

Your

LIFE INSURANCE

PUBLISHED BY
THE LIFE INSURANCE CENTURY
OF PROGRESS EXHIBIT COMMITTEE
IN BEHALF OF LEGAL RESERVE
LIFE INSURANCE COMPANIES

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I

THREE GENERATIONS OF LIFE INSURANCE

"It is reported from Chicago that the Sacs, Foxes, and four other northern tribes, have formed a union, the object of which is to drive the whites beyond the Wabash River."

THIS brief item in the New York *Evening Post* of March 11, 1833, occasioned no astonishment along the Atlantic seaboard. Everyone knew that in far-off Illinois and beyond, the redskin still scouted and scalped. Unfortunate, to be sure, but hardly a new story. Possibly the new President—Andrew Jackson—inaugurated only the week before—would be able to do something about it. Besides, the nation was too occupied with growing pains to be greatly concerned about a possible Indian raid on a far frontier. Trade was humming; new industries were being born; the nation was growing out of swaddling clothes.

One newcomer on the scene was legal reserve life insurance. In all of the United States, in 1833, there were just four companies—two of them only three years of age—and all beset by hazards which, if costly, at least did not lack for color. The gentlemanly practice of dueling, for example, was sufficiently common to require companies to insert clauses in their policies covering claims arising from death in defense of honor.

And plagues took heavy tolls. Yellow fever, smallpox, and cholera epidemics re-

*A Bit of News
Read by
Our Great-
Grandparents*



curred time and time again—occasionally with such severity that entire towns and growing young cities were almost completely depopulated.

But by 1843, three more companies were doing business, and, slowly but surely, an appreciation of the usefulness of life insurance grew among the people. Life insurance already was proving to be a seaworthy boat capable of riding out business storms. Witness this remarkable tribute from the February-March, 1843, issue of Hunt's *Merchants' Magazine*:

"Amid the wild disruption of other corporations; the crashing of speculating money institutions; the failing of all sources to which the widow, the orphan, the creditor, the endorser, looked for future payment and needful support; amid all the gloom and distrust in trade and finance; amid the depression and bereavement of all small means of fortune-making, this mode alone of saving a fortune seems peculiarly to reveal itself to our citizens and country as the only ark of posthumous security."

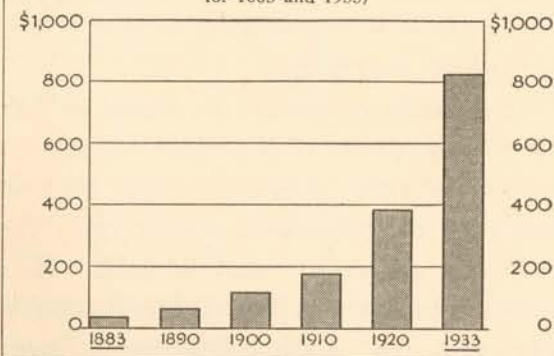
Though writing ninety years ago, this observer might have been chronicling conditions as they appeared in the early months of 1933. It was said that "Not only did life insurance prove a bulwark against the storm, but it aided to mitigate its severities to those who were involved."

The number of policies in force grew from 30,000 in 1854 to 60,000 in 1860. Since the Civil War, life insurance has increased at a rate far in excess of the growth of population. From the \$200,000,000 in force in

1860, the sum had grown to one and one-half billions in 1880, to eight and one-half billions in 1900, to forty-two billions in 1920, while in the late summer of 1929 the total life insurance in force passed the one hundred billion dollar mark. While the population quadrupled, life insurance in force increased over 500-fold. The growth of life insurance in force per capita for the last fifty years is shown in the chart below.

FIFTY YEARS' GROWTH OF PER CAPITA LIFE INSURANCE IN FORCE

(Based on Decennial Census Figures. Population estimated for 1883 and 1933)

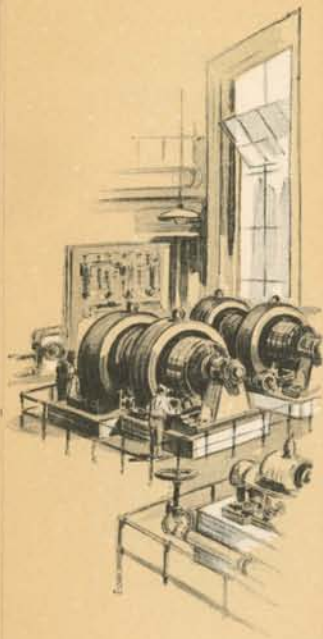


The whole amount of insurance in force in 1860—built up through the preceding decades—was less than the new insurance written today in the short period of a single week. The public has come to recognize that life insurance is not—as many people thought a hundred years ago—a mere burial fund, but a sound investment, the primary purpose of which is protection—not only for the beneficiary, but for the living policyholder as well.

*Life Insurance
Far Outstrips
the Population
in Rate of
Growth*



*A Bulwark
of Strength
in Time
of Stress*



*Assures
Protection*

II YOUR PREMIUM DOLLAR IS CONTINUOUSLY AT WORK FOR YOU

EVERYONE knows that money paid in premiums will return some day to the policyholder personally, or to those named as beneficiaries, and that while in the hands of the insurance company for safe-keeping, this money is loaned to certain responsible borrowers—who give their bonds or mortgages on high-class properties in return; or it is invested in other choice, high-grade securities. It is put to work so that it will earn interest and grow.

What many people fail to realize is that this money which they entrust to the insurance company often comes right back to their own communities to work until the time when the policy must be paid. Thus premiums paid by the policyholder do double duty—first, by safeguarding, in a great variety of ways, one's family and dependents or one's business; second, by contributing to the development of commerce and industry, community and country. Let us see how.

