Something of the Trend of Present Day Legislative Activity.

LAWS FOR INSURANCE

DANGER THAT LIES IN STATE CONTROL

Too Much Power in the Hands of the Department of New York as Matters Now Stand

The public interest in the business of lasurance and the management of the companles conducting it has given rise to much the insurance department of that state proposed legislation in the various states, ne of which is wise and desirable, but how the business of the New York com nost of which is foolish and not only unaccessary, but positively harmful.

The tendency to interfere by drastic measures in insurance matters is the natural outcome of the conditions which have been, recently exposed. Until the Equitable row began the public confidence In the great life insurance companies was mbounded, immense sums were annually haid to them and no questions were asked by the policy holders that smacked of impertinent curiosity regarding such triffing things as expense of management, or the equandering or manipulation of trust funds,

The exposure of corruption and incompetency in men who have long lived in the a state shall direct is revolutionary and risks written in Nebraska during these odor of sanctity, the disclosure of wholesale blackmail and the faithlessness of both company and state officials, whose duty required them to protect funds impressed with the most sacred trust known in our New York Life-have taken more wealth to modern life, have inspired the agitation New York than the Cassars took to Rome. about insurance that will not end until the No wonder that New York wants to control utmost publicity is achieved in all that perblackmail ceases; until dishonest and in- the commercial world that makes insurance compotent state insurance departments are an element of commerce, and thus the practhoroughly cleaned out, and a system of tical importance of federal supervision apefficient supervision is established that shall pears from a new angle. New York should mean something more than the collection of not be permitted to extend its absolute dotolls and license fees and the maintenance minion to an interest that vitally affects

of fut jobs for political shysters. The startling revelations of incom- commerce of the United States, the petency in the Insurance department of the industrial enterprises of this country, state of New York, and the wanton and are now chiefly centered in New York, and fraudulent waste of public money ly the it has practically sole direction of these Pennsylvania department, to say nothing factors of our commerce; but the insurance of more insignificant cases of dishonesty of America is a trust, and the beneficiaries and ignorance, have created a feeling of of the trust are the widows, the orphans general distrust with the insurance laws and the victims of misfortune by fire or o force, and their administration.

Reasons for Insurance Legislation. The two things responsible for flooding York? every legislature now in session with bills of one sort and another relating to insurance, are the public dissatisfaction already spoken of, and the fear that some movement may be put on foot through 1903, from its policy holders residing in public condemnation of the present system New York state. The Mutual life received of insurance supervision that shall dis- 13% per cent and the New York Life but place recreant or incompetent public of- a fraction over 15 per cent of their total ficials. There is seen, an active though newly born, desire on the part of legis- year. lators and insurance commissioners to earn the public confidence, and stop unfriendly criticism; but this desire manifests itself by striking at the business to be super-

vised; and in obstructive and not constructive measures. In many states hills have been introduced requiring the life insurance companies who done in the state of New York. have issued what is known as deferred dividend policies, to annually apportion be conceded that the New York insurance and credit the so-called surplus from the companies, fire and life, are entitled to accumulations thus created to the several all the business outside of the state of policy holders. Legislation along this line New York that they have. The fact is that does not ignore the actuarial side of however, that over 30 per cent of all the the question is a step towards a needed business transacted by the "Big Three" reform. The most searching investigations life companies is done outside of New have shown the solvency of the principal York state; and that 75 per cent of the

life insurance companies to be unimpaired, business of the fire insurance companies The stock fire companies have not been of New York state, which include some subjected to a similar scrutiny, for these of

has now a chance to embody his notions FIRE BUSINESS IN NEBRASKA in a statute, and there is the possibility o imost inconceivable harm to the real inter sts of the insuring public by the whole sale manufacture of legislative straight ackets for insurance companies. Eyes Turned to New York.

