1847

Proceedings of the Celebration

of the

Fiftieth Anniversary

of

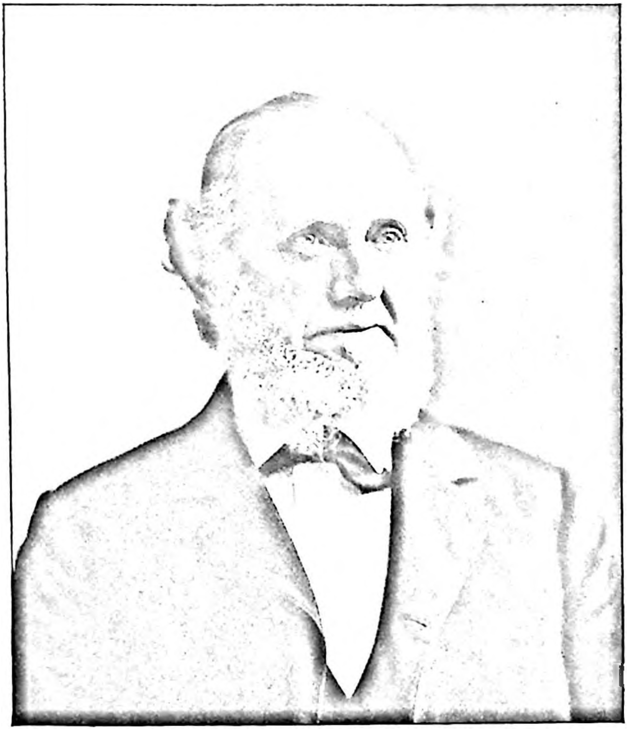
The Penn Mutual Life Insurance Company

of Philadelphia.

1897

Robert D. Rehborn.

17/1/1931



President, EDWARD M. NEEDLES.

PROCEEDINGS

OF THE

Celebration of the Fiftieth Anniversary

OF THE

PENN MUTUAL LIFE INSURANCE COMPANY

OF PHILADELPHIA

HELD AT PHILADELPHIA

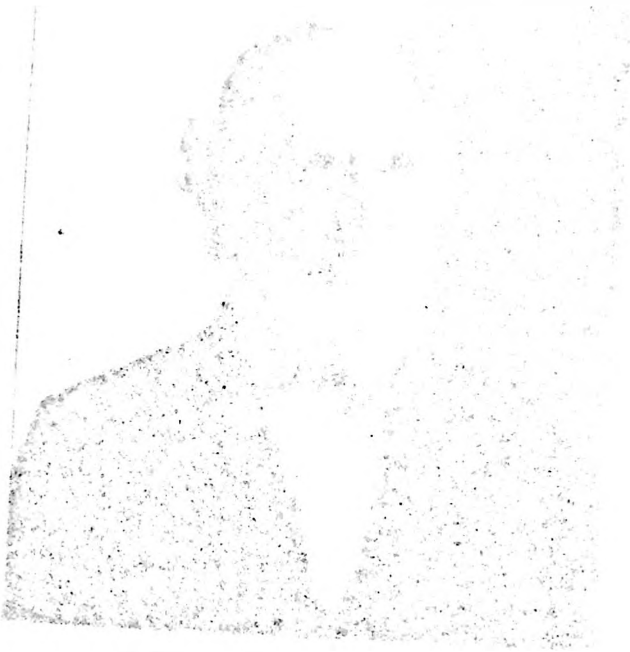
Tuesday, Wednesday, Thursday and Friday, May [illegible]

With Report of the Committee on Celebration, and Greetings of the Press.

ILLUSTRATED.

SECOND EDITION, NOVEMBER, 1897.

PHILADELPHIA:
Published by The Penn Mutual Life.



PROCEEDINGS

OF THE

Celebration of the Fiftieth Anniversary

OF THE

PENN MUTUAL LIFE INSURANCE COMPANY

OF PHILADELPHIA.

HELD AT PHILADELPHIA,
Tuesday, Wednesday, Thursday, and Friday, May 25-28, 1897.

With Report of the Committee on Celebration,
and Greetings of the Press.

ILLUSTRATED.

SECOND EDITION, NOVEMBER, 1897.

PHILADELPHIA:
Published by THE PENN MUTUAL LIFE.

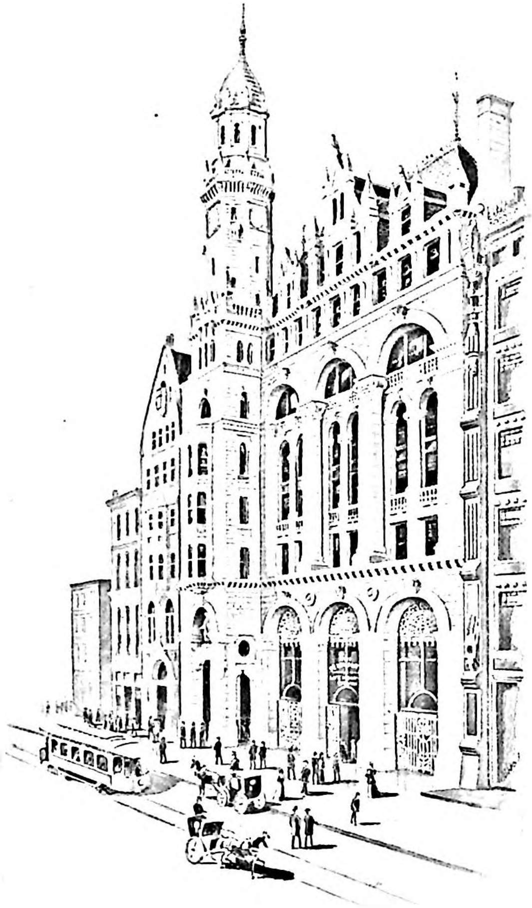
Committee on Celebration
Fiftieth Anniversary.

HARRY F. WEST, *Chairman*.

EDWARD M. NEEDLES,
JAMES O. PEASE,
ELLWOOD JOHNSON,
WILLIAM H. RHAWN,
BENJAMIN ALLEN,
NOAH A. PLYMPTON,
GEORGE K. JOHNSON,
AARON FRIES,

HENRY C. LIPPINCOTT, *Secretary*,

Press of
Patterson and White,
Phila., Pa.



THE PENN MUTUAL LIFE INSURANCE COMPANY
of Philadelphia.
Home Office: 921-3-5 Chestnut Street.

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PARTICIPANTS

IN THE PROCEEDINGS OF THE SEMI-CENTENNIAL
OF THE

Penn Mutual Life Insurance Company

OF PHILADELPHIA.

Held at Philadelphia, May 25, 26, 27 and 28, 1897.

The several meetings of those who participated in the proceedings intended to commemorate the Fiftieth Anniversary of the company, were held in Mercantile Library Hall, May 25, 26 and 27, at Washington Park, N. J., on the afternoon of May 26, at the Union League, Philadelphia, on the evening of the 27th, and at the Hotel Walton on the evening of the 28th. The attendance embraced the guests of the company, mainly its general agents and insurance journalists, but was inclusive of all the Trustees and officers of the company, managers and heads of departments, and many of the older clerks.

The several classes named are set out in their order in the following alphabetical arrangement, the home addresses being given:

AGENTS.

Tracy L. Acosta..Jacksonville, Fla.
George M. Andrews..................................Woodstown, N. J.
H. C. Bagley..Atlanta, Ga.
George L. Bahl...Jacksonville, Fla.
Darwin Barnard..Boston, Mass.
Franklin Barnard..Boston, Mass.
Ed. D. Barrett...Philadelphia, Pa.
A. L. Beavers...High Bridge, N. J.
George Benham...St. Louis, Mo.
James C. Biggert..Pittsburg, Pa.

Pleasant Bond..Indianapolis, Ind.
Edward Bourne..Scranton, Pa.
O. S. Bowman..Branchville, N. J.
John F. Brown..Clarion, Pa.
G. E. Brown..Brookville, Pa.
T. Janney Brown..Washington, D. C.
John F. Brown..Erie, Pa.
George A. Brown..Lock Haven, Pa.
W. E. Brown..Fort Worth, Texas.
Joshua Bullock..Quakertown, Pa.
William M. Bunting..Boston, Mass.
William C. Butterfield..Philadelphia, Pa.
J. Hervey Clarke..Philadelphia, Pa.
Meyer Cohen..Washington, D. C.
Martin Collin..Philadelphia, Pa.
John E. Colt..Northumberland, Pa.
A. G. Compton..West Chester, Pa.
J. L. Costello..Bradford, Pa.
F. B. Cresswell..Ottumwa, Iowa.
Ezra De Forest..New York, N. Y.
Charles O. Dewey..Brooklyn, N. Y.
Frank H. Downer..Albany, N. Y.
Daniel Duffy..Pottsville, Pa.
W. H. Dunkin..Charleston, S. C.
J. Edward Durham..Allentown, Pa.
J. W. Eckenrode..Lancaster, Pa.
W. M. Eckenrode..York, Pa.
Eugene F. Enslen..Birmingham, Ala.
Clark Fairbank..Fort Wayne, Ind.
John R. Fell..New Orleans, La.
W. O. Ferguson..Evansville, Ind.
George French..North Adams, Mass.
Daniel O. Gehr..Chambersburg, Pa.
Charles W. Gould..Philadelphia, Pa.
C. Z. Gould..Omaha, Neb.
J. A. Goulden..New York, N. Y.
Maurice E. Goulden..New York, N. Y.
Egbert F. Guy..Davenport, Iowa.
I. C. Guy..Los Angeles, Cal.
Cunningham Hall..Richmond, Va.
Dana G. Hall..Portland, Me.
A. S. Hallman..Norristown, Pa.
E. L. Harmon..Portland, Ore.
Joseph H. Harrison..Denver, Col.

Meyer Harrison..Denver, Col.
Edward H. Hart..................................San Francisco, Cal.
Isaac Hartshorne......................................Brighton, Md.
I. T. Heard..Augusta, Ga.
C. Fred. Henking.................................San Diego, Cal.
Fred. E. Hodge......................................Portland, Me.
George F. Huff...................................Greensburg, Pa.
J. W. Iredell, Jr................................Cincinnati, Ohio.
John M. Justice................................Philadelphia, Pa.
Samuel H. Kasley..............................Wheeling, W. Va.
F. A. Kendall.....................................Cleveland, Ohio.
Nathan Kendall..................................Cleveland, Ohio.
W. H. Kingsley.................................Philadelphia, Pa.
John A. Kinney...................................St. Joseph, Mo.
M. R. Knapp...Gwynedd, Pa.
Samuel M. Knox..............................Wilmington, Del.
Harry C. Kramer......................................Camden, N. J.
J. S. Land..Columbia, S. C.
W. W. Light..Reading, Pa.
William L. Lott....................................Columbus, Ga.
Jerome Lynch...Scranton, Pa.
W. W. Macomber......................................Chicago, Ill.
Daniel H. Mahony............................Philadelphia, Pa.
S. L. Martindale...Oxford, Pa.
Louis J. Miller...................................Huntingdon, Pa.
Shelley F. Miller..................................St. Joseph, Mo.
J. W. Mish..Lebanon, Pa.
Clyde J. McCary......................................Chicago, Ill.
J. S. Ostrander.....................................Richmond, Ind.
Edward Packard...............................Philadelphia, Pa.
Charles H. Peabody........................Chattanooga, Tenn.
A. C. Phelps..Sumter, S. C.
H. J. Philips.....................................Philadelphia, Pa.
Henry I. Pineo.......................................Duluth, Minn.
John H. Post.................................New Haven, Conn.
Joseph W. Pressey..............................Rochester, N. Y.
D. E. Pursell..................................Mauch Chunk, Pa.
R. B. Raney..Raleigh, N. C.
Percy C. Ratliff..............................Birmingham, Ala.
M. E. Ridley...................................Chattanooga, Tenn.
James A. Robertson...................................Newark, N. J.
George L. Root..Peoria, Ill.
C. H. Rumsey................................Des Moines, Iowa.
S. A. Stockwell..............................Minneapolis, Minn.

Louis M. Sacrey....................Philadelphia, Pa.
E. L. Seabrook....................Camden, N. J.
Julian Schley....................Savannah, Ga.
W. H. Sherman....................Nashville, Tenn.
C. W. Sherman....................Portland, Ore.
C. S. Shindel....................Tamaqua, Pa.
S. S. Shryock....................Shippensburg, Pa.
W. W. Skidmore....................Montclair, N. J.
Calvin S. Smith....................Chicago, Ill.
Harry J. Stewart....................Philadelphia, Pa.
W. H. Stinespring....................Lafayette, Ind.
S. A. Stockwell....................Minneapolis, Minn.
Charlie Thaw....................St. Louis, Mo.
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George Wahl....................Scranton, Pa.
C. W. Wainwright....................Norristown, Pa.
A. A. Walker....................Montgomery, Ala.
T. L. Wallace....................Harrisburg, Pa.
G. A. Watkins....................Detroit, Mich.
John G. Webb....................Louisville, Ky.
Charles A. Weidner....................Chester, Pa.
R. E. Wight....................Syracuse, N. Y.
Thomas J. Williams....................Albany, N. Y.
W. H. Wilmot....................Lambertville, N. J.
Adolph G. Wolf....................Washington, D. C.
Simon Wolf....................Washington, D. C.
Granville Worrell....................St. Paul, Minn.
F. X. Ziegler....................Columbia, Pa.

Insurance Journalists.

