat traveller of a pilot.

"About 20 years!"

"Then I suppose you know every rock and shoal, every bank and place of danger?"

"No, I don't!"

"You don't!" exclaimed the passenger in alarm, "then what *do* you know?"



"I KNOW WHERE THE DEEP WATER IS."

"I know where the *deep water* is," was the dignified reply.

There is a world of meaning in the pilot's answer. The actuary may, or may not, know all the rocks and shoals which lie hidden in the financial world, but he *does* know where the deep water lies. He is the pilot of the directors. As Dr. Farr remarked, "Insurance Companies not only undertake

the equalisation of life, but also the return of the sums invested, with compound interest. They are capitalists constantly looking out for long investments, and are well organised to deal profitably in securities."

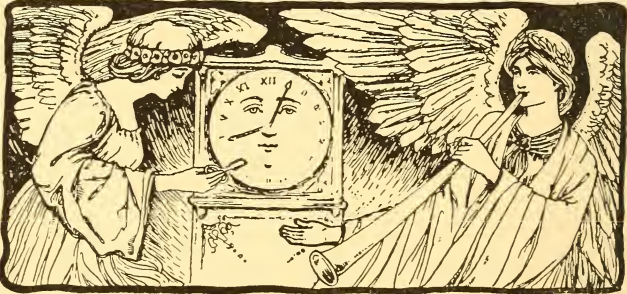


Seventy Year Clocks.

Our brains are seventy year clocks. The angel of life winds them up once for all, then closes the case, and gives the key into the hands of the angel of the resurrection.

—OLIVER WENDELL HOLMES.

TWELVE young men formed a club, and agreed to meet once a year to dine together. No one was ever to be admitted to the annual gathering except the original members, nor was the number ever to be made up by fresh election as they died. The dinner was held without a break in the company for a few years, and was always prepared for the same number. Then one chair became vacant, and a health drunk in silence to the departed



“THE ANGEL OF LIFE WINDS THEM UP ONCE FOR ALL.”

member. As years rolled on, another and another seat was empty. The men who survived grew old, and clasped each other's hands mournfully as they sat round the table. It was always the same room, the same kind of lights, the same kind of wine, the same kind of flowers ; but the faces around it changed.

There came a year when only two old men sat down, and over their trembling glasses they named all the brothers

who once occupied the empty chairs. And then there was one anniversary more. The landlord laid the table as usual, wondering whether anybody would come ; but, at the appointed hour, there entered one old man, who tottered feebly to his usual seat, and, after toying a little with the food, lapsed into stillness, and was left alone. When the room was entered again the old man was dead !

You do not envy the feelings of the last man ! Neither do we ; but every long life is, in a measure, a repetition



VISION OF MIRZA.

of the story of this club, and everyone who lives until nature invests him “ with a smooth, shining crown and a fringe of scattered white hairs ” feels like the last survivor in that melancholy feast, or, as the sweet old melody puts it :—

Like one who treads alone some banquet hall deserted,
Whose lights are fled, whose garlands dead, and all but
he departed.

Life Assurance is a Club, and an exclusive Club, too ; for no one can gain admittance unless he has proved himself sound in mind and body. He may be clever ; he may be a paragon of virtue ; he may be rich ; but *the* test of membership is physical health. In other clubs the rate of subscription is uniform, as a rule ; but in life assurance it varies with the age. Now, before the actuary of a Life Office can calculate the contribution, or premium, to be paid by each member, he must have reliable information as to the number of deaths expected year by year among the members. Where does he find the information ? In mortality tables. Since 1538 registers have been kept of the births and deaths throughout the United Kingdom. From these have been constructed, at various times, scientific *tables of mortality*, and upon these the average duration of life from any age has been mathematically proved. When Addison wrote his *Vision of Mirza*, he little thought that the bridge with the broken arches which he saw in his dream, spanning the river of Time, was one which human foresight and skill could reconstruct on a safer principle, by the same method of turning the means supplied by nature to subserve man's advantage.

The honour of being the father of life assurance is claimed for Dr. Halley, Astronomer Royal of Great Britain, who constructed a Table of Mortality in 1687, which he formulated from a series of life registers kept by Dr. Neuman, of Breslau, Germany. But the first Table of any note was called the *Northampton*, completed in 1780. The author was Dr. Price, who seems to have combined a knowledge of mathematics and theology. In the chapter on Life Annuities in a report issued by the Commissioners of the National Debt, it is shown that the Northampton Table was founded upon accounts of the deaths of 4,689 persons in the parish of All Souls in that town during forty-six years, the accounts being taken from a collection of what were called "bills of mortality," made out by the clerk of the parish for the purpose of annual distribution at Christmas. It is added that the parish clerk was wont to give



RJW

A MANCHESTER AMBASSADOR OF INSURANCE 80 YEARS AGO.

his annual bill a literary finish by appending verses to his list of christenings and burials.

The *Northampton* was followed by the *Carlisle*, which was founded on calculations made by Dr. John Heysham, of all the deaths that occurred during a period of eight years (1779-1787) in the city of Carlisle. The population at that time averaged 8,177. The results deduced from these observations were published by Mr. Joshua Milne, in 1815, in his treatise on Life Annuities and Life Assurance. This Table has been a continuous legal standard in the Courts of England. The third table, published in 1843 was known as the "Seventeen Offices Table," which represented the aggregate results of seventeen Offices, and was framed upon 89,305 assurances. The English Life Table, published in 1864, was calculated by Dr. Farr, by means of Babbage's calculating machine, at the Office of the Registrar General, from the returns of two censuses and 6,470,720 deaths registered in seventeen years. Another Table of Mortality, deduced from the collected experience of British Assurance Offices, was published in 1869. It was known as the Institute of Actuaries' Table, and embraced the experience of twenty Offices—ten English and ten Scotch; but the great majority of Offices now use the Institute of Actuaries' Hm. Tables. Their healthy male Table is calculated from the experience of persons accepted as *first-class* lives, and therefore shows a superior vitality over that of the ordinary population.

The twentieth century, however, requires a more up-to-date Table, and this is known in the actuarial world as *O^m*. It embodies the results of 30 years' experience of 44 English and 16 Scottish Offices, and is constructed on the most approved scientific principles. One actuary declares it the greatest investigation into the mortality of assured lives that the world has ever seen. Men live longer than their forefathers, as all Tables show—at least, the average is higher; but no individual man knows how long *he* will live. At 30 his "expectation" is 34. He *may* live 50 years; he *may* live 34; but the period quoted as

the average is the time that he may reasonably have an equal chance, *along with others*, of living. Life being uncertain, the sooner a man makes up his mind to insure, the better.

An American agent was soliciting a German for insurance and was explaining the plans.

"You see, that if a thousand men pay ten dollars each for a year's insurance, that would make ten thousand dollars."



"MEIN KRASHUS," SAID THE GERMAN.

"Yah.' "

"And if ten men out of the thousand should die during the year, each one could be paid one thousand dollars."

"Yah."

"Now, we have Mortality Tables which show how many men out of one thousand at any given age will die in a

year, and we know what we ought to charge for the insurance. But, although we know how many of these men will die, we do not know which ones they will be. Perhaps you, perhaps Bill Jones, perhaps Dick Robinson, perhaps John Smith, per——”

“Mein krashus,” said the German, pointing to a door across the street from which crape was hanging, “it vas John Schmidt. He died this morning.”

The agent was speechless for a moment, but, recovering himself, said: “I told you so! I didn’t know which it would be, but I knew it would be one of you.”

“Mein frent,” said the German, impressively, “you vas right. I dakes five dousand.”



“What do you Drink?”

“The more I see of life, the more I see that we cannot lay down rigid dogmas for everybody.”

—SIR HENRY THOMPSON.

WHEN Ab-o'-th'-Yate went to have his life insured, the following dialogue took place between the doctor and himself :

“What do you mostly drink?”



“I stick to honest fourpenny.”

“Never drink spirits?”

“A sope o’ rum i’ my tay every kissunin, that’s aw.”

The question of temperance always occupies an important

place in medical examination for life assurance. First, an agent has to say what he knows about the man; then the man has to answer the question in his preliminary proposal: "Are you of sober and temperate habits, and have always been so?" Naturally, the candidate answers "Yes"; but when he comes before the tactful doctor, careful inquiry is made into the amount of stimulants taken daily, and the circumstances under which they are taken. When a certain quantity is named, he pushes his question further as to how the amount is distributed over the day. He views a man in the middle ranks of life with some distrust when he acknowledges to taking stimulants between breakfast and lunch, or early dinner; for to his mind no habit is more prejudicial to a man's constitution than "nipping" on an empty stomach.

But, whether he "nips" on an empty stomach, or a full one, he is usually accepted if his organs be healthy, and his family history satisfactory. As the late Dr. Charles Murchison pointed out, he who leads a country life, and takes active exercise in the open air, can consume, without suffering, an amount which would positively be injurious to him were he a sedentary student, or a professional man in town. It is on record that Joseph Watson, a Cheshire gamekeeper, who lived to the age of 104, that he drank a gallon of malt liquor every day for 60 years; that he drank plentifully the latter part of his life, but not more, in his own opinion, than was agreeable to his constitution. This wonderful centenarian was described as of low stature, fresh complexion, and pleasant face. Watson had evidently a strong body, and this, coupled with the fact that he lived an open-air life, enabled him to throw off the effects of alcohol. Had he lived a town life, the case would doubtless have been different. But Goethe, who *did* live a town life, drank 50,000 bottles of wine in his lifetime, and yet lived to old age. Neither the gamekeeper nor the poet was ever accused of intemperance, but they would have had a difficulty in securing insurance protection in these days, when Paul Pry is played in private every day. An old story is this:

Two old men were brought forward as witnesses in a trial where the evidence of "the oldest inhabitant" was required.

The Judge asked the first what had been the habits of his life. "Very regular, my lord," he replied; "I have always been sober, and kept good hours." Upon hearing this the Judge spoke warmly of the benefits of a regular life. When the second old man appeared, the Judge put the same question, and received this answer: "Very regular, my lord; I have never gone to bed sober these forty years." Whereupon his lordship exclaimed, "Ha! I see how it is—Englishmen, like English oak, wet or dry, last for ever."

William Howitt, who quoted this story in a sketch of his methods of work and his ways of life, differed from his lordship, and declared that he was more than ever confirmed in his opinion of the vitalising influence of temperance, good air, and daily activity. That some regular tipplers live to old age is quite true, but they are exceptions. Experience has clearly demonstrated that, *on an average*, the lives of abstainers *are* better than the lives of non-abstainers. From an insurance point of view, it pays to be an abstainer; for, on account of his longer life, he receives a much higher bonus than the non-abstainer.

On the other hand, the lives of publicans are regarded with extreme suspicion by Insurance Companies. The business of insurance is based on the principle of average; but there are certain occupations which affect the rate of mortality to such an extent as to remove them far from the average; and in these cases special rates are charged. It is a remarkable fact that, although the publican is well-housed and well-fed, not one Office in Britain will accept him at *ordinary* rates; 18 Offices lock their doors against him; 40 charge him £1 extra for every £100 of insurance; 6 charge him £2 extra. The Companies have no grievance against the publican as such, nor do they object to his trade; but he is bad life, a *very* bad one, his mortality being 50 per cent. greater than that of the average man. Dr. Sieveking (*the Medical Adviser in Life Assurance*) contends that the treatment of publicans is harsh and unnecessary, and scarcely compatible with the philanthropic spirit which underlies insurance business; but the Doctor is not the Paymaster in Life Assurance. If the publicans

want insurance protection, they have the remedy in their own hands. They are strong enough and rich enough to form a Life Assurance Company of their own. Meanwhile, the door is practically closed against them in existing Life Offices.



How Old are You?



*I cannot remember my country,
The land whence I came ;
Whence they brought me and
Chained me and made me
Nor wild thing nor tame.*

SO wrote Amy Levy, whose poems are described as "immature, imitative, and monotonously sad."

If Amy were *alive* and if she wanted Life Assurance, she would not only be compelled to give *place*, but *date* of birth; Moreover, *evidence* in support of her statement would be required by the Company. This, a woman always shrinks from producing. In fact, she has a natural aversion to tell anybody her age. And when she does tell it, she rarely tells the truth. "People lie to a very considerable extent," remarked Dr. Ogle. "Women lie about their ages. So false, indeed, are the returns which they make, that it is impossible to calculate, with any accuracy, the value of the lives of our female population. Life Tables can be and are constructed; but they are by no means so trustworthy as in the case of males." When Mr. Gladstone visited the Isle of Man, during a walk through a village, he noticed a woman pitching corn from a cart to a stack. He stopped, and, admiring the woman's

strength, remarked, "My good woman, that is exceedingly hard work, and you look well and strong; may I ask how old are you?"

"How oul' art thou theeself, thou imperent oul' man!" was the old lady's reply.

That's the attitude taken up by all women, whether young or old, whether matrons or old maids. The Census-takers always consider this their greatest difficulty. "A good deal of trouble is caused," writes an official, "by the reluctance of ladies to put down their exact age on paper. They have been known to go abroad until the horrid Census is over."

It is not always possible to furnish evidence of age at the time of insuring, but it ought to be produced, and *admitted*, by the Insurance Company at the earliest possible moment. Although policies are commonly granted on the faith of the statement of age made in the preliminary application, yet it should be remembered that, as the rate of premium payable depends on the age of the person, it is of the utmost importance that there should be no doubt or mistake on this point; otherwise a policy taken out in good faith and maintained for a series of years, may prove void by reason of mis-statement of age.

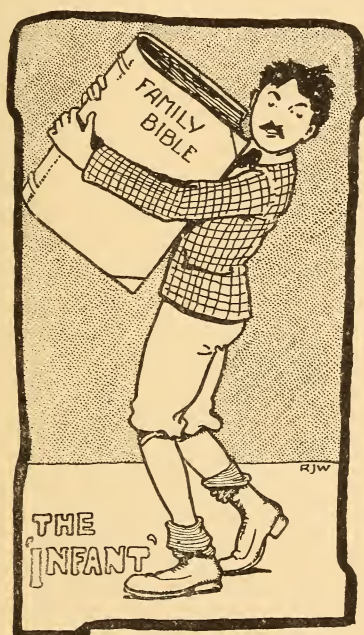
A man is not always the best authority as to the date of his own birth. Heine, for instance, was fond of describing himself as "the first man of the 19th century," in allusion to his belief that he was born on the 1st of January, 1800. But it has been conclusively proved that his birthday fell on the 13th December, 1799. This is only a trifling error, but a reference to it serves a useful purpose in pleading for accuracy of statement in a proposal form. What evidence of age will an Insurance Company accept? The best evidence is a registrar's certificate; failing that, an extract from a Family Bible, or a statutory declaration made before a magistrate. A Family Bible entry might not, however, be accepted in a Court of Law: "What have you got there?" asked Mr. Commissioner Kerr, in his Court at the Guildhall, as a young man, answering to the name of Andrew Jenkins, hailing from Shepherd's Bush, struggled

into the witness-box, perspiring under the load of a ponderous volume, which he was just able to carry. "Our Family Bible" was the reply.

"Do you want to be sworn on it?" asked the Judge.

"Oh, no"; answered Andrew, "but I am an 'infant,' and I brought our Bible as a witness."

The fact was that Jenkins had got clothes from his tailor to the extent of £5 13s., and the tradesman now sued him for payment. Instead of sending a cheque, he brought



the Family Bible into Court to prove that he was still an "infant," and, therefore, entitled to have his clothes for nothing. Father, he said, had made an entry in the book at the time he was born, and this ought to be accepted as proof in any Court that he was only an infant.

"But that is not evidence," said the Commissioner.

“What!” cried the infant; “the Family Bible not evidence?”

The directors of an Insurance Company might accept such evidence, but, without doubt, it would be more satisfactory to both parties to submit a birth certificate. According to Morrell (*Insurance: A Manual of Practical Law*), if the age is mis-stated in the proposal form, the policy will be void. True, some Companies announce that “an error in age does *not* invalidate the policy”; but, for his own protection, and for the protection of his family, every policy-holder should read the conditions of his policy, and faithfully observe them. And one of the conditions is that he shall furnish proof of age to the Company. He may refuse, or neglect, to give it, but it will have to be proved before the insurance money can be claimed.





Family History.

"In life's play the player of the other side is hidden from us. We know that his play is always fair, just, and patient, but we also know to our cost that he never overlooks a mistake. It's for you to find out why your ears are boxed."

—HUXLEY.

WHEN a man proposes to insure his life, the Company naturally want to know what manner of man he is; whether he is strong in wind and limb, before they admit him into the charmed circle of selected lives. An Insurance Company is a high-class Club, the passport to which is neither money nor rank, but good health. True, money is required to pay premiums, but the first test of membership is health. In order to find out whether a proposer is eligible, the Company compel him to fill up a proposal form, and to state the truth, the whole truth, and nothing but the truth, concerning himself. Some people regard the filling up of this form as a needless formality; others give improper answers. For instance, when Henry Ward Beecher was asked a question as to the health of his heart, he wrote: "Experienced a peculiar feeling about the heart during the days of my courtship." True, no doubt; but his answer should have been "sound," or "healthy." Upon the

correctness of the proposer's answers, the validity of the policy largely depends.

In addition to the answers supplied by the proposer himself, the Company adopt prudential safeguards in medical examinations, and in reports of friends of the applicant as to his habits of life. As we have already remarked, these inquisitions give rise to funny answers. One man's answer to the question as to the name of his regular medical attendant is emphatic: "Haven't one and never intend to." Another, in referring to his father's death, says: "I don't know whether the disease or the doctors killed him—I think it was both." A solemn-looking clergyman stated that his father died at the age of 45. To "cause of death," he replied, as coolly as if it had been apoplexy or toothache, "he was hanged!"

Not a few consider that they have given information quite full enough in stating that such or such a relative died "from natural causes." It is not often, however, that Insurance Companies extract from a man as much information about his ancestors as was given by Professor Huxley: "My father," he wrote, "was a Warwickshire man; my mother came of Wiltshire people. She was a typical example of the 'Iberian' variety—dark, thin, rapid in all her ways, and with the most piercing black eyes I have ever seen in anybody's head. . . . I know of Huxleys in Staffordshire, Worcestershire, and Wales, and I incline to think that the Huxleys of Huxley (Cheshire) are responsible for most of us, and that, upon the whole, we are mainly Iberian mongrels, with a good dash of Norman and a little Saxon." The reports of private friends furnish side-lights upon character, as in the following extract:

"He is an extraordinary man for eating potatoes, but his other habits are good. He is a born teetotaler."