The action of the New York legislatury will be watched with interest. Though the Armsfrong committee wisely avoided inquiry into those conditions which were stated by insurance officials as a reason for the expenditure of large sums to prevent hostile legislation, there is ground for the fear that the state of New York will shortly enact laws that will virtually place surance business of the United States with the insurance department of that state. Collected Santast 27 200 00 \$170.45,715.00 the management and control of the tr This will be done by prescribing not only

panies shall be conducted in New York state, but elsewhere, and by requiring com panles of other states that may wish to enter the state of New York to comply with such requirements in detail. And these requirements will involve not only control of the plan or method by which business. The losses incurred during that he business is conducted, but will place hitherto unheard-of restrictions upon th investment of the funds of the companies No fault could be found with any plan to compel publicity with regard to such matters, but to say to insurance companies that they shall not be permitted to conduct of the collections. In dollars and cents their business except as the legislature of may destroy this great institution.

It was stated within a year by a New York paper that the "Big Three" life companies-the Equitable, the Mutual and the ments are: Premiums collected osses paid **JOBSER** paid Excess Incurred the whole American people. The marine

stroyed in Omaha on the night of January 28, 1905, amc inted to almost the total figother calamities. Why should the interests of all these millions be confided to the intransposed.

surance department of the state of New Argument for Government Control.

The Equitable life received less than Columbia Fire. twenty per cent of its total premiums for Farmers & Mchts., 1 Neb. Underwriters. State Ins. Co...... premiums from their home state for that The seventeen largest fire insurance com

panies of the state of New York with a combined total of risks aggregating \$5,740,-000,000, wrote only 25 per cent of their business for 1908 in New York, and received paid. only 16.1 per cent of their premium income for that year from their business

CRITICISM COMES Remedy is Hard to Provide Especially for Technical Parts of In-

surance |Business,

Secretary A. Jarvis of the Fidelity Mutual Life Insurance company of Philadelphia, speaking of the recent insurance investigation, says:

of the report made by the New York inand of its r

THE OMAHA DAILY BEE: SUNDAY, APRIL 1, 1906.

Profitable Year for the Ninety-Eight Companies Underwriting the Rinks.

From the insurance department of the office of the state auditor of Nebraska has just been issued the statement of business done in Nebraska during 1905 by the ninetyeight fire insurance companies licensed by the department to underwrite business in Nebraska. The report indicates that these companies have found their business profit-

able. The figures for 1965 and 1994 are: 1905.

2,606,267.27 1,450,629.68 2,345,984.58 1003,1035,51 458.004.05 curred Analysis of these figures shows that In 1965 the companies returned to Nebraska in tosses paid 55.66 per cent of the money collected as premiums on rikks assumed in the state, leaving 44.34 per cent of the collections to pay the expense of writing the year amounted to but 17.57 per cent of the amount collected for premiums. In 1904 the amount returned as losses paid was but 40.75 per cent of the amount collected for premiums, while the losses incurred during that year amounted to only 29.90 per cent the excess of money paid in premiums on years was1

losses pald......\$1,155,637.59 \$1,390,196.71 losses incurred....2,148,232.92 1,652,249.77 The consolidated showing for the two years shows that 48.6 per cent of the premiums collected were returned in losses paid, while the losses incurred amount to 23.35 per cent of the collections. The consolvency and management; until islation repudiates the accepted usage of solidated figures on collections and pay-

> 1,141,670,16 Losses incurred Excess of collections 2,546,046,80 of collections over losses 3,810,551,69 An apparent discrepancy is indicated by the figures given for losses incurred during 1965, for the insurance on the property de-

ure set down for the losses incurred, while Lincoln had a big fire about the same time. It may be that the figures for 1904 and 1905 in this column of the report have been

The four Nebraska companies, whose business is included in the total, make a fine showing for the year 1965. It follows:

Risks Prem's Losses Written, Collected, Pald, .\$18,717,047 \$244,050 \$78,815 8, 10,078,110 118,220 40,281 8, 7,351,416 105,657 18,163 ., 4,525,144 70,429 12,838 The Columbia Fire shows a decrease in premlums collected as compared with the figures for 1904, but an increase in the other items. The Farmers and Merchants' figures are all increased over 1904, while the Nebraska and the State companies

show an increase in risks written and premiums collected, but a decrease in losses EASIER

