

of a deposit is to secure the payment of policies. The end desired is reached by requiring a deposit of \$100,000, which, if depleted through any cause, must be made good before the company can resume business. Life insurance is but one phase of banking. No bank is required to keep on hand anything like 75 or 80 per cent of reserve. Why not insist that banks deposit all their securities with the auditor?

Another demand is that after one has paid a certain number of premiums he be given a paid-up policy in a certain proportionate amount if by chance he lapses. On the face of it that looks fair. But suppose you borrowed \$5,000 on your 160-acre farm, giving a mortgage therefor. Then suppose you paid \$1,000 of the borrowed money and refused or failed to pay the balance, would you expect the man who loaned you the money to take the 160 acres and then deed you back thirty-two acres of it?

I cite these merely to show why Nebraska has not one fire insurance company, although she pays more than \$3,300,000 a year for fire insurance protection, every dollar of which goes across the Missouri river to build business in other states; to show why Nebraska sends eastward across the river \$3,400,000 a year for life insurance, every dollar of which goes to build up business elsewhere.

Losing Six Millions a Year

Nebraska is robbing herself of more than \$6,000,000 a year by her neglect to foster home insurance. Not only has she failed to foster the growth of local insurance companies, but she has actually permitted the business to be throttled by permitting would-be reformers, doubtless honest in the main, to stand forth in defense of the dear people by urging the enactment of regulatory laws that keep up a constant agitation and prevent men of capital from investing their money in the insurance business. This self-robbery may be stopped and this vast amount of money retained at home to be used in the development of Nebraska business institutions. How? By adopting the policy of standing by our home insurance companies instead of constantly nagging them.

Helpful Legislation Needed

No one knows better than the managers of Nebraska life insurance companies—we have no Nebraska fire insurance companies—the need of insurance legislation. We need a complete change in our system of supervision and regulation. The auditor of public accounts, drawing a salary of \$2,500 a year, is nominally the head of the state's insurance department. Having more business than time, the auditor appoints a deputy, who is really the insurance commissioner. This commissioner, appointed usually for political service, often because of ante-election pledges made in return for "support" at primary and election, receives a salary of \$2,000 a year. The combined salaries of auditor and commissioner would scarcely tempt a first-class insurance man. But the auditor and his deputy, seldom acquainted with the first principles of the insurance business, begin immediately planning "insurance reform."

Takes the People Into Its Confidence

In the Opinion of the Management of

The Bankers Reserve Life Company of Omaha

the thousands of policyholders of that prosperous company have to know all there is to be known about its financial condition, growth and strength. For this reason its records have been examined during the fifteen years of its corporate existence no less than eighteen times, by expert state examiners.

The Latest Examination

was finished June 30, 1912, and was made in pursuance of requests by the insurance departments of a few western states in which the company does business.

It Was Disinterested and Thorough

The examination was made by George Graham, jr., actuary of the insurance department of the state of Illinois, who is conceded to be one of the ablest actuaries in the United States. He made the examination for those states, in the interest of the public, irrespective of the interest of the company.

Exhaustive Report Epitomized

The salient points of the exhaustive report are given. Here is what Examiner Graham says of the affairs of The Bankers Reserve Life Company:

"I find the company in excellent financial condition. Its reserve standards are adequate. Its surplus funds are growing rapidly and are being carefully conserved under expert supervision."

"Death claims settled fairly and paid promptly."

"All receipts are properly accounted for."

"Real estate mortgages and registered bonds owned by the company are high grade securities which more than meet the requirements of the investment law of the state."

"Cash and bank balances have been verified by actual count of the cash and by statements from the banks."

"The company's records and accounts are kept with more than usual accuracy and attention to detail."

"Its mortality experience has been favorable."

"Its volume of business has steadily increased."

"It has been the custom of the Nebraska department to make a complete audit of the company's record annually.

"Every step in the progress of the company from its original incorporation until the present time is set forth in all detail in the official records and minute books and approved by the auditor of the state, who is charged with the supervision of insurance companies operating in Nebraska.