Paternal pride glows strong in this statement by a proud father: "I have one child; he is in good health and a perfect little devil." An applicant of over sixty remarks concerning his mother that she was living, at the age of about one hundred years, "health being good, but not very

active." We can imagine the carefulness with which the medical directors would feel compelled to examine into the application of a man whose mother had ceased doing housework after a mere century of mundane existence.

Fifty years ago, family history was scarcely recognised as an element to be taken into consideration in selecting candidates. But in our day family history plays an important part in a man's chances of success. The age at death of parents and grandparents indicates the strength or weakness, endurance or feebleness of the body of the applicant, and his probable length of days. It is an accepted maxim that long life runs in families, and that an inherited tendency to attain old age is the primal qualification for longevity. When Sir Edwin Chadwick, the pioneer of sanitary reform (who died at 90), was asked to what he attributed his good health and long life, he replied, "I have always taken great care of myself; I have my daily tub, in which I strongly believe. But my great age is undoubtedly hereditary, for my father died at the age of 84, my grandfather at 95, and my two great-grandfathers were centenarians."

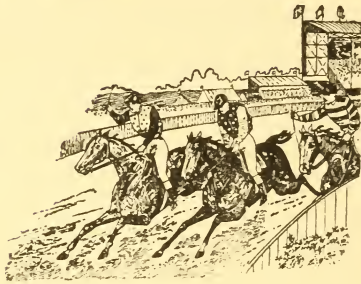
With such a family record, most men would have no difficulty in "passing a doctor" for life assurance; for most companies attach great importance to the law of heredity. An increasing number, however, consider personal history—that is, the history of past ailments and present condition of the proposer as *the* vital point, rather than the life history of his ancestors.

Life's a game, but a man can play it better if he be armed with a Life policy. As Coleridge pointed out—

"The game of life looks cheerful
When one carries in one's heart
The unalienable treasure."

The "unalienable treasure" is Life assurance, which Sir James Crichton Browne declares a branch of mental hygiene, because it saves those who avail themselves of it from sleepless nights and anxious thoughts, and confers tranquillity and confidence, thus contributing to the stability and wealth of the mind.

Is Life Assurance Gambling?



You cannot get anything out of Nature, or from God, by gambling—only out your neighbour.

—JOHN RUSKIN.

LIFE assurance, it has been contended, is nothing more nor less than gambling. This idea, strange as it may seem, is seriously held, not by cranks, but by sober-minded men. "Insurance is a gamble," declares Sir J. Blundell Maple; "life assurance is merely a form of gambling," pronounces a Baptist minister. One of the clearest thinkers that ever lived, the late J. F. Nisbet, author of *The Human Machine*, held the same opinion.

"Of all popular forms of gambling life assurance is probably the least injurious. Moralists of all shades concur in approving it. Yet it runs on all fours with the practice of the Chinaman who horrifies these same moralists by offering himself as a substitute for execution on the understanding that a certain sum of money is to be paid to his family."

The comparison is not sound. The policy-holder does *not* sacrifice his life in order to provide bread for his family. He may, and probably does, make a sacrifice to pay for insurance protection, but he has the satisfaction and pleasure of living free from worry in so far as the future of his wife and family is concerned. Mr. Nisbet's knowledge of life assurance must have been very small, or he would never have penned these words:

"What does a man do who insures his life? He bets a

certain sum with an insurance company, which, for this purpose, may be regarded as a bookmaker, that he will die young; the Company (acting upon information received from the stable, *i.e.*, from the actuary) lays odds against that contingency. If the insurer does in truth die young, he wins his bet, or, in other words, he receives a much larger sum of money than he has actually paid in the shape of a stake; if, on the contrary, he lives to an extreme old age, it is the Company that wins, since the premiums received with interest thereon exceed the amount of the policy, *i.e.*, the sum they had staked. Of course, such a method of betting would be ruinous to the insurer if he stood alone, since he can only win by dying, and is, therefore, precluded personally in all cases from enjoying his winnings."

The objection is selfish. Death is the fate of all. That being the case, a man might just as well be a winner, especially when his winnings go to his widow and orphans. But a man need not die to win. He can take out an Endowment policy, which is payable in a given number of years at the option of the holder. And, apart from the investment side of life assurance, the illustration betrays ignorance of the subject. It is on a par with that of a Yorkshire manufacturer, who had engaged in many local speculations, which had always turned out well. He was rather past middle age when he decided to insure his life. He passed the doctor; but, when he had paid only one premium, he was seized with an acute disease. His physician revealed to him his hopeless state. "By jingo!" he exclaimed, rousing up at once into the old energy, "I shall *do* the insurance company! I always was a lucky fellow!"

Evidently, that man had the gambler's spirit. But, unlike the successful gambler, the payment of his claim would not pinch anybody; not a person would lose a halfpenny by it. Great, indeed, is the difference between gambling and life assurance. Here is Herbert Spencer's twofold definition of betting and gambling: "First, it is gain without merit; secondly, it is gain through another's loss." The principle of life assurance is the very antithesis of gambling. Its aim is to extirpate chance and hazard in human life, and to provide a certainty for widows and orphans.

This object is accomplished, not by injuring, or fooling, or cheating your fellow man, but by means of co-operation on

the part of thrifty, healthy men. If any member of the brotherhood is removed by death, the amount of the family protection provided by his premium is paid out of a common fund. This is not gain "through another's loss," like gambling, nor is it "gain without merit," but is the result of a scientific system of providing against an inevitable calamity—death.

That system is called life assurance, and it is based upon the law of average, and is *not* speculation. "Nothing is more proverbially uncertain," remarks Babbage, "than the duration of human life, when the maxim is applied to an individual, but there are few things less subject to fluctuation than the average duration of life in a number of individuals." Thus, the individual, whose life is uncertain, can, by making himself one of a large number of persons, secure the advantage resulting from the certainty of their average life; and the Assurance office, making its bargain with a sufficient number of people, does a business quite free from speculation.

Pious people generally regard betting on horses as one of the greatest curses in the world. But there are other and more dangerous forms of gambling. Millions of people gamble with *life*, yet not a word of protest ever appears from the self-elected guardians of our morals. For instance, a Manchester traveller had a salary of £1,500 a year; lived up to his income; died; left a wife and family almost penniless. But this thick-headed fellow speculated on *living*; that is, he staked the welfare of his family on the chances of his own life. Whether a man gambles with life, or with money, he does a risky thing. But he has no moral right to imperil the salvation of his wife and family by risky investments. The only safe investment is a life assurance policy, which will not only secure protection to a family, but return the holder 3 or 4 per cent. compound interest.

Stake not all

On one great speculation: no wise man
Will hazard what he would not dare to lose.
The prudent general, though resolved to win,
Provides for a defeat; he marches on,
But has a *refuge* and a sure retreat
If he should need them.

and you must not do that, and if they find thirty years afterwards there was something amiss, they will divorce themselves from you. These old Companies will not take you as you would take a woman at Church—they won't take you for better or worse. If there is a mistake about your age it is upset. Now you want indisputableness and simplicity." These have been granted by the majority of Insurance Companies, who now issue non-forfeitable policies.

"Look here upon this picture, and on this," said the Prince of Denmark to his mother, comparing the pictures of his father and his uncle. The difference between Hyperion and a Satyr is not more marked than are the pictures of the old and the new conditions of life assurance :

THE OLD :—

A Death policy only.
 Payments for Life.
 Failure to pay premium invalidated Policy.
 No Claim paid under six months.
 Restricted Travel.
 "Death by Suicide, Dueling, or the hands of Justice" cancelled the policy.

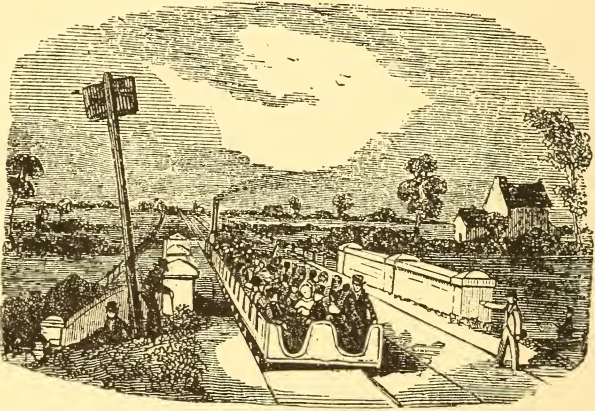
THE NEW :—

100 varieties of Policies.
 Limited Payment Policies.
 Widows protected under the Married Women's Property Act.
 Endowments issued.
 Surrenders.
 Paid-up Policies.
 Days of Grace.
 No Lapses.
 Non-forfeiture.
 World-wide Travel.
 Prompt Payment of Claims.

It is difficult, in fact, to tabulate modern improvements in life assurance. But even in the good old days all companies were not tarred by the same brush. One instance is on record of a Company which existed in 1814 volunteering to give surrender values : "If the insurer should at any time find it convenient to discontinue his annual payment, the directors will purchase his interest in the policy at a fair price, on behalf of the other members."

But surrender values are now given by every Office. If a man cannot pay his premium, he can secure a return of a portion of his premiums ; if he does not want to surrender, he can have a paid-up policy for the value of his premiums ; if he wants a loan on his policy, he can have one ; if he

forgets to pay his premium when due, his policy is not forfeited, but kept in force for him out of the surrender value of his policy ; if he wants to protect his policy from the hands of his creditors, he can have a policy under the Married Women's Property Act ; if he wants to change his occupation, he can change it, without prejudicing his policy ; if he wants to go up in a balloon, he can go up, or down a coal mine ; if he wants to go abroad, he can go abroad without consulting anybody ; if he hangs himself, or if the public hangman saves him the trouble, the Company will pay the claim in full. All these privileges are embodied in every up-to-date policy, and if they are not,



This is how our fathers travelled in the early days of Railways.

that is the policy-holder's own fault. Some Companies issue policies free from any condition, except the payment of the premium, and if he does not possess one of these policies, he has only himself to blame. In short, the improvements in the practice of life assurance are not less great than the improvements in railway travelling.

“ The quality of mercy is not strained ” by any Company when a man wants to withdraw from his contract, yet to read his complaints of unfair treatment, it might be imagined they had robbed him. No man is ever satisfied

with the amount of his surrender value. What is meant by a surrender value? It means "that part of the funds which the Society can afford to return to the policy-holder on the cancelment of his contract." Why does not the Office return the *full* amount of the premium paid, with interest thereon? The answer is that it never agreed to do so. If the Office returned all a man's premiums, where would it find the money to meet claims under policies on which only *one* premium had been paid? The principle of life assurance is based on the law of average. A man insures his life, and shares the risk with others. Since he became a policy-holder in the Office, the Company has lost a certain number of cases through the death of members who have not paid the equivalent of what the Office has paid to their representatives; hence it is necessary to take a proportionate share of what it has received from the policy-holder who wants to withdraw.

People who want all their money back are unreasonable, as a simple illustration will show. Suppose an Insurance Office consisted of 100 members, each entering at the same age, say 30, and each insured for £100, and paying a premium of £2 10s. The members would therefore contribute £250 in all. Now, if one died in the middle of the first year, the Office would have to pay £100, which would reduce its funds to £150. If they were invested at the beginning of the year at, say, 4 per cent., they would earn in interest during the year the following sums:—

4 per cent. on £250 for six months, £5,
 4 per cent. on £150 for six months, £3,

or £8 in all. At the end of the year, therefore, the total funds would amount to £158. From this sum would have to be deducted the cost of management, amounting to, say, £18, leaving the net funds at the end of the year £140. Now, if the 99 remaining members surrender their policies, they would each receive a ninety-ninth part of £140, or about £1 8s. 3½d. each. It is obvious, therefore, that the Office could not give a surrender value of £2 10s. to each of its members under such circumstances. As a

matter of fact, no Office could be conducted safely unless it had more than 100 members, but that number has been taken in order to make the illustration as simple as possible, that a man who enjoys the protection of a policy of insurance must pay for that protection by contributing to a common fund, and that it would be impossible, without robbing the other members, to return all his premiums whenever he demanded them. "My friends," said Carlyle, "there's an immense fund of human stupidity circulating among us." We never feel the truth of the philosopher's remark more keenly than when we hear a policy-holder growling because a Company won't give him back all his premiums.



The conditions relating to foreign travel have undergone considerable revision. Formerly, policies became void if their holders went beyond the limits of Europe, or died upon the seas, except death took place on a passage *from* Ireland in a Government boat. It is among the traditions of one Office that a policy became void if its holder travelled from Dover to Calais without leave and licence. The Channel passage was always a perilous one; but it is now made under conditions of comparative comfort and safety. Illustrations of the fear of accident while travelling abroad might be given times without number. For instance, Arthur Young was invited to join some French friends in a Pyrenean tour. In spite of the vehement remonstrances and agonised entreaties of his relatives, he set out. "I

implore you to give up this mad scheme ; think of your wife and children," his brother had written, and much more in the same strain, working himself up into a veritable frenzy of panic. An expedition to Patagonia, or a journey round the world, could hardly have inspired this timid counsellor with livelier terrors. He certainly never expected to see the foolhardy traveller again. Now-a-days, foreign travel is quite as safe as home travel, and many Offices issue world-wide policies, under which a man may travel anywhere from Dan to Beersheba, from Jerusalem to Jericho, from Carolina to Timbuctoo.

Sir Walter Scott appreciated life assurance because it provided "ready cash" for his family. In *his* day, "ready cash" meant payment in six months ; now, all Companies pay within a month, some within a week, and some would pay within a day, if the Death Dues were abolished. The formalities connected with these dues stand in the way of immediate payment. All rich men want "ready cash," and insure for very large sums. The income of the late Duke of Westminster is said to have been three sovereigns a minute, yet, though he owned so much property, he had very little that he could turn into ready money. "All severely entailed, its owner for the moment is powerless to touch an acre of it. This was one of the many reasons why the Duke sold Cliveden to Mr. Astor ; it was the one bit of property he could thus dispose of, and his younger children have had to get a good portion of their heritage out of the £200,000 which came from the transaction into the Duke's pockets."

Moreover, the Duke, like thousands of other noblemen, invested large sums of money in Life Assurance, so that his family might have abundance of ready money at call. A policy of Life Assurance provides money for *immediate* use on the death of the insured. His property may consist of dwelling-houses, warehouses, land, ships, stocks, loans, and yet when he dies there may be very little money to his credit, or within reach of the executors. Money is needed *at once*, and must be raised either by borrowing or selling.

Both processes may be costly and troublesome. The safest and most independent course for a business man is to take out a life assurance policy, and then all difficulties vanish. Even a good investor will sometimes lock up all his means, retaining only a small balance at his bankers. By the aid of Life Assurance a man of fortune may invest and lock up his property very closely, and yet leave an available fund for the *immediate* emergencies arising after his death. Unlike other claims, a Life Assurance claim is paid immediately, and without any deductions. A Life policy never shrinks.



The Cost of Life Assurance.

*Many a light hailed by too careless observers
as a fixed star has proved to be only a short-
lived lantern at the tail of a newspaper kite.—*
LOWELL.

MANY thousands of people contend that life assurance is too dear. The contention is not new. Whilst wandering through the quaint city of Edinburgh we recently picked up a literary treasure bearing the title of "Comparative Tables of the Rates of Life Assurance Demanded in Scotland," published in 1824. Opening it the very first words that caught our eye were these:—

"Agents are frequently called on by their clients to point out the *cheapest* terms on which Life Assurance can be effected with a *respectable Company*."

In the "good old times," as in our own day, people appear to have been smitten with a craze for cheapness. There may be no harm in "getting a thing cheap," provided nobody is wronged or injured; but cheapness is too often secured at the expense of toiling millions who are paid starvation wages. Fortunately, life assurance cannot be bought like frocks and frills, nor can it be had at a bargain counter. Whoever wants it must pay Table Rates. True, these rates vary, but the conditions of insurance vary also, and the profits; therefore, it must not be assumed, as many ignorant men assume, that they are getting a bargain when they select a cheap rate.

A suggestion has been made that if Insurance Companies reduced their premiums, many people who cannot afford to insure would be able to take out policies. If the Offices carried out this suggestion, their generosity would prove like that of Claude Duval, and the other gentlemen highwaymen, who pitied the poor so much that they robbed the rich in order to secure means for relieving the needy. It would be bad policy for an Insurance Company, as for an individual, to burn his house down in order to warm

the hands even of the fatherless and the widow. In theory, the premiums ought to be exactly adjusted to the actual rate of mortality, but the theory cannot be carried out. There must be a margin for expenses and for safety. An illustration from an Irish car driver will help us to make this point clear. He was driving between Ross and Wexford, and, like all the men of his class, he was very jovial, giving many proofs of his wit. This was one of his stories :
“ The masher had two beautiful English horses, and he wanted a careful man to drive them ; he was a mighty



“ DRIVE IT WITHIN THREE INCHES AND A HALF.”

pleasant gintleman, and loved a joke. Well, there was as many as fifteen after the place, and the first that went up to him,

“ ‘ Now, my man,’ says he, ‘ tell me,’ says he, ‘ how near the edge of a precipice you would undertake to drive my carriage ? ’

“ So the boy considered, and he says, says he, ‘ Within a foot, please yer honour, and no harm.’

“ ‘ Very well,’ says he, ‘ go down, and I’ll give ye yer answer by-and-by.’

“ So the next came up, and said he’d be bound to carry ‘em within half a foot ; and the next said five inches ; and another, a dandified chap intirely, was so mighty nice, that he would drive it within ‘ three inches and a half, he’d go bail.’ Well, at last my turn came, and when his honour axed me how nigh I would drive his carriage to a precipice, I said, says I, ‘ Please yer honour, *I’d keep as far off it as I could.*’ ‘ Very well, Mr. Byrne,’ says he, ‘ you’re my coachman,’ says he. Och, the roar there was in the kitchen when I wint down and tould the joke ! ”

All actuaries are like Pat ; that is, they keep as far from the financial precipice as possible. They are the custodians of millions of trust money, and a single false step on their part would plunge tens of thousands into poverty. One of them thus explains how premiums are calculated :—

The calculation of a set of net premiums for assurance is a simple and mechanical process when once the table of mortality and rate of interest have been determined upon. It is when these premiums require to be loaded and adapted to office use that the Actuary’s real trouble and responsibility commence. Amongst the points he must consider are:

- (1) The future of the money market ;
- (2) The probable classes who will enter the Society ;
- (3) The constitution of the Society ;
- (4) The mode in which it will divide its bonuses ;
- (5) The expense at which it will conduct its business ; and
- (6) The probable extent of its new business.