"President Fouse was asked his opinion





STATE OF NEBRASKA, OFFICE OF AUDITOR OF PUBLIC ACCOUNTS. LINCOLN, Feb. 1, 1906. IT IS HEREBY CERTIFIED, That the

STATE OF NEBRASKA, OFFICE OF AUDITOR OF PUBLIC ACCOUNTS. LINCOLN, Feb. 1, 1906. IT IS HEREBY CERTIFIED, That the Federal Insurance Co. of Jersey City, In Queen Insurance Co. of New York, in the

CERTIFICATE OF PUBLICATION STATE OF NEBRASKA, OFFICE OF AUDITOR OF PUBLIC AC-COUNTS LINCOLN, Feb. 1, 1906.

Lightning Insurance in this state for the current year ending Jan. 81, 1907. Witness my hand and the seal of the Auditor of Public Accounts, the

LINCOLN, Feb. 1, 1908. IT IS HEREBY CERTIFIED, That the Niagara Fire Insurance Co. of New York, in the state of New York, has complied with the insugance law of this state, applicable to such one-panies and is therefore authorized to continue the business of Fire and Lightning Insurance in this state for the current year ending Jap. 31, 1907.

companies have for a hundred years pro- world, is done outside of that state. The mendations. He replied. 'The committee companies to their insured have not weak- evidence just now, approve the proposed ened the resources of those companies that legislation. do business outside of the states of their creation, though in the great conflagrations that have taken place some of the smaller companies have gone to the wall. Even so, the risk of loss through the insolvency of fire companies is practically nothing. Notwithstanding these facts, it is proposed to add to the burdens already Hall and the New York legislature. Let imposed on those companies and to increase the expense of doing business by taxation and otherwise, under a variety of schemes by the federal government. which the genius of ignorance has pro duced. All of these burdens are borne by the policy holders ultimately, and every

fresh exaction from either fire or life com-The Widow-Now, gittin right down teh panies, whether under the pretense of supervision, which in twenty-eight states cold, hahd facts, Mose, what am yo' prosduring the fiscal year 1962 was \$5,000,000 more pec's? The Suitor-Mah deah, I'se got a good than it cost, or by oppressive and unequal taxation, is a tax on a tax. Such legisla- job as manageh ob a laundry in sight." The Widow-Well, yo' want teh git dat tion is vicious in principle and is rooted in the theory that the looting of trust funds out ob sight an' fo'git it! Mah last husis proper when the state does it. Every band had dat same hallucination, but de wild-eyed theorist, every individual who lady who promised teh lub, honah an' obey more reflecting and thinking for themhas a grudge against corporate enterprise. him positively refused teh be de laundry." every legislator with a socialistic tendency -Puck.

tected the people against disaster from fire, point is, that the state of New York ought did excellent work in the way of exposing and have been factors in building up not to be permitted to dictate to the rest official rottenness and abuses growing out our commerce, and the credit that under- of the United States on so important a of the efforts made on the part of certain Though the fire waste of subject. And it does not affect this view financiers to use insurance capital to prothe United States is at least \$159,000,000 an- that some of the insurance commissioners more their own special business enterprises, nually, these enormous returns by the fire of the country, who are considerably in without due regard for the interests and security of policy holders. The reconimendations, however, illustrate that it is If the control of the interstate insurmuch easier to criticise than to provide ance business of the United States is to remedies that will correct abuses. For rest in any one department, whether actually or nominally, that department

These statistics are significant. It may

months the committee took ex-parte testimony, no cross examination was permitted, should be one whose administration will no testimony was received except such as be under safeguards of a higher character they wanted to hear, and on such testithan those which originate from Tammany mony they made their report and recommendations. This is too one-sided, partial the state of New York control its own and prejudiced to be of any substantial value to the business of life insurance. business: interstate transactions in insurance ought to be supervised and regulated This is especially true of the portion of the recommendations which have a hearing RALPH W. BRECKENRIDGE upon the technical features of the business. If a committee of laymen were appointed Decilning to Be a Laundry.

