

**INSURANCE OFFICE  
ORGANISATION,  
MANAGEMENT, AND  
ACCOUNTS**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649543977

Insurance Office Organisation, Management, and Accounts by T. E. Young & Richard Masters

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**T. E. YOUNG & RICHARD MASTERS**

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INSURANCE OFFICE  
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AND ACCOUNTS.

BY

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LONDON :

Sir Isaac Pitman & Sons, Ltd., 1 Amen Corner, E.C.

1904.

HG8075  
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PRINTING OFFICE  
OF THE  
PUBLISHERS.  
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#### PREFATORY NOTE.

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THIS volume is intended primarily to form a thoroughly practical guide to the Organisation, Management, and Method of Account-keeping appropriate to Insurance Companies. Its aim, however, it will be observed, is implicitly more extensive, since the principles and practices suggested and explained are capable of application to all commercial undertakings.

No Treatise with a similar scope and object appears yet to have been issued, and the publishers and authors consequently believe that the volume supplies a definite and general need.

Although the authorship of the different chapters is indicated under the several titles for convenience, the volume has been planned upon a uniform and consistent principle.





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## CHAPTER I.

### THE GENERAL PRINCIPLES OF ORGANISATION.

BY T. E. YOUNG.

It is proposed to expound, in brief compass, the leading elements of constructive and administrative action which relate to every description of industry, and at the same time to apply them to the specialized system of insurance organisation.

A scheme of organisation necessarily involves a clear conception of the End to be attained, and the thoughtful and methodical devising of the Means by which attainment can adequately, promptly, and easily be secured.

In commercial undertakings the end in contemplation is sufficiently definite—the acquisition of profit (implying of necessity the prior creation of adequate reserves for outstanding liabilities, or obviously the profit would be partially fictitious); but the means of accomplishment are frequently defective so that the assigned course,—the acquisition of profit at the smallest expenditure of labour, cost, and time,—tends to become devious and void of effective concentration. And this condition,—the least exertion of energy consistent with the most direct mode of agency,—constitutes a system of organisation which should combine simplicity of construction, facility of execution, organic connection in the mutual dependence of part upon part, and precise appropriateness to the nature of the enterprise pursued. It is, however, here to be observed that although the genuine end be distinctly conceived as a whole, obscurity is not infrequently (and unconsciously) introduced in consequence of the intrusion of misleading analogies with other but inappropriate modes of accomplishment, quite independently of errors in organising the administrative means. In life assurance, for example, a largely increasing extent of new business may be accepted as synonymous or virtually synonymous with a necessarily augmenting profit, from incongruous analogies derived from other forms of business such as Fire and Marine Insurance, whereas experience has proved that, owing to the specialized character of life assurance transactions compared with the nature of the obligations just mentioned, a moderate amount of