Moreover, he must not lose sight of the rates of the Offices who will compete with his Society. From the bare enumeration of some of these considerations, you will see how impossible it is to satisfactorily forecast the future, and the need for safe margins. Every premium, therefore, includes an addition for expenses, and for providing against possible contingencies, such as loss in the rate of interest, or an

increase in the number of deaths. This addition is called "loading," and varies from 15 to 25 per cent. on the pure or net premium ; but a portion of it is returned in the form of "bonus" to policy-holders who take out "with-profit" policies.

Before the construction of mortality tables, Insurance Companies charged the same rate for old and young alike. Not until 1762 could assurances extending over the whole of life be effected by annual contributions varying, as we have them now, with the age at the date of assurance and remaining uniform thereafter during life. This is called the *level-premium* system, in contradistinction to the *natural* premium system. By *natural* premium is meant that which is deduced directly from the mortality table ; in other words, it is the price paid to cover the risk of death during the *first* year a policy is in force ; the *second* year the rate is increased, and it *continues to increase* each succeeding year. Thus, the *natural* premium—deduced from the Institute of Actuaries' mortality experience, assuming interest at four per cent.—is 17s. at 35 ; £1 3s. 5d. at 45 ; £2 0s. 5d. at 55 ; £4 3s. 6d. at 65 ; £9 9s. 3d. at 75 ; £20 3s. 7d. at 85. These rates are required to provide for the insurance of £100 for one year. The obvious drawback to the natural premium system is that the burden of paying premiums grows heavier every year ; whereas, most men would rather bear the yoke in their youth.

On the other hand, the *level* premium of all the *bona fide* life assurance companies is the same throughout the whole period of life. What a man begins to pay he continues to pay—a uniform rate. Experience proves this plan to be the more convenient and the more practical. "In the early years level premiums are too high, and in later years they are too low ; and we must, therefore, *reserve* from the fat years in order to provide for the lean years which are sure to follow. That is the foundation of the *system of reserves*. The valuation of a Company is simply a method by which actuaries find how much has been received as the difference between level and natural premiums ;"

Returning to the question of cheapness, it must not be forgotten that an *increase of privileges* is a cheapening, just as much as a decrease in rates. Formerly, it was the custom to withhold payment of a claim for three months ; now, it is paid immediately. As an illustration of the importance of the concession of paying claims on proof of death and title, one of the directors of an old Office stated, at the annual meeting of 1891, that immediate payment involved an annual loss of £1,200 to the Society. But the Society's loss is a distinct gain to the widows and orphans, and is, therefore, a public good. Apart from this, and other concessions, the Offices have sought to meet the requirements of all classes. If a man wants "cheap" insurance, he can get it from respectable, old-established Companies. For instance, one Office has a "prime cost" system whereby whole-life policies, with profits, are issued at 25 per cent. reduction on ordinary rates. This reduction is treated as a debt, bearing interest, to be liquidated out of subsequent bonuses. Other Companies have, by discounting bonuses, adopted the system of "minimum premiums."

We do not recommend any of these plans, but they may suit Tom, Dick, and Harry. Such men remind us of untravelled Englishmen who, when they go to an hotel, creep into a corner to dine by themselves, partly because they think they can save money by ordering just what they fancy, instead of sitting down at *table d'hote* with their fellow-travellers. By joining the ordinary dinner-table the advantages of co-operation are secured—advantages which cannot be obtained by isolated individuals.

What applies to dining applies also to insuring. It pays a man to throw in his lot with his fellows. He may imagine he will save money by selecting an apparently cheap article ; but, when the reckoning comes, he will find that he has paid dearly for his singularity. It isn't the first end that counts. It's the last end, when the policy matures. The start is nothing if an investment be the object of the insurance ; the finish is everything. Almost any horse can begin in a race. With a few trials, even

an old plug may get away from the wire all right, but it's the coming under the wire for the last time that counts ; it's being in the race to the finish that is alone valuable. Ben. Franklin boiled the truth down when he said : " Life insurance is the cheapest and safest mode of making a certain provision for one's family."



Better than a Bank.



By the discovery of life assurance man is enabled to save in the most scientific manner, and to acquire at once a position which he could only otherwise reach by long years of studious saving.

LORD SELBORNE.

IF a man deposited £10 a year in a Bank, it would take a very long time to accumulate the amount which could be secured forthwith by payment of the ten pounds to a Life Assurance Society. For instance, an Annual Premium of £10, commencing at age 25, secures the payment of about £500, with profits, at death. The provision, even if death occur when only *one* premium has been paid, is *immediate*; while in the other case it is a paltry ten-pound note which his family will inherit, against £500 if an insurance had been effected.

If the man lived, and *if* he continued to put by the same sum of £10 yearly into the Bank, and *if* he could rely upon a rate of $2\frac{1}{2}$ per cent. interest, his savings at age 60

would amount to £550 ; while the amount of the Life Assurance Policy at that age may amount to over £700 in a good Office. But there is an element of uncertainty about the matter, as well as about life itself ; the real point of contrast between the Insurance Company and the Bank is the certainty which attaches to the one, and the *uncertainty* which marks the other.

In fact, the Bank investor is, more truly speaking, a speculator, who stakes the welfare of his family on the chances of his own life, and his power to resist the temptation to *divert* the investment—that is, to use it for some other purpose than that of family provision. *If only he be spared*, they may fare well enough ; but if death come before his plans are matured, their case is a sad one indeed. The policy-holder, on the other hand, is the conscientious investor ; for, having regard to a provision for his family, he seeks safety—the first condition of “investment,” as opposed to “speculation”—before anything else. Thanks to the Insurance Companies, he finds that he can forthwith make this provision *absolutely secure* and certain, and also obtain profits on his outlay greatly superior to the utmost profits that would accrue if he “ran his own risk” under the most favourable circumstances.

Life Assurance is unquestionably one of our greatest national interests. According to the Blue Book issued in 1902, the funds of the various Offices reached the enormous total of £266,608,306, the sums assured representing £871,139,569. As may be imagined, the investing of *over two hundred millions and a half of money* safely gives no small trouble to managers. But the fall in the rate of interest does not appear to have greatly affected Insurance Companies, who earn on an average nearly £4 per cent. This high rate is explained by the fact that Life Offices, owing to the magnitude of their funds and the nature of their business, command classes of remunerative investments quite inaccessible to the small periodical savings of the *individual* policy-holder, who, nevertheless, by uniting his savings with a *multitude* of others, finds himself able

to accumulate them at the full rate realised upon the whole funds of his Company.

“Put not your trust in money, but put your money in trust,” was the sage advice of Oliver Wendell Holmes. “Where can I invest my money safely and remuneratively?” You may invest it in Railways, Banks, Mines, and in Building Societies, with more or less success; but there is **only** one institution in which you run no risk of losing your money. Where is that? In a Life Assurance office.

A Building Society may fail; a Railway Company may have a spell of bad luck; a Bank may have a run upon its funds; and a mine may be worked out. But none of these things can happen to an Insurance Society. There cannot be a “run” upon an Insurance office. Why not? Because all the claims cannot, in the course of nature, fall due in one year. Even the most fatal plague ever known, remarks an actuary, will hardly disturb the *general average*. “We get a few more claims in a particular Company in a particular year, while in another year we get a few less. But these variations are so very small, compared with the total incomes and funds, that they may be thrown out of the calculation.” The security of a well-managed office is well-known to commercial men, who invest large sums in Life Assurance. We know one Captain of Industry who is insured for £400,000; hundreds of big merchants hold policies for £50,000. In short, life assurance is the only investment absolutely free from risk. This is one reason why business men are so largely insured. We have on our table a book which contains the names of over 4,000 persons whose lives are insured for £10,000 or more, and over 300 letters from persons insured, verifying the amount of their insurance, and expressing opinions of its value from an economic point of view.

Endowments for Children.



Let the young take it to heart that when they are young saving is most easy and most profitable.

—THE RIGHT HON. A. J. BALFOUR, M.P.

IT has been urged that “sons, if well and properly trained, may be left to fight their own battles,” but we greatly doubt whether this dictum takes account of every difficulty which surrounds a young man who stands on the threshold of life, equipped with knowledge, but without capital. It is questionable to assume that, “as a rule, no good, but mischief, is likely to come of making provision for boys, independently of their own exertions.” Whether the intended career be professional or business, *some* capital is absolutely necessary.

Cobden, the hero of Free Trade, borrowed money to start himself in business; thousands do the same in our days, and thus cripple themselves for years. *That* plan is a bad one for the men themselves, as well as for society. Here is a *good* one for the consideration of parents: Insure your son's life. Say he is two years of age, an *annual* premium of about £3. 10s., or *one* payment of a little over £50, will secure the payment of £100 on his attaining the age of twenty-one years. No medical examination is required, and in the event of his death before reaching the specified age, the whole of the premiums are returned.

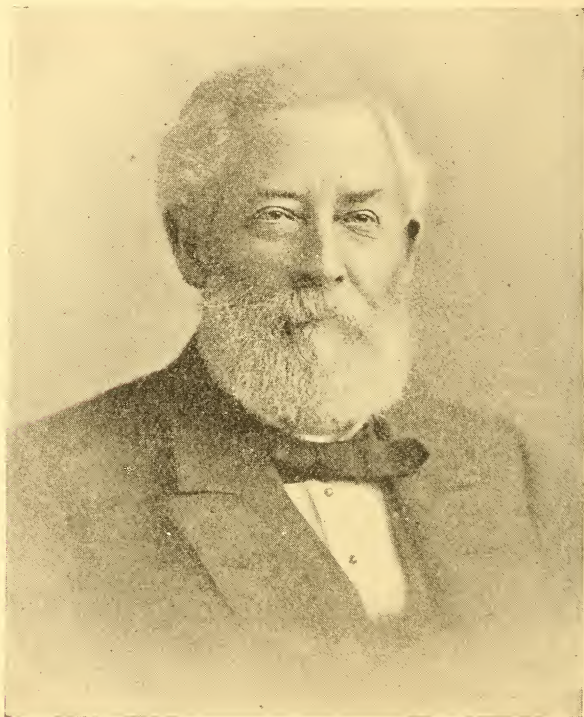
The endowment of a daughter can be effected on the same terms, thus securing money to start business, or a *dot* in case of her marriage. "You can do it *now*," remarked Sir Walter Besant, "while your child is so young. Later on, when schooling begins, it will be more difficult. I do not address this exhortation to those who marry on a hundred and fifty, but to young merchants, city men,



THE LATE SIR WALTER BESANT.

professional men, journalists, literary men ; and, above all, to the mothers of the girls they are going to marry. In the middle class there are seldom any marriage settlements. Let there be henceforth always a marriage settlement, and let it contain one single clause as to the endowment of the daughter."

Another method whereby a parent may profitably invest a little money for a son, with the prospect of the investment proving useful in his business life, is that of effecting an insurance for him during his childhood—the insurance only coming into force at 21, and being then, if required, a serviceable security for business purposes. “A policy



THE LATE REUBEN SPENCER.

which has been in force for a fair number of years,” said the late Reuben Spencer, of Messrs. Rylands and Sons, “is a good and useful form of security in furthering trade interests.” This form of insurance requires no medical examination and involves no risk of loss, seeing the parent

would receive all premiums back if the youth did not survive to twenty-one, and would also be entitled to take a very liberal surrender value if the policy be surrendered at any time prior to the youth's twenty-first birthday. The great advantage here is the low premium for remainder of life with Life assurance in force, irrespective of health conditions after boyhood.

There is yet another method by which a father may provide capital for his son, or a *dot* for his daughter. He may take out an Endowment on his own life. For instance, take a man of 35, who wishes to provide £1,000 for his child of six, payable at 21, the best way of making such a provision is to take out a 15 years' Endowment policy. If the father die after making one payment, the £1,000 is payable to the child at once; if the father survive the Endowment period, he can hand over the money himself, or use it as he thinks fit. He may need it himself.

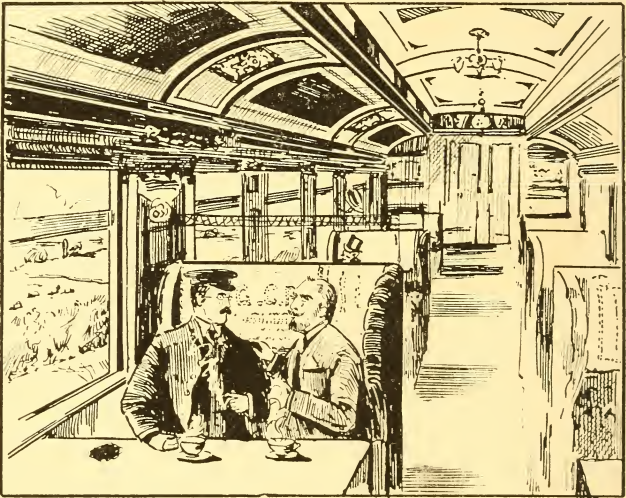


How to Retire from Business.

The first years of a man's life must make provision for the last.

—DR. SAMUEL JOHNSON.

RAILWAY travellers are not generally very communicative ; some want to sleep ; others to read ; others, again, to *think*. We have no fault to find with any of these types of our fellow-travellers, but we prefer commercial men. Much can be learned from them, for they



understand the ways of the world. They are more interesting, more human, more agreeable. Recently, we travelled from Manchester to London in one of those handsome corridor carriages of the Great Central, which has done so much to make travelling easy. After dinner we discussed over cigars and coffee, the changes which have taken place in business life during the last twenty years.

“Life was sweeter twenty years ago,” we contended.

"That's true," replied a weather-beaten commercial. "We could take things easier then; there was less competition, and our work was lighter, and our pay heavier. Now, all is changed. The sons are pushing their fathers to the wall, and, if a man at my age gets out, it is almost impossible to get another house to take him on any terms."

"But," we suggested, "you have had a good berth with your present firm."

"That's true," he admitted, "but a traveller spends so much on the road that he is unable to save enough to retire on."

"Did you know Brightmore, who covered the southern counties for Messrs. Rylands?"

"Of course, I did."

"Well, he was one of our chums at school. He served his apprenticeship in a home-trade house, and when he was about twenty-five, Mr. John Rylands sent him on the road. The young fellow was very successful, earned a good salary, saved money out of his travelling allowance, and, unlike most young men, he invested his surplus cash."

"How?"

"In life assurance chiefly; at various times he took out *Endowment* policies, with profits. Some of these policies matured at 50, and he drew very handsome returns for his investment. He held on to his situation for a year or two, and then made up his mind to clear out, and make room for a younger man. Practically, he has retired from business."

"I wish I could do the same," said the commercial, "for I am getting old, and cannot do the work I used to. We've got to cover more ground now-a-days, and railway travelling completely upsets me, in spite of bogey wheels and easy chairs. I have saved a little money, but fear to spend it."

"How long," we asked, "have you been with your firm?"

"Twenty-seven years."

"Are you married?"

“ No.”

“ Why didn't you invest some money in life assurance ? ”

“ Why ? Because I looked upon insurance as a good thing for *married* men, and thought I should never need it myself. I now see where it would have benefited me.”

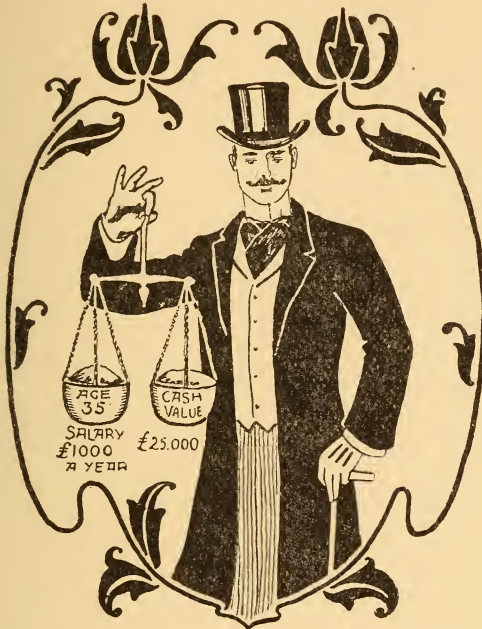
“ That's a text from which we could preach an eloquent sermon ; but we are not going to preach. We may be allowed, however, to ask two questions :

“ Can *single* young men afford to go without insurance protection ? *If* they have no one to provide for, *if* they are isolated individuals, homeless wanderers on the face of the earth, is it not possible that a time might come when a cheque for £500 or £1,000 would prove a boon and a blessing to them ? Anyhow, the difficulty of securing and retaining a good appointment will increase year by year ; the young will continue to push their elders to the wall, and the fittest only will survive.

“ But a man should be prepared for the inevitable rainy day. However small his income, he should contrive to save something, and sacrifice small luxuries for the sake of securing an *Endowment* policy, payable to himself at 50, or 55, or 60. With profits, it would amount to a nice little sum to fall back upon when his strength failed, or misfortune overtook him.”



The Cash Value of a Man's Life.



*What is a man
If his chief good, and market of
his time,
Be but to sleep and feed?—a
beast, no more.*

—HAMLET, iv. 4.

EVERY able-bodied man has a commercial value to his family, as well as to his employer. His life is capital that literally hangs on a thread, which may snap now, or 50 years hence. All men have not the same value; some possess skill, which is worth more than muscle. Others are a great loss to the nation, as well as to their relatives, as in the case of invalids, cripples, or lunatics. The real value of a human life, considered

purely from a moneyed standpoint, is such a sum as will at a fair rate of interest, produce what he can earn yearly or is likely to accomplish in the future. Dr Farr placed the following values on a farm workman :—

Age	Value		Age	Value		Age	Value
	£			£			£
5	56	..	30	241	..	55	138
10	117	..	35	228	..	60	97
15	192	..	40	212	..	65	46
20	234	..	45	193	..	70	0
25	246	..	50	168	..	75	25 loss.