to investigate, for instance, a drug establishment, it could probably make an intelligent report with regard to the business regulations, but if it undertook to go into the technical features of compounding drugs, not much could be expected, and very few people would be willing to use the drugs compounded under the direction of such a committee. If the people will do selves, they will soon discount many of the recommendations of the committee.

bound book of poems. I was quite at a

Lillian was so much more

Confessions of a Life Insurance Solicitor

missed their calling, those who've married this is the most exciting stage of the busi- "Birdie"." I repeated. "That can't be and wish they hadn't, others who have

push-cart men, not to mention the inex- policy for \$16,000. He answered all the tinguishable Lawson, all would pour their confidence into the ear or a long suffering. When I came to "How much insurance do hour I discovered that her name was Barpublic. It is borne in upon me that no one you carry in other old line companies?" he bara, but she absolutely declined to take a has yet told all he knows about the life rattled off a list something like this: Red policy unless allowed to sign herself insurance business.

The general impression seems to be that Tribe of Powhatan, \$2,000; Descendants of the solicitor of life insurance possesses the Mayflower, \$5,000; Rough Ridadvantages similar to those noted by Pat. when he yearned to be a bishop, because it right, but these are not old line companies. looked like "such a nice clane, aisy sort of a job."

To is all that, and more.

A solicitor's stock in trade is so simple, he took insurance with us, a rate-book, a fountain-pen, a few blank That application came back from the docapplications, and a whole world waiting tor with these comments: "N. G. Heart to be insured. All he has to do is to quote beat too rapid. Liver enlarged. Too tall some figures from the book, hand the ap- for his weight, two false teeth in the plicant the pen and show him just where upper jaw, slight defect in vision of one to write his name. The name is in- eye, Has had grippe twice and about his variably written on a dotted line at the time of year is apt to catch cold. Feel foot of the page. All companies are alike obliged to decline to pass such a risky in this particular. Of course, before you risk." get to the dotted line there are a few questions to be answered, and occasionally tonishing how readily women are brought it may be a little difficult for the would be to see the advantage of life insurance. asurer to answer all these satisfactorily Their perceptions are quicker than men's, to himself, the life insurance company and and I have long since been won over to

Once a man couldn't remember what his ability-when she has it. Even with this grandmother died of at age 91. He pre- in her favor, it is sometimes best to fight sumed it might have been old age, but it shy of women with male relatives. won't do to presume with a life insurance wouldn't admit it to my wife, but there is company. He was turned down.

Then there was a man who remembered as to give advice, and the less success he that the maiden aunt of his father's first has had in managing his own business afwife had married somebody-he'd he blessed fairs the more ready he is to assist his f he could remember the fellow's name. They had moved to California years ago, be- to write is a widow who is an only child fore the Union Pacific was put through. May and un orphan. - this pleasant and profitable pursuit, the have been killed by the Indians, for all he I have seldom found women reluctant to average agent should sleep well, with a knew. Well, we couldn't take a man with tell their ages. That nonsense has passed clear conscience, and his dreams, peranyone in the family unaccounted for, and away, with crinoline and ringlets. If there chance, may take this form: with such a poor memory into the bargain, is any difficulty in coming to an under-So we promptly turned him down.

