

## Book Reviews

*Policies and People: The First Hundred Years of the Bankers Life*, by Joseph Frazier Wall. Englewood Cliffs, NJ: Prentice-Hall, Inc., 1979. pp. 192. Illustrations, statistical appendix, index. \$14.95.

That *Policies and People: The First Hundred Years of Bankers Life* reads more like a biography than a company history is a tribute to the storytelling gifts of author Joseph Frazier Wall. Rarely has an historian brought to life the workings of a corporate board room as vividly as Wall does in this bright chronicle of a leading Iowa business firm. In his skilled hands, the history of Bankers Life becomes an engrossing study in decision-making, as a succession of company executives wrestle with problems related to the continued growth of the firm and with the various challenges posed by a changing economic environment.

Founded in 1879 by banker Edward A. Temple, the Bankers Life Association of Des Moines began as a highly selective membership organization limited to bankers and bank employees. Temple designed his assessment association to provide inexpensive life insurance to a low-risk population. Members received one or more life insurance certificates (each with a face value of \$2,000) in exchange for modest deposit and initiation fees. Periodic assessment calls—not to exceed one percent of the company's total insurance in force per year—provided death benefits to beneficiaries.

Elegantly simple in design, Bankers Life flourished in its first thirty years. The key to its success was growth—the continuing addition of younger new members to help bear the cost of death payments to beneficiaries of older policyholders. But Edward Temple's simple arithmetic was flawed, for eventually yearly assessments would have to exceed the one percent ceiling promised to the company's subscribers. Young account auditor Henry Nollen recognized this in the late 1890s, but needed several years to convince his colleagues that actuarial tables predicted doom for Bankers Life unless the company converted its operation to a more conventional mutual legal reserve arrangement. Not surprisingly, Temple refused to accept his auditor's advice, and for more than a decade Bankers Life was rent with internal controversy as advocates of conversion struggled with defenders of the status quo within the company.

Prompted by legislative encouragement from the Iowa General Assembly in 1907, Bankers Life finally began the enormous task of conversion in October 1911. This undertaking was managed by the dynamic George Kuhns, who became president of the company five years later. Although Kuhns's leadership contrasted markedly with

## THE ANNALS OF IOWA

the style set by his reserved predecessors, few at Bankers Life doubted the wisdom of putting the company's best salesman in charge of the rather sticky business of convincing holders of the old assessment policies to accept the new terms. By the time of Kuhns's retirement in 1926, conversion was nearly complete and Bankers Life looked forward to reaching the \$1-billion mark in total insurance within a few years.

But conversion was just the first of Bankers Life's troubles. The 1920s were hard on Iowa farmers, starting with a postwar agricultural depression and concluding with the stock market crash of 1929. Bankers Life suffered too, yet its ability to sustain assets and its extraordinary efforts to help its financially troubled policyholders and mortgagees form a proud chapter in the company's history. The author provides an excellent description of the way in which Bankers Life dealt with economic adversity, and also helps us understand the complex interrelationships among Iowa's leading economic institutions. Few macroanalyses could provide the depth of insight into the workings of the state's economy as does Wall in his detailed discussion of one company's programs for survival in the hard times of the 1930 Depression.

The \$1-billion goal proved more elusive than Kuhns had expected, but wise leadership and a sense of social concern enabled Bankers Life to emerge from the Depression with its house in good order and ready for the revival of growth that began in the late 1930s. From that time onward, an impressive group of executives has managed to grasp the opportunities of a changing business world yet retain a sense of Edward Temple's frugal integrity. "Conservative in philosophy, progressive in outlook" is Wall's apt description of the basic continuity of Bankers Life's attitude in its first century.

As a case study of a single business firm, *Policies and People* has few peers in this reviewer's experience. Joseph Frazier Wall teaches us a great deal about the insurance business and, equally important, how an enlightened company responds to the economic and social changes that affect its customers. Unfortunately, the book contains no footnotes and only occasional references in the text concerning sources of information, and thus provides little in the way of the documentary or historiographical grounding expected in a scholarly study. Still, the author has done well by his subject. Students of Iowa history, and of the history of American business, will find much of interest in the story of Bankers Life.

**William Silag**  
Division of the State Historical Society  
Iowa City, IA

Copyright of Annals of Iowa is the property of State of Iowa, by & through the State Historical Society of Iowa and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.