What is the *legal* value of a human life? It varies with men's positions. Take the case of a *mechanic*. A widow "obtained by consent" £300 from the Gas Light and Coke Company for the loss of her husband; while the widow of a *bricklayer* was awarded £216 against a Railway Company. When we go higher up the social scale we find an equally puzzling assessment of the value of human life. Everybody remembers the *Stella*, which was wrecked near Guernsey, in the spring of 1899. Those in doubt how much to insure for may gain an idea from the awards made in the London Sheriff's Court in connection with that disaster.

The widow of an india-rubber manufacturer claimed £3,000 for the loss of her husband, and was awarded £1,500; another, whose husband had been a stockbroker, was awarded £4,000; the widow of a builder £4,500; the widow of a tarpaulin-maker £3,050. These sums are, however, small in comparison with the alleged incomes of the husbands, one of whom was reported to be making £3,000 a year. If so, he could surely have spared £1,000 a year for life assurance. This premium would, at age 30, have given family protection for £50,000.

As a rule, married men place too low an estimate, not only upon the money value of their own lives, but upon the requirements of their families. If you ask the average man whether he has enough insurance upon his life, he promptly answers "Yes," meaning that he has enough to satisfy himself. But has he enough to provide a suitable income for his wife and children if he, the bread-winner

(the houseband), be taken away? That's the problem which every man must solve for himself.

We don't suppose that you could find one man insured for a small amount who could give any definite idea what he expects his wife and children to do in case of his death. He has a vague idea that they will go and live with some of his friends, or that they will "get along somehow"; but "getting along" is a sorry kind of existence. Moreover, most people find it hard work to bear their own burdens without carrying the burdens of others. But why trust to relatives, to friends, to anybody? Why not bear your *own* burdens? Why not put your wife and family in a position of comfort, if you happen to be taken away? It is thoughtless for a man to shelve such an obvious duty as that of adequate life assurance. It is not so much a question of sentiment as of finance. If your wife and children need an income of, say, £200 a year to enable them to live in decency and comfort, your life assurance protection should not be less than £5,000, as that sum, invested at 4 per cent., would provide the necessary revenue.

The standard is too high! But it is better to aim at a high standard than a low one. The *golden rule* is to increase your life assurance along with your income. As that grows, in the majority of cases, the family requirements grow. When death comes, and only a small provision has been secured, the pinch of poverty is bound to be felt. Every year men are cut down in the prime of life, leaving their families in distress, and want, through having neglected to provide *an adequate assurance*.

Gather ye rose-buds as ye may,
Old time is still a-flyng;
And this same flower that smiles to-day,
To-morrow will be dying.—*Herrick*.

Better than Consols.

*I believe insurance to be
one of the very best ways of
saving that a man can select.*

—SIR WILLIAM HARCOURT.

NEWSPAPER writers refer to “a problem for small investors,” and declare that *their* lot is not a happy one! But they have the remedy in their own hands. They should exercise judgment in the selection of their investments. True, an individual has “no chance against the corporate capitalist;” but if he would co-operate with



“LIFE ASSURANCE IS BETTER THAN CONSOLS, MY BOY.”

other “small capitalists,” he would reap the benefit of combination, and secure an investment much better than he could secure himself. By way of illustration, a healthy man of 22 can secure a profit-sharing policy in one Company for £200 for an annual payment of £4 1s. 6d. The Table which follows shows the value of the policy yearly as compared with the same amount of £4 1s. 6d. invested

annually at 4 per cent. compound interest per annum. The bonus is assumed to be at the equal rate of £1 5s. per cent. per annum on the sum assured, added each year. From the accompanying figures it will be seen that, after a lapse of 30 years, the Assurance policy is still superior to a 4 per cent. compound interest investment, in *addition*

		£4 1s. 6d. per annum at 4 per cent. compound Interest.			Policy of £200 with Bonus.			Difference in favour of Policy.		
		£	s.	d.	£	s.	d.	£	s.	d.
At end of	1 year ..	4	4	9	202	10	0	198	5	3
	2 years..	8	12	11	205	0	0	196	7	1
	3 „ ..	13	4	7	207	10	0	194	5	5
	4 „ ..	17	19	11	210	0	0	192	0	1
	5 „ ..	22	19	1	212	10	0	189	10	11
	6 „ ..	28	2	3	215	0	0	186	17	9
	7 „ ..	33	9	5	217	10	0	184	0	7
	8 „ ..	39	1	0	220	0	0	180	19	0
	9 „ ..	44	17	0	222	10	0	177	13	0
	10 „ ..	50	17	8	225	0	0	174	2	4
	11 „ ..	57	3	1	227	10	0	170	6	11
	12 „ ..	63	13	7	230	0	0	166	6	5
	13 „ ..	70	9	3	232	10	0	162	0	9
	14 „ ..	77	10	5	235	0	0	157	9	7
	15 „ ..	84	17	2	237	10	0	152	12	10
	16 „ ..	92	9	10	240	0	0	147	10	2
	17 „ ..	100	8	7	242	10	0	142	1	5
	18 „ ..	108	13	8	245	0	0	136	6	4
	19 „ ..	117	5	5	247	10	0	130	4	7
	20 „ ..	126	4	0	250	0	0	123	16	0
	21 „ ..	135	9	9	252	10	0	117	0	3
	22 „ ..	145	2	10	255	0	0	109	17	2
	23 „ ..	155	3	9	257	10	0	102	6	3
	24 „ ..	165	12	8	260	0	0	94	7	4
	25 „ ..	176	9	11	262	10	0	86	0	1
	26 „ ..	187	15	10	265	0	0	77	4	2
	27 „ ..	199	10	10	267	10	0	67	19	2
	28 „ ..	211	15	3	270	0	0	58	4	9
	29 „ ..	224	9	5	272	10	0	48	0	7
	30 „ ..	237	13	9	275	0	0	37	6	3

to the security afforded during the whole period, the difference in favour of the policy being shown for each year.

As a matter of fact, it is *impossible* to invest £4 at 4 per cent. That can only be done by an Insurance Company, because it has large funds to invest, and more scope for investment than an individual depositor of small sums in a Savings Bank. The comparison will be useful, however, to the man who boasts that he can secure a better investment than that given by an Insurance Company.

A bonus of 25s. per cent. is, however, a comparatively small one ; but, small as it is, the result of an insurance investment is larger than an investment in Consols, which are about to be reduced from $2\frac{3}{4}$ to $2\frac{1}{2}$ per cent. Many Companies can furnish illustrations of policies which have returned over four-and-a-half per cent., and at the same time the investors enjoyed the protection of life assurance for long periods. Another method of securing a good, sound investment either for large or small sums, yielding a nett return of about $3\frac{1}{2}$ per cent., is obtained by buying an annuity in a certain Company, and covering the purchase money with a Life policy. Thus, a man of 35, by paying a sum of £100 down, can buy an *annuity* of £5 14s. ; he can then take out a non-profit policy at a cost of £2 2s., leaving a nett income of £3 12s. for each £100 invested, with a return of the capital at his death. This method provides a reliable investment free from anxiety, and one that is not affected by the fluctuations of the money market.



How to Insure an Income.



*'Tis said that persons living on annuities
Are longer lived than others—God knows why,
Unless to plague the grantors, yet so true it is
That some, I really think, do never die.*

—BYRON.

ONE of the secrets of health and of long life is entire freedom from worry. This freedom can be secured in most cases by an insured income. Sir Andrew Clarke told this story as an illustration of the effect upon the mind when relieved of pecuniary anxiety : A hospital chaplain was pronounced to be suffering from heart disease ; he was refused insurance on this ground, and it was intimated that his chance of life was under one year. The Board thereupon pensioned him off at a yearly sum during life, and he lived to enjoy his allowance for fifty years ;

This record was beaten by a clerk in the East India House. Charles Lamb was his immediate senior, and John Stuart Mill his junior. Upon the plea of shattered health, he retired from the service on a pension of £400 a year—in 1835 ! Yet that shattered fellow drew his pension for 54 years.

Annuitants, or pensioners, rarely die young ; in fact, Insurance Companies have hitherto fixed their prices for annuities on too low a basis. It has always been known that the selection exercised by the purchaser of an annuity is very strong against the Office. Persons in bad or doubtful health refrain from such a form of investment, and the proverbial longevity of the annuitant is the result.

Still, however attractive an annuity may be to some people, it does not meet the needs of business and professional men, who object to sink a large sum of money in the purchase of a pension alone ; what they want, and what Insurance Companies are prepared to offer, is a life

assurance policy, combining protection for their family as well as an annuity for themselves, if they need it twenty years hence. This two-fold object is accomplished in a 5 per cent. policy—a policy which is primarily intended for the benefit of a man's wife and family:

As everybody knows, the payment of a lump sum of



money to a woman at the death of her husband places her in a dilemma as regards investing it profitably and securely. A widow with money is a target for unscrupulous men who put forth the bait of high interest in some speculative concern. In order to protect her from being swindled, the Insurance company retain possession of the sum covered by the policy, and pay her 5 per cent. upon the capital

amount for a number of years, or for life, according to the terms of the contract, the principal being paid at her death to her family, or heirs. This plan removes the trouble and risk of investing a lump sum, and enables a widow to live a life free from care and worry.

Moreover, the policy may be a *convertible* one. A man's circumstances may change, his family may die, or the members of it may no longer need insurance protection—*he may need it himself*. In that case his policy will enable him to secure a *fixed income for life*, without any trouble or risk. In fact, a 5 per cent. investment policy is better than an annuity, inasmuch as the holder secures, not only a guaranteed pension, but also payment of the sum insured at his death to his heirs.

“ Never hurry, never worry,
Never fret, nor fume.”

wrote John Stuart Blackie. “ Worry kills as surely, though not so quickly,” contends Dr. George W. Jacoby, “ as ever gun or dagger did, and more people have died in the last century from sheer worry than have been killed in battle.”

One way of securing freedom from worry, and of attaining a great age, is through the medium of Life Assurance. “ I wonder greatly,” wrote Sir Thomas Lauder Brunton, M.D., F.R.S., to the editor of *Business*, “ that everyone with a family dependent on him does not insure his life. I have insured my own for such a sum that, were I to die to-morrow, I should leave my family fairly provided for. I don't think that I could bear the idea that my death would leave my family dependent on charity ; and, at any rate, the knowledge that I have made provision for them is a comfort to me whenever I think of the risk that every medical man must needs run, and of the untimely fate of some of my intimate friends. Moreover, I know from experience that *worry interferes greatly with my work* ; and I feel sure that the freedom from worry regarding the pecuniary affairs of my family, in case of my death, enables me to do more, and better work, than I could have done if I had not insured my life.”

Profit-Sharing Policies.

"The social question fills the air, and profit-sharing is the only anti-revolutionary element in it."

—GEORGE JACOB HOLYOAKE.

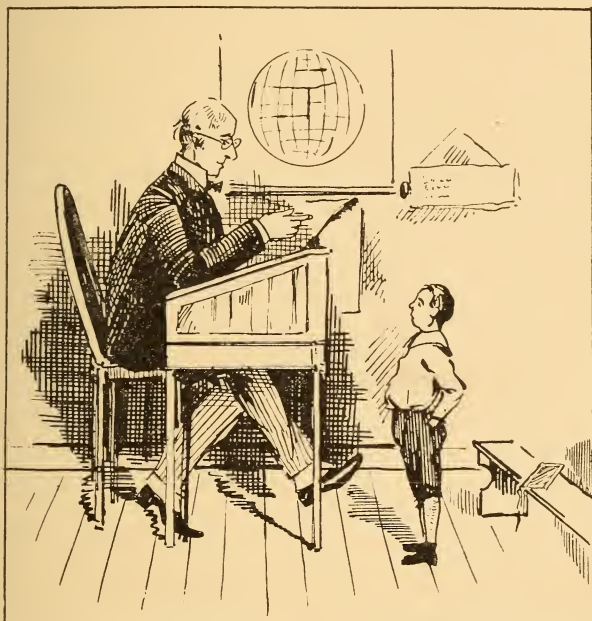
PROFIT-SHARING has become the rule in many large manufacturing concerns, not only abroad, but at home. One manufacturer, for instance, has distributed over £30,000 to his employees since the adoption of the system, some 17 years ago. At a recent distribution of profits, not fewer than 690 persons participated in the surplus. At the meeting where over £3,000 of "unearned increment" was apportioned, it was predicted that the principle of profit-sharing would be widely extended.

The subject was discussed at a meeting of the London Chamber of Commerce. One of the speakers, Mr. Henry Vivian, said that there were more than 160 businesses of various kinds conducted on the labour co-partnership principle, with a capital of more than £1,000,000, while the aggregate amount of trade done has grown from £160,000 in 1883 to over £2,000,000 last year, and was steadily increasing. In all these businesses the workers were admitted to a partnership in profits, and he believed that it was on some such lines as these that a solution of the difficulties constantly arising between workmen and employers would ultimately be found.

So far as Life Assurance is concerned, the principle has been in force for a century or more. Every Company issues several kinds of policies to suit the varied needs of men. But, while other policies have their special features, the whole-life is the most desirable, because it is pure insurance—exclusive protection. This may be bought for a lump sum, or by means of half-yearly or yearly payments for life, or by a series of payments extending over 10, 20, or more years, according to the circumstances, or wishes of the policy-holder. Some men consider it a burden to pay

premiums for life. In that case they have the option of paying a limited number of premiums.

A whole-life policy may be had with or without profits. The difference between the two systems is that in the first case the policy-holder shares with others the surplus revealed by stock-taking. Every Company makes a



Teacher : Suppose there are twelve apples to be divided equally between you and your sister—how many will each of you have ?

Tommy : It depends on who divides 'em.

periodical valuation of its assets and liabilities, and a certain portion of the surplus is divided among the policy-holders. For this kind of policy the holder pays a trifle extra, but in a good Office he is rewarded by a very handsome bonus, the amount being added to his policy. The

same principle applies to Endowment policies payable in a given number of years, according to the policy-holder's desires expressed at the time of insuring. On the other hand, if a man needs the very largest insurance protection from the start for the lowest premium, he must take out a non-profit policy. Tom Hood said he was once asked to contribute to a new journal, not exactly gratuitously, but at a small advance upon nothing. He accepted the terms conditionally, that is to say, provided the *principle* could be carried out. Accordingly, he wrote to his butcher, baker, and other tradesmen, informing them that it was necessary for the sake of cheap literature and the interest of the reading public, that they should in future furnish him with their several commodities at a trifle above cost price. It will be sufficient to quote the answer of the butcher:—

SIR,—Respecting your note, cheap literater be blowed !
Butchers must live as other pepel, and if so be you or the
readin' public wants to have meat at prime cost you must
buy your own beastesses and kill yourselves.

I remain, yours truly,

JOSEPH SWIPES, Family Butcher.

Some people want insurance at cost price, and, like the British Workman, they clamour for a share of the profits without contributing anything towards the expenses. The nearest approach to this ideal stage is the discounted bonus plan. It is better, however, to insure "with profits," because such a policy is more remunerative as an investment.



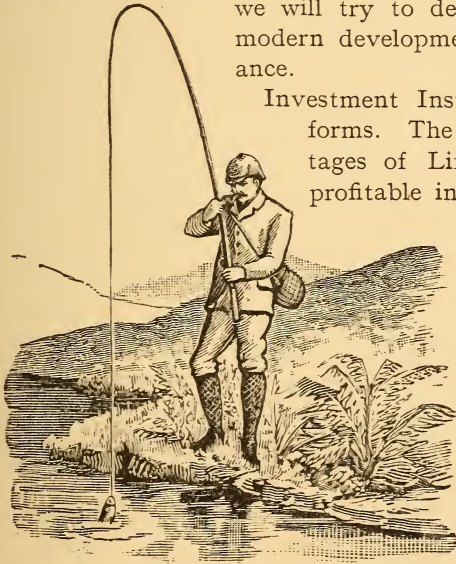
Various Forms of Life Assurance.

After some experience, at my present age, I have come to the conclusion that, were I a rich man, there are only two things in which I would invest my wealth at prevailing prices: land (including farming on a large scale) and the various forms of Life Assurance.

—RIDER HAGGARD.

THE specialities of Life Assurance are found in the application of the science to the varied wants and conditions of all classes. Pure and simple Life Assurance is the foundation upon which every speciality is constructed. These specialities are more numerous than the Companies, and a volume would be required to review them. In fact, new schemes are so numerous that one editor suggests that we shall soon require a Buffon to write the natural history of Life Assurance, and a Darwin to trace its evolution and development. Meanwhile, we will try to describe some of the modern developments of Life Assurance.

Investment Insurance takes many forms. The substantial advantages of Life Assurance as a profitable investment, as well as a family provision, have never been more effectively secured than by a five per cent. debenture policy. This policy not only guarantees an annual income of five per cent. per annum to the person whom the



debenture holder desires to benefit for 20 years after his death, but also payment in full of the principal at the expiration of that period. On the other hand, if the debenture holder is living at the end of 10, 15, or 20 years (according to age at entry) the debenture and profits may be surrendered for cash or otherwise dealt with, according to the terms of the contract.

Money is hard to get and heavy to hold. It burns the fingers of most men, who jump, like silly fish, at the seductive bait dangled before them by the wily Company promoter, and swallow his gilded hook. During the year 1901 not fewer than 2,712 Companies were extinguished, involving a total loss of £63,388,410 to idiotic speculators. We use the word *idiotic* advisedly ; for there are plenty of safe channels of investment for those who have eyes to see. Here, for instance, is an investment of £3 per cent. Consols with bonuses. The payment of £1,000 will secure absolutely (1) an annuity of £30 for life ; (2) an insurance of £1,000 ; and (3) additions to the annuity by way of bonuses. This investment is intended to remain undisturbed during the life of the investor, the annuity and insurance being for the whole of life ; but, if necessity forces him to realise his capital, the Society undertakes to return not less than 95 per cent. of the purchase money.



As a rule, it is the woman who is the target for the Company promoter and the financial thief ; but here is an investment in which neither of these rascals has a hand ; an investment absolutely certain. Assuming her age to be 30, the payment of £20 a year will secure her an annuity of £37 15s. commencing at age 50. Or, if she prefers a lump sum of money, instead of a safe annuity for life, she can receive £586. And if she thinks fit to continue her premium and enter upon a larger annuity or receive a larger cash payment she has the option of doing so.

