

Life Insurance in the Philippines Rides Depression Well

1932 registered an actual increase of business and 1933 partial figures are high. But the population is lightly insured

Life insurance began in London in the 17th century with the underwriting of the life of the captain of a ship during a trading voyage abroad. In modern times it is a good index of the level of general prosperity in all countries where it is not compulsory. The Philippines are such a country. The life insurance negotiated here by the 7 companies engaged in this business, 2 domestic, 2 American and 3 foreign companies during 1932 is that for which the latest full report from the insular treasurer in his capacity as ex-officio insurance commissioner is available. Main statistical facts of this business are set out in the accompanying table, the 3 types of companies, domestic, American and foreign, grouped separately.

The data are from the revised tabulation at the treasurer's office.

Life insurance enjoyed a slight increase in volume in the Philippines during 1932. The total in force at the end of the year summed ₱147,504,964, against ₱146,582,277 at the beginning of the year. The increase was in the volume of business underwritten by domestic companies. This fact shows in the table. The treasurer has accommodated us with information additional to that published in his 1932 report, he has listed for us the number of policies represented in the insurance in force at the close of 1932, also the number issued during the year. This enables us to reach averages.

The total of ₱42,606,683 insurance the domestic companies had in force at the end of 1932 was in 17,147 policies. The average policy was for ₱2,485. These companies issued, revived or increased 5,477 policies during 1932.

The 2 American companies had ₱45,107,840 of insurance in force at the opening of the year, and, in 13,383 policies, ₱44,040,593 in force at the close of the year. The average policy was for ₱3,290. Policies issued, revived or increased during the year numbered 3,036.

The 3 foreign companies had ₱62,092,488 of insurance in force at the opening of the year, and, in 10,359 policies, ₱60,857,688 in force at the close of the year. The average policy was for ₱5,875. Policies issued, revived or increased during 1932 numbered 1,789.

It is also possible to report partially 1933. This may be done at this point, before further analyses are set down. Data cover 1 small American company and 2 domestic companies, the only ones whose reports for last year are currently available. These 3 companies had ₱38,346,456 of insurance in force at the opening of 1933, and, in 14,898 policies, ₱35,894,391 at the end of the year. The average policy was for ₱2,409.

The complete report for 1932 shows a total of new insurance (policies issued, revived or increased) summing ₱30,929,589, while insurance terminated that year summed ₱30,206,902; death claims ₱1,370,733, maturities ₱1,208,876, lapses and other terminations ₱27,427,293. This last item, lapses, etc., compares with the new business during the year, ₱30,929,589. From the viewpoint of public welfare, the heavy volume of lapses is deplorable, but the volume of business held up remarkably well. It is fair deduction that 1933, when fully reported, will compare favorably with 1932. During the latter half of 1933 life insurance in the Philippines was affected by the gold boom; this boom has subsided of late, to the benefit of insurance.

Some companies report January and February this year below the volume of the same months in 1933, but well above any 2 months during the latter half of 1933. Other companies report January and February this year above the same months in last year; for one company at least, January this year proved the best month

in its history, while February bade well to top it. This is one of the larger and older companies. We have some information respecting its agents, indicating that college or university training is a preparation for competency in soliciting insurance. Among this company's top 30 solicitors, 16 are either college or university graduates and 6 others have had high-school training. Among the 16 collegiates, the largest group is from the University of the Philippines. The same company has a few women among its solicitors; its own experience, by competitive test, makes the college