E. A. Weston...................."The Chronicle," New York.
St. George Kempson...................."The Insurance Journal," New York.
Franklin Webster...................."The Insurance Press," New York.
A. E. Harrell...................."The Chronicle," New York.
Henry R. Hayden...................."The Weekly Underwriter," New York.
Charles D. Lakey...................."Insurance," New York.
J. H. C. Whiting........"American Exchange and Review," Philadelphia.
Clifford Thomson...................."The Spectator," New York.
R. R. Dearden...................."United States Review," Philadelphia.
Dr. J. A. Fowler........"American Exchange and Review," Philadelphia.
B. P. Tillinghaste...................."Insurance Record," New York.
Warren Hayden...................."The Insurance Journal," Hartford, Conn.
C. A. Jenney...................."The Weekly Underwriter," New York.

W. H. Livingston	"Insurance and Commercial Magazine," New York.
R. R. Dearden, Jr.	"United States Review," Philadelphia.
F. C. Oviatt	"Philadelphia Intelligencer," Philadelphia.
J. Harman Ashley	"Insurance Advocate," New York.
P. J. Hanway	"The Vigilant," New York.
E. N. Hopkins	"Underwriters' Review," Des Moines, Iowa.
H. E. Roberts	"The Surveyor," New York.
A. J. Flitcraft	"Life Insurance Courant," Oak Park, Ills.
F. A. Durham	"Underwriters' Review," Des Moines, Iowa.
H. C. Sommers	"Insurance Opinion," New York.
E. O. Howell	"Insurance Register," Philadelphia.
H. H. Putnam	"The Standard," Boston, Mass.

Trustees.

Officers, Heads of Departments and Home Office Employees.

(May 25, 1897.)

Paul Alexander....Secretary's Department.
R. M. Baldwin....Supervisor's Department.
Jesse J. Barker....Actuary.
Fred E. Belden....Vice-President's Department.
H. L. Benerman....Actuary's Department.
J. W. Beyer....Supervisor's Department.
Frank G. Brown....Vice-President's Department.
Henry C. Brown....Secretary and Treasurer.
F. D. Bond....Actuary's Department.
Paul L. Bonner....Vice-President's Department.
C. L. Bordner....Comptroller's Department.
Esher L. Burkart....Supervisor's Department.
J. W. Clegg....Secretary's Department.
Chas. C. Collins....Secretary's Department.
T. E. Combs....President's Department.
Joseph M. Conover....President's Department.
James W. Davis....Supervisor's Department.
Henry A. Dewey....Vice-President's Department.
Geo. E. Dixon....Comptroller's Department.
Wm. H. Doubler....President's Department.
T. J. Dunn....Supervisor's Department.
J. Nelson Farrell....Vice-President's Department.
P. K. Frowert....Medical Department.
H. P. Gardner....Secretary's Department.
Frederic H. Garrigues....Vice-President's Department.
Robert C. Geddes, Jr....Vice-President's Department.
Harrison S. Gill....Supervisor's Department.
Albert G. Greene....Supervisor's Department.
H. D. Groff....Supervisor's Department.
Charles Hall....Secretary's Department.
Henry H. Hallowell....Assistant Secretary and Treasurer.
John W. Hamer....Manager of Loan Department.
James A. Hill....President's Department.
Alexander Hillary....Actuary's Department.
H. Voorhees Hogeland....Vice-President's Department.
R. G. Holt....President's Department.
T. L. Howard....Janitor.
J. Willson Howell....Supervisor's Department.
John Humphreys....President's Department.
Ralph Humphreys.... City Agency Department.

Lewis A. Irons............................Vice-President's Department.
J. H. Jefferies............................Vice-President's Department.
George C. Johnson............................Actuary's Department.
William F. Kane............................Actuary's Department.
Ernest R. Langish............................Secretary's Department.
Jacob Leithmann ....Comptroller.
C. H. Lemaistre............................Actuary's Department.
Henry C. Lippincott .... Manager of Agencies.
F. Logo............................Vice-President's Department.
Allen M. Long............................Actuary's Department.
R. C. Longstreet............................Supervisor's Department.
W. McBride............................Actuary's Department.
John J. McCloy .... Supervisor of Applications and Death Claims.
Henry H. Marot............................Auditor of Agents' Accounts.
J. A. Merrill............................Actuary's Department.
R. L. Mishler............................Secretary's Department.
G. S. Moffett............................President's Department.
F. T. Moore............................Vice-President's Department.
M. McA. Moore............................President's Department.
H. E. Moyer............................Medical Department.
Edward M. Needles............................President.
James P. Nichol............................Vice-President's Department.
Walter J. Osborne............................Actuary's Department.
George Patterson............................Vice-President's Department.
Robert M. Patton............................Comptroller's Department.
W. K. Pedrick............................Actuary's Department.
George Perkins............................Supervisor's Department.
George Petry............................Actuary's Department.
Howard Powel............................Vice-President's Department.
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John L. Rogers............................Secretary's Department.
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C. F. Shandrew............................Comptroller's Department.
W. B. Shick............................Medical Department.
Francis W. Slaughter............................Actuary's Department.
S. A. Smith............................Secretary's Department.
George A. Snowden............................Comptroller's Department.
Louis W. Steeble............................President's Department.
Otto S. Steeble............................Supervisor's Department.
Horatio S. Stephens............................Advisory Officer.
L. H. Stephens............................Superintendent of City Agency.
H. Toulmin............................Medical Examiner.

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Robert M. Watt..................................Actuary's Department.
Lewis H. Wehner..............................Supervisor's Department.
Harry F. West..Vice-President.
J. G. Whitesides................................Actuary's Department.
Peter T. Wright.................................Actuary's Department.
Clarence R. Wynne............................Secretary's Department.
A. G. Ziegler...............................Vice-President's Department.

INTRODUCTORY.

Jno. W. Hornor, Founder.

The Trustees of the Penn Mutual Life Insurance Company of Philadelphia have thought well to place in permanent form a record of the proceedings incident to the celebration of the Fiftieth Anniversary of its entrance upon business life, which occurred May 25, 1897; and this record is prepared under the supervision of the committee having in charge the arrangements for such celebration, consisting of the President and Vice-President of the company and the chairmen of the various standing committees. The report of this committee, appearing on pages 188–192, in general terms alludes to the principal features of the celebration; to the interest manifested by all the participants; to the thoughtful character of the various addresses made; to the spirit of loyalty shown by the representatives of the company; to the widespread and favorable notice received from the general press and from insurance newspapers; and to the salutary influence which such celebration may be expected to exert upon the future of the institution—an influence already felt in an increased volume of business, and promising much through the better equipment of the company's agents, which was one immediate result of the series of meetings held.

Necessarily brief as this report is, it could only in the barest outline convey such information to the Board of Trustees touching the proceedings and incidents of the celebration as would give a just understanding thereof, or enable non-participants to properly estimate the intelligent comprehension of life insurance, in its many varied phases, shown by those engaged in the diffusion of its

Henry C. Townsend.

blessings, nor how great the anxiety to have it in all things conform to the highest principles of justice, so that in its administration each should have all he pays for, but no more. To the addresses themselves, to the various discussions, to the searching questions and the full replies must we turn for evidence of those things which certify to the qualifications of those who have taken upon themselves the work of life insurance. In these we find something more. It does not suffice that one should know the right; with knowledge comes the responsibility of doing the right, and it is a source of sincere gratulation that, judged by words and acts, all associated in the management of the Penn Mutual are imbued with a lofty purpose commensurate with the trust-relationship which they occupy, and which is essential to the righteous conduct of a life insurance company.

Stenographers were engaged so that a complete report could be secured, and the various addresses, colloquies, discussions, etc., are taken from their notes with scarcely an alteration, except where necessary to preserve the meaning intended, so that as printed herein the report is accurate. Those addresses which were reduced to writing before their delivery are so named, while those which were impromptu or extemporaneous are designated as speeches. Where uncertainty existed as to phraseology or the intention of the speaker he has been consulted. A table of contents has been prepared, which, to a degree, may be of service, but opportunity has been absent for anything like an analysis of the views or recommendations of the speakers. An effort has been made to indicate the topics under consideration so that ready reference thereto may be had.

It has seemed desirable in this connection to present a brief sketch of the company whose Fiftieth Anniversary was deemed


President Daniel L. Miller.

worthy of a public and spirited celebration continuing throughout several days:

That thoughts are things, and always precede action, was shown in the founding of the Penn Mutual Life Insurance Company of Philadelphia. In the year 1845 John W. Hornor undertook to bring to Philadelphia what he conceived to be the highest expression of mutual life insurance, a knowledge of which had been derived from a study of the English companies, some of which had existed for nearly a century prior to this date. He associated with him a number of leading merchants and professional men. His chief coadjutors in the formation of the company were William Martin and Henry C. Townsend. To the latter was entrusted the preparation of a proposed charter, and his admirable work in this direction found expression in the charter granted by the Legislature of the State of Pennsylvania, February 24th, 1847. It is a remarkable fact that Mr. Townsend's connection beginning then has been continuous through all of fifty years as the counsel of the company. Mr. Hornor was enabled to begin business at No. 91 Walnut Street, Philadelphia, on May 25th of that year, having meanwhile secured a sufficient number of applications for insurance to comply with the provisions of the charter. Preliminary to this, however, Daniel L. Miller was elected President March 1, 1847, and a board of twenty-seven trustees was chosen, embracing some of the most responsible and influential merchants and business men of the city.

The plans of insurance adopted were few in number, mainly what are known as the "ordinary life" and the "term" policies, and were modeled after those in use by stock organizations, except that a system of note or credit settlements was adopted. The basis for the premium charge was the Carlisle rates, with some additions

President James Traquair.

for term policies and loading for expenses more than sufficient to meet any ordinary contingency. The trustees were elected by direct vote of the policyholders, the number of votes allowed each being contingent upon the amount of his cash premium. Progress was very slow during the earlier years. The first statement which was made, December 31, 1848, covering a period of nineteen months, showed receipts of $44,158.03; the payment of the first death loss of $5000 on the life of William B. Cooper, and total disbursements of $12,301.01, leaving a balance in the treasury of $31,858.02. There had been issued to this date but 418 policies, of which 379 were then in force. There was declared a scrip dividend of 80 per cent. upon the receipts named, and for several years there were similar declarations.

Toward the close of 1849, during which year the receipts had approximated $75,000, the company purchased the property at the northeast corner Third and Dock Streets, and set about the erection of the first iron building in the city of Philadelphia, to which removal was made in April, 1851. The first traveling agent of the company, Rodolphus Kent, had been appointed in 1850, but it was not until February 18th, 1851, that medical examiners were regularly employed by the company. At this date the eminent physicians Dr. Edward Hartshorne and Dr. Francis Gurney Smith were employed at a salary of $200 each. Business came slowly, and it was not until the close of 1854 that the assets of the company exceeded a half million dollars. Throughout these years the trustees annually declared dividends in scrip, ranging from 25 per cent. to 80 per cent. of the cash premiums of the prior year, and this scrip was available after a three years' interval in payment of premiums. In September, 1859, however, a considerable surplus having been accumulated an extra dividend of 15 per cent. was declared on all


Vice-President Horatio S. Stephens.

policies then in force, this dividend being calculated upon the gross premiums paid by each from the beginning of the company. This measure was regarded as the best recognition yet devised of the rights of policyholders to existing surplus, and foreshadowed the contribution system of apportioning dividends later adopted.

By December of this year such progress had been made, the income now being in the neighborhood of $250,000 with a surplus on the work of the year of nearly $170,000, that the large property at 921–3 Chestnut Street was purchased at a cost of $55,000, and after some improvement removal thereto was effected August 27, 1860. At the close of 1861 there were 1870 policies in force, insuring $4,609,711. The assets were for the first time in excess of a million dollars, being $1,071,128.02, and the aggregate losses paid were $434,817.00.

On January 17th, 1862, President Miller resigned and James Traquair succeeded to the position. At the same date Mr. Hornor was advanced to the position of Assistant Vice-President and Actuary, and Horatio S. Stephens was elected Secretary. At the close of 1864 the assets reached the sum of $1,376,435.32, and the volume of new business was in excess of a million yearly. A special reserve fund was created this year. There was a rapid increase in volume of business transacted, so that in December, 1869, the assets were $3,024,471.94, and the receipts closely approximated a round million of dollars.

On January 11th, 1870, Samuel C. Huey was elected President to succeed Mr. Traquair, and during the year the charter of the company was amended permitting the return of surplus premiums in the form of cash instead of scrip; also to require policyholders to present their votes in person. The total insurance in force was

President Samuel C. Huey.

$22,774,896. The assets reached the sum of $3,492,295.88. On December 6th of this year the half cash and half note premium was discarded as to future business.

The statement of the year ending December 31, 1873, shows total receipts of $1,281,497.16, and payments to policyholders of $659,-984.54. The assets were now $4,-427,996.96; the liabilities, $3,738,-462.43, and the net surplus was therefore $689,534.53. On May 24th of this year the death of John W. Hornor occurred. He had been exactly twenty-six years in the service of the company, and the trustees by resolution spread upon their minutes, certified that Mr. Hornor "was a man of constant labor and inflexible disposition, energetic and untiring in his duties, firm and devoted in his purpose and unswerving in vindication of whatever he believed would strenghten and redound to the common interests of the company."

In January, 1876, the exhibit presented to the trustees by the officers was a particularly favorable one. The new issues of the preceding year reached the sum of $6,412,988, and the insurance in force was $28,389,243, showing a gain of nearly 50 per cent. of the total new issues. Following the hard times in the year 1877 the amount of new insurance written declined somewhat. At the beginning of 1879 the situation was more encouraging and some gains were made in that year.

Samuel E. Stokes, who had been first elected as Trustee in 1847 and elected Senior Vice-President in 1851, died August 16th, 1879.

In January, 1880, Edward M. Needles was elected Vice-President, and the work of the year showed favorable results. There was a substantial increase in insurance in force, and in assets, and a gain of something over $128,000 in net surplus.

