

Iowa Is Insured

In the year 1855 a youth of sixteen years came to the village of Des Moines in search of opportunity. The trip westward from Connecticut had been of itself a momentous event in the life of this young man. The railroad then extended only as far as the Mississippi River. There he had been compelled to take a steamboat downstream to Muscatine and thence he had traveled overland by stage to Des Moines.

Young Frederick Marion Hubbell, for that was the boy's name, was thrifty and saved his money. About ten years later, when he sought to invest his earnings profitably and with security, his attention was called to life insurance. But, in those early days, there were no Iowa life insurance companies, and so he procured a policy with a company in an eastern State. One day as he stood at the window of a bank, buying a draft to pay his premium, he became concerned about this method of procedure. Why should he be sending his savings to the East, where money was already plentiful, when there was great need of accumulated funds with which to develop the natural resources of the Middle West? Moreover, money

invested by insurance companies in the East yielded at that time no more than four per cent interest, while funds invested in the best real estate securities in Iowa were paying more than that amount.

As a solution to the investment problem, Hubbell suggested to his friends the desirability of organizing an Iowa insurance company, the surplus of which might be invested in profitable securities. This idea was favorably received and on January 25, 1867, the first Iowa life insurance company was organized in Des Moines. Besides Hubbell, other prominent men interested in the formation of the Equitable Life Insurance Company of Iowa included Judge Phineas M. Casady, first president of the company; B. F. Allen, vice-president; and Hoyt Sherman, a brother of General William Tecumseh Sherman, who became the first actuary of the company.

Twelve years elapsed before the second company, the Bankers Life Association, was formed in Des Moines. This company, as its name implies, was an association of bankers organized for mutual aid and benefit. Later, persons other than bankers were insured. The moving spirit in the organization of this company was Edward A. Temple, then cashier of the First National Bank at Chariton, who believed that insurance should

be procured at a lower premium rate than was offered by the legal reserve companies. Associated with Mr. Temple in forming this company were Phineas M. Casady, Simon Casady, Lynn Cook, and M. S. Smalley. Of these men perhaps the most prominent "not alone in banking, but in legal, legislative, judicial and political circles as well", was Judge Casady.

A reorganization was effected in 1911 under the name of the Bankers Life Company, and its growth in recent years has been constant and gratifying. It is licensed to operate in thirty-four States of the Union. In volume of business it is the largest company in Iowa and ranks eighteenth in the United States. Gerard S. Nollen is president of the Bankers Life and his brother, Henry S. Nollen, is president of the Equitable. Thus a single family furnishes presidents for the two oldest and largest life insurance companies of Iowa.

In addition to these two oldest life insurance companies of the State, there are now fifteen others located in Iowa. Three of these companies — the Register Life Insurance Company (Davenport), the Central Life Assurance Society of the United States (Des Moines), and the National American Life Insurance Company (Des Moines) — were organized before 1900. Six companies

were organized in the years between 1900 and 1921. Of this group the Royal Union Mutual Life Insurance Company located at Des Moines is the largest. Six companies were organized in the State between 1922 and 1931. No companies have been formed since that date.

Life insurance policies are surrounded by many of the interests, activities, and uncertainties of life itself. Some of them are of brief duration and result in a rapid accumulation of funds for the use of the beneficiary. Other policies are maintained in force over a long period of years and represent the long accumulated savings of an industrious and frugal life. In the latter event, policies may, if written on a participating plan, pay returns to the holder for many years.

Policy number one in the annals of Iowa insurance was issued to Frederick M. Hubbell, founder of the Equitable of Iowa, for the sum of two thousand dollars. It was dated February 9, 1867. This policy proved to be unique, indeed, in the fact that it remained in force for more than sixty years, paying dividends to its holder for more than half a century. Thus, while Mr. Hubbell clung to life like "the last leaf upon the tree in the spring", this first Iowa policy was a source of comfort and satisfaction to him. Issued in 1867, it did not mature until his death in 1930.

During the years in which this policy was in force, insurance grew to be a major business interest in Iowa. When the policy was issued, there was only one Iowa life insurance company and it had no other policies in force. When the policy matured there were sixteen Iowa companies, which had issued more than nine hundred thousand policies, representing more than \$2,200,000,000 of insurance then in force — a sum almost equal to a thousand dollars for every man, woman, and child living within the borders of the State. In addition to these local companies, there were one hundred and four non-resident companies authorized to sell life insurance in Iowa.

