

## AN UNCOMFORTABLE GIFT AND AN UNEASY VIRTUE

### CHAPTER EIGHT

#### *The Greatest Family in the World*

Life insurance, through the ministrations of science, became a business, but the word "business" regarded by itself, has rather too cold a sound for an activity in which the sentimental appeal is so strong. The cooperation of man with man to provide means for mitigating the hardships of loved ones left behind when the turn comes of the individual to pass behind the mysterious curtain of death—this activity partakes of a higher nature than the ordinary routine concerns of life. It is based on unselfish consideration for others and is shot through with the spirit of true brotherhood. A recent volume has referred to the millions thus cooperating as "The Greatest Family in the World," and this family conception seems not inappropriate.

It is not remarkable, therefore, that, during the Eighteenth Century, there sprang up a number of organizations known as "friendly societies," that, to some extent, perpetuated the brotherhood spirit of the earlier guilds. These societies developed insurance features and helped to prepare for the coming of the more efficient company insurance that later was to place beneficence on a practical business basis. The "friendly societies" soon ran afoul of the very Mortality Table which was to make scientific life insurance possible; the Mortality Table and Father Time made a deadly combination, for, as the age of the members increased, the death

rate likewise increased, the expense of providing funds for death payments mounted rapidly and new members no longer were attracted. Thus, in case after case, uncertainty returned to claim its prey when the society which was formed to guard against it succumbed in its turn.

Then the Mortality Table and modern methods of thought came to the rescue. If the average of human life moved in its definite orbit as observers from Solomon to Halley had taught, why not make gradings and charge premiums that were based on the age of the applicant and that would permit the accumulation of funds sufficient to guarantee payment in event of death? It was one of those workably simple ideas, the very simplicity of which is the result of centuries of thought. It succeeded and the banishing of uncertainty took on a new momentum.

Then came the era of the great companies. It was ushered in with those formal titles beloved by our forefathers, such as "The Amicable Society for a Perpetual Assurance Office," "The Society for Equitable Assurances on Lives and Survivorships" and the still more formidable "A Corporation for the Relief of Poor and Distressed Presbyterian Ministers and of the Poor and Distressed Widows and Children of Presbyterian Ministers," but such mouthfuls soon gave way to our terse modern titles, while the business grew by leaps and bounds in a way to prove the eagerness with which the public reached forth for the new relief from an age-long anxiety.

"The greatest family in the world" drew into its bosom more and more of the total population—particularly in America, and, in the first quarter of the Twentieth Century, attained a membership in this country of more than forty million persons. Unquestionably, this is the world's greatest example of human cooperation.

### CHAPTER NINE

#### *Insuring Travellers*

Acroplane passenger travel, which doubtless will be a common experience within the next few years, is still viewed with apprehension by the majority of people. The average man, in planning to take a trip of this kind, would give earnest thought to his chances of surviving unhurt. Some would even set their affairs in order before undertaking what seemed a great adventure.

It is hard for us today to realize that railroad travel was viewed in exactly this light three-quarters of a century ago. With the first breath of the new mechanical age, snorting monsters of iron began to pull coaches filled with anxious passengers, across hitherto peaceful landscapes, and railroad transportation became a subject of universal interest.

Its advantages of speed and power made it soon evident that the new means of travel had come to stay, but that there was some reason for the trepidation of passengers is shown by the many wrecks that ensued. In a marked degree railroad travel typified human insecurity. Therefore, it need not astonish us that mankind began to seek ways of mitigating this insecurity.

As in the case of life itself, this effort took two forms: one, that of seeking to reduce the likelihood of accident through better physical equipment and more efficient operation, and the other, that of indemnifying when accidents occurred.

We are concerned only with the latter, which became known as accident insurance, and which grew out of the advent of the railroad, having first appeared in England in 1849, as the "Railway Passengers Assurance Company."

Here, indeed, was an insurance adventure into a new and unknown field. While it tried to be scientific, it was little more than gambling on the likelihood of disaster, for it was some years before a sufficient amount of data had accumulated to permit conclusions of any value.

It is interesting to note that accident insurance has continued to have a close association with the thought of travel. Multitudes of people take out short-term policies when starting on a trip, and, indeed, the earliest American accident insurance company took the name of "The Travelers," having been founded by a man who saw the system in operation in Great Britain.

However, accident insurance soon broadened beyond such limitations. As railroad construction spread, and the number of passengers rapidly increased, the proportion of accidents dwindled to a very small percentage. It was no longer a hazardous adventure to take a trip by train for, with very few exceptions, every one who boarded a car left it uninjured at the end of the journey. Nevertheless, the number of accidents grew with the growth of the population—accidents from the thousand and one causes incident to this restless age.

It was not long before underwriters realized that all such might be made a basis for insurance coverage. Indeed, as early as 1850, an English company, "The Accidental Death Insurance Company," recognized this fact. This company developed the idea of indemnifying for the loss of time through accident, as well as for death, and this principle is today a large factor.

In the meantime, its protection has been extended to millions and has helped them in the process of banishing insecurity. Thus, no man can say, when he starts out in the morning, whether or not he will be struck by a falling sign, run down by an automobile, injured by a fall, or otherwise damaged before he returns to his home, but he does know that his policy will indemnify him for the time that he may be forced to lose.

The same principle has been extended to cover illness. It is a hardship to be laid up because of either injury or disease, but bodily suffering is offset by the mental comfort of knowing that disability need not reduce the living income.

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