On January 21, 1884, Vice-President Stephens, elected to that office in January, 1873, was congratulated by the agents of the company upon his administration of the department, and presented with a valuable service of silver, together with an elaborate testimonial touching the discharge of his duties.

In January, 1885, new forms of policies were issued by the company, in which the limits of residence and travel were enlarged and regulations as to suicide and indisputability were embraced. The board after consideration, and with a view to admitting old members to the additional privileges now proposed for new entrants, adopted the following: "*Resolved*, That on and after the first day of January, 1888, all members insured under policies then in force issued by this company prior to January 1, 1885, be, and they are hereby declared, entitled to all the provisions or advantages as to suicide, residence, travel and employments embraced in the new forms of policies now issued by this company."

The total income was now $2,370,213.00, and payments to policyholders $1,342,007. The new business written reached $8,430.635, and the total insurance outstanding was $47,989.223. The assets were $10,338,654, and the surplus, on 4 per cent. basis, was $1,370,751.

On February 11, 1886, Samuel C. Huey, then President of the company, died at Enterprise, Fla. His associates placed upon the minutes a tribute of respect, of which the following is an extract: "We have lost an officer whose recognized position as a representative Philadelphia merchant materially assisted in obtaining for the company that confidence of the community so essential to its success, and whose devoted personal attention to its active management for thirty-five years has aided in establishing its reputation and securing its great prosperity. * * * In his decease the company has lost an intelligent, experienced, upright, and faithful officer, who brought to the discharge of his onerous duties great energy, good judgment, and strict integrity of character; and the officers and trustees have lost a personal friend endeared to them by long and intimate association."

On March 2, 1886, Vice-President Needles was unanimously advanced to the position of President of the company, his long connection with which and familiarity with the principles and methods of the business eminently qualified him for the office. On April 6th of this year the company decided to insure the lives of women "upon the same terms and conditions as it insured the lives of men."

On December 31, 1891, five years after Mr. Needles had assumed the management of the company, the total income had advanced to $5,001,508; total payments to policyholders were $2,312,043. The new business written was $25,712,781.00, while the insurance outstanding had advanced to $103,753,521. The assets had grown to $18,431,984.00, and the surplus reached the sum of $2,383,636. During this period the new building at 921–3–5 Chestnut Street had been erected, and was occupied on November 27, 1890.

The years '92–'95 exhibited considerable progress in every important detail. The work of '93 and '94 was not particularly large; but notwithstanding the depressing business conditions, substantial gains were made. In 1895, however, there were large gains in income, assets, insurance in force, surplus, etc. In May, 1895, Vice-President Stephens resigned on account of age and failing health, but continued in the service of the company in an advisory capacity. Harry F. West was elected to fill the vacancy, and entered upon the duties of his office July 1, 1895. Encouragement was given to every department to put forth its best efforts, and the result was shown by large additions to income and to the surplus of the company, the volume of new business transacted considerably exceeding that of the year 1894.

The work of 1896, on the agency side, showed an increased new business larger by 728 policies for $1,442,048, than was obtained in 1895. The volume of insurance in force was advanced to $134,594,870, the gain being something in excess of $4,448,000. On the financial side there was shown an increase in income, the total reaching $6,959,739.41. The payments to policyholders amounted to $3,606,082, while there was added to reserve $1,949,876.00. The gross assets had advanced to $29,405,529.08, and the surplus was shown to be $3,594,126.79.

On April 7th, 1897, President Needles tendered his resignation to the Board of Trustees to take effect July 1st. Strenuous efforts were made by the trustees and others to induce him to reconsider his decision, and it was not at once accepted. Mr. Needles, however, desired to be free from the responsibilities and vexations of official life, and the resignation was finally accepted, with the understanding that his counsel would yet be given to the company in the position of trustee.

Following this resignation Vice-President West was unanimously chosen to succeed Mr. Needles, to assume the duties of the presidency July 1st. George K. Johnson, who has been a member of the Board of Trustees for many years, and is familiar with the operations of the company, was unanimously elected to succeed to the office of Vice-President. These promotions are in line with the settled policy of this conservative institution, and the new officers will enter upon their duties assured of the confidence and support of the policyholders, whose interests they serve.

On the Fiftieth Anniversary of its first business day the company finds itself transacting business in thirty-nine states, in all of which it has complied with the insurance laws and has agencies of some years' standing. The number of agents under direct contract with the company is now 125; while the number of special agents, sub-agents, canvassers, and others interested in promoting its business is very probably in excess of 1000. It has approximately a membership of 58,000, distributed throughout the healthy sections of the Union. Naturally its business is largest in Pennsylvania. Of the total insurance in force of $134,594,870, the amount on citizens of Pennsylvania is in excess of $46,492,340. In the New England States and New York the amount outstanding is, approximately, $29,158,000; in the central and far Western states the volume carried is in the neighborhood of $43,744,000; while the Southern field aggregates about $15,200,000. The gross assets of the company are $29,405,529.08; the liabilities, computed upon the most rigid standard, are $25,811,402.29, and the surplus $3,594,126.79. The income during the year 1896 was $6,659,-739.41. Of this there was paid to policyholders in that year $3,-606,082.12, and there was added to the reserve for the protection of members, $1,946,876.00.

TRUSTEES OF

THE PENN MUTUAL LIFE INSURANCE COMPANY

FROM MARCH 1, 1847, TO MAY 25, 1897.

NAME.	TERM OF SERVICE.	RESIGNED.	DIED.
James E. Richardson.	Mar. 1, 1847, to July 2, 1850.		July 2, 1850.
John G. Brenner.	Mar. 1, 1847, to Aug. 10, 1880.		Aug. 10, 1880.
Richard S. Newbold.	Mar. 1, 1847, to Jan. 18, 1883.		Jan. 18, 1883.
William M. Clark.	Mar. 1, 1847, to Apr. 1, 1851.	Apr. 1, 1851.	
William B. Cooper.	Mar. 1, 1847, to Oct. 3, 1848.		Oct. 3, 1848.
John W. Hornor.	Mar. 1, 1847, to Jan. 14, 1862.		
Samuel C. Shepherd.	Mar. 1, 1847, to Jan. 9, 1849.		
William A. Everly.	Mar. 1, 1847, to Feb. 1, 1848.	Feb. 1, 1848.	
Daniel L. Miller.	Mar. 1, 1847, to Jan. 14, 1862.	Jan. 14, 1862.	
William Robertson.	Mar. 1, 1847, to Sept. 24, 1860.	Sept. 24, 1860.	
Samuel Dutton.	Mar. 1, 1847, to Jan. 9, 1849.		
Daniel L. Hutchinson.	Mar. 1, 1847, to Sept. 24, 1860.	Sept. 24, 1860.	
Edward Lukens.	Mar. 1, 1847, to Dec. 5, 1848.	Dec. 5, 1848.	
William Martin.	Mar. 1, 1847, to Oct. 17, 1862.		Oct. 17, 1862.
Edmund A. Souder.	Mar. 1, 1847, to Jan. 13, 1874.		
Ellis S. Archer.	Mar. 1, 1847, to Jan. 9, 1866.		
William B. Hart.	Mar. 1, 1847, to Jan. 11, 1853.	Jan. 11, 1853.	
Edwin H. Trotter.	Mar. 1, 1847, to Jan. 9, 1849.		
Samuel E. Stokes.	Mar. 1, 1847, to Aug. 14, 1879.		Aug. 14, 1879.
Benjamin Coates.	Mar. 1, 1847, to Jan. 12, 1886.	Jan. 12, 1886.	
Theophilus S. Paulding.	Mar. 1, 1847, to Jan. 25, 1870.		Jan. 25, 1870.
Lewis Cooper.	Mar. 1, 1847, to Jan. 4, 1848.		
Samuel W. Weer.	Mar. 1, 1847, to May 2, 1854.	May, 2, 1854.	
Charles Schaeffer.	Mar. 1, 1847, to Jan. 9, 1849.		
Augustus W. Harker.	Mar. 1, 1847, to Jan. 13, 1857.		
Joseph M. Thomas.	Mar. 1, 1847, to Jan. 13, 1863.		
William H. Carr.	Mar. 1, 1847, to Jan. 10, 1860.		
Peter S. Michler.	Feb. 1, 1848, to Jan. 14, 1862.		
Michael Erickson.	Dec. 5, 1848, to Nov. 4, 1851.	Nov. 4, 1851.	
James B. McFarland.	Dec. 5, 1848, to June 2, 1885.		June 2, 1885.
Henry S. Patterson.	Jan. 9, 1849, to Jan. 25, 1854.	Jan. 25, 1854.	
Caleb Clothier.	Jan. 9, 1849, to May 3, 1853.	May 3, 1853.	
Samuel D. Patterson.	Jan. 9, 1849, to June 1, 1850.	June 1, 1850.	
Rudolphus Kent.	Jan. 4, 1848, to Aug. 21, 1881.		Aug. 21, 1881.
R. Wilson De Silver.	Jan. 1, 1849, to Jan. 1, 1852.	Jan. 1, 1852.	
Charles Hallowell.	Aug. 6, 1850, to Jan. 14, 1862.		
William H. Kern.	Aug. 6, 1850, to Apr. 11, 1893		Apr. 11, 1893.
Samuel C. Huey.	Apr. 1, 1851, to Jan. 11, 1870.		

NAME.	TERM OF SERVICE.	RESIGNED.	DIED.
Henry C. Townsend.	Nov. 4, 1851, to Jan. 13, 1874.		
Warner M. Rasin.	Feb. 3, 1852, to Jan. 9, 1872.		
William P. Hacker.	Feb. 1, 1853, to Nov. 3, 1874.	Nov. 3, 1874.	
Samuel J. Christian.	Jan. 10, 1854, to Jan. 9, 1872.		
Samuel H. Trotter.	Jan. 10, 1854, to Jan. 9, 1855.		
James Euston.	May 2, 1854, to Jan. 14, 1873.		
Joseph H. Trotter.	Jan. 9, 1855, to Sept. 12, 1884.		Sept. 12, 1884.
Edward T. Mott.	Jan. 13, 1857, to Jan. 10, 1860.		
Pierre V. Duflon.	Jan. 10, 1860, to Jan. 9, 1866.		
Samuel Williams.	Jan. 10, 1860, to June 24, 1865.	June 24, 1865.	
*James O. Pease.	Jan. 8, 1861, to Jan. 9, 1872. Jan. 13, 1874, to ———.		
James Traquair.	Jan. 8, 1861, to Jan. —, 1862		
Thomas W. Davis.	Jan. 14, 1862, to Jan. 12, 1886 Feb. 2, 1886, to Jan. 9, 1890		Jan. 9, 1890.
Joseph M. P. Price.	Jan. 14, 1862, to Jan. 12, 1886. Jan. 11, 1888, to Sept. 24, 1894.		Sept. 24, 1894.
Robert A. Dobbin.	Jan. 14, 1862, to Jan. 10, 1865.		
Christian J. Hoffman.	Jan. 13, 1863, to Jan. 23, 1871.	Jan. 23, 1871.	
Samuel A. Bispham.	Jan. 1, 1862, to July 31, 1885.		July 31, 1885.
Frederic A. Hoyt.	Jan. 1, 1862, to Nov. 5, 1888.		Nov. 5, 1888.
Elliston Perot,	Jan. 13, 1863, to Feb. 28, 1865.		Feb. 28, 1865.
*Edward M. Needles.	Jan. 13, 1863, to Mar. 22, 1886. July 7, 1897, to ———.		
Charles Watson.	Jan. 9, 1866, to Dec. 6, 1870. Jan. 12, 1875, to Dec. 11, 1891.	Dec. 6, 1870.	Dec. 11, 1891.
*Ellwood Johnson.	Jan. 9, 1866, to ———.		
John G. Repplier.	Jan. 9, 1866, to Jan. 9, 1872.		
John A. Needles.	Jan. 9, 1866, to Jan. 10, 1871.		
Henry C. Howell.	Jan. 25, 1870, to Oct. 7, 1884.		Oct. 7, 1884.
James Long.	Jan. 1, 1870, to Jan. 12, 1886.		
Anthony J. Drexel.	Jan. 10, 1871, to Jan. 11, 1877.		
George H. Stuart.	Jan. 10, 1871, to Jan. 9, 1872.		
William C. Houston.	Jan. 24, 1871, to Apr. 21, 1896.		Apr. 21, 1896.
James H. MacBride.	Jan. 9, 1872, to Sept. 27, 1884.		Sept. 27, 1884.
John Milnes.	Jan. 9, 1872, to Sept. 28, 1885.	Sept. 28, 1885.	
*William H. Rhawn.	Jan. 9, 1872, to ———.		
Joseph B. Hodgson.	Jan. 9, 1872, to Feb. 8, 1893.		Feb. 8, 1893.
Howard Hinchman.	Jan. 9, 1872, to Oct. 11, 1893.		Oct. 11, 1893.
*Atwood Smith.	Jan. 14, 1873, to ———.		
Charles B. Williams.	Jan. 13, 1874, to Dec. 5, 1888.		Dec. 5, 1888.
*John H. Watt.	Jan. 11, 1867, to ———.		
Stephen A. Caldwell.	Sept. 1, 1879, to Jan. 12, 1886.		
David L. Wood.	Dec. 1, 1880, to Jan. 4, 1886.		Jan. 4, 1886.
*N. Parker Shortridge.	Nov. 1, 1881, to ———.		
*Richard S. Brock.	Oct. 2, 1883, to ———.		
*Benjamin Allen.	Nov. 4, 1884, to ———.		
John Scott.	Dec. 2, 1884, to Nov. 29, 1896.		Nov. 29, 1896.
Pemberton S. Hutchinson.	Dec. 2, 1884, to Jan. 12, 1886.		
*Charles J. Field.	Oct. 6, 1885, to ———.		