Iowa insurance companies are typical in the wide variety of policies which they issue. There is the ordinary life plan and the endowment plan — ten-year endowment, twenty-year endowment, endowment at the age of sixty or sixty-five or seventy, endowment for education, for income upon retirement, for institutional relief, and for the making of bequests. There is the ten payment life policy and the twenty payment life. There is the double indemnity feature and the permanent disability clause. There is term insurance, single premium insurance, the joint life policy, and group insurance. Indeed, insurance has more than fifty-seven varieties, each presenting special

features and each proclaiming the fact that the good that men do is not interred with their bones.

The size and corresponding advantages of insurance contracts in Iowa are quite as varied as the forms of policies and the methods of settlement. There is the rich man's policy designed to protect and perpetuate large business interests — to provide liquid funds for the payment of inheritance taxes, administrator's fees, and other expenses incident to the death of the insured. Insurance may be of further aid to the rich man since life insurance funds to the amount of forty thousand dollars directed to a named beneficiary is exempt from the United States estate tax.

Men of wealth have recently invested in insurance to such an extent that it is not difficult to find some insured for a million dollars or more. Elbert Hubbard once said that "Million dollar men of old, like Napoleon or Caesar, manifested their power mostly in destruction. The modern million dollar man, however, is a creator, a conservator and a builder." Accordingly, in these days of concentrated wealth and of high finance, great factory owners, builders, and men of affairs frequently insure their lives heavily. Million dollar life insurance estates are not unknown even in Iowa. Indeed, there are five men residing within the borders of the State to-day who are each in-

sured for a million dollars or more. In the aggregate their policies total more than \$6,200,000. Moreover, according to published reports, there are 160 men in Iowa, each of whom is insured for at least \$100,000. And there are nearly five hundred persons — an average of about five persons for each county — who are insured for \$50,000 or more. "Life insurance can not make a man immortal," but the payment of fifty or one hundred thousand dollars to his beneficiaries "can prevent an earthquake shock to his estate when Charon beckons and he has to go."

In contrast to the rich man's protection there is the poor man's insurance, which furnishes a degree of protection to the laboring classes at a slight cost. There is insurance for the professional man, and insurance for occupational risks where the hazards are great. There is insurance for education and development of youth, insurance for protection in years of maturity, and insurance for support in old age — all of which are represented in large numbers by policyholders in Iowa and the Middle West.

Iowa insurance policies have long been known and purchased throughout the United States. As early as 1888, John Wanamaker, the New York merchant prince, contracted for twenty thousand dollars of life insurance in Iowa. Although Wan-

amaker was then fifty years of age he preferred to purchase endowment insurance. Accordingly, he took two policies — one for \$15,000 written on the ten-year endowment plan, and another for \$5000 on the ten payment fifteen-year endowment plan. He received the face value of the first policy, plus a substantial dividend accumulation, at its maturity twenty-four years before his death, while he enjoyed the use of the proceeds of the second policy for a period of more than nineteen years. More recently George M. Reynolds, Horace M. Towner, Henry A. Wallace, William Wrigley, Jr., John McCormack, J. C. Penney, and other men of national repute, either directly or indirectly, have purchased life insurance of Iowa companies.

In life insurance, as in other business engagements, activities are not confined to the limits of any Commonwealth. Iowa companies operate widely in other States and companies incorporated in other States do an extensive business in Iowa. In order to provide closer coöperation and unity of interests among insurance workers, the National Association of Life Underwriters has been formed. In this organization, Iowa is represented by Mrs. Jennie F. Pritchard who serves as Director of the Department of the American Family. The work of this department has to do largely

with stimulating a deeper interest in life insurance among the women of the nation. To this end there is close coöperation with the Federated Women's Clubs.

Affiliated with this national association are similar organizations in some of the States as well as in many of the larger cities. Municipal associations of life underwriters are active in Des Moines, Sioux City, Council Bluffs, Davenport, Cedar Rapids, Mason City, Fort Dodge, Marshalltown, Waterloo, and Burlington.

Throughout Iowa, insurance is one of the major business interests, while Des Moines ranks well with the larger cities of Saint Louis and Minneapolis as one of the insurance centers of the Middle West. The extensive wealth of the East has developed large companies with great assets and many large policyholders in that region. But in the number of companies and in the relative amount of time and energy devoted to the insurance business, Des Moines is sometimes referred to as "a second Hartford". With seventeen life insurance companies located in Iowa and more than one hundred other companies doing business within the State, it is not strange that Iowa should be widely known for its life insurance, nor is it mere euphony to say that "Iowa is insured".

J. A. SWISHER