No man knows his fate from year to year. One year he may be earning £500 or £1,000 ; another year he may be walking the streets ! He might be unable to continue his insurance premiums. What then ? All depends upon the conditions of his policy. As a rule, a policy cannot lapse so long as the surrender value holds out. One Company prints a table of surrender values, so that the policy-holder



HE SLEPT IN A TREE.

can learn in a second how his Company will treat him. Here is another special scheme in which a man's premium is reduced during a period of sickness. Many a man, whose life is well insured, has been compelled, owing to reduced income during a protracted illness, to sacrifice a portion of his Life Assurances. Under the new scheme he sacrifices nothing.

Moreover, if a policy-holder, who had insured under this plan, became permanently disabled, he would be relieved from paying premiums for the remainder of his life ; and if he had the misfortune to lose his hands, or his feet, or his sight, the Society would pay him one-half the sum insured ; the other half would be paid at his death. Thus, his family would be protected, as well as his own weakness strengthened. In short, such a policy is a threefold safeguard against the enemy, as well as against the unexpected, inasmuch as it combines Life, Sickness, and Accident in one policy.

A Paris policeman on duty in the Champs Elysées was surprised to see a man climb up the trunk of one of the large chestnut trees and disappear among the branches. That man lodged in a tree because he had no money to pay for a bed. This is a common experience of poor Bohemians in Paris in the summer months ; but, unfortunately, the police object to the practice. You may *dine* in a tree at Robinson's, but you are not legally allowed to sleep in it. After all, a bed is safer and more comfortable if you have a house to put it in. The drawback to living in a house is that the man who owns it wants payment for the use of it, and has the first claim on a tenant's furniture if the said tenant does not pay for the hire of the house.

One way out of the difficulty is for the man to buy his own house and cease to be a slave to a greedy landlord. How can this be done ? In combination with Life Assurance. You take out a policy, say, for £500, and the Company will lend you three-fourths or more of the sum insured on the security of your house. You pay a reasonable rate of interest for the use of the money, and continue your Life Assurance premiums. And if you die at any time, even after paying only one premium, the Company hand over the deeds of the house to your wife free from further payments. If you live, your burden of paying interest and premiums will be over in, say, 20 years and you will live under " your own vine and fig tree." What more do you want ?

Before the Wedding Ring.



*Let mutual joy our mutual trust combine,
And love and love-born confidence be thine.*

—DRYDEN.

“**M**AN is, and always was, a blockhead and dullard,” declared Carlyle, “much readier to feel and digest than to think and consider.” No man knows the truth of this declaration better than an Insurance Agent. It is always difficult to get a man to think about anything which concerns his duty as a citizen ; it is still more difficult to get him to think about anything which concerns the future welfare of himself and family. In fact, the average man is a mere animal ; he eats, drinks, and sleeps with the regularity of clockwork, and doesn’t care for anybody

or anything. *His* life is entirely selfish. If you write him a letter suggesting an Endowment Assurance, he hasn't even the common courtesy to reply to it ; if you speak to him, he is always ready with the cock-and-bull story, " I can't afford it " ; if you see him in the street he tries to give you the slip ; if you buttonhole him in his office, he giggles at you, and talks as though Insurance Companies were a gang of rogues and thieves. In fact, it is hopeless to try to educate that type of man. A blockhead and a dullard he is, and a blockhead and a dullard he will remain.

Turn we to a higher type of man, represented in the photograph at the head of this article. *His* face reveals his character at once. Open, manly, straightforward, self-reliant, it is a pleasure to grasp his hand. No humbug about this young man. When asked to take out an insurance policy, he didn't plead poverty, or tell the Agent to " come again another day " ; but he filled up a proposal form *at once*. He recognised the force of George Dawson's contention that the Life policy should come before the wedding ring. " If I had the power," said George, " I would not suffer a young man to marry unless his life was insured." This may seem a harsh proceeding to most young folks ; but for their own sake, as well for the sake of their parents and society, a Life Assurance policy should be the first thing in the mind of a young man. In fact, it ought to be compulsory by law. The wedding ring is a sign of marriage ; the life assurance policy is a proof of duty. Moreover, it is a proof of sound health.

This question is one which concerns the father of the bride no less than the bride. " Any father," wrote Charles Dickens in *Household Words*, " who permits his daughter to be married without insisting upon the husband insuring his life is doing a wrong which may cost her a life-time of sorrow and trouble." The same truth was emphasised by the greatest Oriental scholar the world has ever known—the late Max Müller, who wrote, " It is difficult to prove what is self-evident, namely, that every man who has not a sufficient capital of his own ought to insure his life before

he marries." In Norway, a law provides that when a woman desires to marry, she must present a certificate showing that she is skilled in cooking, sewing, and knitting. In England, such a law would be considered a gross interference with the liberty of the subject ; but every woman who thinks of marriage should at least know how to cook a joint and to darn a pair of stockings ; but, like all laws made by men alone, this is very one-sided. Why shouldn't a young man who thinks of marrying be obliged to prove that he is able to support a wife and maintain a comfortable home for her ? And why should he not only be able to prove his ability to support her while he lives, but also give evidence of husbandly qualities by insuring his life for her support should he die ? Perhaps some day we shall see a notice like this in the local papers :

"MR. JONES PAID HIS PREMIUM ON HIS £2,000 LIFE POLICY, AND MISS ROBINSON CONSENTED TO BE MARRIED. THE BRIDE CARRIED A BUNCH OF FORGET-ME-NOTS AND A 20 YEAR ENDOWMENT POLICY."

Moreover, Mr. Jones should carry an Accident policy, because he is liable to be blinded by



The Knight Errant.



*The man that lays his hand upon a woman
Save in the way of kindness is a wretch
Whom 'twere gross flattery to name a coward.*

—TOBIN, HONEYMOON, Act ii, sc. i.

SIR John Millais has pictured a damsel attacked by robbers, left naked, and bound to a tree. She is rescued by a Knight Errant—a member of that Order which was instituted for the protection of widows and orphans, and the succour of maidens in distress. It is an old-world picture, and the Knights Errant are as dead as the dodo. Nowadays, the Insurance Agent is the real Knight Errant. He is the humble instrument through whom the widow and the orphan are succoured from distress. It is he who is the means of keeping the wolf from the door of the widow, and of preventing maidens from falling into the hands of robbers. “I am one of those who believe,” writes Rider Haggard, “that amid all the nostrums and all the doctrines which are continually put forward for the salvation of everybody and the regeneration of everything, the one nostrum and the one doctrine

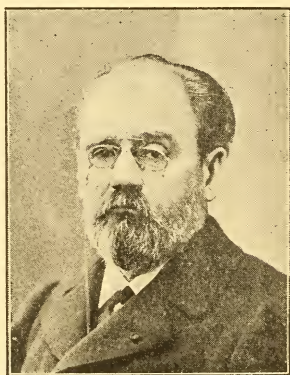
which, in days to come, will ultimately prevail and work a cure for many a human ill, is the great principle of insurance."

We live in a cruel age ; perhaps the most cruel and the most brutal which ever existed. True, we are more refined in our methods of torture than our forefathers. Theirs were short and sharp ; ours are long but equally cruel. Chivalry is not dead, but precious few examples of it are witnessed in daily life. Men are like jackals in daily business life. "Women are hens who make themselves vultures," declared Carmen Sylva. A few years ago certain feminine reformers who make a profession of religion tried to rob the pit-brow women of their living ; now they are trying to turn barmaids into the streets, because serving drink is unwomanly !

In Glasgow, for instance, a city which prides itself on its sweetness and light, its purity and its good government, a city which plunges all the women it can grab into prison, the magistrates have already swept into the gutter a number of barmaids. But in the South more humanity seems to prevail. At Southampton, for instance, the feminine reformers, the "female vultures," have been routed ; for a proposal brought before the "Justices" was defeated by six votes against three. The local reporter has failed to publish the names of these black-hearted J.P.'s ; but we should like to put this question to them : Where does chivalry come in ? These men would doubtless think it cruel to crush the life out of a worm, but when it comes to a woman they have no hesitation in crushing the life out of her. Evidently, they need some Knights Errant at Southampton.

England will never again be Merry England until the public arouses itself from its lethargy. The wily crank never sleeps. All the infamous laws which disgrace the Statute Book to-day were smuggled through the House of Commons when all honest men were asleep, and the newspapers allow atrocities to be committed in police courts every day in the week without the slightest protest. With-

out doubt, the crank rules England ; but his ever-increasing intolerance and his overbearing insolence strengthen our plea for Life Assurance. Here is a suggestion for parents : Let every father provide for his own daughters by means of an Endowment payable at 21. There are tens of thousands of men who can do this if they will only deny themselves, live in smaller houses, and cease to imitate the manners of the great. Let every honest man return to a simple life, give up his dinner parties, his wine and card parties, and then he will have enough money to prevent his daughters from becoming barmaids and domestic drudges. The problem of saving could be easily solved by



EMILE ZOLA.

a man's wife. But Mrs. Grundy blocks the path of reform. What will Mrs. Grundy say if we give up our big house and go into a smaller one ? Dam Mrs. Grundy ! The prisons, workhouses, and orphan asylums are full of her victims. The attitude of the modern woman to Life Assurance has never been depicted with more accuracy than by M. Zola :—

“ Why did you ever have daughters, sir ? But as you have them, you must see that they are to be placed in life. You do not intend, I presume, to quarrel with their education. Any other man than yourself would glory in the medals received by Hortense

and in the talents of Bertha who, this very evening, charmed everyone with her waltz, the *Bords de l'Oise*, whose water-colour will delight our guests to-morrow evening. But you, sir, have none of the feelings of a father. You would willingly have sent your children to keep cows in the country, instead of sending them to a boarding school, as I insisted on doing." "Did I not insure my life, and when the fourth premium was due, did you not insist on using the money to re-cover the furniture in the drawing room? And then did you not negotiate the sale of the policy?" "Of course I did, because you allowed us to starve while you hoarded up the half-yearly premium. Yes, you may sit still and eat the ends of your fingers. You will have the pleasure of seeing your daughters two old maids." "I eat the ends of my fingers! Zounds! Madame, can't you see that it is you, with your confounded *soirees*, and your ridiculous toilettes, who have put all the husbands to flight?"

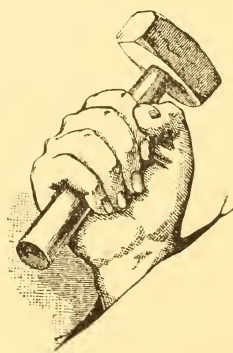
Put the husbands to flight! Whatever the cause, few men marry nowadays, and the slump in the marriage market drives women into all sorts of occupation, with pay scarcely large enough to keep body and soul together. The horrors of the sweating dens in our big cities have been exposed again and again, but nothing has been done by anybody to secure women a living wage. A few weeks ago the London papers teemed with letters about the starvation wages paid to girls employed in the London A.B.C. shops. It appears that the shares are largely held by clergymen, and other pious people, who sweat the girls in order to pay a 41½ per cent. dividend. Protests have been made at every annual meeting of that Company, but the voices of the few have been drowned by the many, who do not care for anybody's body and soul so long as a fat dividend is declared year after year. Some day, a reckoning will come. Meanwhile, every honest father, who does not wish his daughters to be turned into the street, must make provision for them by means of Life Assurance.



"Do we realise what such a scourge means?" asked Sir Walter Besant. "The breadwinner," he points out, "who has succeeded so far as to think himself justified in marrying, and has a wife and five or six children, lies down

and dies ; he leaves an insurance which brings in a pittance of, say, £80 a year. Down goes that family. Where do they go ? Nobody knows. The boys who should have been professional men, scientific men, scholars, divines, members of the great leading and trading class, have to become clerks ; or they go abroad, and disappear somewhere in Greater Britain. There is the end of that family ; at least for the third or fourth generation." That's a picture of a professional man's family.

Here is another picture, the work of a Spanish artist, and it gives a pleasanter, but none the less powerful presentation of the necessity of working men having insurance. It is entitled "Labour's Reward," and represents a blacksmith seated on his anvil, leaning forward in the act of kissing his little girl, who has come to the shop to see "papa." How powerful and touching the conception of the artist ! The strong man and the trusting child are bound together by love. The father stopping work for the moment to greet her, the securing of whose happiness makes work a pleasure, is one of the most beautiful thoughts that has found expression in the exhibits of the Art Gallery. How shall this love be manifested when the hammer is dropped, and the leather apron hung up ? The reply is : Through the medium of Life Assurance.



Not Yet.



*Be wise to-day, 'tis madness to defer,
Next day the fatal precedent will plead,
Thus on, till wisdom is pushed out of life.*

—YOUNG.

WHEN the Paris mob surrounded the Tuilleries, the National Guard stood in defence of the palace, and the commander said to King Louis Philippe :

“ Shall I fire now ? Shall I order the troops to fire ? With one volley we can clear the place.”

“ No,” said Louis, “ not yet.”

A few minutes passed, and then Louis Philippe, seeing the case was hopeless, said to the General :

“ Now is the time to fire.”

“ No,” said the General, “ it is too late now. Don’t you see that the soldiers are exchanging arms with the citizens ? It is too late.” Down went the throne of Louis Philippe.

The most striking illustration of the danger of delay is the story of the Dale Dyke catastrophe in 1864. A gigantic embankment, 95 feet high, held back a great artificial lake pent up for Sheffield’s water supply. Suddenly, a crack appeared in the embankment. The men in charge, when they were warned that the masonry might yield, and the

valley below be flooded, could not realise there was any danger. The crack grew larger ; the superintendent was again urged to open the sluices and let the water escape gradually.

" If the crack grows any larger than it is now, I will do it," he said, "*but not yet.*"

In a few moments the wall yielded, and a great mountain of water moved swiftly down the valley, carrying death and destruction. 238 people were killed, solid houses and farm buildings were swept away as if they had been match-wood. The superintendent had *waited too long*. He had not realised that a lost moment can never be regained.

In other spheres of life prompt action makes all the difference between Life and Death, or between Success and Failure. Almost every railway accident is caused by a moment's delay on the part of an engine-driver or a signal-man. Half the Banks and Business Houses that fail might be saved if the probable results of some course of action were more promptly perceived.

Half the human wrecks of to-day could have been saved if the *men* had acted promptly yesterday ; but they postponed their duty, neglected their opportunity. " Some other day," they pleaded, when invited to insure their lives.

Time goes, we say—Oh, no !
It is time that stays—we go.

The waverers, the put-it-offs, the shufflers waited too long. The world is full of men who realise too late how easy it is to wreck a career by a few thoughtless words. It takes but a second to say " No," to an insurance agent. but it often takes a LIFETIME to regret it. Any man who has money to pay for a loaf can get it at the bread shop when he wants it, but he can't buy life assurance when he wants it. Even a rich man cannot secure admittance into a Life Office unless he has good health. *That* is essential. Youth is generally the best time for securing admission. Insurance companies make a selection of candidates, and only those who are sound in mind and body can pass the sentinel at the gate. To-day

you may be physically sound ; the time may come when Life Assurance will be an absolute necessity, but impaired health may then prevent your obtaining it. Therefore, assure now, in an established Company of good repute. Incorporate yourself. Capitalize your skill and power. Corporations out-live individuals. Life assurance will grant you a charter if you are healthy.



Agent : " Too late for the fire policy ; will you take the life ?

Farmer : " I'll take anything."

Progress of Life Assurance.

(1838-1901.)



*“Strengthen thy stakes,
lengthen thy cords, for thou
shalt break forth to the right
hand and to the left.”*

—ISAIAH.

THE story of the long and glorious Reign of Queen Victoria, and of the rise and progress of many reforms—political, social, educational, legal, and one hundred others, has been described by a thousand pens. There is a consensus of opinion that almost every convenience in every-day life is a product of that Reign. Reform has succeeded reform. But the advancement in education is the crowning glory of the Queen’s Reign. Moreover, the Victorian era has been dis-

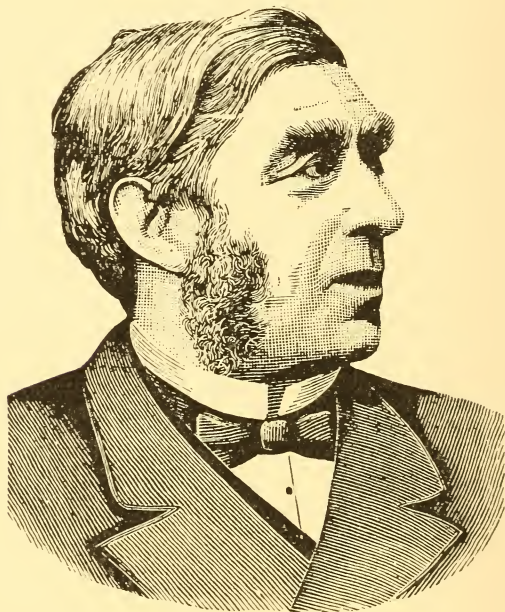
tinguished by its marvellous development of Life Assurance. While four Offices exist which were founded before the close of the 18th century, it was during the first four decades of the 19th century that the foundations were laid of 47 of the still existing Offices; 39 of these were founded before 1837, and 25 have been founded since that year. We refer to existing Offices only, their continued existence being the best proof of the soundness of their principles, and the wisdom of their management.

The number of Ordinary Life Assurance Offices in existence in the United Kingdom in 1837 was 82, and their combined funds (exclusive of paid-up capital) amounted, it has been estimated, to £27,750,000, and their premium income to a little over £3,000,000. Now, the number is 85, but *their* funds (exclusive of paid-up capital) amount to over £241,000,000; annual premium income to £22,000,000; and income from interest to £9,000,000. The amount of the sums assured in 1837 has been estimated at £100,000,000; now, the sum assured is £616,911,783 under 1,848,698 policies. It was not until the passing of the *Life Assurance Companies' Act*, 1870, which came into force on 1st January, 1871, that accurate and uniform statistics of the business could be obtained.