*Member of the present Board of Trustees.

NAME.	TERM OF SERVICE.	RESIGNED.	DIED.
Harry F. West.	Nov. 3, 1885, to Jan. 12, 1886. Dec. 5, 1888, to May 28, 1895.		
*Robert Dornan.	Nov. 3, 1885, to ———.		
Benjamin S. Bentley.	Jan. 12, 1886, to Aug. 7, 1889	Aug. 7, 1889.	
*R. Allison Miller.	Jan. 12, 1886, to ———.		
Henry S. Eckert.	Jan. 12, 1886, to Jan. 12, 1894.		Jan. 12, 1894.
*Noah A. Plympton.	Jan. 12, 1886, to ———.		
William M. Runk.	Jan. 12, 1886, to Oct. 8, 1892.		Oct. 8, 1892.
*Frank Markoe.	Jan. 12, 1886, to ———.		
John Taylor.	Jan. 12, 1886, to Jan. 9, 1889.		
*Lincoln K. Passmore.	Jan. 9, 1889, to ———.		
George K. Johnson.	Jan. 9, 1889, to June 1, 1897.		
*Joseph Bosler.	Oct. 9, 1889, to ———.		
Frank K. Hipple.	Nov. 5, 1890, to Jan. 22, 1896.	Jan. 22, 1896.	
*Benjamin Rowland.	Nov. 5, 1890, to ———.		
*Aaron Fries.	Dec. 7, 1892, to ———.		
*Harry Rogers.	Mar. 8, 1892, to ———.		
*Samuel B. Stinson.	June 7, 1893, to ———.		
Harvey K. Hinchman.	Nov. 8, 1893, to May 7, 1895.		May 7, 1895.
*Frank Pyle.	Nov. 7, 1894, to ———.		
*W. Beaumont Whitney.	Nov. 7, 1894, to ———.		
*James Butterworth.	Nov. 6, 1895, to ———.		
*Tattnall Paulding.	Nov. 6, 1896, to ———.		
*Charles D. Barney.	Mar. 11, 1896, to ———.		
*Robert C. Drayton.	Nov. 11, 1896, to ———.		
*John C. Bullitt.	Jan. 4, 1897, to ———.		

*Member of the present Board of Trustees.

Vice-President, HARRY F. WEST.

SEMI-CENTENNIAL

OF THE

PENN MUTUAL LIFE INSURANCE COMPANY.

FIRST DAY.

PHILADELPHIA, TUESDAY, MAY 25, 1897.

MORNING SESSION.

The delegates to the convention met this day in Mercantile Hall, Tenth street above Chestnut, Philadelphia, at 9.30 o'clock. President Edward M. Needles occupied a seat on the platform.

The CHAIRMAN (Mr. Harry F. West). The meeting will please come to order.

The Secretary will be kind enough to read the list of agents and invited guests.

(The roll of agents was called by the Secretary.)

The SECRETARY (Mr. Henry C. Lippincott). That completes the list of agents. It has been suggested that we omit calling the names of the other guests.

The CHAIRMAN. Before we proceed to the order of business, I want to say that Mr. Gould will hand each gentleman a card before leaving the room, with the request that he will put his name and address upon the card, as it is necessary for us to know at the office where each gentleman is stopping at the present time.

ADDRESS OF WELCOME.

General Agents, Friends and Comrades:

Our good President and Board of Trustees have allotted to me the pleasant duty and the honor of saying a few words to you on this occasion, and to bid you welcome to your home—a home that some of you have never seen, and still it is yours.

One of the most agreeable features of this welcome is the fact that we bring you together just as we have completed the first fifty years of our existence. We have passed the old age of our youth, and to-morrow we enter on the youth of our old age. It has been the practice of life insurance companies, upon attaining their fiftieth anniversary, to call together their agents, and as the old "Penn" does not desire to be behind its fellows, our Board of Trustees and the officers have desired to have you with us, and to make the anniversary a joyful occasion.

In addition to this, the Board of Trustees are not unmindful of the fact that you have done great work in behalf of the company, and they desire to show their appreciation of that work, and they also desire to show that they appreciate the many acts of hospitality of the Penn Mutual Agency Association. They have been invited from time to time to attend the meetings and partake of their hospitality, and they feel in extending their invitation to the General Agents, and especially to the members of that association, that they would like to make their visit as pleasant as possible.

We are not inclined to talk over business matters on this anniversary, but will defer that subject until the centennial in 1947.

Some of you have kindly responded to invitations to read papers, which will be most interesting, no doubt; and members of the Home Office propose to do the same, so with this intellectual feast, and a feast or two of another sort, we hope to give you an agreeable sojourn.

> "In this delightful land which is washed by the Delaware's water,
> Guarding in sylvan shades, the name of Penn, the Apostle."

So said Longfellow, in his poem, "Evangeline," and it appears to be apt on this occasion; and, now, on behalf of the Trustees and officers, I bid you a hearty welcome to the city which the great

Quaker founded, and to the Home Office of the company which we believe worthily bears his name. (Applause.)

The CHAIRMAN. The first business in order is the reading of a paper by General Agent Mr. J. E. Durham, but inasmuch as Mr. Hamer, the Manager of the Loan Department, is going to take the 12 o'clock noon train for the West, I will ask Mr. Durham to allow Mr. Hamer to read his paper first, and with his permission Mr. Hamer will now proceed to read his paper, entitled "Life Insurance Viewed from the Financial Department."

Mr. JOHN W. HAMER. A very intimate friend of mine in talking with me in fun to-day expressed his entire confidence that I would be able to make a very poor speech. But he did not think it would be so extremely poor that I would have to take the next train from the city for the West. (Laughter.)

ADDRESS OF MR. JOHN W. HAMER, "LIFE INSURANCE, VIEWED FROM THE FINANCIAL DEPARTMENT."

MR. CHAIRMAN AND GENTLEMEN:

Without intending to ignore the several mathematical departments, a fair introduction may be found in brief mention of the three departments of a life company dealing most directly with the people, the Agency, Medical and Financial Departments.

The Agency Department, the popular one, whose aim is never to offend or drive away a patron, is the most obtrusive in its attentions and invitations to the public. It is a department of solicitation and never of denial. Without it the physicians would have no risks to examine, the financial men no money to invest, and we no anniversary to celebrate.

The Medical Department, that bulwark of the corporation's safety, gives about ninety-two favorable decisions out of every one hundred cases brought before it, and consequently disseminates among the agents a joy which is only ninety-two per cent. fine. This department is one of selection, the aim being to cull out the eight per cent. or ten per cent. of undesirable risks which in the ordinary course of business are presented.

The Financial Department is necessarily built on other and harsher lines. The portion of those in charge of this department is chiefly unpopularity, due to the small percentage of occasions in which it is the privilege of a financial manager to communicate a favorable conclusion. As an illustration of this feature, it may not be tiresome to those interested in the business to be told that, omitting printed-circular offerings, and counting only those which appeared to be special, there were submitted to our company in the first six days of March, 1897, mortgages and bonds of various kinds aggregating $3,976,000.00. Anxious as we then were to get good things, the sum total approved out of all these offerings was but $47,500.00—merely a trifle over 1 per cent. Is it any wonder there should be a popular belief that the vocabulary of the manager of this department is limited to the single word "No?"

One of the embarrassing things connected with the financial branch of the business (and I find on inquiry it is the same in all companies) is the life agent's frequent disappointment in connection with loans which he may present. Perhaps a few words upon this subject may be the means of explaining past experiences and removing future difficulties. Competition in selling securities and placing loans is as great as in other lines of trade. There are certain bankers and brokers who either have larger capital, greater industry, superior facilities, or, it may be, more firmly established connections than have their rivals. Whatever the reasons may be, these firms or individuals are the ones who obtain investments attractive to an insurance company. Good things, as a rule, seek this channel and do not get into the hands of persons not confining their efforts to this line of work. There are exceptions, but generally speaking, the best loan business does not come to a corporation in any other way than either directly from the borrower or through the hands of such brokers as I have endeavored to describe.

Every honest man who presents a financial proposition to an investing company considers that he has something which it is the company's duty to buy if the price is satisfactory. The life agent who submits one is no exception to the rule, and for a similar reason firmly believes his company ought to accept it. He does not realize that the very fact of his possession of the application is an indication that the money probably cannot be obtained through ordinary channels. If the life agent knew with what reluctance loan applications which come through him are declined, and would appreciate the fact that the financial officers are always anxious, so far as can properly be done, to make their branch of the business assist the field work, there would be a better understanding between these two important departments.

The points to which I have directed attention, however, are not of vital consequence. They concern only those features of management which appear to need a little lubrication, that all parts of the vast machine may move easily and accomplish results with the least possible amount of friction.

Paid-up insurance, optional extensions and similar concessions were changes in the right direction, and while increasing the expense of life insurance by reducing its dividends, this was more than counterbalanced by the furnishing of an insurance which was of inestimably greater value. Following these evidences of progress, however, there has been brought forward a feature which is thought by many to attack the safety of the entire system. I refer, of course, to the loan and surrender values, and speak more for the business in general than for our own company in particular, as a glance at the condition of our collateral or temporary loan account will show that the Trustees of the Penn Mutual, with customary foresight, are already preparing for the emergency by accumulation of an ample amount of what are called "quick" assets, or those immediately exchangeable for cash.

Life insurance calculations are based upon the assumption that the companies will collect at least the required interest upon their entire reserve. Having this end in view, and fearing no general demand for settlement of unmatured policies, investments have been chiefly limited to real estate mortgages and a class of bonds which, while thought to be secure, are valued more for their income-producing power than their convertibility.

It may be broadly stated that if there is removed from the horizon all fear of a sudden and general demand by policyholders for settlement in cash of running policies, there will be no difficulty in earning the full interest called for by our requirements, but on the other hand, should there be a general acquiescence in the proviso that *without notice* the holder of a life policy may at any time obtain either a cash surrender or a loan of nearly the full value of his policy, life insurance managers may find themselves confronted with a condition which will call for a radical change in their investments, greatly reduce interest returns, and still further attack the item of dividends to the insured: for if there shall be outstanding as an obligation, payable on demand, any large proportion of the company's reserves, the investments must be readjusted and the companies, instead of carrying idle bank balances and quick assets of limited amounts, will find it requisite to regard almost their entire reserve of millions upon millions of dollars as demand deposits, to be invested in convertible securities bearing the lowest known rate of interest. This change in the general character of life insurance liabilities to a bank deposit basis is viewed with dread by the wisest and most conservative heads of the profession, and ought to receive early and careful attention by all the companies as it has had in ours.

My own wish is that the life agents of this country, who are really the people's educators upon this important subject, may so point public attention to the perils of this feature of the policy contract that at some time in the near future the first question of the uninsured shall be, "Does your company, through loan or surrender values, carry its reserve as a liability payable on demand?" and if the answer be in the affirmative, then I hope the intending insurer may decline to risk his savings by entrusting them to a corporation which thus rashly jeopardizes its own very existence. This form of public opinion would speedily correct the evil.

Gentlemen, a rumor reflecting upon any of our life insurance corporations carrying its reserves merely on deposit in this manner would bring ruin upon that corporation. As a large part of American wealth is held by life insurance companies, this question extends beyond the confines of the life insurance circle and threatens the entire country. What company at the present time could meet an instant call for any large part of its reserve? Why should the sacred trust of life insurance be thus imperilled to meet the policyholder's temporary exigencies? Picture to yourselves the results possible in the event of a general run upon life insurance companies, and having done this, I trust you may, before we have an object lesson, so direct your argument and influence that we may secure an early union of all the companies upon some safe and general modification of this most dangerous condition.

The CHAIRMAN. Gentlemen, we have been listening with a great deal of interest to Mr. Hamer's paper, and as he is about to go into the far West, and, in fact, the state of Kansas, it occurs to me he might see Mr. McNall, and if he does see him, it would be a good idea for him to have a talk with him on this same subject.

The next paper to be read is on the subject, "Public Opinion and its Relation to Life Insurance," by General Agent J. E. Durham.

ADDRESS OF MR. J. EDWARD DURHAM, "PUBLIC OPINION AND ITS RELATION TO LIFE INSURANCE."

MR. CHAIRMAN AND GENTLEMEN:

On this occasion it is impossible not to be slightly reminiscent and to bring to mind, in part, the thoughts, hopes and aspirations of those of fifty years ago.

The old, with feeble step, were finding the golden age in retrospection; the young, with bounding pulse, looking to the future for happiness; an unrighteous war where might was not right cast its shadows over the land; the evils of slavery were beginning to trouble tender consciences; politicians were serving their country in the way which then, as now, seemed best to them; newspapers were then, as now, advertising on the seventh page what was condemned editorially on the fifth, and oracularly setting forth absolutely infallible but diametrically opposite conclusions upon all sorts of subjects, although, perhaps, with a less wide range than the present, which extends from the higher criticism to the latest prize fight.

Prophetic souls might dimly discern a part of the distant harvest to mature from the seed of inventions germinating in fertile minds; but who was the seer of visions, the dreamer of dreams, "the being of a large discourse, looking before and after," who caught the gleam of that sun which was even then firing "the proud tops of the Eastern Pines" with the promise of relief from that ever-present burden of fear, that the wheel would be broken at the cistern and the pitcher broken at the fountain long ere success should place helpmate and offspring where gaunt poverty might not replace peace and plenty?

The need was there, but what mountains of difficulty to be overcome; supineness, distrust of that which is new and untried; ignorance of both principles and practice, and—tell it not in Gath; publish it not in the streets of Askelon—religious bigotry added its opposition, the dying echo of which has been just heard, no long time ago.