We will assume that yesterday you sent a dollar to your life insurance company in payment of a premium. On the same day thousands of other people also sent in dollars in payment of their premiums. What happens to this money? Is it buried in deep vaults to lie idle, awaiting the day when it

must be returned? Not at all. If this were done it would earn nothing either for you or for other policyholders. Actually, it is put to work in every part of the nation, and in enterprises that bear in dozens of ways upon your daily life.

Life insurance assets, held for policyholders, now amount to more than \$20,000,000,000. This huge sum—security for the payment of policies, having a total face value of over \$100,000,000,000—is at work all about you. Part of these accumulations have been loaned to municipalities—perhaps the very municipality in which you live. Similarly, some of the money has been loaned to counties, states, and to the Federal Government. The municipality, perhaps, is using the funds it has borrowed to provide facilities for the education, safety, and service of the people. The county and the state may be using the money for other work in the public interest. In return, these agencies have given their bonds to the insurance companies, promising to repay the loans with interest.

Or perhaps the money was loaned to a railroad to improve equipment, construct better freight terminals, or for that new passenger station much needed by the community. When you travel, then, you use equipment which your life insurance funds helped to secure. Again, these same funds have a part in hauling your daily food supply, in transporting all the products that come to you

*Helps
Build the
Community*



from farm and factory, and in carrying to distant markets the output of your home industries.

Possibly, part of your life insurance dollar was borrowed by the electric light, gas, or telephone company—invested in bonds or other obligations of established, successful companies only. Every time you use the telephone you enjoy a service which your life insurance funds have helped to make available. The electric power for operating your factories, lighting your home or place of business, working for you in the kitchen and in numerous other ways, may have been brought to you, at least in part, through the aid of the funds held for you by your insurance company.

Life insurance has contributed much to helping people own their own homes and farms. Hundreds of thousands of properties throughout the country—homes, apartment houses, office buildings—have been financed out of the premiums paid by policyholders, and invested by the life insurance company in choice first mortgages secured by these properties.

These are only a few among the many ways in which the money you invest in life insurance comes back to help you while being conserved for you by your life insurance company. These reserves have played a vital part in our century of industrial and commercial progress. Without them much

*Productively
at Work
—and Safe*



of this development might have been retarded and made more difficult.

So, you see how much work that dollar which you sent to your life insurance company has done and is doing. These facts explain why, during years of strain and stress, life insurance institutions stand firm. They are anchored in the solid, rock-bottom essentials of our civilization—secured by widely diversified investments carefully selected by skilled investors. Can you imagine any safer way of employing that dollar productively? Furthermore, the interest earnings enable you to get your life insurance at lower cost.

III LIFE INSURANCE— SWORD AND SHIELD AGAINST INSECURITY

WHEN we take out a life insurance policy, against what are we insuring ourselves? You may think, perhaps, against death. But mortal man never yet has been able to circumvent death. What we really insure against is insecurity—the hardship, the financial loss which may come from death. In the case of annuities, we insure against want in old age. Through life insurance we can plan and provide for the future, regardless of the uncertainties of life. Life insurance is indeed the modern St. George, our

*Interest
Earnings
Reduce Cost
of Insurance*





*Saves the
Family
from Needless
Hardship*

sword and shield against the dragon of insecurity.

From the original simple purpose of providing funds for burial we have come a long way. Life insurance serves us today in ways undreamt of a century ago. It enables us to take care of ourselves and our dependents, secure from the whims of chance.

The simple act of taking out a life insurance policy increases the possible amount of your estate immediately by the amount of the policy. If the policy is for \$10,000 your estate is worth \$10,000 more than it was before you took the policy. If a fatal accident or illness suddenly should overtake you, you leave that much more "property" for your family.

But suppose you set out to save \$10,000. If death occurs before you reach your goal your family gets only what has been accumulated. Through life insurance, however, your family gets the full \$10,000, even though you may have paid only the first premium.

Death is ruthless; it rarely gives warning; seldom does it wait while we set our affairs in order. And it usually brings debt to the surviving family. How much better to provide for all this when we are well and have the money, and no hardship is entailed; how much easier than to leave our debts and our obligations to be faced by our dependents at the very time when the family income has been cut off!

Who is there who does not look forward to the sunset of life as a time of freedom from financial care and the daily demands of business; as a time of relaxation and enjoyment of the fruits of labor? Today, life insurance makes such security in old age a certainty instead of a hope.

Each of us wants his children to have the advantages of a good education—so essential to success in our modern life. You can assure them of this education through insurance. Or, if you choose, you can provide a fund with which to start them in a business or profession when they grow up; also, a dowry for your daughter can be made a certainty.

Many policyholders have found in life insurance a means of providing funds to pay off mortgages. Others have accumulated insured funds to build homes, to travel, and to realize other of their ambitions.

The rôle of life insurance is significant in business, too, in helping credit standing. On the death of a partner, life insurance may permit the survivor to buy out the interest of the deceased, and to continue the business instead of going through a forced liquidation.

For a hundred years, in times of depression as well as in times of prosperity, life insurance has performed a service to policyholders, the extent of which is difficult to estimate. In 1932 alone, over \$3,000,000,000 in cash was paid to policyholders and bene-

*Assures Freedom
from Financial
Worry*





ficiaries. The value of this vast sum in relieving distress and promoting human happiness was incalculable.

The things which life insurance can do for you are legion. What are your plans for life? What are your ambitions, the things you most desire? Life insurance can help you realize them. Your life insurance counselor gladly will give you information and assist in fitting life insurance to your own special needs. He can give you friendly, helpful advice on your life insurance problems. He will welcome the opportunity to serve you.