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1932 PHILIPPINE LIFE INSURANCE	
Domestic (Two)	
Insurance in force January 1, 1932	₱30,381,949
Revived, issued and increased during the year	13,527,481
Terminated—	
By death	₱ 240,055
By maturity	448,934
By lapses, etc.	9,604,758
Total terminated	₱10,302,747
Insurance in force December 31, 1932	₱42,606,683
Total premiums income during 1932	2,198,626
Losses and claims settled during 1932	633,079
Pending losses and claims December 31, 1932	21,426
American (Two)	
Insurance in force January 1, 1932	₱45,107,840
Revived, issued and increased during the year	8,356,050
Terminated—	
By death	₱ 438,362
By maturity	254,366
By lapses, etc.	8,730,567
Total terminated	₱ 9,423,295
Total premium income during 1932	₱ 2,462,372
Insurance in force December 31, 1932	44,040,593
Losses and claims settled during 1932	583,373
Pending losses and claims December 31, 1932	143,780
Foreign (Three)	
Insurance in force January 1, 1932	₱62,092,488
Revived, issued and increased during the year	9,046,058
Terminated—	
By death	₱ 683,316
By maturity	505,574
By lapses, etc.	9,091,968
Total terminated	₱10,280,858
Insurance in force December 31, 1932	₱60,857,688
Total premiums income during 1932	3,559,018
Losses and claims settled during 1932	1,130,395
Pending losses and claims December 31, 1932	264,584

LIFE INSURANCE IN THE PHILIPPINE ISLANDS

Items	Companies	1927	1928	1929	1930	1931	1932
Insurance in force, January 1.	Domestic	₱22,637,028.00	₱25,024,573.00	₱27,011,108.00	₱32,316,356.00	₱37,070,982.00	₱39,381,949.00
Do.	Foreign (American)	23,026,444.00	25,922,926.00	31,200,740.00	39,202,756.00	43,029,170.00	45,107,840.00
Do.	Foreign (others)	28,074,120.00	31,534,687.00	37,344,517.00	43,663,615.22	50,942,833.98	62,092,488.00
Total		73,737,592.00	82,482,186.00	95,556,365.00	115,182,727.22	131,042,985.98	146,582,277.00
Insurance issued, revived, and increased during the year	Domestic	8,633,499.00	8,808,780.00	12,298,384.00	12,943,857.00	11,656,405.00	13,527,481.00
Do.	American	7,669,658.00	10,500,468.00	14,060,756.00	12,414,372.00	11,824,564.00	8,438,450.00
Do.	Foreign	6,879,765.00	9,630,496.00	10,601,794.00	12,488,733.92	17,352,239.34	9,046,058.00
Total		23,182,922.00	28,939,744.00	37,560,934.00	37,846,962.92	40,833,208.34	31,011,989.00

America's Part . . .

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princes who had retinues of troops and collected taxes, half of them always in residence at Yedo, with their families hostages there—that at last there was nothing for it but to dispatch a high envoy to Kioto and lay the treaty before the real emperor. (This in itself was a revolution, but if the emperor spoke, which he never did until many years later, the obstinate daimios would take it as heaven's word and submit).

Premier Hotta's overtures at Kioto failing (Harris meantime having, on the pledge of February 17, returned to Simoda, by a Japanese steamer be it noted), Shogun Iyesada "resolved to summon to the helm a fearless soul who would quail at no storm." This was the man who in 1861 paid his life for the treaty, in that swift way the fanatic assassin in Japan so often demands. He was Li Kamon no Kami, baron of Hikone, long afterward execrated in Japan—until as an outflow of his labors the revolution was complete and the long night of isolation ended. Shimada Saburo, in his *Opening of the Country*, purged Li Kamon no Kami's name of infamy. Harris had but to invite his wise attention to events in China to move him to fearless action. On the gunboat *Powhatan*, on July 24, and not so late as September 4 as first arranged, Li Kamon no Kami's commissioners signed the treaty.

Most English historians, since England soon had her own capable Alcock in Japan, make little of Townsend Harris's lonely and uniquely successful two years' diplomatic vigil in Japan—while England in China gave the Japanese their cue to sign with Harris quickly. This is much to their hurt, since the Japanese will not allow miswritten history respecting Townsend Harris to stand.