That which is right cannot be overcome. "Neither evil tongues, rash judgments, nor the sneers of selfish men shall e'er prevail against it." Out of the holiest feelings of the fireside and the home, arose that noblest temple of altruism, life insurance, built on personal denial and self-renunciation.

With infinite pains do the builders lay the foundations; some, alas, to be quickly undermined by the eternal waves; others solid and enduring. Stone by stone the work is done, without sound of hammer or tool, till at length nave and transept, choir and chancel, pointed arch and vaulted roof complete, with heavenward spire, the sanctuary for those who having taken upon themselves the sacredest of earthly obligations, desire that those who are the loved and the helpless shall have therein a haven of refuge from the tempests of adversity. Nevertheless, absolute perfection must not be expected. Some details, valuable in themselves, must be sacrificed to harmony; others to permanency; grace and lightness must give way to strength and solidity.

The high priests in this temple of life insurance must not forget to what vocation they are called, "that it is a joy to the just to do judgment." Those who more humbly minister to the people must take heed to their ways and "speak every man truth with his neighbor." And here, with perhaps somewhat abrupt transition, we touch that elusive and imponderable, but all-powerful, influence which we call "public opinion." Created in part by the justice or injustice of those who manage life insurance companies, the truth or falsity of the statements of those who represent them, itself reacts upon and modifies the deeds and decisions of the companies; sometimes wisely, sometimes unwisely.

Public opinion is made up of the combined opinions of all individuals. Since many people are ill-informed, very often the combined result is error. *Vox populi* is very often not *Vox Dei; e.g.*, what step more injurious in the last analysis to workmen could have been devised than that provision of the New York Constitution recently adopted which prohibits the employment of convicts? Result for convicts, madness; for workmen, increased burden. (Applause.)

The opinions of one generation are reviewed and revised by the next. The intelligent minority of one generation is persecuted. It becomes the persecutor of the intelligent minority in the next. Subtle and innumerable causes are at work making the changes, but when public opinion has decided what it wants kings and senates bow their heads in submission. Public opinion demands liberal policies, freedom from restrictions, big values in case of lapse. The public gets all these, but by so much that is given in this way, by that much is the residue diminished. Public opinion confounds bigness with greatness. Crooked paths must therefore be set straight. Charges collect.

Exeunt omnes is the stage direction of our play, but the mortality tables say one must not his exit with a bare bodkin make. Public opinion says claims arising from suicide must be paid as punctually and unfailingly as upon those who have withstood the slings and arrows of outrageous fortune. Again,—charges collect.

Over the door of every form of human endeavor may be written, "the consumer pays the bills." If public opinion demands a thing, whether good or bad, true or false, meritorious or unworthy, that thing it gets, and the public pays the cost of it. The bad, the false, the unworthy perishes, the true remains; but this getting to the summit is a toilsome process. Public opinion, reluctant and indifferent, demands that diligent and incessant effort be made to induce it to accept unwillingly that which it should seek with eager footsteps. Orators must therefore be employed at great cost to inform the conscience of the court.

The progress from assessmentism, even to the partially sane methods of current assessment associations of to-day, has been very slow. It is almost impossible to get hold of an exact, uncolored, naked fact. Such a fact, based on "all men are mortal," seemed to have been imbedded in the mortality tables. Assessmentism thought it had explained away the mortality tables, but careless of the passage of time, the laws of mortality still prevail, and the assessment associations have, in increased rates, declining membership, and inability to pay, at last substantially convinced public opinion that the mortality rates are yet entitled to most respectful consideration.

Public opinion, however, while not perhaps well advised as to the best plan, has determined that a demand, arising out of the frequent necessity of cheap temporary protection, shall be met by the old line companies. At the present time the attitude of the intelligent public to insurance is practically that it is a necessity, that temporary and cheap forms may be found in the fraternal orders, in which the social feature is an inducement to many, in the assessment societies and in the old line companies. For cheap temporary protection any one of these may serve the need. For permanent insurance, recourse must be had to reserve-maintaining companies, notwithstanding a rather prevalent belief that expenses are somewhat excessive.

These various forms of insurance benefaction are busily at work crystallizing public sentiment, showing more and more the value of insurance as a balance wheel in the economic machinery of society; taking away the financial sting of early death, smoothing the pillows of the dying, comforting those bereft, providing a fund for educating to good citizenship the young; leveling inequalities, relieving distress, and with "one increasing purpose," bringing nearer that "divine event" to which the whole creation moves—that Utopia which is the dream of lovers of mankind. (Applause.)

The successful and rapid growth of a business substantially depends on giving the public what it wants. So long as there is no moral element involved, this is the weather signal corporations must watch. That company which trims its sails to catch the first breath of the coming breeze will be most successful. It is easier to go with than against wind and tide. Concession to public sentiment must be made while desired, not after the public has passed on to some new position. Those companies which first saw that public opinion demanded, or would approve, prompt and certain payments, reaped a golden harvest. The giving of annual cash surrender values, which has at last been pretty generally adopted, was long postponed, concerning which the aforetime position apparently adopted by the companies was that they were not only custodians of the insured's premium deposits, but also guardians for the insured and his family.

What attitude is to be taken by the companies towards public opinion?

First. They should endeavor to carefully study its trend and in what particulars they may mend their ways, so as to conform to whatever is good and desirable.

Secondly. They should do their duty day by day as they find it, at the same time planning wisely for the future.

Their lasting duty is to meet the public fairly and frankly, with sincerity, honesty and truthfulness. Let their literature, at whatever cost, be truthful; let representations conform to contract; their representatives adopt for their own the Baconian motto: "I hold every man a debtor to his profession from the which, as men, of course, do seek to receive countenance and profit, so ought they of duty to endeavor themselves, by way of amends, to be a help and ornament thereunto."

Let it be known that in the one matter of expense there is something to be desired, but let it be shown that the reduction to the ideal minimum percentage of expense can never be made until wise public sentiment makes it possible—by voluntary insurance, fair jury verdicts, and a proper understanding of the fact that legislative exactions are found in the expense, and not in the dividend column, and are taxes on thrift and industry.

Time, with its modifying influence, is necessary to a proper comprehension of these matters. The press, creator and reflector of public sentiment, should, with persuasive intelligence, inform and instruct its mighty constituency that, concerning this subject, which now so closely and intimately entwines itself in the social fabric, there may be, in an elementary way at least, some exact and well ordered knowledge, and, as a last suggestion, whenever possible, provisions should be made that instruction be imparted as to insurance in its various branches, it being certainly, in its intimate relations to the affairs of life, of very great importance and most worthy of serious and systematic study.

May it not be appropriate, in a parting word, to change from the general to the particular and say that one word as to our own Penn Mutual? Old we are in years, yet but come to man's estate; vigorous, yet only approximating maturity. What we now are but an earnest of that high destiny we are yet to fulfill. We close yearly our records, and with fresh impulse strive not only to live up to our honorable past, but to move upward our standard of perfection. We remove not the old landmarks, nor destroy the tradition of the elders, yet we trust to go on to higher endeavor.

Hidden it is from us to foretell what of good or ill the future has in store, but this we can do: "Hitch our wagon to a star," and "tho' 'tis not in mortals to command success, we'll do more, Sempronius, we'll deserve it." Carlyle says: "My friend, all speech and rumor (perchance what we call public opinion) is short-lived, foolish, untrue. Genuine work alone, what thou workest faithfully, that is eternal as the Almighty Founder and World Builder Himself. Stand thou by that and let Fame and the rest of it go prating." (Applause.)

The CHAIRMAN. According to this interesting little program, gentlemen, the next thing for us to do will be to adjourn until 2 o'clock; but it occurs to me that, these two papers having been read, and the hour being yet early, you will have ample time, if you would like, to discuss these papers. I am sure that all the members who are present would be very glad to listen to any discussion. Failing in that, we will adjourn. (After a pause.) Evidently the gentlemen are all too tired to discuss the subject to-day, so we will leave the discussion for another time, and a motion to adjourn will be in order.

A DELEGATE. Mr. Chairman, I move we adjourn.

(The motion was duly seconded.)

The CHAIRMAN. It has been moved and seconded that we adjourn. All in favor of that motion will please say "aye;" contrary, "no." The "noes" appear to have it. The "noes" have it. Mr. Joseph H. Harrison has the floor.

Mr. JOS. H. HARRISON. Mr. Chairman, I was getting up to go out. I am waiting to hear from some of the Southern orators.

I have not heard from Mr. Schley for three or four years and from Mr. Martindale for about the same time. We have been taking part in these discussions for a good many years, and we hope to continue to do so, but we would like to hear from some of the new agents.

(Cries of "Schley!" "Schley!")

Mr. JULIAN SCHLEY. Mr. Chairman, I do not think my time has come yet. I have come a long distance and am in the fix you have just described—I am tired, and as my time will come later, I beg to be excused for the present.

(Cries of "Biggert!" Biggert!")

Mr. JAMES C. BIGGERT. Mr. Chairman, I am in the same condition as the other gentleman.

The CHAIRMAN. President Needles very properly suggests that as you have all been so hard at work to bring in the good business that we have had in the last day or two that you really deserved to be excused, and I think we will adjourn the meeting until 2 o'clock this afternoon. All in favor of adjournment will please say "aye;" contrary opinion, "no." It is so ordered.

The SECRETARY. Gentlemen, before your departure, as there seems to be a misunderstanding with reference to the cards to be circulated now, I will state that we desire your hotel address written on the cards which will be distributed here, not the home address of each gentleman, but his location in the city of Philadelphia, so that he may be reached. Mr. Charles W. Gould will distribute these cards.

Whereupon the Chairman adjourned the meeting until 2 o'clock P.M.

AFTERNOON SESSION.

The CHAIRMAN. The time appointed for our meeting this afternoon having arrived, we may expect to hear from one of our trustees, a gentleman who has taken the deepest interest in the welfare of the company for a great many years. He has promised to deliver an address. I take great pleasure in introducing to you Mr. William H. Rhawn. (Applause.)

ADDRESS OF MR. WILLIAM H. RHAWN.

Mr. Chairman, Members of the Penn Mutual Life Insurance Company, Agents, Officers and Fellow-Trustees:

I am glad to have this opportunity of saying a few words upon this memorable occasion in the life of the Penn Mutual, as it enables me to greet and congratulate you and to rejoice with you upon the event we are gathered to celebrate—the fiftieth anniversary of the commencement of the business life of the company, which was begun upon this same day of the week, as well as the month, fifty years ago—and most heartily do I felicitate you upon it.

Had I been left to choose, I would add nothing more, and as it is, it is not my purpose to inflict upon you any lengthy remarks. The Committee on Celebration having assigned to me the duty of making an address, without naming a subject, I shall, for your sake as well as my own, endeavor to observe the maxim that brevity is the soul of wit.

The inevitable tendency upon such an occasion is toward retrospection. There is a disposition to review the past that comes with age, and upon arriving at the age of fifty years there is a natural desire to pause and look back over the road we have come. In this case, however, we find that our work of retrospection has been most happily anticipated, or at least made easy for us, in the admirable Condensed Record of the company, compiled by the able and scholarly secretary of the committee, which, as its title-page indicates, is at once chronological, reminiscent and statistical, and surely deserves a wide circulation. So fascinating was this beautiful and well-prepared volume to me that I was unable to lay it aside until I had absorbed its entire fifty-six pages, and I commend a like perusal to each one that has not read it and who may be desirous of quickly reviewing the salient points in the history of the company from its commencement on May 25, 1847, in an office barely fifteen feet square, with a single clerical employe in the person of its founder and first secretary, John W. Hornor, during which year it issued 142 policies, down to the close of 1896, its fiftieth business year, which finds the company in the seventh year of its occupancy of its present great marble building, with eighty-five official and clerical employes in its home office and hundreds of agents throughout the thirty-nine States in which it now does business, whose efficiency is well attested by the 71,881 policies it issued in the past ten years, of which 8013 were issued in 1896.

The history of the Penn Mutual is practically contemporaneous with that of life insurance, as almost the entire growth of the business, in this country at least, has occurred during the last fifty years, and the greater part of that growth has been within the last twenty-five years, in which it has been my privilege to observe it as a trustee of the company. Indeed, the chief growth of the company has been during the eleven years of the administration of President Needles, who, unhappily for us, but happily for himself, is all too soon, but entirely upon his own initiative, to enter upon that well-earned retirement from the more active management of the company which he has chosen, as during those years were issued 76,092 of the whole number of 117,880 policies issued by the company to the close of 1896. The new business increased from $8,430,635 for 1885, to $24,514,312 for 1896, premiums from $1,826,701 to $5,552,301, total income from $2,370,-213 to $6,959,739, outstanding insurance from $47,989,223 to $134,594,870, assets from $10,338,654 to $29,405,529, death claims paid from $691,450 to $1,711,319, and the surplus from $1,370,751 to $3,594,127.

It is amazing to contemplate that from so small a beginning there could have been gathered even in fifty years, from a business previously almost entirely unknown, receipts aggregating $86,545,545.63, out of which were paid $22,808,250.68 death claims and endowments and $13,063,193.16 surplus premiums returned, and leaving, after all other payments, a balance of assets, January 1, 1897, of $29,405,529.08.

It may be interesting to briefly inquire into a business so new to the world, that has assumed such vast proportions within the lifetime of many present, that we may endeavor to ascertain the cause of its rapid growth and speculate somewhat upon its future development.

Chief among the mighty forces that have combined in the marvelous advance of the world in civilization and material progress during the last half of the nineteeth century will be found steam, electricity and association. The first two represent physical forces that have been harnessed through the inventive genius of man and used in doing the vast work, while the last represents the power through which alone it has been possible to utilize those forces in the attainment of the stupendous results achieved. The physical forces would have remained almost entirely dormant and undeveloped without financial aid far beyond any that could be furnished by uncombined individual capital, which aid it has been possible to obtain and effectively combine only through the power of association. Through association the capital of the world is concentrated and applied to all the various purposes of man. J. Stuart Mills says: "Almost all the advantages which man possesses above the inferior animals arise from his power of acting in combination with his fellows, and of accomplishing by the united efforts of numbers what could not be accomplished by the detached efforts of individuals." (Applause.)

