

ACCIDENTS AND ACCIDENT INSURANCE.

THE whole story of the progress of the human race is the record of a struggle to increase comfort, and to limit the consequences of misfortune or disaster, by some form of combination. This progress has often been delayed, interfered with, and even thwarted for a time, as greed and selfishness have for a brief period gained control, and short-sighted avarice has diverted to private profit the advantages that belonged to the whole body politic. But in spite of the outbursts of discontent which have from time to time shaken society, as one class or portion of the public has seen that it was getting less than its share of the increasing advantages which the years have brought, the general movement has been progressive; mankind has come closer and closer together, and the community of interests has grown, until many a disaster, which falling upon an individual would have crushed him to earth, is scarcely felt to be an annoyance when the many share it. Wherever a large number of individuals are alike exposed to danger of loss that can be measured in dollars and cents, there is an opportunity for the practical application of the form of this principle which we call insurance, for insurance is the sharing by the many of the loss which may occur at any moment to any one, and which must occur to some.

Yet the growth of insurance was very slow in spite of the fact that there was a kind of marine insurance in vogue among the Greeks and Romans from very early ages. In 1435 the magistrates of Barcelona passed an ordinance regulating marine insurance, which seems to have been then firmly established in very much its present form. From marine to fire insurance was the next natural step, though it was not taken until about two centuries later. If a number of merchants find it to their advantage to agree to share the loss which disaster at sea may bring to any one of them, several householders can as profitably unite in bearing the losses which a conflagration may inflict upon any of them. Early in the seventeenth century we find the first instances of fire underwriters, and the first regular fire-insurance office was opened in the city of London in 1681. Almost at the same time men began to reason that the same principle could be wisely and prof-

itably extended to the insurance of human lives; that every man's life has, or should have, a money value which may be insured in the same way as his house or his ship.

At first private individuals insured lives only for short, definite periods to cover exceptional hazards. In 1706 the first office for writing insurance on lives was opened in London, and twenty-eight years later was issued the first policy that promised a definite sum at death, whenever that might occur. During the next half century all kinds of wild and impracticable schemes were devised and put in operation under the name of insurance. One office was organized to insure against lying, and other insurance offices took all kinds of risks if only large enough premiums were offered. Risks were taken on the reduction of a foreign city in a given time, on the retention of a ministry in power, and on the results of criminal trials.

By 1760, however, the evils of this extravagance began to be recognized; the distinction between gambling and insurance was becoming clear to thinking men, who, recognizing the value of the one and the demoralizing effect of the other, brought about in England salutary legislation, establishing for all time the true principle that insurance can exist only when one is seeking to provide indemnity for a possible loss at least as great as the indemnity sought.

All men are exposed to accident, and the risk for professional and business men varies but slightly, while those engaged in more hazardous occupations are easily arranged in classes of a like degree of risk. The loss which threatens all, and which must befall some, is in one aspect a loss which can be measured in terms of dollars and cents. If only a large enough number of individuals of similar occupations be taken under similar conditions, the number of accidents which will occur in a given time is as easily calculable as the number of deaths per thousand, or the number of times that aces will come up in 10,000 throws of the dice.

It is a great wonder, in fact, that accident insurance in its present form was not sooner thought of, and that it has not a history of three or four hundred years, instead of less than fifty. Especially is this a matter of wonder, when we find that as early as 1541, merchants did sometimes insure the lives of the masters of their vessels against disaster at sea—a hint as to the possibilities of accident insurance which would certainly have borne fruit had the world been ripe for it. But the fact steadily won recognition that a prudent foresight involving careful attention to every possible contingency is an essential condi-

tion to business success, and that a failure to exercise such foresight, by one upon whom others are dependent, is criminal neglect. Men had learned to consider that a man lacked ordinary business prudence who was ruined, when house or property was swept away in flames, because he had neglected by fire insurance to divide the loss with so large a number of others as to make its burden more easily borne. And when men learned that disabling or fatal accidents are more than forty times as likely to befall them as fire is to destroy their buildings, they could not escape the conclusion that accident insurance is a necessity for the prudent; and the world was growing prudent.