New systems of Life Assurance have been largely developed during recent years to meet the needs and requirements of all ranks and conditions of men. One system, in particular, has largely grown during the past quarter of a century, yet was practically unknown in 1837. We refer to *endowment* insurance, which provides not only against the contingency of premature death, but also for old age. In the earlier period (*i.e.*, soon after 1870) there were about 30,500 endowment policies in force for a little over £7,500,000; now, there are 838,286 such policies, assuring £148,587,000. *Industrial—*or Working Men's—insurance was unknown in 1837. Now, there are fourteen Industrial Offices, whose combined funds exceed £20,000,000, with an income exceeding £9,000,000, and existing assurances for £181,000,000.

Would it were possible to find out, even approximately, the amount paid by Life Offices during the past 65 years to their

policy-holders or their representatives! But some idea may be gained from the fact that one Office alone has paid in 60 years no less than £22,500,000, and from 1882 to 1901—a period of 19 years—British Offices have paid over £241,000,000 in claims. It is the contemplation of the payment of these vast sums distributed among families all over the country, and paid just at the time when ready money is

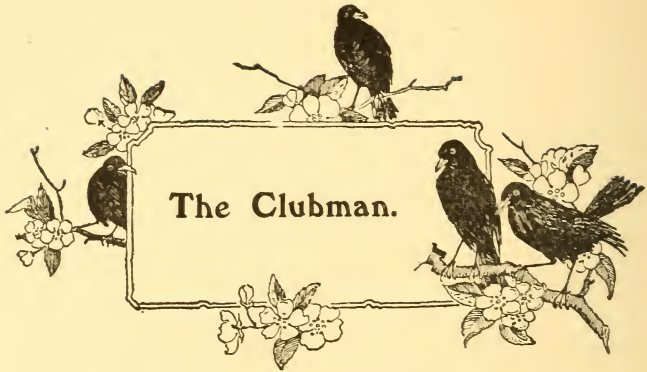


VISCOUNT GOSCHEN.

most urgently needed, that we see life assurance at its best—performing its mission of mercy, mitigating loss and alleviating sorrow, giving heart and hope to the stricken widow and a chance to the helpless orphan. This noble work goes on day after day, week after week, year after year, without the slightest intermission, and without the slightest public notice. Life assurance payments, enormous as they are,

are not quoted in the exchanges, nor reported in the news columns of the daily press. The stories, touching and pathetic, which life assurance agents might tell if they would—of estates saved from foreclosure, and of widows and orphans raised from a condition of want by the timely receipt of a death claim, or an endowment—would be a mine of wealth to a novelist or a playwright.

“ I should like to see the existing number of Life policies largely extended,” remarks Viscount J. G. Goschen. So should we ; so would Insurance Companies ; so would every honest man and every honest woman ; so would the over-burdened taxpayer, who has to pay the piper, because an army of paupers danced in the heyday of their youth, and drank, and squandered their money, instead of laying it up for the inevitable rainy day which comes to most men. The thrifty householder, also, would be glad to see the number of Life policies largely increased ; for he has not only to bear his own burdens, but the burdens of his relatives and neighbours, who lived up to their income when the bread-winner was alive, and then sponged upon their friends when he was removed by death—absconded, as Dr. Talmage said. “ We are living in days,” wrote the Rev. Brooke Lambert, Vicar of Greenwich, “ when an appeal is constantly made to charity for help because a man has left his wife and family totally unprovided for at his death. We are asked to subscribe to a fund to get his wife a pension, or to put his children in an orphan school. This plea dates back to the time when many charities were founded—and, in the absence of Life Assurance, rightly founded—to help the widow and the orphan left without provision. It was valid then ; it is not valid now. A man who makes no provision is more than careless ; he is semi-criminal.”



The Clubman.

"You can confer no greater benefit upon your smaller paid brethren than to teach them to insure, so that they may learn the great fact that the pence that would otherwise rust in their pockets, become a potential and capitalised asset when placed in the hands of a sound Industrial Company."

—R. P. HARDY, F.I.A.

"**W**AS Lizzie insured?" asked a lady visitor of a poor woman whose daughter had died from consumption.

"No, she was in a Club," was the reply.

The working classes prefer the more trite expression "Club-money" to the high-sounding word "Insurance"; and the phrase is familiarly used in the music-hall lyric: "We drew his club-money this morning"—a topical ditty relating to a series of catastrophes which should prove a powerful "moral" for every Insurance Company. The chorus runs somewhat in this strain:—

We drew his club-money this morning;

To the sexton we gave warning;

No more he'll beat the drum,

For he's gone to kingdom come,

And we drew his club-money this morning.

Lizzie died at the age of twenty-five, and her parents

received £8 to "bury her decent," and buy her a "beautiful coffin" The girl had been insured from birth under a payment of one penny a week. This was not quite so expensive a funeral as that of a Leeds pauper, whose life was insured for £10. This is how the relatives spent the money: Polished pitch pine coffin, £5; five coaches and hearse, £2 8s.; one cab, 4s.; paid at cemetery, £1 1s.



A MANCHESTER "CLUBMAN."

shroud, 5s.; paid to coachmen, 6s.; three dozen cards, 5s.; three pounds of biscuits, 5s.; four bottles of wine, 6s.; total, £10. As a rule, however, club-money is, in the case of grown-up people, spent wisely; too often it is the only money a widow has to face the world with; and in the case of a child it rarely covers the cost of the funeral. From a *national* point of view, the progress of

Industrial Assurance is matter for rejoicing. The poor man's insurance not only benefits the individual, but the State; for it does more to protect the State against the evils of pauperism than any measure of relief devised by legislation or organised charity, preserving at the same time the spirit of self-respect in the family.

As an illustration of the power of the pence, it may be noted that since 1882 the working classes have paid over £100,000,000 for Life Assurance, *apart* from the amount collected by Friendly Societies and Local Burial Societies. The business of Industrial Assurance is in the hands of 9 Companies, who collected last year no less

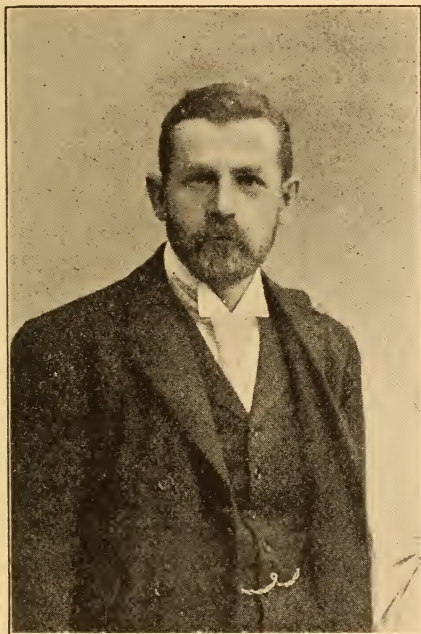


A NOTTINGHAMSHIRE "CLUBMAN."

than £9,179,324 in small sums. Some idea of the remarkable development of Working-class Insurance may be gathered from the fact that the number of policies in force has increased from 9,145,844 in 1888, to 20,915,110 in 1902. The sums insured amount to the gigantic total of £204,610,543; but, formidable as the amount seems, it works out at less than £10 as the average amount of each policy.

The collecting of these small sums gives employment to an army of Agents, who are "characterised, as a whole, by their remarkable intelligence, industry, and integrity.

They carry the Gospel of Insurance to every doorstep throughout the length and breadth of the land ; they work longer hours, and for less pay, than most of those upon whom they call ! ” Yet no class of men are more roundly abused by ignorant public men, and by County Court Judges. Judge Parry, for instance, recently preached a little sermon in Court, and denounced them as “ thoroughly untrust-



A LONDON “ CLUBMAN.”

worthy ! ” That some Agents abuse their trust is frankly admitted ; but to assume that they are all utterly untrustworthy is a conclusion not drawn from facts. In short, it is a foul libel upon the greatest home missionaries, the most useful, the most disinterested men in the United Kingdom. We might as well assume that all members

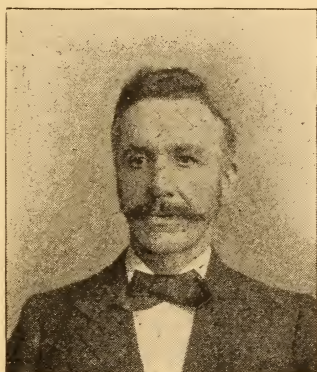
of Judge Parry's profession are all untrustworthy from the fact that not a day passes without one of his professional brethren being sent to prison for betraying his trust, and robbing widows and orphans. The fact is that no man can secure an Agency in the leading Companies unless he has a good character and can deposit a cash security of from £30 to £50.



A BIRMINGHAM "CLUBMAN."

"The working man pays too much for his insurance," contends a millionaire. Well, let him devote his wealth to the founding of a Company which will cheapen Industrial Insurance. Let him act as well as talk. The field is wide open to any philanthropist who will engineer the whole movement himself, appoint his own Agents, make his own rates, and pay claims as they arise. He will find the task of cheapening Industrial Insurance a little harder than he imagines. Concerning the cost, Mr. W. M. Moni-

aws, the leading insurance statistician, explains that, stated broadly, Industrial Offices, in connection with any given volume of assurances, render fifty times the service which Ordinary Offices do. The equivalent of every account opened with the latter in connection with a policy for, say £500, is fifty accounts opened with the former for as many policies, averaging less than £10 each; for every collection of premium made by Ordinary Companies, Industrial Offices make fifty, and so on; this proportion holding throughout nearly the whole of the ramifications of the two systems at Head Offices, Branches, and Agencies—in settling claims and in making investigations. Yet

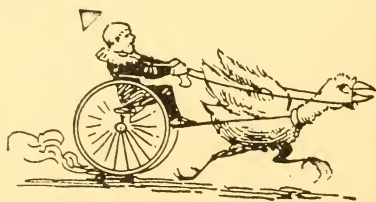


AN ALTRINCHAM "CLUBMAN."

the ratio of total cost of administration in Industrial Offices is only three times what it is in Ordinary Companies—44 per cent. of the premiums, as compared with about 14 per cent. Obviously, working men pay dearly for the privilege of paying their premiums weekly; for the same amount of premium which, when collected in weekly instalments, purchases only £100 of insurance, would secure, on an average, about £125, if collected *quarterly*; £130 if collected *half-yearly*, or £135 if collected *yearly*. These facts are not generally known. Even if they were, working men could not conveniently pay their premiums

in a lump sum. As a matter of fact, they are quite satisfied with the present system ; indeed, no other plan is feasible. Moreover, the friendly relationship existing between clubman and policy-holder has no parallel in any other business ; for an Industrial Agent is often the guide, philosopher, and friend of the whole family.

Again, critics should remember the educational value of Industrial Insurance. The lessons of thrift and industry which it inculcates in every member of the family, the sentiments of self-respect and confidence which it generates and cultivates in the individual, and the wholesome influence which it exerts over the family in its relation to the outside world are each sufficient to recommend it to the favour of those by whom it is so much needed. *Industrial* is the Kindergarten of *Ordinary* Life Assurance. The Industrial policy-holder is gradually persuaded to insure for £50 or £100 on which the premiums can be paid quarterly. In this way thrift is promoted, and a substantial sum provided for a widow, which would at least keep the wolf from her door for a time and enable her to make a fresh start in life.



Ambassadors of Insurance.



Not a day passes over the earth but men and women of no note do great deeds, speak great words, and suffer noble sorrows. Of these obscure heroes, philosophers and martyrs, the greater part will never be known till that hour when many that were great shall be small, and the small great.

—CHARLES READE.

“**M**EN and women of no note,” is the description which the average man applies to Life Assurance Agents. But very few women are employed in the insurance profession, because it is one which requires more perseverance than a woman possesses, and more knowledge than she is capable of acquiring. “The woman who rocks the cradle rules the world” is a pleasant bit of American flattery, but it is not true in fact. Anyhow, men secure all the Life business in the world. And in all the range of employments there is no business where a man can employ

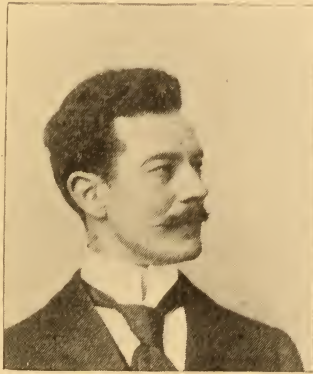
a higher grade of ability ; none in which he needs more knowledge, judgment, patience, industry, humanity, dignity and courage than in the life assurance business. Any ordinary man can sell soap, or tea, or butter, but it takes a clever man to sell life assurance. We are referring now, not to the agent who follows some other trade, or employment, but to the man with the special knowledge of in-



A SHEFFIELD AMBASSADOR.

surance—knowledge which has taken him years to acquire ; to the man who gives his whole time to his life's work. "We are obliged," remarked the Chairman of a London Company, "to go to the public through our *Ambassadors*." The word is ambitious, suggesting a Royal minister, and the representative of King Edward ; but it is not inappropriate, considering the nature and value of the work

accomplished by an Agent. The ability of Insurance Ambassadors is frankly acknowledged by actuaries. "Actuaries," admits an Edinburgh *Actuary*, "would be but a feeble folk and small if there were not abler men than they out on the highways compelling proposers to come in. All here must know that it is a much easier thing to sit snugly in a comfortable room at Head Office calculating a rate that is to fight the elements in getting at a probable proposer, and, having got at him, to drag him successfully out of the unreasonableness, or 'cussedness,' into which he—and possibly more so, his wife—has intrenched himself."



A NEW ZEALAND AMBASSADOR.

In short, the man who gets the business is the greatest man in the Insurance world.

It is a singular fact that very few people insure themselves voluntarily. This indifference to duty arises in part from inborn stupidity, and partly from ignorance of the subject. They know nothing about it, and many don't want to know. They are mere animals, without any thought for the future. And when a man has been allowed to grow up in ignorance of what is required from him as a breadwinner and a citizen, it is a giant's task to educate him out of selfishness. That should have been done when he

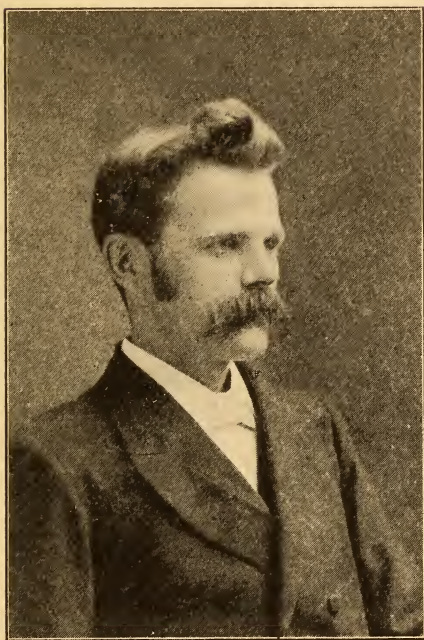
was taught his A. B. C. But the schoolmaster ignored the subject ; the parson ignored it from the pulpit, and not only ignored it, but preached against it. Moreover, Insurance Companies neglected to take steps to systematically educate the public. The result of this indifference is that millions of people remain in ignorance of the cardinal facts of life assurance. This is why it requires a superior type of man to secure proposals. What he has accomplished we have already recorded, but large as the total is, we believe that Life assurance is only in its infancy. The time will come when insurance will become universal among all commercial and business men.

It is worthy of note for social and moral reformers that the business of all the Companies has been accomplished, not by shot and shell, not by the baton of the policeman, but by the quiet, plodding, systematic work of Agents, who have gone out into the highways and byways coaxing, persuading and entreating people to secure life assurance. In fact, Insurance is the greatest moral reform movement in the world. Parliament has not helped it ; the Church has not helped it ; the Religious World has not helped it ; public men have not helped it. " Alone we have done it," the Agent can exclaim with truth. And yet he has never received the slightest recognition from the State.

" A king can mak a belted knight,
A marquis, duke and a' that ;
But an honest man's aboon his might
Guid faith, he maunna fa' that."

King Edward can, and does, make knights out of very commonplace materials. The butter and bacon merchant, the brewer of ale, the schemer who props up some rotten political party, the parasites of society, each of these creatures receives either a Knighthood or a Baronetcy, but the man who has made thousands of homes happy, and who has been the instrument of keeping tens of thousands of people out of the workhouse, is absolutely ignored. In truth, *he* does not seek Kingly honours, nor does he want them. *His* work is his own reward, and his motto that of Dr. Guthrie :

I live for those that love me,
For those that know me true,
For the heaven that smiles above me
And waits my coming, too ;
For the cause that needs assistance,
For the wrongs that need resistance,
For the future in the distance,
For the good that I can do.



A MANCHESTER AMBASSADOR.

Unlike most men, the Insurance Agent is engaged in a mission of unsullied benefaction to the human race. He represents the greatest movement in the world for uplifting humanity. There are other movements which *profess* to have the same object in view, but most of them are *destructive*, rather than constructive like the Insurance Movement. Insurance men and Companies injure nobody,

pull nobody down into the gutter, fill no prison, and rob nobody of his living. Their one aim is to keep the wolf from the door of the widow—to protect the man and his family from “the slings and arrows of outrageous fortune.” Insurance is doing this work every hour of the day—every minute of the hour. While politicians are wrangling about reform, and making no progress, while parsons are squabbling over the Education Bill, while teetotalers are hounding the publicans, and the Puritans the frail sisters of the street, Insurance Agents are making the world brighter every day. That is more than can be claimed by other business men. In fact, the majority of successful business men have achieved success by taking advantage of others, by sharp practice, and by telling lies. Moreover, nearly all the great moneyed men, the gold bugs of America, and the millionaires of England, bear the brand of Cain on their foreheads; they have accumulated wealth by fleecing the workers; by dashing the weakest of their competitors against a stone wall; by plunder and rascality.

But none of these things can be urged against insurance agents. True, there are blacklegs among agents as among parsons; but, on the whole, agents are honest men. Certainly, *their* work always proves a blessing, not to the policy-holder only, but to his family, and to the nation. “No one who has made himself acquainted with your stupendous work,” remarked the poet Whittier, “can fail to see in it a vast beneficence, a step towards the abolition of poverty, a check to the hazardous speculations prompted by the necessity of gain for the benefit of posterity, a grateful relief to homes saddened by worry and anxiety.”

To make a happy fireside clime,
To weans and wife,
That's the true pathos, and sublime
Of human life.