Association for financial purposes finds its highest development in institutions such as banks, trust and life insurance companies, in and through which the capital of individuals is concentrated and applied to an extent hitherto unknown and far beyond computation. The growth of these financial associations has been enormous during the past fifty years, and, as before mentioned, the development of life insurance, in this country at least, has almost all taken place within that time, and largely within the last twenty-five years. The tabulated results of fifty-five American life insurance companies from their commencement to January 1, 1897, show that but one of them had then been in business fifty-four years, and that all have averaged but twenty-eight years; yet the total number of policies issued by them from their organization was 34,886,682, insuring $18,725,-384,322, for which they had received in premiums and interest $4,013,126,352, of which they had paid to policyholders in death claims, endowments, dividends, and surrender values, $2,043,858,429, leaving in force 9,256,540 policies, insuring $5,928,577,706, for which they held assets amounting to $1,246,378,340. This enormous concentration of capital in this country alone has been an immense factor in our marvelous advance in civilization and progress, in which the world has shared.

What is the basis of this business that has sprung up in the world and assumed such gigantic proportions almost within our day and generation? In other words, what is life insurance that has been so quickly and enormously developed through the modern power of association?

Insurance is defined as indemnification against loss or damage. Life insurance is indemnification against loss or damage by the death of a person whose life is insured, or the loss or damage arising from the passing of the productive years of the life of the insured. The amount of loss or damage indemnified against is agreed upon between the insurer and the insured and stipulated in the contract between the parties, which contract, when reduced to writing, is known as a policy. The insurable value of a human life, as measured in money, has, perhaps, not yet been determined, and the full amount of insurance that may be placed upon a single insurable life has probably in no case been reached.

The insured is generally the support of a family, and the usual motive for insurance is to provide for a continuance of the support of that family upon the death of the insured or upon his arrival at an age when his ability to support himself and family may be expected to become impaired. Life insurance is the laying up in store against the unknown contingencies of the future. It is the saving and capitalization of the earnings of the insured while in health against the day of his death or loss of earning power through advancing years. The support of a family commonly devolves upon the husband and father, though it often falls upon the son or brother. So long as he who thus supports his family lives in the fullness of that health and strength which enables him to earn the means for the purpose, he may not feel it incumbent upon him to save anything, but if he realizes his full responsibility to those dependent upon him for support he will consider the uncertainty of life and the fact that he may die at any moment, and if he is a provident man he will seek to do what he can to provide against such contingency.

To the great majority of persons there is no other way for them to measurably provide against such contingency than by life insurance. If the provider were sure of living a certain number of years, it might be sufficient for him to lay by a certain sum every year, in order to accumulate an amount that would, at the termination of his life, leave his family in comfort; but he must have the skill and judgment necessary to enable him to at all times safely and profitably invest his savings for a long period of years, and it may well be questioned whether the majority of men have such skill and judgment. The proper investment of money, always most difficult, is becoming still more and more so through the multiplicity of investments, many of which are unsafe, if not entirely worthless. But as no man can be sure of living for any given length of time, he will, if a wise man, consider in what way he may best apply his savings so as not only to surely accumulate an amount that will leave his family in comfort at the end of a long life, but will assure that amount to his family at any moment death should suddenly and unexpectedly overtake him. In most cases the only way that he can certainly accomplish this by an adequate insurance upon his life. The amount of money that he might save in a lifetime would then at all times be where it would be paid to his family whenever he might be suddenly called from life. He would not be troubled in the meanwhile as to the proper investment of his savings, as that would be better attended to by the company insuring him, which, through its well-informed and experienced officers and trustees or directors, trained in the business, would continuously secure such safe and proper investments that would be impossible for him, with his limited knowledge, experience, and opportunities, always to obtain. (Applause.)

It will be seen, from this definition of life insurance, that it is the refinement of benevolence; it is among those best of all charities that teach and encourage self-help, and it is a question whether a purely mutual life insurance company should be taxed by the State. It is a business of pure beneficence, based upon what Henry Drummond calls "the greatest thing in the world"—Love! The love of a husband and father for wife and children, of a son for parents, of a brother for those nearest and dearest to him; and it would seem to be a business capable of unlimited extension and duration. But, notwithstanding this powerful motive that lies at the foundation of the business, the average man is prone to put off until to-morrow. Indeed, whilst young and strong, rejoicing in the fullness of life and health, he takes no thought for the morrow. Sufficient unto the day is the evil thereof. He therefore needs to have the importance and advantages of life insurance brought to his notice and explained and pressed upon him again and again. This has rendered necessary the services of that unique specimen of the *genus homo*, the life insurance agent, a being unknown to our fathers, the peculiar growth of the business of life insurance itself, and without whom it would seem impossible for it to thrive. It may be that at some time in the dim and distant future men may generally come to realize not only the great importance of insuring their lives for the protection of those they love, but also the danger of procrastination, that they will need no prompting to induce them to take out all the insurance they may be able to carry. But that happy time is yet a long way off. Hence the necessity for a class of men of integrity and a high order of intelligence, ability, persistence and tact, whose business it is to seek out available men, impress them with the value and duty of insuring their lives, and persuade them to a prompt and liberal performance.

The Penn Mutual is fortunate in having a corps of agents of this character, who have added to their efficiency in the service of the company through their organization of themselves into the Penn Mutual Agency Association. This association, with its three representatives in the Board of Trustees of the company, and presided over by its senior general agent, the esteemed Dr. R. Allison Miller, is an organization somewhat unique in the history of life insurance. In the thirteen years of its existence, it has loyally subordinated itself to and worked in entire harmony with the company in all things tending to advance its best interests and those of its policyholders. The result of such co-operative action may be seen in the large increase of business that has followed the organization of the association, as since then the business of the company has increased threefold, and under the well-assured continuance of the same loyal and harmonious conditions still further and more rapid increase may confidently be expected from year to year.

On this golden anniversary of the company its members, agents, officers and trustees have been happily brought together as never before upon the common ground of mutual interest and regard, and the occasion is fraught with good and becomes a bright augury for the future. What that future may be, who can predict? If those five venerable patriarchs who have been with the company from the beginning, and are able to look back over the road it has come for the past fifty years, could be endowed with prophetic vision to look forward over the road it will travel for the next fifty years, they would doubtless foretell what those present members who may in like manner follow the fortunes of the Penn Mutual for the next half century will see on the way, and the wonderful story of its progress they will have to recount at the celebration of the centennial anniversary of the company.

O prophet! look and see
What things are yet to be!
And do thou us foretell
That all will still be well!

(Applause.)

Master George William Rhawn, a grandson of Mr. William H. Rhawn, after rising, was introduced by Mr. Rhawn in the following words:

Mr. Rhawn. There is a young man here who, I believe, enjoys the reputation of being the youngest insured member of the company. He does not hold the youngest policy, but he is the youngest in years. He told me this morning at breakfast that he expected to attend the Centennial anniversary of the company in 1947 (Applause), and bring a knife with him that Messrs. Plympton and Bunting very kindly sent to his grandfather. Gentlemen, I present to you the youngest insured member of the company, now in his sixteenth year.

Master Rhawn was received with applause and bowed in acknowledgment.

Mr. G. A. Watkins. Mr. Chairman, if a motion is in order, I move you that this assemblage tender Mr. Rhawn a most hearty vote of thanks for his very instructive and interesting paper. A good many who are here perhaps meet Mr. Rhawn to-day for the first time. I have known him for a long time. Now, do not be frightened; I am not going to pronounce a eulogy on him, because he is a long way from being dead. But I wish to say to you that, to not know Mr. Rhawn is to not know one of the cornerstones of life insurance, as he is one of the oldest and best-known life insurance men in the city. I therefore move that a vote of thanks be tendered him.

Mr. W. W. Macomber. Mr. Chairman, I second the motion.

The Chairman. All in favor of that motion please say "aye;" contrary opinion, "no." It is unanimously carried. We have now on the program "Discussion of Papers." It is not necessary for me to say how that shall be done. There are a great many gentlemen here, and nearly all of them have heard the papers that have been read, and all they have to do now is to adopt the life insurance plan—talk. (After a pause.) It seems to me we are all very modest this afternoon. Is no one ready to get up? I am afraid I shall have to name some one. I do not care to do that.

Mr. F. A. Kendall. Mr. Chairman, in explanation of the silence of the members I would say that perhaps it is because of this convention being held in the Quaker City and they are waiting for the spirit to move them.

The Chairman. That is the most satisfactory explanation I have yet had. But the explanation comes from one of the great lakes. Now I am going to get another gentleman from one of the great lakes to stand up and talk to us. I think I will call on Mr. Macomber.

Mr. W. W. Macomber. Mr. Chairman, it does not take a good deal of influence to make the spirit move within me to-day. I think the spirit of the Quaker City has fallen upon my spirit. Without any further preliminaries, I will say that certainly this is a most inspiring assemblage for any one who can talk at all, and should lead any one who can talk at all, to open his mouth. I will occupy only a moment or two.

While the two papers of this morning were being read, there were two thoughts, and diverse and contrary thoughts, that were evoked by the argument of the respective papers in regard to the effect of the present scheme so largely adopted by the life insurance companies to make their policies popular, or for whatever reason it may be, by putting in the actual cash surrender value or known value equal to almost the entire reserve, after the third payment. The officer of the company who discussed this topic, to a certain extent seemed to give the force of his very clearly worded essay, or of a portion of it, against this practice; while the paper read by the gentleman who represents the general agency of the company seemed to give all its influence in the other direction. Now, I do not profess to be an actuary at all, nor very much of a student of life insurance or of its statistics, but I have discussed, with various agents who have had a great deal of experience and who have studied the subject, the question whether the practice that is spoken of, of giving an actual cash surrender or known value after the third year, will deplete the coffers of the company or necessitate the keeping of a large amount of quick funds—ready funds—on hand and so lessen, in the strongest degree, the advantages of long loans. They declare—I believe I can quote the agents of those who have studied into the subject against the idea that because the members of the association, or of the society, or of the company, can get at their funds in this way, in having the actual cash surrender guarantee, that therefore they are going to take advantage of that privilege. In the same line the statistics of the cash surrender companies do not show that such companies have more lapses on their books than those that do not grant them. It is on the same principle as that illustrated by the old story, with which you are perfectly familiar, of the tremendous rush upon a savings bank at a time when there was a panic and when a great crowd was gathered before its doors, and when there was a certain old Irish woman came up with her book, and panting pushed her book over the counter. And as her money was being counted out, said she: "Can I get it?" The reply was: "You can get it." "Well, then I do not want it; take it back." The idea is that, because they can get it they will not want it.

Now, I merely state this thought to-day in order to start this discussion—if it is thought best. It is a tremendous subject—the subject of what is the best policy. But we as a company have certainly adopted that policy. We have put these figures right into our policies. We know that it helps to sell those policies, and the question seems to be too late for us to discuss as to whether or not it would act with an untoward influence upon the interest earning power of the company.

The CHAIRMAN. We have heard with a great deal of interest what Mr. Macomber has said in answer to Mr. Hamer's paper which was read to us this morning. But I think he takes a little stronger view of it than he ought to do, and, if there is no objection, I am going to call on our Secretary to answer for Mr. Hamer, because Mr. Hamer, as you know, went West this morning and is not here to answer for himself. I would like Mr. Lippincott, if he has no objection, to take the floor and answer for Mr. Hamer.

Mr. LIPPINCOTT. Mr. Chairman and gentlemen, I am afraid that there has been a very wide misconception of the purpose, the scope and effect of Mr. Hamer's paper. Very often a paper read upon the platform seems to be, to those who listen most attentively, a very different paper from what it is when it is read in type. I have had the opportunity of reading Mr. Hamer's paper in type, and I doubt very much if it is open to the construction that has been placed upon it by our friend Mr. Macomber and others. It is not, to my mind, an indication that our company or any company should take the back track on the subject of cash surrender values or loan values upon policies. If you will read his paper carefully you will observe that there are saving clauses throughout it. When he speaks of a company holding upon demand all the reserve of a policy, he evidently speaks of a company that does not exist, because there is no company that I know of that has ever agreed at any time to pay as the cash surrender value the full reserve upon the policy existing at that date; certainly not until the lapse of a number of years, possibly ten or fifteen, or more. And again, in speaking a word of caution to the management of this company, it is a question in my own mind whether or not that caution is not a timely one. And there is not in any sentence, that I can discover, any suggestion that the trustees or managers of this company have gone too far or must now recede from their position. On the contrary, he has plainly said that the time has come when other companies must take into consideration the question of whether they have not reached the limit of surrender value, as has already been done in ours. I want to emphasize that remark by reading the last line or two of his remarks on that subject: "This change in the general character of life insurance liabilities to a bank deposit is viewed with dread by the wisest and most conservative members of the profession and ought to receive early and careful attention by all the companies as it has had in ours." Now if anybody can find in that a suggestion that there has been action without caution; without due regard to the rights of all members and providing adequate protection for the future responsibilities of the company, it is certainly beyond any suspicion I have attached to it.

I think, gentlemen, when you have read that paper you will all agree with me that the time has come when an exceedingly great degree of caution must be exercised. When companies assume to pay any considerable percentage of the reserve on policies as their cash value or loan value, as Mr. Hamer clearly indicated this morning, they must necessarily keep in quick assets a large proportion of their holdings, and that proportion so kept must be low interest earning assets. The paper, to my mind, was largely in line, if not wholly in line, with that read by Mr. Durham, because it accentuated the idea that, whatever value the policyholder receives, the policyholder, in the long run, pays for, whether the benefit is by cash surrender or otherwise.