"A very complete checking system of the renewal cashier's and bookkeepers' departments, one against another, is maintained, which permits an examiner to satisfy himself very readily that all receipts are properly accounted for.

"Death Claims were examined over a period of years, and we found that they are settled fairly and are paid promptly on receipt of the necessary proofs.

"Mortgage Loans and Bonds are high grade securities which more than meet the requirements of the investment law of

this state. We are informed by the Harris Trust & Savings Bank of Chicago, which valued the bonds on December 31, 1911, that no material change has taken place in the value since that time.

"Cash and Bank Balances have been verified by actual count of the cash and by statements from the banks.

"All agents and employees are bonded in appropriate amounts.

"Throughout the investigation we have been afforded every facility and all information and records called for have been promptly produced.

"In conclusion I wish to report that I find the company in excellent financial condition. Its records and accounts are kept with more than usual accuracy and attention to detail; its securities are of good character; its mortality experience has been favorable; its volume of business has steadily increased; its reserve standards are adequate and its surplus funds are growing rapidly and are being carefully conserved under expert supervision."

Confirmed by Nebraska Insurance Examiner

John M. Gilchrist, Nebraska examiner, concluded his examination June 30, 1912. His report concludes as follows: "The report of Mr. Graham confirms the position and findings made by the Nebraska department in its individual previous examinations made from year to year. It was thorough to an exhaustive degree. No stronger phraseology in commendation could be used by an examiner in the examination of a life insurance company. I coincide with Mr. Graham in his findings and opinion."

Insure With The Bankers Reserve Life Company of Omaha

Write for the new literature today.

B. H. ROBISON, President, or RAY C. WAGNER, Secretary
HOME OFFICE, OMAHA, NEB.

Its Policies Are Not Excelled in the World.

Result, turmoil, suspicion and the throttling of insurance enterprise in Nebraska. At the end of four years, just as these two begin to give evidence of having acquired some knowledge of the fundamentals of the insurance business, out they go. Then two new ones come in, and once again begins the circling.

Keep Politics Out

And all the while Nebraskans are sending out upward of \$6,000,000 a year for something that ought to be bought of home concerns, keeping the money in Nebraska to develop lands, build homes, employ workers and educate the children. Six millions is a sizeable sum of money—well worth looking after.

About the first reform that should be adopted is that of making a change in the method of selecting the men who officiate as state insurance commissioner. Instead of being selected by reason of "political pull" and holding office by partisan sufferance, the insurance commissioner should be selected because of his qualifications for the position, and retained therein as long as he performs his duties faithfully and well. The next reform is not founded on legislative enactment, but is founded on enlightened selfishness. We ought to foster and encourage the organization and development of Nebraska insurance companies, not because it will enable men of capital to further enrich themselves, but because it will mean dollars in the pockets of individual Nebraskans throughout the length and breadth of the state. And how? By keeping Nebraska dollars in Nebraska, where there is some chance of seeing them again, where they will enlarge the volume of business, where they will build homes, improve farms, found businesses, employ labor—do many things in and for Nebraska that they now do for states and communities a thousand miles away.

Fosters Home Insurance

Since the beginning of 1899, up to the beginning of 1912, Nebraska sent abroad \$59,636,810.67 for insurance. During the same time she spent but \$17,924,078.48 with home companies. The amount sent abroad grows larger each year; the amount spent with home companies grows smaller. This condition should not longer continue. Nebraskans ought to begin buying their insurance at home, if not because of a desire to foster home institutions, then because of a desire to foster self. Let us try for a while the policy of helping to build up Nebraska insurance concerns by fostering legislation, ceasing the policy of continual nagging and hampering. Let us turn a deaf ear to would-be reformers, no matter how well intentioned they may be, until they have demonstrated that they know something about the principles of the insurance and banking business. Let us thrust to the rear the designing politician who would ride into office by posing as the defender of the "dear pee-pul," and all the while casting suspicion upon honest men who, having formed a corporation, are trying honestly and earnestly to build up a legitimate business, a business profitable alike to them and to the entire commonwealth.

WILL M. MAUPIN.