Burns.

His Last Will and Testament.



"Be plain, good son, and homely in thy drift."

—ROMEO TO JULIET.

THE man who holds a Life Assurance policy, whether for £100 or for £100,000, is a man of property; and, unlike other property, an insurance policy never shrinks. It is always worth its face value, whenever it may fall due. "Like traders," explains a London *Actuary*, "we issue promissory notes subject to a due performance of the contract. At death we promise to pay the sum assured, and we provide therefor." That is pure life assurance—protection for the family. But before his heirs can secure payment of his insurance money, the policyholder must leave his "last Will and Testament."

Many people have a superstitious aversion to making a Will; hence it often happens that this duty is left till the last moment, and anybody standing at the bedside has to prepare it. Here is the testimony of a lawyer's clerk, which ought to point a moral to the man who has so far failed to put on record his desires for the disposal of his property: "I have witnessed some strange scenes in connection with the making of Wills, which should teach anyone who has not done so already the necessity of not delaying that important duty. One of my saddest experiences was whilst I was engaged in ———, and I shall never forget the feelings which took possession of me


at the time. I had to attend at the house of a well-known clergyman, who was suffering from heart disease, to attest his Will, and it was a most painful sight to see a man whom I had known in the full vigour of health struck down, and almost incapable of doing the least thing. He was in a most pitiable condition, and the remembrance of this and similar scenes has always impressed upon me the folly of delaying to the very last that which should be done in perfect health—the disposition of one's property."

There is yet another fact for the superstitious to bear in mind, and it is this: If you fail to make your Will, you will put your wife to an enormous amount of trouble and expense, and the Crown will deliberately rob her of half her rights. A dear penalty to pay for carelessness and stupidity, isn't it? Don't you feel inclined to call yourself a human blockhead for delaying your duty?—a duty which costs you no trouble. You need not go to a lawyer, and you need not spend more than five minutes in drawing up your Will. This was Matthew Arnold's:—

" July 21st, 1862.—I leave everything of which I die possessed to my wife, Frances Lucy Arnold.

Matthew Arnold."

This Will is perfectly correct in form, but faulty, because no executor is appointed to carry out the Will. The absence of the appointment of executors does not, however, render the Will void. Where a man can trust his wife to take care of his children, or where he wishes to leave all his property to his wife, he should follow the example of Mr. W. F. Tillotson, of Bolton, whose "last Will and Testament" is a model of simplicity and completeness:—

" I give all my property to my wife, and appoint her to be executrix of this Will." 

Although not absolutely necessary that a solicitor should draw up your Will, there is an element of satisfaction in feeling that you have had legal advice.

Proof of Death.

*“ Be still, sad heart ! and cease repining ;
Behind the clouds the sun is shining ;
Thy fate is the common fate of all,
Into each life some rain must fall,
Some days must be dark and dreary.”*

—LONGFELLOW.

BEFORE an insurance company can pay a claim, proof of death and title to the money must be given. “ I remember,” remarks an Actuary, “ having difficulty in getting a *woman* to understand what proof of death and title meant. She had come straight from her husband’s death-bed to the office, and laid the policy on the counter, as she would have done a bank note, expecting coin in exchange there and then. I pointed out to her that we had not received proof of her husband’s death. ‘ Proof,’ said she, ‘ I saw him die this morning, and I came off at once for his money.’ I further objected that we had no evidence that it was she who was entitled to the proceeds of the policy. ‘ Evidence, sir,’ she retorted ; ‘ I am his widow, and, of course, the money is mine.’ ”

How characteristic of a woman ! She will howl like a whipped cur when an Agent approaches her husband to insure his life, but when the breath is hardly out of his body she will make a hop, skip, and a jump in double quick time to the Insurance Office to draw his money ! Life Assurance records are full of such experiences of women. A disconsolate young widow in Manchester was overhauling the clothes of her dead husband. She had always regarded him as a superior being, free from the vices of the average man. But when she discovered a pipe of tobacco in his pocket, she received an unpleasant shock—“ Oh, George, George ! ” she wailed, “ you and I will never meet in Paradise.” But another hunt in his roll-top desk revealed a Life policy for £1,000, of whose existence she had not known. Then she changed her tune. “ Oh yes, we will ! we will ! ” she burst out with joy, “ Heaven will forgive

him his one fault." It is impossible to understand a woman. She is an unknown continent. Her mind is a mysterious thing—a tangled skein of whims, wisdom, and contradictions. "The man who is able to govern a woman," declared Balzac, "is able to govern a nation." And Coventry Patmore wrote of her—

A woman is a foreign land
On which, though there he settle young,
A man will ne'er quite understand
The customs, politics and tongue.



"SHE HAD ALWAYS REGARDED HIM AS A SUPERIOR BEING."

Anyhow, she can't draw her husband's money until proof of death and her right to the policy are submitted; and when these are in order, and the leeches of the law satisfied, every Insurance contract is honourably and quickly paid.

The steps to be taken to prove *the death* of the assured

to the satisfaction of British Offices seldom present any difficulty. In addition to a registrar's certificate of death, there are required, on forms supplied by the Company, a declaration by the physician who attended the deceased in his last illness, and a statement by a friend. The latter is simply for purposes of *identification*, to identify the John Smith who has died with the John Smith who was assured. The *medical* certificate is required to bring out certain information required by the statistical department of the Company—especially the date of death, and the precise nature of the fatal illness. Moreover, claimants for insurance money must produce *proof* that they are entitled to the money. A Probate of the Will is absolutely required. The proving of this, and the formalities connected with the payment of the Death Duties, are so troublesome, however, that it is better to place the whole matter in the hands of a solicitor. But a bargain must be made with him *before* he takes up the case.

In the business of Life Assurance there is a wealth of incident and romance, such as the outer world little suspects. Here, for instance, is a remarkable case of an unknown man who committed suicide by throwing himself in front of a train. An inquest was held, no evidence of identification was forthcoming, and a verdict of *felo-de-se* was returned by the jury. A week elapsed, and a lady and her daughter presented themselves at the cemetery, and made a request for the exhumation of the body. This was readily complied with, for the body, being an unknown, was interred in an accessible grave. The lady identified the remains as those of her husband, from whom she had been temporarily separated, the daughter also recognising her dead father. In due course, the bereaved lady presented to the Insurance Society a claim for the insurance money. Other evidence of identification was forthcoming, and the Society was on the point of paying the claim when the secretary expressed a desire to have some further inquiries made. These were undertaken, with a result surprising to most of the parties concerned. The missing man was

found alive and well, and the supposed widow was presented with a solatium in her lost husband, instead of the amount of his life policy.

Cases of this kind are common enough. A man grows sick of the weary humdrum life he leads, and cuts himself adrift from his friends. Some people are blind and deaf to all external affairs. A magnificent specimen of this type was a London draper. At an inquest after a railway accident two witnesses identified the body as that of an individual of their acquaintance. A few weeks afterwards, however, he turned up, alive and well. "Did you not know," he was asked, "that you were sat upon by the coroner, and viewed by the jury, and buried?" "Yes," he coolly replied, "I read something to that effect in a newspaper, but I didn't think it worth while to say anything." But there is method in the madness of most people who disappear mysteriously. They have an axe to grind. Rembrandt, the Dutch painter, suddenly disappeared from Amsterdam, and some time afterwards caused the news of his death to be circulated by his wife. People flocked in crowds to see the sorrowing widow, and purchasers outbid each other in their eagerness to secure a painting, a drawing, or a sketch by Rembrandt's master-hand. The whole of his stock was sold at excessive prices. His appearance a few months afterwards created no small amusement.

A frequent trick of an impecunious policy-holder is to strip on the sea shore, leave his clothes, get inside another suit, and then take to his heels. This trick generally fails. A man's clothes were found on the beach at Margate. It was assumed that he was drowned. But an assumption did not satisfy the Insurance Company, and they declined to pay. An appeal to law resulted in a verdict for the Company, and by that verdict a Bank lost over £10,000 and the family £6,000. Everybody remembers the Isle of Man mystery. Thomas Johnson, a Huddersfield boot manufacturer, went out on a boating trip with one of his brothers in Port Erin Bay. The brother was rescued,

having been found clinging to a rock close to Bradda Head, while the boat in which both were was found close by. Thomas Johnson was never afterwards heard of, and his executors claimed the insurance money, amounting in all to £13,000. The arbitrator found that it had not been proved to his satisfaction that Thomas Johnson was drowned on July 23rd, 1896, or that he is dead, and he gave costs against the plaintiffs, including the costs of the award.

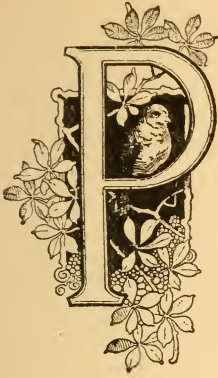
Where Thomas Johnson is, does not concern us ; but he represents a type of man known to all Insurance Companies, and we quote these cases as illustrations of the importance of securing proof of death before admitting a claim. Even an ignorant woman will now understand why Insurance Companies demand proof before they pay a claim. She must not assume that they are rogues and thieves, because they refuse to honour fraudulent claims. In cases which do not appear fraudulent, and where proof of death cannot be obtained, the procedure is that when a person has been missing for a considerable time, and nothing has been heard of his or her whereabouts, the Probate Court has power, on application of the parties interested, to make an order presuming the death of the missing person.

An interesting application was that heard recently for leave to presume the death of Mr. R. James Warner, formerly an officer in the Suffolk Regiment, who joined the ill-fated expedition of Hicks Pasha to the Soudan in 1883. nothing has been heard of him since he wrote a letter to his father, in which occurred the words, " We have cut off all connection with our base, and cannot retrace our steps. I believe it will be a case of the devil take the hindmost." As a matter of fact, the whole force was lost, and, according to Counsel, it was thought that Mr. Warner must have met his death in November, 1883. Since that time, however, he had become entitled to a share of a considerable sum of money—hence the necessity for making the application. Under the circumstances, leave was granted to presume the missing man's death since the month and year named.

O undistinguished Dead !
Whom the bent covers or the rock-strewn steep
Shows to the stars, for you I mourn, I weep,
O undistinguished Dead !
None knows your name.
Blackened and blurred in the wild battle's brunt,
Hotly you fell . . . with all your wounds in front,
This is your fame !

—Austin Dobson.





Provident Authors.

*The unhappy man who once has
trailed a pen
Lives not to please himself, but
other men ;
Is always drudging, wastes his
life and blood,
Yet only eats and drinks what you
think good.—DRYDEN.*

EVEN philosophers are not exempted from a desire to know all about the illustrious dead.

Thus, Dr. Adam Smith, the famous political economist, confessed that he felt thankful for the information that John Milton wore latchets in his shoes, instead of buckles. We feel thankful for the information that some of our great literary heroes insured their lives, though their biographers tried hard to keep the information from us. As a matter of fact, the public rarely get a complete account of an author's life. When accused of mentioning "ridiculous anecdotes" in the "Lives of the Poets," Dr. Johnson replied that he should not have been an exact biographer if he had omitted them. "The business of such a one," he said, "is to give a complete account of the person whose life he is writing, and to discriminate him from all other persons by any peculiarities of character or sentiments he may happen to have."

We have not succeeded in securing much information concerning the insurances of eminent authors from Insurance Companies; for, as far back as 1762, a solemn oath was taken by the directors and actuary of a certain old Office "never to disclose the names of persons making or applying for assurances," as if some disgrace attached to life assurance. In the case of the average man, who is unknown outside his own office, or his home, it is not a matter of public importance how much insurance he holds; but in case of a literary hero of a past age every item

concerning his habits and his principles throws light upon his character, and is a matter of public interest. In the byeways of literature, and in other ways, we have gleaned some facts concerning the insurances of Sir Walter Scott, of Samuel Taylor Coleridge, of Robert Southey, of Charles Dickens, and of Wilkie Collins, which we venture to think will be of real interest to all intelligent men.

There were many "peculiarities of character" about Samuel Taylor Coleridge, poet and metaphysician. One critic pronounces him a selfish, useless noodle, who deserted his family, stupefied himself with opium, and lived, like a tame cat, on other people most of his life. Another declares that he was the almost perfect model of what a man ought not to be, and that the less we remember of Coleridge the human being the better; and Mr. Leslie Stephen's opinion may be summed up in the following moral, which he drew from the poet's career: "Never marry a man of genius; don't be his brother-in-law, or his publisher, or his editor, or anything that is his."

But the poet has warm admirers, as well as cold critics. His most sympathetic biographer is Mr. Hall Caine, who pictures the poet in a new light. He proves that his hero was never a reckless Bohemian, but admits that he lacked strength and decision of character. In one respect he showed more forethought than his critics, for this "selfish, useless noodle" insured his life at an early period for a good round sum. One of his editors remarks:—

"Little as he had been able to do while living for his family's enrichment, he was always anxious regarding them, and his executors found they had a sum of £2,665 to administer for their benefit, mainly resulting from an insurance on his own life he had maintained from an early period."

Coleridge, it appears, took out a policy for £1,000 in the Equitable Life Assurance Society, in April, 1803 (when he was in his 31st year), at an annual premium of £27 5s. 6d. His total payments amounted to £872 16s. At his death (in 1834), the Society paid his executors the sum of £2,560. It was fortunate for Coleridge that he lived at a time when no medical examination was

required, for he was never robust. He had suffered from "rheumatism and gout, complicated by other disorders"; but at the time he insured his life it is stated that he had "recovered from physical prostration," although under the spell of opium.

The author of "The Woman in White" advocated Life assurance in his most famous novel, but was not heavily insured himself. He effected a policy for five thousand dollars (£1,000) on the 12th February, 1874, in the New England Mutual Life Assurance Company. He was then fifty years of age. His premium was 235 dollars, which was paid annually for sixteen years. His "distribution" or bonus amounted to 898 dollars, or about £180, and his premiums paid came to £752; so that his policy for £1,000 cost him £572. It is worthy of note that the policy was drawn in favour of "W. Wilkie Collins."

It is not surprising to learn that the plodding, systematic, and industrious book-maker, Robert Southey, was well insured. "My life insurance is £4,000," he joyfully announces to his friend, Grosvenor C. Bedford. This sum was not insured under one policy, for his *Letters* show that he increased his insurances as his family increased. Moreover, Southey took pleasure in speculating upon the probable amount of future bonuses at a time when that term would hardly have been intelligible outside the little world of insurance. Further, he appears to have been an enthusiastic advocate of Life assurance; for in 1823 it is recorded that Charles Lamb sent the following reply to his friend:—"I am in a public office, and my life is insured."

Southey had not the advantage of being in a "public office," so we find him, in his 64th year, discussing the question of taking out another policy upon his life. As a matter of fact, he had two policies in the Equitable Life Assurance Society. The first—for £1,000—was taken out in March, 1810 (in his 36th year), at an annual premium of £30. 13s. He paid £1,042 in premiums, and the value of his policy at death (in 1843) amounted to no less than £2,700. The second policy—for £3,000—was effected

in November, 1813, at an annual premium of £101 18s. 6d. His payments came to £3,057 15s.; whilst the value of his policy at death reached the handsome sum of £7,305. The Society thus paid over £10,000 in respect of the two assurances for £4,000.

The anxieties of authorship have often been pictured to the beginner, in order to deter him from devoting himself entirely to literary pursuits. But Southey had always enough and to spare. His trade was authorship—a risky trade at the best of times; but anxiety about his worldly fortunes never cost him a sleepless night. His disposition was hopeful, his habits were methodical, his wants were few; “and, relying on Providence,” he says, “I could rely upon myself.” Like Oliver Cromwell, he had great faith in “Number One”; and, while trusting Providence, he kept his powder dry by insuring his life.

The subject of Life Assurance had considerable attractions for Charles Dickens, who has dealt with it in its humorous as well as its practical side. There are numberless references to the question in his novels. How often have the readers of “Martin Chuzzlewit” smiled over the adventurous audacity of Montague Tigg, the clever imposter who had exploited that bubble insurance office, the Anglo-Bengalee, on the “wild-cat” principle of receiving premiums and not paying losses. In “Nicholas Nickleby” we are told that the grandfather, under the strain of pecuniary distress, impressed with the necessity of making some provision for his family, was seriously revolving in his mind a little commercial speculation of insuring his life next quarter-day, and then falling from the top of the Monument by accident.

An illustration of the practical side of Life Assurance occurs in *Household Words* (Vol. X., p. 365), in an article in which he advises *everybody* to insure. Shortcomings Charles Dickens may have had; inconsistency he certainly cannot be accused of. As early as 1838, before he began to taste the sweets of fame, he sought the protection which Life Assurance gives to all who can pass the sentinel at the gate, and here is a *facsimile* of his application:—

Form of a Proposal for Assurance.

Name, and Rank or Profession, of the Life to be assured, *Charles Dickens Esqr*

Present Residence, *48 Doughty Street, Bedford Square*

Place of Birth, *Parson*

Date of Birth, *7th February 1812*

Age next Birth-Day, *Sixty Six*

Sex, *Male*

Rank, *One thousand Pounds*

Term, *Life*

Name of the usual Medical Attendant, *J. Robinson Esqr, 18 Abchurch Lane*

Name and addition of a Non-Medical Referee, *Saml. John Wood, Surgeon, 100, Foster Lane, St. Dunstons in the East*

Has he ever had the Gout, or Asthma, or any Fit? *No*

Has he ever been afflicted with Rupture? *No*

Has he ever exhibited any symptoms of Consumption of the Lungs? *No*

Is he afflicted with any Disorder tending to shorten Life? *No*

Has he had the Small-pox or the Cow-pox? *He has*

Whether the Person whose Life is proposed to be Assured, intends to appear at the Office? *Yes*

To whose Name or Behalf the Policy is desired, *By own*

Date of Proposal, *9th January 1858*

Annual Notice to be sent to, *48 Doughty Street*



DECLARATION

To be made and signed by or on behalf of a Person making an Assurance on his or her OWN LIFE.