Mr. KENDALL. Mr. Chairman, I have heard it said that many years ago people insured their lives for dividends; that dividends was the cry of the solicitor. Later, the investment element supplanted the dividend idea, and the Tontine was presented to the public with promises of large returns. And for a period of fifteen years the changes were rung upon the great investment that might be expected through life insurance, and the elastic solicitors gauged their customers and enlarged the profits as they saw it was necessary to bring them into camp. I remember a circular that was issued by President Needles about twelve years ago to the agents on making estimates; that they lay largely in the imagination of the solicitor making them. I think the result of these ten per cent. and fifteen per cent. promised invesments has served to make a great change in the minds of the insuring public and that with the duration of years and the solidity and stability of the companies going through different crises where they were not injured in the least, has served to develop more confidence in the principle itself, and to-day people are discouraging the idea of great investments, the idea of great dividends; but are insuring their lives on the principle of love for their own and as a protection to their own; and I believe that to-day the change that has been wrought in the character of the policies put forth by the different companies, mainly embodying the idea as one of protection, is the popular one and is to be the popular one; and it is helpful and significant that the policy taken out by the applicant of to-day is taken out through love and affection for those to whom he is bound to love.

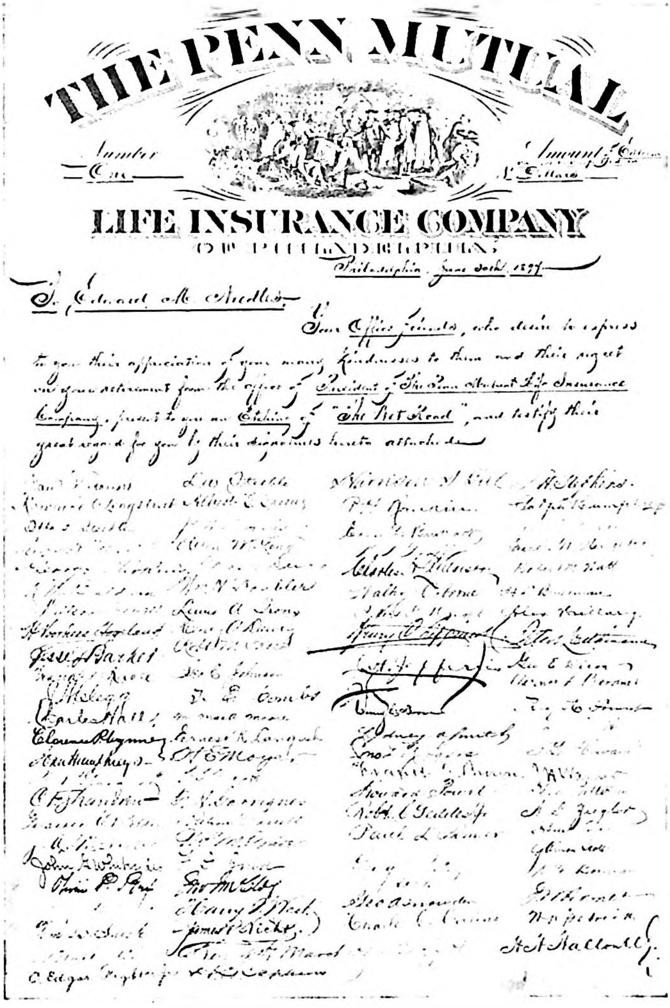
The CHAIRMAN. It is hardly fair to put upon the Chair the naming of the next speaker, but unless some one rises pretty soon, I shall have to do so.

As you appear to prefer my method to your own, I would ask Mr. Darwin Barnard to take the floor.

Mr. DARWIN BARNARD. Mr. Chairman, I certainly prefer the other method. I could hardly hope to add anything to what has already been said by those who have preceded me, and certainly I could not add anything to the able and valuable papers which have been read to us, and which I have seen to be so deeply interesting.

Mr. Hamer's paper was upon a very important subject. It is a subject with which the agent has directly nothing to do in his work, but it is a subject of vital consequence to everybody. I did not understand him to take the ground against cash values. As Mr. Lippincott has said, it is very difficult indeed to catch just what a man does mean. It would be very difficult to carry away the figures which Mr. Rhawn has given us this afternoon. We know they are accurate, but we cannot get exactly the full benefit of them until we have the pleasure of reading them. I think that the experience of those companies which have for so long a time practiced putting cash values upon the back of their policies and paying them if they are called for, proves that there are no terrors in so doing. And yet it is perfectly proper for a man occupying the responsible position which Mr. Hamer occupies, to turn the question over and look at the other side, and to ask himself, and to ask us the question whether or not it is not possible to go too far. So far as I believe, it is safe to put on these cash values, and if it does diminish the dividends a little I think the satisfaction which it gives a man and the evidence which it gives him to be able to borrow or sell upon occasion, is worth all it costs. I remember, in a village where I once lived, they organized a new engine company and celebrated the event with a little dinner, and one of the toasts which was given was: "May this engine company be like old Nick—always ready, never wanted." The experience of those companies offering to pay or paying cash values shows they have always been ready when the cash was wanted, and there has not been a great deal more money paid out by the companies who do agree to do it than by the companies who do not so agree.

Mr. Durham's paper, like everything which that gentleman has to say, is simply charming. It is full of beautiful expressions which correctly express his ideas on the subject. Favorable public opinion is of more importance to a life insurance company than to any other institution. Most contracts have a specified time for completion: six months, nine months or a year, and are nearly always completed in the lifetime of the negotiator. But life insurance contracts cover the whole of a man's life, and go beyond it, and do not reach their completion until the head that plans and the hand that has executed it has perished in the grave.


THE PENN MUTUAL

Number One

Amount of ... Dollars

LIFE INSURANCE COMPANY

OF PHILADELPHIA

Philadelphia, June 30th 1897.

To Edward M. Needles.

Your Office Friends, who desire to express to you their appreciation of your many kindnesses to them and their regret on your retirement from the office of President of The Penn Mutual Life Insurance Company, present to you an Etching of "The Pet Road", and testify their great regard for you by their signatures hereto attached.

TESTIMONIAL TO PRESIDENT NEEDLES.

No man is ever strong enough to overcome unfavorable public opinion. It is as necessary that a life insurance company should enjoy the absolute confidence and trust and be favored with the good opinion of the public as it is that the preacher standing in the pulpit should have the confidence of those to whom he preaches in order that his preaching shall be effective. I remember many years ago of a clergyman in one of the large cities on the eastern sea-coast, who was charged with having done something wrong. There was no legal proof of it, but there was so much suspicion and so much talk that he called a meeting to defend himself, in one of the largest halls. In the course of his remarks he asked the question: "Who says that I have done anything irregular, improper or wrong?" Some one from the gallery answered, "Public Opinion says it." The congregation murmured an amen, and that man had to leave the pulpit. And he went into the real estate business, but public opinion followed him, and he had no better success in the real estate business than when he stood in the pulpit before his congregation.

I do not suppose, Mr. Chairman, that in the discussion of the papers we are expected to comment upon your delightful address of welcome this morning, but I could not help thinking that as you looked upon your large family of workmen whom you have summoned to come here, that you and your associates in office must have concluded that they are all growing wiser and better as life wears away, because, I assume, they never obeyed any summons which you have given them, so promptly, cheerfully and unanimously as they did when you called them here. When a distinguished United States Senator was asked how he managed to be such a successful leader of men, he said: "I first find out which way they want to go, and then I lead them that way." It must be that you, Mr. Chairman, and your associates of the committee and in the company, have adopted the same system. Somehow you managed to discover where we all wanted to come to-day, and then you ordered us in this direction. I know that the occasion will be pleasant to us throughout and I hope it will be equally pleasant to you. I believe it will be both advantageous and profitable to us, and when we take our final departure at the end of the week, we shall carry pleasant recollections with us, and I hope we shall also leave them behind.

With reference to Mr. Rhawn's paper; when he was reading it, as I said, I could not quite follow him and tell whether it was seventeen hundred thousand million or what it was he was saying. I was reminded of what I heard a distinguished lecturer once say, and that was that an idea or a thought was increased in value in proportion as there was a man behind it. Carrying out what General Watkins has already said, our confidence in and our respect for our trustee, Mr. Rhawn, gave everything he said an increased value by our knowing that there was a man behind it. In his remarks upon association and union of force and effort, I called to mind what I once heard or read in regard to a single brick; it was said that it had no value whatever except to throw at a midnight cat, taken alone, but taken in connection with other bricks, it helped to make the costly, the elegant and the useful structure. It illustrates one of the valuable thoughts which our friend Mr. Rhawn presented.

Mr. WATKINS. Mr. Chairman, I am quite interested in Mr. Barnard's minister. He left him in the real estate business. I would like to ask if he is now in the life insurance business.

Mr. BARNARD. I am happy to say he is not.

The CHAIRMAN. We have heard some delightful words of wisdom from our friend Mr. Barnard, and it seems to me as he is from the Atlantic, we might go West to the Pacific and call for Mr. Hart, our agent at San Francisco.

Mr. E. H. HART. Mr. Chairman, I do not know that it would be possible to add anything of interest to what has been already spoken. I will simply state that the impression which I gathered this morning from the paper read by the manager of the Loan Department was to the effect that, in his judgment, our own company in its method of endorsing cash surrender values had perhaps exceeded the limit of prudence. But, through the force of the astute construction of our manager of agencies, I see we are all entirely mistaken in the suspicion we received from that address or paper, and the fact is Mr. Hamer is thoroughly in sympathy, no doubt, with the practice in vogue by our company at the present time, and consequently it would be entirely useless to present any reasons or arguments upon the other side of the question looking to the possibility or probability of pointing out the wisdom of the practice that has been adopted by the Penn Mutual. But in the line of that thought, it has been my experience, as no doubt it has been the experience of all the agents present with us to-day, where we have policies possessing cash surrender values or five-year option contracts, many of them have run for five years or ten years—none of them that long in my agency—but it has been my experience that the percentage of surrenders upon those policies has been as small—maybe smaller—than upon the ordinary policy; and it is my firm conviction that in all the contracts which we are writing to-day guaranteeing yearly cash surrender values, that the percentage of forfeitures in future will be even smaller than upon the old form of contract. As far as I am concerned, my own judgment, from observance and study of the practice by other companies, is that the system which has been adopted by the Penn Mutual is a wise and judicious one, not only for the procurement of business, but also for the general upbuilding and strengthening of the company, and I am thoroughly in sympathy with it. And if Mr. Hamer were here, he would probably explain to us clearly what he did mean, although I think that, possibly, from the expressions I have heard from a number of gentlemen, it was probably the most judicious thing he could do when he took the train at the time he did? (Laughter.)

I can state, gentlemen, that this invitation to come to Philadelphia and meet you, our brethren from all over the country, was received with very great pleasure by me. I suppose my pleasure should be greater than that of most of you, because it is more expensive to the company. (Laughter.) And I am sure that the week which we propose to put in here in Philadelphia will be one not only of great pleasure to us all, but one of permanent profit and advantage; one that will result in a vast augmentation of the company's business, and I believe I voice the sentiment of every one here when I state as my conviction that when we go back to our respective fields, we will not only be filled ourselves with added enthusiasm, but we will be able to so inspire the workers about us that we can increase the volume of business beyond anything in the history of this company.

The CHAIRMAN. I am almost ready to agree with Mr. Barnard—my method is the best. I little thought when I called on Mr. Hart to make these few remarks that I would have held in my hand, while he was talking, one of the most delightful telegrams that has come to the company from the far Pacific Coast. It is dated

"SAN FRANCISCO, California, May 25, 1897.

"Penn Mutual Life Insurance Company,

"Philadelphia, Pennsylvania.

"Your proud achievements render this day notable to all. We extend our hearty congratulations.

"PACIFIC MUTUAL LIFE INSURANCE COMPANY."

Now I think, gentlemen, that inasmuch as our agent from San Francisco was talking when this arrived, it would be entirely proper and correct for us to send our congratulations or rather our thanks to the Pacific Mutual Life Insurance Company by Mr. Hart on his return—and we will not hurry him. (Applause.)

I observe that the next business in order is "Recommendations or Suggestions by Agents and their Reference to a Committee." Now, I have been pretty familiar with all that has been going on in regard to this celebration, but I must confess I am a little at a loss in regard to this matter, and I am going to call on the Secretary to say exactly what he means by "Recommendations or Suggestions by Agents and their Reference to a Committee?"

The SECRETARY. The ways of life insurance men are past finding out, gentlemen, and the ways of committees are equally inscrutable—sometimes. (The Committee on Claims, I am happy to say, has kept the Penn Mutual Life Insurance Company out of court for a long number of years, and as long as it remains under the chairmanship of Mr. Rhawn, there is no doubt that it will continue to be able to do so.) I think, gentlemen—mark you, I say "I think"—in arranging the program in regard to "Recommendations or Suggestions by Agents and their Reference to a Committee," that the committee had in mind that the Chair, or this body itself, would appoint a committee to consider any plans or suggestions which might be made in this audience. For instance, our friend Mr. R. E. Wight, of Buffalo, might favor us with a suggestion as to a change in our policy, or as to the allowance of better dividends, or as to the restoration of the post-mortem dividend. Now, it was quite possible, in the contemplation of the committee, that numerous suggestions might be made and a committee could be appointed by the Chair, which committee could organize and consider such suggestions and report on them at a later meeting.

The CHAIRMAN. Do I hear any suggestions or recommendations?

Mr. GEORGE L. BAHL. Mr. Chairman, during this discussion I would like to say a policy, for instance, that would insure a man for one thousand dollars the first year and was increased ten per cent. for ten years and the other ten years be full paid for two thousand dollars, and he be insured for that amount during his life, would be desirable.

