

THESIS.

Subject, Insurance

Name, Anna Wilkins

The subject of Insurance is very interesting, itself, and is a subject about which we should be well informed. First we will see what is meant by Insurance. we find that the definition of Insurance is as follows "It is the system or machinery by which it is sought to guard against the pecuniary consequences of certain accidents of which men are liable, such as the loss of Property by fire, or ship-wreck, or loss of future earnings through disablement or premature death."

The three chief developments of this system are - Fire, Life, and Marine Insurance. Speaking first of fire insurance, we find that in very early times forced or voluntary contributions toward the relief of sufferers by fire; but it is only about the beginning of the seventeenth century that we hear of proposals

being made for a more systematic provision against such losses, and it was not till after the great fire in London in 1666 that these proposals took practical shape.

Fire insurance, as a business, consists in undertaking a certain risk more or less considerable in amount, in return for a comparatively small sum received before hand called the Premium.

We must look to the importance of fire insurance. It has become a necessity of trade. Without its assuring protection, undertakings of the magnitude at present readily assumed, would never be attempted; loans are made by capitalists on insured buildings for many times the value of the land on which they stand, because the insurance policy is collateral between him and loss.

make them valuable for security; merchants sell their goods on extended credits, knowing that, although the misfortune of fire may over-take the purchaser, his insurance indemnity will enable him to pay for them, and therefore we see that insurance is as necessary to commerce and manufactures, as the railroad, telegraph, or steam power itself.

An insurance company furnishes the following supplies - Commission Agent, which is usually fastened in the front part of the Policy Register. The Policy Register, which is confidential and not to be exhibited to anyone without consent of the company. It contains all insurance contracts which are entered on the day a policy is made binding, and from which the policy itself is to be copied. The Policies are

the accounts of policy and renewal blanks. These are very important and a careful record must be kept of them. The agent is charged with the number sent to him from time to time, and credited with the number written. All blanks "soiled" or "not taken" should be returned with the monthly account as vouchers, but not torn off and signature merely sent.

The compensation allowed to the agent is fifteen per cent of Premium collected. This will amply remunerate an energetic agent for his time and trouble, and as the same commission is paid upon renewal premiums, as upon new Policies, a business, once built up, becomes a permanent reliance, requiring little effort to keep it together and each new risk secured increases the amount

of annual income.

The interest of the agent and company is conservative, careful, and well managed, and if the agent is successful and energetic the connection is likely to prove a permanent one.

It is very important for our agent to assure himself, before entering into so important a relation, that the company is worthy of his best efforts and representations.

The first American fire insurance company was organized in 1752, and its policies during the first year covered a sum of \$105,360, at an average rate of 117%. Each state in the Union has its own regulations about insurance companies, departments, etc.

Let us now look at life insurance for a short time. In the United States

life insurance has attained a greater relative importance among financial institutions than in any other country. Its history extends back to an early period but the system has received its main development in comparatively recent years.

The life insurance companies are the creatures of the state laws and are controlled by the legislatures of the state in which they operate.

Each state has its own peculiar laws. A company may be organized at any time for the business of assuring lives and granting annuities by obtaining from proper officers of the state the approval of its name and fundamental law, and by depositing with the insurance department a stated sum, usually \$100,000 in prescribed securities.

as a guaranty of good faith.

The other department of insurance is Marine Insurance. It is a contract by which one party, the "insurer" engages for a premium to protect another party, the "assured," against loss arising from certain perils or sea risks.

A "Valued Policy," is one which contains a specific valuation of interest insured.

An "Open Policy," is one in which the value of interest insured is not specified.

The subject of insurance is one of great interest as well as great importance, for it teaches us how our lives, and property are protected, and we may say how our country is protected from the terrible disasters of this world.