The first accident-insurance company was organized in London, in 1845, to insure against railway accidents. Before the end of 1850, ten other companies were organized for the same purpose, but several of them soon ceased to exist. In 1849 the first general accident company was organized. This also was in London. It was the original intention of those having the project in hand to give insurance only against fatal injuries; but in 1850, before the company began to do business, its scope was enlarged, and its managers arranged to give weekly indemnity for disabling accidents, as well as indemnity for death by accident. In 1864 the first accident-insurance company in this country began its career, and continued to have a monopoly of the business, in spite of many efforts to organize competing companies, until 1877. Since that time accident insurance has steadily grown in popularity with the American public. A little more than three years ago the scope of accident insurance was enlarged. Until that time indemnity had been paid only when accidents resulted fatally, or for a limited number of weeks, not exceeding twenty-six, for totally-disabling injury. But an accident often leaves the victim permanently disabled, blind, or maimed, and the payment of a weekly indemnity for even a year is but a very partial reimbursement for the loss of earning power. A somewhat arbitrary list of indemnities for such misfortunes was devised and put into practice. The more common form of policy in "preferred" classes, that is, classes composed of professional and business men, was for \$5,000 in case of death by accident, with twenty-five dollars weekly indemnity in case of disabling injury. The holder of such a policy in any of the better accident companies finds himself, under this new arrangement, entitled to additional benefits about as follows: For an injury permanently disabling him from attending to business he is entitled to \$2,500; for the loss of two limbs, \$5,000; for the loss of the right hand or of

either foot, \$2,500; for the loss of the left hand, \$1,250; for the loss of one eye, \$650; for the entire loss of sight, \$5,000.

It is interesting to compare these figures with the rates of indemnity offered to the soldiers of Holland by the government during the war with England in 1665. These rates were: For the loss of both eyes, \$315; one eye, \$73; both arms, \$315; right arm, \$94; left arm, \$75; both hands, \$250; right hand, \$73; left hand, \$63; both legs, \$147; one leg, \$73; both feet, \$94; one foot, \$43. These rates were, so far as we know, the results of the first attempt to determine the value of the different members of the human body. Either such value has largely increased since that time, or the accident companies of to-day are inclined to pay more liberally than the republic of the United Netherlands.

The curious facts about accidents that have been classified from the experience of accident-insurance companies in many ways throw an interesting light on human nature and the habits of men. For instance, nineteen twentieths of all the accidents that occur to professional and business men are in no way connected with their occupations, but are such as all men are exposed to. Men of these classes are, of course, "preferred risks" in accident-insurance parlance. The "ordinary risks" include civil engineers, field surveyors, supervising architects, and others whose occupations are a trifle more hazardous than the "preferred." The "extra-hazardous risks" are such as buzz-sawyers, freight-train brakemen, miners, and electric-light workmen. A commentary on human nature is afforded by the fact that every man depreciates the risk of his peculiar calling. The car-coupler, the laborer on a construction train, or the electric-light line-man, is perfectly sure that there is no occupation safer than the one in which he is engaged. There are certain classes engaged in occupations so dangerous that no accident-insurance company can afford to insure them. The professional acrobat, the professional base-ball player, the circus rider, and the aëronaut cannot secure insurance. In only one form of accident insurance is no discrimination made as to occupation. The accident ticket, covering accident insurance for one day at a time, is sold at a rate so high that the companies issuing it can afford to give insurance even to the most hazardous of occupations. Twenty-five cents a day seems a small sum, but it is equivalent to \$91.25 a year for \$3,000 accident insurance.

There is a popular impression that accidents tend to occur in groups as regards both time and place—an impression that is to a cer-

tain degree justified by observation. The accidents that do so occur, are, however, almost always the results of neglect or carelessness. We read in the spring of the year of the derailing of a train by the spreading of the rails, and before the news is old another similar accident is reported. The careful observer might have predicted a group of such accidents before the first occurred. The frost had just left the ground, and the railroad companies in the less thickly settled portions of the country had not yet made their lines safe for the season. Thus, before the first accident had time to work its result in increased precautions, it was followed by others.

To the question as to when, where, and how accidents occur, the only general answer that can be given is: When they are least expected. The commercial traveller who insures because he is exposed to danger while on the rail, draws indemnity for an injury received while winding a clock. The dentist who endeavors to protect himself against possible personal injury while using his tools, is disabled by a cinder in his eye. It is to be noted, however, that more accidents in proportion to population occur in the South, the Southwest, and the West than in the northern, the middle, and the eastern States. The older and more closely-settled portions of the country are the safer ones. As to times and seasons, mid-winter, with its icy sidewalks, and mid-summer, with its great variety of outdoor occupations, are especially prolific of accidents. The most common form of accident is a fall. During the year ending April 20, 1891, there were reported at police headquarters in the city of New York, 5,223 accidents resulting in serious or fatal injuries; and 3,086 of these were the results of falls. Of 12,422 claims paid by one accident company, 4,814 were for injuries received from falls.