Their envoys went to the United States in 1860, on the *Powhatan* with Captain Tatnall, to exchange ratifications of the Harris and to obtain a fresh copy of the Perry treaty. They returned from the United States in a steam warship of their own, commanded by Katsu Awa, first organizer and historian of the modern Japanese navy. In the Harris treaty, gold and silver foreign moneys were made exchangeable with Japanese gold and silver at par weight value. Subsequent treaties all followed the Harris treaty in its general outline, and gave nothing to another country that was not conceded also to the United States. The Harris treaty provided consular courts. In all his later years Harris urged that this extraterritoriality be rescinded, which came about only after his death, which occurred in New York February 25, 1878, when he was 75 years old. His declining years were spent at the Union Club, whose library he founded. He had only a few congenial friends, and used to say he and they talked sense at one end of the club while dollars were talked at the other. This was because he was old and full of honors and could take privileges. Yet it is true that throughout his active business life he also followed literary pleasures. Latin American relations in his drygoods business in New York made him acquire a fluent mastery of Spanish. In the Far East for six years before being chosen for Japan, he was master and sole owner of a trading ship. He studied all the port cities, the peoples and

cultures behind them. So the east became his primer, he was fitted to follow Perry in Japan. Christmas 1850 he spent in Manila, and succeeding Christmases in order: at Penang, at Singapore, at Hongkong, at Calcutta, at Ceylon, at Simoda in his consulate, alone with Mr. Heusken, reading the day's religious lesson. "I am sick and solitary, living, as one may say, in a prison; a large one it is true, but still a prison." The day before but one had registered the first attempt on his secretary's life. He had thereupon cautioned him always to go armed when he left the consulate premises. The next Christmas was at Yedo, and indoors for diplomatic reasons: Harris had found that the Japanese associated indolence indoors with rank and authority, and while that precious treaty was in the balance Harris was determined to do nothing to lessen the appearance of these attributes in himself.

The country he thus opened to ocean commerce sent its first exhibit abroad to Vienna in 1873, another of only 6,000 tons of stuffs to the Philadelphia Centennial in 1876, and a tremendous one to Chicago, the fourteenth, in 1893, when its annual increase of population had reached 500,000, half what it is today. Harris's diary notes the astonishing rapidity with which western ideas were examined and assimilated in Japan. One of the presents Perry gave them was a brass cannon, and when Harris came two years later they had 500 of them from their own foundries. So it was with steamships, weaving mills and all that came to hand; and all this, until 1895, while foreign goods, under a rank distortion of the Harris treaty (which Harris denounced as dishonorable) came into the country under a duty of but 5% *ad valorem*.

ance as well as all other influences toward thrift. Governor-General Frank Murphy wants no more lotteries after the ones now legalized have been terminated. He is dead right about it).

The annual reports of the insurance commissioner, purely of a stilted financial character, fall far short of adequacy when an economic survey of insurance is undertaken. There is in them no segregation of insurance by sexes and ages of the insured, the average life of policies is not stated, and nothing is learned of the number of policies that, once lapsed, have been revived. Neither is their identification of the insured by their occupations, while many other desirable facts are equally lacking. But all this granted, it is still evident from all that does appear that life insurance in the Philippines has ridden the depression well. The volume of business is little below the peak years (increased, in fact, in 1932) and the financial status of the underwriters is sound.

—W. R.



Life Insurance . . .

(Continued from page 7)

or university qualifications of applicant solicitors a distinct recommendation. The women among its solicitors are single and have their own living to make.

For education of children the business of insuring them is growing in the islands. In this specialized branch of soliciting women would seem to fit well; they should be able to make effective appeals to mothers, where appeals most count. This is a branch of insurance possibly destined to rapid growth in the Philippines.

The total of 40,889 life insurance policies in force in the Philippines at the close of 1932 is small in a total population approximating 14,000,000. That population signifies about 2,335,000 families. If we take this estimate, 6 to the family, we see that insurance protects very few families in the islands, even counting 1 policy to each family. It actually runs, on this basis, 1 policy of P3,607 to less than 1 family in 57. Even a slight increase in the general level of family incomes in the Philippines would, it may be deduced from this situation, increase the number of life insurance policies in the islands enormously. (Conversely however, the encouragement given the gambling instinct in the revival of the lottery in the islands will, with all analogous influences, harm insur-

She.—So you came home and found your wife in the arms of your best friend—who is he?

He.—I don't know—I never saw him before in my life!

—Cut and comment from *Judge*.

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