After your get the application signed and subject of a name. Once I was writing a (gn here.) (n here.) these family matters are settled, the medi- sensible little woman, the proprietor of a

It is 'an age of confessions, unhappy cal examiner has the privilege of asking a small store. We came to her name. It wives, millionaires, clergymen who have few questions on his own account, and was Birdie Brown.

your Christian name. What's your real ness. / One day a fine looking, well dressed young name?" not entered the estate of hely matrimony man came into my office and announced "Why, everyone calls me 'Birdie.'" "But what do you sign your checks "But what do you sign your checks?" "B. Brown," she replied. questions promptly and satisfactorily. After talking for three-guarters of an Men. \$1,000; Knights of Industry, \$2,000; "Birdle." One day's mail brought me a thin paper

loss to know where they came from until "There, there!" I interrupted, "That's all an explanatory note came from the authoress, who was a policy holder. The Well, come to find out, he hadn't any old, line, and I proceeded to impress him with note went on to state that her policy, un the good investment he was making when endowment, payable to herself, was made

women folk with theirs. The best woman

out to Lily; but, now that she was a poetess, she preferred it should be changed to Lillian. distinguished.

The sweet unreasonableness of woman came forcibly to my notice lately. We wfote a woman who desired an investment for her earnings, and who waxed eloquent over her thankfulness in finding that insurance provided so safe and easy a Our company writes women. It is as-

method of laying by for a rainy day. The policy was written and she gave her note for four months. Just before the note fell due we sent the usual notice and received a reply, running after this fashion; "I received your notice about my note. the highest regard for a woman's business I have been meaning to write to tell you

that I do not care to keep the policy after all, and here it'is with the note, Yours truly. "P. 8.-I am going to be married." really nothing a man loves to do so much

There is no doubt that insurance presents a vocation full of interest, and since the retirement of so many life insurance presi-Sents and other high officials on half pay there is plenty of room at the top. After a day spent in doing good to others in this pleasant and profitable pursuit, the

standing with them, it is generally on the (Sign here.) (Sign here.) (Sign here.) fore.) A SOLICITOR.

of England, has complied with the insurance law of this state, appli-cable to such companies and is there-fore authorized to continue the busi-ness of Fire and Lightning Insur-ance in this state for the current year ending January Sist, 1907. Witness my hand and seal of the Auditor of Public Accounts, the day and year first above written. E. M. SEARLE, Jr., (Seal) Auditor of Public Acounts. JOHN J. PIERCE, Deputy. (Seal.)

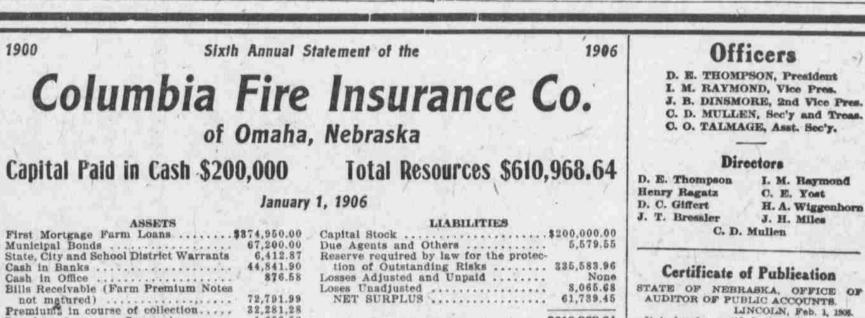
LINCOLN, Feb. 1, 1996. IT IS HEREBY CERTIFIED, That the London and Lancashire Fire In-surance Co. of London, in the state of England, has compled with the

state of New York, has complied with the insurance law of this state, applicable to such companies and is therefore authorized to continue the business of Fire and Light-ning Insurance in this state for the cur-rent year ending January list, 1967. Witness my hand and seal of the Auditor of Public Accounts, the day and year first above written.

E. M. SEARLE, Jr., Auditor of Public Accounts, JOHN L. PIERCE, Deputy. (Seal.)

state of New Jersey, has complied with the insurance law of this state, applicable to such companies and is therefore authorized to continue the business of Fire and Lightning Insurance in this state for the current year ending January 31st, 1907. Witness my hand and seal of the Auditor of Public Accounts, the day and year first above written.