The statistics of one large company show that one is two-and-a-half times as likely to meet with a fatal accident as to lose limb or sight accidentally; that one is as likely to lose an eye as a foot, and two-thirds as likely to lose an eye as a hand. These results are not surprising, but it is difficult to understand why one is eighteen times as likely to lose the left hand as the right hand, and more than five times as likely to lose the left foot as the right.

The extent to which public attention has been directed to accidents is shown by the fact that during the year 1890 more than \$3,300,000 was paid by accident-insurance companies in the United States to those who had met with disabling accidents, or to the beneficiaries of those who had met with fatal accidents.

Though accident insurance had to wait for the growth of a spirit of prudent foresight in the world, it has, in the fifty years of its existence, done much to develop such a spirit. The mere existence of corporations organized for such a purpose keeps before the public the necessity of some provision against casualties; and a provision against one form of possible future misfortunes naturally tends to make the insurer more thoughtful of the future in other directions. Evidence of this effect of accident insurance finds abundant testimony in the observations of all those who are conversant with the business. The mere fact of carrying accident insurance makes the holder of the policy less likely to meet with an accident. Nor is this, as has sometimes been supposed, a mere superstition. It is what might be expected. A certain proportion, and quite a large proportion, of accidents result from the carelessness of the victims. If in any way the attention of a man be called beforehand to the liability of the accident, by that very fact an accident is less likely to happen. And the possession of an accident policy, the paying for protection against accidental injury, must call attention to its possibility and lessen its probability.

Accident insurance, which thus so educates the public as to lessen the liability of accident through one's own carelessness, may in time, in the same way, lessen the frequency of those accidents that happen through the carelessness of others; but even when both these classes of accidents cease, there will remain still other chances for disaster; for we are exposed to-day to very many forms of accident unknown to our fathers. The first accident-insurance company was organized less than fifty years ago, to meet the new danger of accident which had come with the introduction of the railroad. Now the various and continually multiplying uses of steam and of electricity are surrounding us with a thousand dangers which not only were unknown to our fathers, but which were strange to the boyhood and to the early manhood of those who have hardly reached middle age.

But accident insurance does more than simply to distribute the loss resulting from calamities. It is no mean factor among the actual productive agencies of the age. In this day of sharp competition, of rivalry between keen business men, the man who is to prove himself able to do something for the world must be as free as possible from everything that hinders the free exercise of every faculty. Every possible annoyance, every haunting doubt about his own future or the future of those dependent upon him, lessens his ability to do his work,

and increases the chance of failure. Accident insurance has done and is doing for thousands to-day just what no other agency could accomplish in this respect, and is thus making the work of men more successful for themselves and more valuable for the world; and its growth shows that it is yet only in its infancy. One of the distinguishing characteristics of modern business life is the necessity of certainty in calculations about the future. The man of affairs plans his various business operations as a general plans the movements of an army. He must know exactly what he will be doing at any given place and time, in order that his whole plan may not come to failure through some unforeseen contingency. There must be no unforeseen contingency.

JAMES R. PITCHER.

WRITERS AND SUBJECTS IN THE SEPTEMBER FORUM.

An American Boys' School—What it Should Be. **THEREV. DR. HENRY A. COIT**, Rector of St. Paul's School, Concord, N. H.—The proper co-ordination of the forces and influences that go to the ideal training of a lad, sound in body and in mind.

The Rev. Dr. HENRY AUGUSTUS COIT (born January 20, 1831) was educated at College Point, N. Y., and at the University of Pennsylvania. In 1866, he was chosen rector of the famous St. Paul's School for Boys at Concord, N. H., a post that he has held ever since. He has published many sermons and addresses, and recently a volume of Reminiscences, chiefly of men who were trained at St. Paul's School.

Ideals of the New American University. **PRESIDENT DAVID STARR JORDAN**, of the new Leland Stanford, Jr., University, California.—The opportunity to establish an American university unhampered by traditions; what are the essentials of a real university; and what are traditional hindrances and superfluities.

