

# **THE BUSINESS OF INSURANCE**

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The Business of Insurance by A. J. Wilson

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**A. J. WILSON**

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OF INSURANCE**



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BY

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## PREFACE

THIS little book is in no sense intended to be of use to insurance experts. It is written by an outsider mainly for the ignorant, for the multitude who either wish to insure their lives, or to whom the insurance agent is for ever coming with his proposals, his promises and blandishments. My doctrine is that every man ought to insure his life the moment he arrives at a period or a position when his responsibility extends over the lives of others. If this duty were regarded as an imperative one by the community at large, there would be little or no necessity for the elaborate machinery required by our life offices to induce people to invest in life or other insurance policies; but as long as apathy prevails, such agencies must be maintained and a ceaseless activity displayed by the offices in tempting investors to enter into policy contracts. I write

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to help the tempted. That is the one purpose of this little book, and the various excursions into other branches of insurance business than life insurance in its various forms are only intended to convey a little superficial instruction in as light and untechnical a style as possible, so as to encourage readers to master the one definite piece of teaching the book contains. I trust it will serve its purpose, and help many people to a right understanding on a matter of such vital importance to their peace of mind and to those who come after them. The pitfalls of life insurance in these days are numberless, but it will be easy to escape most of them, if not all of them, by acting as here directed.

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# THE BUSINESS OF INSURANCE

## CHAPTER I

### GENERAL NOTES ON LIFE INSURANCE

**F**EW modern institutions touch the daily life of communities more intimately than life insurance. It is essentially a product of modern civilisation, and implies two essential qualifications for success. The first is continuous peace, and the second is continuing debt. Life insurance is thus the outcome of a high state of civilisation as now understood. We cannot imagine a business of this kind existing and really flourishing in Great Britain during the long struggles between England and France, during the Wars of the Roses, or at the time of the Puritan conflict with Charles I. Down to the Revolution of 1688 we may say that this country afforded no scope for

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the development of a business of this description, and if that was the case with England, how much more so with continental nations, always at war with each other, subject to continual social disturbances—not merely through disputes about religion and civil liberty, such as lay at the root of the later civil conflicts in England, or to dynastic conflicts, but to the aggressive spirit developed among the democracy, now in one section of the continent, now in another? No one could imagine the Italy of the Middle Ages as a field for the development of life insurance, and were the now ancient and apparently solidly established civilisations of Europe again to become unstable, and conflicts to break out, one of the first of their products to suffer, and perhaps to disappear, might be life insurance.

But peace within is only one of the essentials to the successful pursuit of this form of insurance business. Life insurance especially implies also a revenue from interest, and interest is a product which postulates debt. Debt also cannot come into being in any fashion to be depended upon except when order is completely established within the state, when everything is submissive to established laws and customs. Without that essential