

**POLITICS AND
MYSTERIES OF
LIFE INSURANCE**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649008803

Politics and mysteries of life insurance by Elizur Wright

Except for use in any review, the reproduction or utilisation of this work in whole or in part in any form by any electronic, mechanical or other means, now known or hereafter invented, including xerography, photocopying and recording, or in any information storage or retrieval system, is forbidden without the permission of the publisher, Trieste Publishing Pty Ltd, PO Box 1576 Collingwood, Victoria 3066 Australia.

All rights reserved.

Edited by Trieste Publishing Pty Ltd.
Cover @ 2017

This book is sold subject to the condition that it shall not, by way of trade or otherwise, be lent, re-sold, hired out, or otherwise circulated without the publisher's prior consent in any form or binding or cover other than that in which it is published and without a similar condition including this condition being imposed on the subsequent purchaser.

www.triestepublishing.com

ELIZUR WRIGHT

**POLITICS AND
MYSTERIES OF
LIFE INSURANCE**

Politics and Mysteries of Life Insurance.

POLITICS AND MYSTERIES

OF

LIFE INSURANCE.

BY

ELIZUR WRIGHT.

LIBRARY OF
CALIFORNIA

BOSTON:

LEE AND SHEPARD, PUBLISHERS.

NEW YORK:

LEE, SHEPARD AND DILLINGHAM.

1873.

HG 8957

W8

Entered according to Act of Congress, in the year 1873,
By ELIZUR WRIGHT,
In the office of the Librarian of Congress, in Washington, D. C.

750

CONTENTS.

	Page
Chapter I.	
Magnitude of the business. Mutual autoeracy. Terrific decadence and its cause. Insurance and accumulation. "Cooperative" pure insurance impracticable. Natural Premium. How the commuted or artificial premium involves a combination of accumulation with insurance. Source of the mystery. Blunder of making the penalty for the non-payment of contracted premiums an increasing one. The endowment swindle. Self-insurance defined. "Insurance value." Difference of American and British Life Insurance,	1-16

Chapter II.	
MASSACHUSETTS NON-FORFEITURE LAW. How it grew out of the want of equity between the treatment of policy-holders paying all cash and those paying part in notes. Incorrectness of its "surrender charge." Reversionary dividends, or paid-up additions forfeited by non-payment of premium on original policy. Attempt to amend the law, how defeated. Minority Report on Cash Surrender Value Bill. Sale of old life policies in London. Swindle on an actual endowment policy. Bill as it passed the House and was defeated in the Senate. Discussion of "insurable interest." Reasons why insurance should cease at 75. Relative issue of life, term and endowment insurance policies from 1858 to 1864. Protest of the president of a life-insurance company against illustrating the business as a series of bets. That president taken at his word,	17-67

Chapter III.	
SURRENDER CHARGE. George W. Miller's Convention of State Superintendents. Prof. Bartlett's paper which defeated the Surrender Value Bill. Comments of the "National Insurance Convention" thereon. Reply by the writer. A conundrum on Life Insurance,	67-93

M49129

	Page
Chapter IV.	
SAVINGS-BANK LIFE INSURANCE. What is implied by a fixed rule of reserve. Importance of the distinction between insurance and self-insurance being known to the policyholder. The savings-bank feature of life insurance recognized by Judge Phillips. Can a <i>minimum</i> surrender value be stipulated? Rationale of <i>maximum</i> surrender charge. HOW TO ADJUST THE PREMIUMS. Advantages of the savings-bank system. Value of Life Insurance. Explanation of the pre-calculated analytical tables, with samples. The problem they solve. Its importance to stock as well as mutual companies,	93-140
Chapter V.	
REDUCTION OF RATES. Reply to Mr. White. The author's confessions. The atonement he offers. Attempt to illustrate the subject by a miniature hypothetical law of mortality, with interest at zero. The equitable thing contrasted with the ancient blunder. The equitable reduction of rates in the savings-bank system contrasted with Mr. Wiaston's proposed reduction,	140-151
Chapter VI.	
BLACK AND WHITE MAIL. Power of advertising over the press. White mail more injurious than black. The press in the New York premium war of December, 1872. How both sides fought shy of the truth. How the policy-holders' money went for an innumerable multitude of useless lines at a <i>cent a line</i> . What really did the business. The hydraulic pressure of money. A PRIZE OF ONE THOUSAND DOLLARS. What will certainly come of it in 1874,	151-162
Chapter VII.	
A WORD TO THE INSURANCE AGENTS OF THE UNITED STATES. From which the public also can see how they <i>are</i> paid and how they <i>ought to be</i> ,	162-169
Chapter VIII.	
A RECAPITULATION. Insurable Interest. Natural Premium. Artificial or level Premium. Self-insurance. Insurance	

Contents.

vii

	Page
Value. Surrender Charge. Assessment of Expenses. Loading of Premiums. True method of keeping the books of a life-insurance company. Surrender Value. Dividends on the "contribution plan." The true remedy of the present errors,	169-185

⚡ The reader whose arithmetic is a little rusty had perhaps better read this eighth chapter first.

Chapter IX.

PREMIUM NOTES, LIENS, DIVIDENDS AND TONTINE POLICIES.

The uses and abuses of notes and "lien." Excessive premium the only capital of a mutual company. Hence when expenses are moderate surplus is inevitable whenever the death-claims are not excessive. Modes of dividing. Homans and Fackler the authors of the contribution plan. Approved by Professor Bartlett of West Point. What happened in January, 1870, in distributing the surplus of the Mutual Life on the contribution plan. Great blunder after great expense for science; and who made it. What was the cause of all this. Evasion of law by tontine policies. If they are to continue all laws against gambling should be repealed, 185-201

Chapter X.

THE MONEY QUESTION IN RELATION TO LIFE INSURANCE, . 201-216

Appendix.

ACTUARIES' RATE OF MORTALITY. The author's acknowledgments. Papers by Mr. EMORY McCLEINTOCK, actuary of the North-western Mutual Life Ins. Co. of Milwaukee, . 216-228