PRESIDENT DAVID STARR JORDAN was born at Gainesville, N. Y., January 19, 1851; he was graduated at Cornell University in 1872, and at the Indiana Medical College in 1875. In 1879 he became Professor of Biology in The Indiana University of which he was subsequently chosen President. He resigned in 1890 to accept the presidency of the newly-founded Leland Stanford, Jr., University in California. He has written much on natural history and is the author of "Manual of the Vertebrates of the Northern United States" (1876).

Technological Education in the United States. **PROF. H. W. TYLER**, of the Massachusetts Institute of Technology.—A review of the growth and usefulness of scientific and industrial schools and their effect on our educational development.

PROFESSOR HENRY W. TYLER was born at Ipswich, Mass., April 16, 1833, and was graduated at the Massachusetts Institute of Technology, Boston, in 1854, and at Erlangen, Bavaria, in 1859. Since that year he has been an instructor in the Massachusetts Institute of Technology, and in 1890 he was made assistant professor of mathematics.

A Review of the Higher Education of Women. **ALICE FREEMAN PALMER**, lately president of Wellesley College.—The record, so far, of the co-educational colleges, of the women's colleges, and of the women's "annexes" to universities.

MRS. ALICE FREEMAN PALMER was born at Colesville, Broome Co., N. Y., February 21, 1855; she was graduated at the University of Michigan in 1876. In 1879 she became professor of history at Wellesley College, and in 1882 she was chosen president of that institution. She held this post until 1888, when she resigned and was married to Prof. Palmer, of Harvard University. Mrs. Palmer is a member of the Massachusetts Board of Education, and she has written and lectured often on educational subjects.

Physical Hindrances to Teaching Girls. **MISS CHARLOTTE W. PORTER**, Principal of "The Elms" school for girls, Springfield, Mass.—The serious difficulties that the social life and habits of rich girls present to the teacher; the remedy.

MISS CHARLOTTE W. PORTER, who is a great-granddaughter of Jonathan Edwards, was born in Old Hadly, Mass., in 1840. She was educated at Hopkins Academy, Hadly, Mass., and at Farmington, Mass. In 1866 she began to teach girls at Hadly, and she removed her school to Springfield in 1881.

The Farmer's Isolation and the Remedy. **JOHN W. BOOKWALTER**.—What coöperation might do; a description of Western farm-life, with reminiscences; an analysis and a remedy.

MR. JOHN W. BOOKWALTER was born in Indiana and lived on a farm till his twenty-third year, when he removed to Springfield, Ohio, and engaged with James Lefel in the manufacture of turbine water-wheels and became a large manufacturer of machinery. Mr. Bookwalter has long been a thorough student of economics, especially of the production and distribution of food products; and he has written much for economic journals both American and European.

The Growth and Triumph of Wagnerism. **HENRY T. FINCK**.—The increase of Wagner performances in every cultivated country; a financial as well as an artistic measure of triumph.

HENRY THROPHILUS FINCK was born in Bethel, Shelby Co., Maine, September 22, 1854; he was graduated at Harvard University in 1876; and after studying in Germany he devoted himself to journalism in New York, chiefly as musical critic on the staff of *The Evening Post*. He has been one of the chief champions of Wagner in this country. Mr. Finck is the author of "Romantic Love and Personal Beauty," "Wagner and Other Musicians," etc., etc.

Authors' Complaints and Publishers' Profits. **GEORGE HAVEN PUTNAM**.—The details of publishing arrangements; what a fair division is of risks and of profits.

MR. GEORGE HAVEN PUTNAM was born in London, April 2, 1844. He was educated at Columbia College, New York, and at Göttingen. After service in the Civil War he became a publisher in New York, and he is now at the head of the firm of Messrs. G. P. Putnam's Sons, which was founded by his father. He has been an active advocate of international copyright, and has written much on this and kindred subjects. He is the author of "Authors and Publishers" (1882) and of "The Question of Copyright" (1891).

The Government of the United States in Account With the Tax-payers. **EDWARD ATKINSON**.—A simplification of the table of receipts and expenses of the Government; how the income from the taxes on tobacco and spirits meets the whole normal expense of the Government.

MR. EDWARD ATKINSON, one of our most voluminous and most widely-read writers on a wide range of economic topics, was born in Brookline, Mass., February 10, 1827. He is President of the Boston Manufacturers' Mutual Fire Insurance Company, which wrought a revolution in the construction and security of manufacturing buildings; and he is the inventor of the "Aladdin Oven." His numerous works include "The Collection of Revenue," "The Railroads of the United States," "The Railway and the Farmer," and "The Distribution of Profits."