(Seal) Auditor of first above written, E. M. SEARLE, Jr., (Seal) Auditor of Public Acounts, JOHN L. FIERCE, Deputy. Auditor of Public Accounts. JOHN L. PIERCE, Deputy.



not matured) Premium's in course of collection..... Due from Insurance Companies..... 1,699.52 Accrued interest on Bonds, Mortgages, 9,914.50 Warrants and Certificates of Deposit

Increase in Assets\$109,339.03 Ipcrease in Reinsurance Reserve..... 104,060.78 \$610,968.64 Increase in Net Premiums 95,848.10

Total losses paid since organization of Company \$354,156.19

Strong, conservative, progressive, faithful. Overhead writing strictly prohibited. Insures against loss from Fire, Lightning, Windstorm or Tornado. Issues the easiest selling farm policy in the country, covering live stock against loss by fire or tornado on or off premises of assured. Admitted to Nebraska, Kansas, Iowa, South Dakota, Oklahoma and Indian Territory.

The Largest Insurance Company ever organized in the middle west.

THE MCCAGUE INVESTMENT CO. Insurance Real Estate Investments In Business in Omaha Twenty-Three Years

McCAGUE BUILDING

CERTIFICATE OF FUBLICATION. State of Nebraska, Office of Auditor of Public Accounts, Lincoln, Feb. 1st. 1905-It is hereby certified that the 1906-It is hereby certified that the Home Fire and Marine Insurance Co. of California, in the state of Califor-nia, has complied with the insurance law of this state applicable to such companies and is therefore authorized to continue the business of fire insur-ance in this state for the current year ending January Bat, 1907. Witness my hand and the seal of the auditor of public accounts the day and year first above written. E M SEARLE Jr., (Seal) Auditor of Public Accounts. JOHN L. PIERCE, Deputy.

CERTIFICATE OF PUBLICATION. State of Nebraska, Office of Auditor of Public Accounts, Lincoln, Feb. 1st. 1906.2-It is hereby certified that the 1906.5-It is hereby certified that the Traders Insurance Co. of Chicago, in the state of Illinois, has complied with the insurance law of shis state appli-cable to such companies and if there-fore authorised to continue the busi-ness of fire and tormado insurance in this state for the current year ending January Elst, 1907. Witness my hand and the seal of the auditor of public accounts the day and year first solve written. E M SEARLER, Jr. (Seal) Auditor of Fublic Accounts. JOHN L. PTERCE, Deputy.

CERTIFICATE OF PUBLICATION. CERTIFICATE OF PUBLICATION. Biate of Nebraska, Office of Auditor of Public Accounts, Lincoln, Feb. ist. 1966-II is hereby certified that the Assurance Company of America of New York, in the state of New York, has complied with the insurance law of this state, applicable to such com-panies and is therefore authorised to continue the business of fire and fightning insurance in this state for the current year ending January 31st, 1987.

Witness my hand and the scal of the suditor of public accounts the day and year first above written. (Seal) Auditor of Public Accounts. JOHN L. PIERCE, Deputy.

1506 DODGE STREET

It is hereby certified, that the Columbia

Fire Insurance Co. of Omaha, in the State of Nebraska, has complied with the Insur-

ance Laws of this State, applicable to such

companies and is therefore authorized to continue the business of Fire and Light-

ning, and Cyclone, Tornado and Windstorm Insurance in this state for the current year

ending January 31, 1907.

CERTIFICATE OF PUBLICATION. State of Nebraska, Office of Auditor of Public Accounts, Lincoln, Feb. 1st, 1806.—It is hereby certified that the Aachen and Munich Fire Insurance Co. of Aix is Chapelle, in the state of Ger-many, has compiled with the insur-ance law of this state, applicable to such companies and is therefore au-thorized to continue the business of five and lightning insurance in this state for the current year, January 1807. With the state and the seal of the suditor of public accounts the day and year first above writter. M. SEARLE, Jr. (Beal) Auditor of Public Accounts, JOHN L. PIERCE, Deputy.

CERTIFICATE OF PUBLICATION.



\$610,968.64