I *Charles Dickens* born in the Parish of *Parson* in the County of *Wants* on the *7th* Day of *February* 1812 and now residing at *48 Doughty Street, Bedford Square* in the County of *Wants* being desirous of assuring with the SUN LIFE ASSURANCE SOCIETY, the Sum of £ *1000* on my own Life

DO HEREBY DECLARE, that my Age does not exceed *26* Years; that I have *never* had the *Cow-pox* that I have *never* had the Gout, *nor* Asthma, *nor* Rupture, nor any Fit or Fits, and that I am not afflicted with any Disorder which tends to the shortening of Life; and this Declaration is to be the Basis of the Contract between me and the said Society; and if any untrue Averment is contained in this Declaration, in setting forth my Age, state of Health, Profession, Occupation, or other Circumstances, then all Monies which shall have been paid to the said Society, upon Account of the Assurance made in consequence thereof, shall be forfeited. Dated the *9th* Day of *January* 1858



Dickens failed to pass the scrutiny of the directors of the Society. Though rejected, he was not disheartened. When he became famous, he took out a policy for £5,000 in a London Office, and this sum, together with a very handsome bonus, was paid to his legal representatives. In July, 1854, when he was 43, he took out a policy for £100; and in July, 1862, a further policy for £400. Both these policies were in force at the time of his death. When asked



CHARLES DICKENS.

for a proof of his age, he wrote in the proposal form : " My age was proved for the — Life Office, where I have long been largely insured " ; and " W. H. Wills " was a witness to the signature.

In the ledgers of Insurance Companies, as well as in the catalogues of libraries, the greatest name among men of letters is that of Sir Walter Scott, who held policies for

£22,000. Unfortunately for his family, they were seized by his creditors. That he made blunders in joining the Ballantynes, his printers and publishers, there can be no doubt ; but as a business man he will always hold a high place among men of letters, who, as a class, are certainly not gifted with the commercial instinct.

Sir Walter was not only a policy-holder, but a director of two Scotch Life Assurance Companies. In 1824, he accepted the office of Honorary Governor of the Company, and continued to hold it until his death, in 1832. He presided



SIR WALTER SCOTT.

at its meetings ; and under date “ November 21st, 1827,” a record of the debate is published “ whether the ordinary Acting Directors should or should not have a small sum amounting to about a crown apiece allotted to them each day of their regular attendance.” The proposal appears to have been discussed with considerable warmth ; and the Chairman has given us a graphic illustration of one of the speakers :—

“ A china merchant spoke—a picture of an orator, with bandy legs, squinting eyes, and a voice like an ungreased cartwheel—

a liberty boy, I suppose. The meeting was somewhat stormy but I preserved order* by listening with patience to each in turn, determined that they should weary out the patience of the meeting before I lost mine. An orator is like a top; let him alone, and he must stop one time or another; flog him, and he may go on for ever."

The proposal was rejected—impolitically rejected, records the Chairman, who remarks:—

"The sound of five shillings is shabby, but the fact is, that it does in some sort reconcile the party to whom it is offered to leave his own house and business at an exact hour; whereas, in the common case, one man comes too late, another does not come at all, the attendance is given by different individuals upon different days; so that no one acquires the due historical knowledge of the affairs of the Company. Besides, the directors, by taking even this trifling sum of money, render themselves the paid servants of the Company, and are bound to use a certain degree of diligence, much greater than if they continued to serve, as hitherto, gratuitously. The pay is like enlisting money, which, whether great or small, subjects to engagements under the articles of war."

In the infancy of Life Assurance it seems that many influential men lent the use of their names and gave their services to public movements; but it would be easier nowadays to find a white elephant than an *honorary* director of an insurance company. That directors ought to be paid for their services admits of no dispute; but some of them would be dear at half-a-crown a sitting, whilst others would be cheap at one hundred guineas.

Sir Walter was also connected with the "Edinburgh Life," both as a policy-holder and as a "director extraordinary"; and he has given, in his *Diary*, an interesting account of the proceedings at one of the meetings of the Board. "There were there," he records, "moneyers and great oneyers,* men of metal—counters and discounters—sharp, grim, prudential faces; eyes weak with ciphering by lamplight; men who say to gold, 'Be thou paper,' and to paper, 'Be thou turned into fine gold.'" The "Edinburgh Life" is proud of its connection with the author of *Waverley*, and has published a *facsimile* of the policy issued to Sir Walter Scott in the year 1824.

* "GADSHILL.—I am joined with . . . nobility and tranquillity, burgo-masters and *great oneyers*."—*King Henry IV.*, Act II., Scene 1.

We have been unable to secure particulars of all Sir Walter's policies, but they appear to have been effected in connection with mortgages or loans, judging from the following extract from his letter to J. B. S. Morritt, Rokeby Park, 20th November, 1813.

"I have been able to redeem the offspring of my brain, and they are like to pay me like grateful children. This matter has set me a-thinking about money more seriously than I ever did in my life, and I have begun by insuring my life for £4,000, to secure some *ready cash* to my family should I slip girths suddenly. I think my other property, library, etc., may be worth about £12,000, and I have not much debt."

"Present-day Authors" might redeem the offspring of their brain by taking out endowment assurance policies which would pay them like "grateful children," and make old age easy and comfortable for themselves, or for their dependents. Much has been said about the improvidence of Burns; but Burns, for obvious reasons, could not insure his life. Scott could, and—*did*. There are hundreds of authors who could follow Sir Walter Scott's example. Mrs. Oliphant, in her last book wrote very strongly upon their improvidence. She asserted that among literary people it is a common and insane delusion that the power of earning money will never cease, or even diminish, and she emphasised the point that a man was a fool who in the seven fat years failed to provide for the inevitable years of leanness. This could be done by means of Life Assurance.



Cornelius Walford.

Born 1827 ; died 1885.



*For all he did he had a reason,
For all he said a word in season,
And ever ready was to quote
Authorities for what he wrote.*

—BUTLER.

A BARRISTER by profession, Mr. Walford's tastes were literary, rather than legal ; but his legal training made his services of peculiar value in connection with Life Assurance work. He became an authority in questions of law affecting Companies, and was consulted, not only by Home Offices, but by Foreign ones. He had a love for statistics, and his first work dealt with the subject of "Decimal Coinage," published in 1855. This was followed, in 1858, by "The Insurance Guide and Handbook," which established his reputation. It was published anonymously by Mr. J. Hooper Hartnoll, founder of the *Post Magazine*, the author believing this to be the best method of securing fair play from the reviewers. It was "dedicated especially

to insurance agents," Mr. Walford pointing out in the preface "that a considerable portion of the business of an Office is obtained through the instrumentality of intelligent and persevering Agents."

In order to render it absolutely trustworthy, the publisher entered into a compact with the author "that the work shall not contain any passage indicative of praise or censure of particular Offices." Insurance agents appear to have been of a more generous disposition thirty years ago than they are to-day; for the book had a large sale among them. A second edition was published in 1867 by Messrs. Charles and Edwin Layton. Mr. Walford changed his publisher but not his principles; for, in the preface, the following announcement was made:

"My present publishers have been as indulgent to me as my former publisher; they have, at considerable pecuniary sacrifice, abstained from seeking advertisements from the Insurance Offices, and from every other step that could in the smallest degree detract from the independent character of the book. It went its own way without fear or favour in its early youth: I desire it to do so now."

The success of "The Insurance Guide and Handbook" was even greater in the United States, where it was known as the Red Book. It was, of course, pirated; but the author is said to have forgiven the publisher, because the book made him so many friends in the United States. Mr. Walford's *magnum opus* is, however, the *Insurance Cyclopaedia*, the first volume of which was published in 1871. Unfortunately, death removed him before he had completed his great undertaking, only six volumes being published. He had the largest collection of insurance books in the world, and took great pride in showing it to his friends. Visitors were only allowed in the room during the day; at night, the doors were hermetically sealed. His books were considered too valuable to be injured by gas, and their owner was so much afraid of an accident that no candle was permitted inside any of the rooms. Yet, to the favoured few, Mr. Walford gave free access to his magnificent collection.

The disposal of this fine library formed the subject of

considerable discussion in the insurance journals. By his will, Mr. Walford desired to establish "The Walford Chronological Institute," and provided for the preservation, in suitable rooms, of his accumulations of literary matter, but these provisions failed in consequence of legal difficulties which arose. A desire was expressed that the Institute of Actuaries should purchase the library intact; but, as a great proportion of the works related to newspapers, shorthand, and other subjects, this suggestion could not be carried out. Eventually, the collection was purchased intact by the Equitable Life Assurance Society of the United States, and has been divided into two parts, stored at the Head Office, but accessible to students. One part constitutes a section of the Equitable Law Library; the other a section of the Equitable Assurance Library, which is very extensive, and is especially rich in full sets of insurance Reviews and Magazines. It contains, says the *Equitable Record*, 4,100 publications relating to all kinds of insurance, which was bought from the estate of Cornelius Walford at London in the year 1885. At the time of its purchase, the librarian of the London Institute of Actuaries wrote of it: "As a collection of books on the subject of insurance, whether fire, life, accident, or marine, the Walford collection stands easily *facile princeps*, and bears testimony to the amount of energy, skill, and perseverance spent in its foundation."

Our recollections of Mr. Walford are of a most pleasant character. We came to know him through correspondence. We had asked his opinion about some question relating to Phonography. Instead of ignoring the letter, as many a busy man would have done, he replied at length. Other letters followed on literary matters in which we were interested. We presented him with our collection of newspapers, and helped him in collecting materials for his Dictionary of Periodical Literature. In return, he gave us much assistance in the preparation of our book on practical journalism; for he was an authority on newspaper, as well as insurance work.

Samuel Smiles and Robert Chambers.

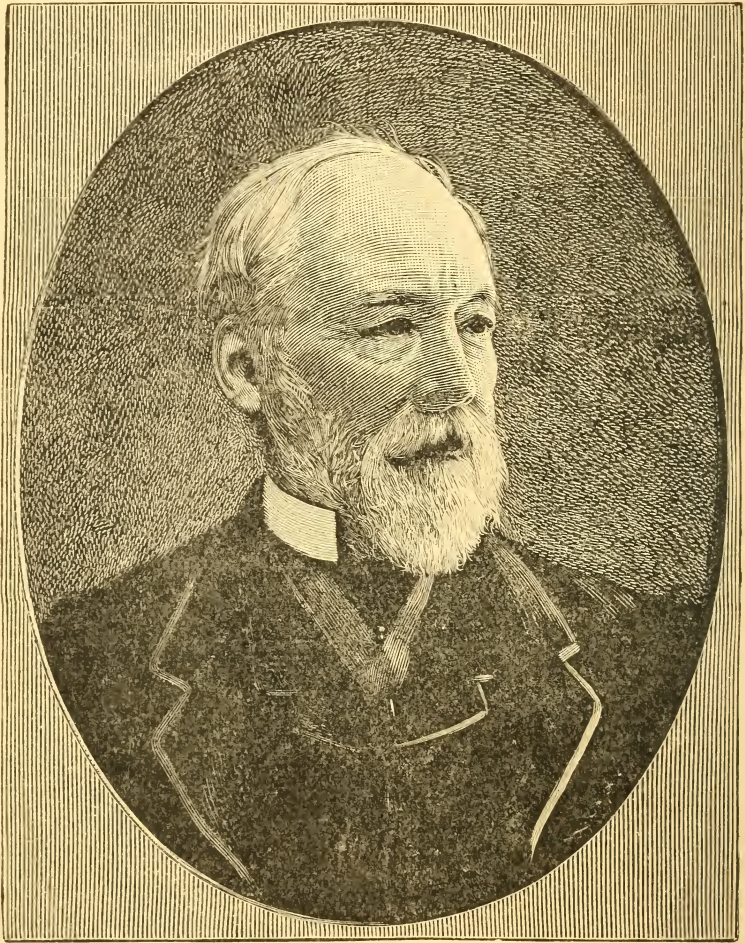
*“Why should that name be sounded more than yours?
Write them together; yours is as fair a name;
Sound them; it doth become the mouth as well;
Weigh them; it is as heavy.”*

—JULIUS CÆSAR, i. 2.

“**N**O man but a blockhead ever wrote except for money,” declared Dr. Johnson. If this dictum be sound, what a crowd of blockheads we have had in the world! Certain it is that writers fight shy of insurance. It is a dry subject, and there is no money in it. No magazine editor will accept an article on it unless he is backed by insurance companies. A man runs a magazine, not to promote the welfare of the community, but to make money. A publisher does the same. He won’t even look at the manuscript of a book on Life Assurance, much less run the risk of publishing it. He shakes his head when the subject is broached. No money in it! The public is a public of fools. A graphic account of a dog fight in Fleet-street would sell more newspapers than a verbatim report of a speech by a “statesman;” a theatrical scandal, or a divorce case, is a better subject than even a dog fight; After all, public taste has not changed very much in a century. Bishop Horne had his dignity somewhat taken down when he took possession of the episcopal palace at Norwich, in 1791. He turned round upon the steps, and exclaimed, “Bless us! bless us! what a multitude of people!” “Oh, my lord,” said a bystander, “this is nothing to the crowd last Friday to see a man hanged.”

No; a man who wants to make money by his pen must play to the gallery. Do you know a single novelist who ever writes upon a public question or upon anything likely to benefit the public? The same question applies to playwrights. Plays are written mainly for imbeciles. You must write a play to suit representatives of all sections—stalls, pit, dress circle, and gallery—whilst those you have

mainly to please are in the pit, crying and sucking oranges.
That was why Molière selected his housekeeper to read



DR. SAMUEL SMILES.

to—she was the symbol of general intelligence—and why Fox
always used to talk over every measure first with Lord B.,

a notorious simpleton, for he used to say that if he knew what Lord B. thought of it, he was tolerably sure what the verdict would be from the British public generally. Playwrights, as well as novelists, act upon the advice of the poet :—

“ Take the world as you find it :
Tickle the public and make it grin ;
The more you tickle, the more you'll win.
But teach the public—you'll never grow rich ;
You'll live like a beggar, and die in the ditch.”

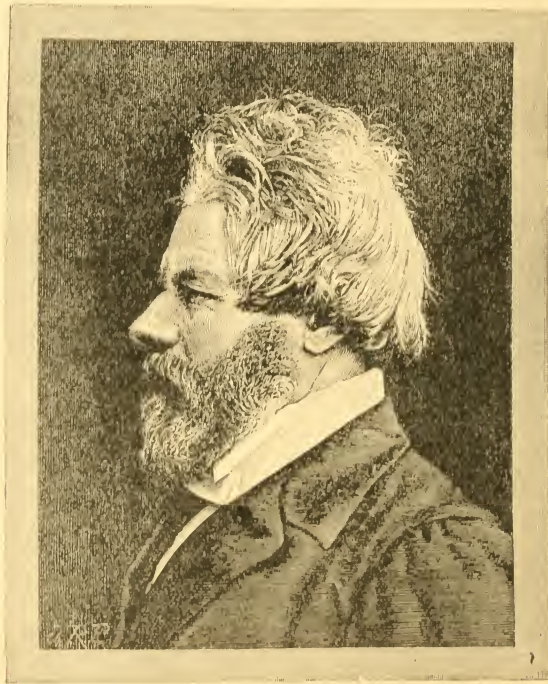
That may be our fate, if we happen to spend the Endowment money too soon. Robert Chambers didn't die in a ditch, but then he was a fat publisher, and could afford to plead the cause of Life Assurance. Samuel Smiles is still outside the ditch, and has just celebrated the ninetieth anniversary of his birth. Like Robert Chambers, Samuel Smiles commended Life Assurance very strongly : “ We look upon Dr. Smiles as a *public benefactor*, who deserves not only from us, but even from his country, an ample recognition of the important benefits he has conferred upon the present generation.” These are not the words of a partizan, but of the staid and sober *Quarterly Review*, and ought to be endorsed by every insurance manager in Britain at least ; for no author in the world has rendered greater service to the cause of Life Assurance. This worthy man thinks the subject so important that he devotes a special chapter to it in one of his best-known books—*Thrift*—in which he thus explains the A.B.C. of the subject :

Life Assurance may be described as a joint-stock plan for securing widows and children from want. It is an arrangement by means of which a large number of persons agree to lay by certain small sums, called “ premiums,” yearly, to accumulate at interest, as in a savings bank, against the contingency of the assurer's death,—when the amount of the sums subscribed for is forthwith handed over to his survivors. By this means, persons possessed of but little capital, though enjoying regular wages or salaries, however small, may at once form a fund for the benefit of their family at death.

We often hear of men who have been diligent and useful members of society, dying and leaving their wives and families in absolute poverty. They have lived in respectable style, paid high rents for their houses, dressed well, kept up good

visiting acquaintance, were seen at most places of amusement, and brought up their children with certain ideas of social position and respectability; but death has stricken them down, and what is the situation of their families? Has the father provided for the future?

From twenty to twenty-five pounds a year, paid into an Assurance Society, would have secured their widows and children against absolute want. Have they performed this duty? No—they have done nothing of the kind; it turns out that the family have been living up to their means, if not beyond them



ROBERT CHAMBERS.

and the issue is, that they are thrown suddenly bankrupt upon the world.

Conduct such as this is not only thoughtless and improvident but heartless and cruel in the last degree. To bring a family into the world, give them refined tastes, and accustom them to comforts the loss of which is misery, and then to leave the

family to the workhouse, the prison, or the street, to the alms of relatives or to the charity of the public, is nothing short of a crime done against society, as well as against the unfortunate individuals who are the immediate sufferers.

The progress of Life Assurance in Scotland, as well as in England, owed much to Robert Chambers, who wrote an article in 1839. He was insured in an Edinburgh Office, which made little progress at first. "What can I do to promote its welfare?" he said to the Secretary, who suggested an article in *Chambers's Journal*, at that time the most popular journal in the world. The request was complied with, and in the next annual report of the Office reference was made to the article on "The Means of Enlightening the Public on the True Nature and Great Utility of Life Assurance." One extract will give an idea of its character:—

It is unquestionably the duty of every man to provide while he yet lives for his own. We would say that it is not more his duty to provide for their daily bread during his life than it is to provide, as far as he can, against their being left penniless in the event of his death.

Robert Chambers and his brother William fought their way to the front rank of publishers, and have left a name not less renowned for integrity and goodness than for literary judgment and remarkable business talent directed to the cause of humanity. In the branch of social economics Robert was at great pains to inculcate habits of thrift and prudence, and has repeatedly explained the superior advantages of Life Assurance over other investments.







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143,578	500	With	75 3 4	500	12 0 0	436 16 8	18th Feb., 1902
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