Mr. C. S. SMITH. Mr. Chairman, I would recommend suggestions of this sort be referred to the committee when they are in executive session.

The CHAIRMAN. What committee? We will have to appoint a special committee.

Mr. S. A. STOCKWELL. Mr. Chairman, in order to do that, I move that a committee of five be appointed to take this and all other propositions which may be made under consideration.

The CHAIRMAN. I was going to say any suggestions that were made had better be put in writing.

Mr. KENDALL. Mr. Chairman, I make an amendment to that motion: that that committee be reduced to one and Mr. Lippincott be the chairman of that committee.

The SECRETARY (Mr. Lippincott). That motion falls for want of a second.

The CHAIRMAN. The motion of Mr. Stockwell is in order. Has it been seconded?

(The motion was seconded by several members.)

The CHAIRMAN. All in favor of that motion will please say "aye;" contrary "no." It is agreed to. The committee will be appointed by the Chair at his leisure.

Mr. MEYER HARRISON. Mr. Chairman, Mr. Miller suggests the committee be appointed after we all go home.

The CHAIRMAN. No; the committee will be appointed this evening. Has Mr. Meyer Harrison any suggestions to make?

Mr. HARRISON. No, Mr. Chairman, I am getting my inspiration from Missouri here. (Referring to Shelley F. Miller.)

Mr. LIPPINCOTT. Better try Kentucky.

Mr. KENDALL. Mr. Chairman, I think that the Chairman probably filled out this program in order to make it occupy its share of the page; merely to fill it out and make it appear as though we were going to do something. Things are about right in the Penn Mutual; I do not think that anybody here has any suggestions to make.

The CHAIRMAN. It looks very much like it.

Mr. KENDALL. I think the management of this company are pushing forward the good things so fast that the agents are hardly able to take them in before some new ones come along. I think the trustees here look after all the latest things most necessary for our advancement.

The CHAIRMAN. While we are on that topic, gentlemen, it seems to me that the man who is most troubled by suggestions and recommedations is the Actuary. Now, I think I will ask the Actuary just to say a few words on "Suggestions and Recommendations."

Mr. J. J. BARKER. Mr. Chairman and gentlemen, it seems to me the lack of suggestions which have been offered here is perhaps somewhat due to the fact that the new rate book has been completed. (Laughter.) That has been the panacea for all the evils that have created a disturbance heretofore.

We are getting out some new forms of policies, and the rates and estimates of the special annuity bond will be in your hands within a day or two. The continuous instalment policies required a considerable amount of calculation; it requires a couple of hours' steady work, in a single case, by two men to make the joint life calculations necessary for the rate in the case of these survivor-ship or continuous instalment policies. I think that the form of that policy has about perfected the system of trust certificates which was inaugurated and invented by the Penn Mutual Life Insurance Company about nine years ago, and which has been since copied and improved on by some of the other companies.

While Mr. Hamer's paper was under discussion there was one little point which I think you all failed to touch upon and which came to my mind, but my natural modesty prevented me from getting up, without the invitation of the Chairman, and making any allusion thereto, and that is as to Mr. Hamer's suggestion, that it requires an immense amount of assets at a low rate of interest to meet the possible run that might be made upon the company by reason of the availability of the cash value at any moment. In that event, it occurred to me the renewal commissions of the agents were likely to be greatly lessened in value, and that if the Vice-President, who is acting as Chairman at this meeting, should take the same view as you gentlemen do of Mr. Hamer's paper, he might be unwilling to loan you quite as much upon your commissions as he would otherwise. (Laughter.)

Mr. Macomber. Mr. Chairman, I would have enjoyed the flow of eloquence of our honored Actuary still more if he had continued a little longer. I do not know anything about this special annuity policy. I received one solitary copy from headquarters, and it was left when I was very busy and could give but a few moments' time to consider its terms, and it did seem to me it would be a better policy if one-half of its face was paid, and the other half in an annuity, rather than *vice versa.*

The Chairman. The Actuary, I know, will be glad to answer any questions you would like to ask.

Mr. Barker. Mr. Chairman, the question Mr. Macomber suggests, if I understand it, is he first desires to know the peculiar features of this policy. Am I correct?

Mr. Macomber. Why you pay half the policy at the end of the entire time, after you have paid the annuity, rather than *vice versa;* that is, half the policy at the beginning and the rest as an annuity.

Mr. Barker. The reason for that is that we desire to produce a policy which while combining the greatest number of advantages possible should at the same time bear the minimum amount of costs, the insurance in that policy being payable one-half in instalments. Take an endowment policy, for instance, payable in instalments for twenty years, and continuing for twenty years, after which, one-half of the policy becomes payable, this represents an insurance actually of only about $5815 to the ten thousand. Whereas, the form of policy which you suggest, whereby one-half the policy should be payable in one sum at the end of twenty years, and the remainder in instalments, would combine the rate of twenty-year endowment for half the policy and require a trust certificate premium for the other half, and would be largely more, in actual premiums, than the form which has been adopted. Then again, the policy was adopted at the suggestion of some of those who had come in competition with a similar policy issued by the Mutual Life under the name of their five per cent. gold bond, and also a policy which is similar, issued by the Travelers' Insurance Company of Hartford. And that is the reason why it was made in that form.

Mr. HARRISON. Mr. Chairman, in regard to that committee I would suggest that, by reason of the fact that we have such a limited number of plans of insurance which the company is writing at the present time, that that committee be instructed to report at the Centennial celebration of the Penn Mutual Life Insurance Company.

Mr. RHAWN. Mr. Chairman, you would have to put this young man (referring to the youngest member) on the committee if you carry that out.

Mr. A. A. WALKER. Mr. Chairman, while I seconded the motion for the appointment of a committee, I really do not see what that committee could accomplish. I do not see that a committee would do any good. We have a Secretary, an Actuary and a Manager of Agencies, and we have our Trustees: they are looking after our interests here. That new rate book—I mention that in passing—that new rate book that has been mentioned just now, is just about the perfection of human wisdom in life underwriting. I do not see, what that committee could accomplish, but I would be perfectly willing to call upon them for a report at the Centennial celebration of this company.

The CHAIRMAN. As Mr. Walker seconded Mr. Bahl's motion to have a committee of five appointed, and as there seems to be no other suggestions or plans proposed, it occurs to me, with Mr. Bahl's permission, that, if he will withdraw his motion, it will not be necessary for us to appoint that committee, and for this reason; that the matter will require but a short discussion at the home office, and instead of having a committee talk it over, it can be very readily arranged in my office in connection with the Manager of Agencies.

Mr. BAHL. Mr. Chairman, as I said, I simply made that motion to start the discussion.

The CHAIRMAN. To start the *ball?* (Laughter.)

Mr. BAHL. Yes.

Mr. WATKINS. Mr. Chairman, I think I have discovered why Mr. Lippincott referred to that committee business. He and all the other officers of the company have been receiving letters for a great many years from many of us who are scattered all over the United States, and by those letters you would think we knew better how to conduct a life insurance company than the officers themselves do, and I think Mr. Lippincott's idea must have been to give the people who come here who think they knew more about life insurance than the Actuary, more about risks than the Medical Examiner, more about the funds than the Treasurer, and more about agencies than our Vice-President—I think his purpose was to give them all a chance to do all their talking to-day here, and have a committee appointed to wait upon them and get instructions and suggestions, and then to boil those suggestions, and simmer them down so they would be satisfactory to the Penn Mutual, but the people here do not seem to have caught the inspiration.

The CHAIRMAN. Evidently the general agents appear to be entirely satisfied, Mr. Watkins, and for that reason they have not said anything.

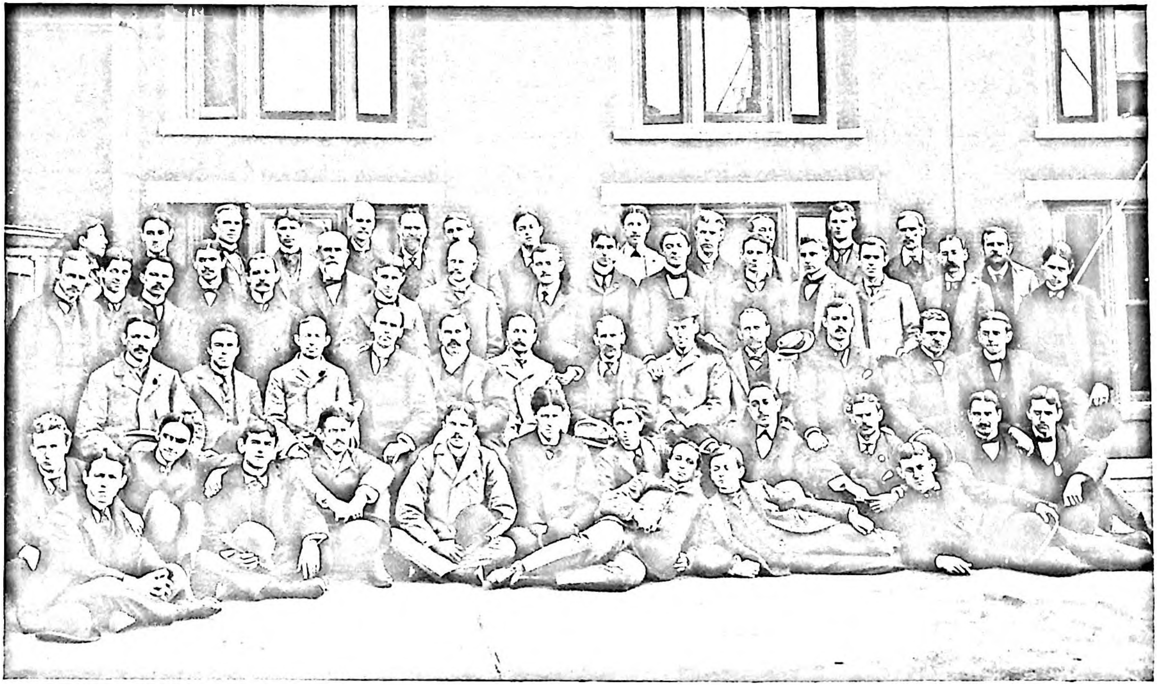
I saw Mr. Durham rise just now, and I know he has something to say. We will be very glad to hear from him.

Mr. J. E. Durham. Mr. Chairman, I think my remarks now would be, perhaps, out of order. I have passed that time to which I referred in my paper, when public sentiment called for a thing.

I had only this one thought in mind. I do not know how far it reaches; I do not know how many will agree with me, but I agree with everything that has been said so far, as to the number of policies now in existence covering every possible contingency. They have gotten to such a state where it is almost impossible to inform a solicitor thoroughly in less than a year or two—I should say. Personally, my own preferences have always been in the line of the old-fashioned policies, but I think there are certain cases that arise which could be met by the stock rate which cannot be met by any other. I think the best evidence of that is that almost all of our mutual companies are issuing a stock rate. I believe they are coupling with that a small commission. As to that, however, I am not certain. And I am aware that there is in the mind of the Actuary and others a prejudice against the form. Perhaps I ought not to say a prejudice—that conveys perhaps a strong impression—but the belief that perhaps our charter would not permit of the issuing of a stock policy. But I think there must be at least a dozen of the mutual companies that are issuing stock rates and I think if there is any demand at all for an increase in policies in any way it will be for the issuing of the stock rate on the various plans of life and limited endowment insurance.

The Chairman. Our President says that we issued that class of policy at one time—stock rates—but it was decided, as a mutual company, we had no right to do it.

Mr. Barker. Mr. Chairman, I do not want to weary you, but most the agents are familiar with the fact that in one form of policy we accept a thirty per cent. note which reduces that premium to a rate which is as fully as low as the general rate adopted by the stock companies. The company being a mutual company, it was held many years ago that it had not the right to issue policies at stock rates which possibly might be lower than the rate required to carry the policy and bear all the expenses of the policy, and if that was found to be the fact, that the difference had to be made up by the other policyholders. It was guarantee-



CLERKS OF THE PENN MUTUAL LIFE, MAY 25, 1897.

ing to the stock rate policyholders a dividend in advance. But by the system that was adopted to take its place, the thirty per cent. note, it was calculated the insurance could be furnished at as low a cost as it could be by a stock company, and still afford the insured all the rights and equities which apply in a mutual company.

Mr. HARRISON. Mr. Chairman, I would ask the Actuary how long it would take before this note or the policy itself would be exhausted? Upon the thirty per cent. plan, I ask whether the note would finally exhaust the policy or *vice versa?* I wrote one of these policies in Colorado.

Mr. BAHL. Mr. Chairman, I have been in the field but a short time. In my own field, of course, the first thing we show is our lesser rate. After we get the man well informed on that, an agent of another company comes around and he immediately swings in on the stock rate, which he tells him is fifteen, eighteen or twenty per cent. less. We of course come in and speak of the dividends we pay, and we tell him they are from ten to twelve per cent. the first year. And then the other agent will tell the man it will take at least five or six years to get up to a twenty per cent. rate. Then we come in with the thirty per cent. loan. Our own experience has been that the most unsatisfactory policy we have is the thirty per cent. loan policies; because a man, every time he comes to settle his premium, says to me: "How is it my interest instead of getting less each year is getting greater?" And we now absolutely refuse to write any of these policies, because some men who have received them from us are dissatisfied—mainly, of course, because they do not fully understand the situation.

I know most all agents say that we cannot write stock rate policies, but three of the largest companies are writing them now. And I would rather get a smaller commission on a stock rate than no commission at all.

Mr. CHARLIE THAW. Mr. Chairman, I am surprised to hear from some of our agents on the subject in the way they have expressed themselves. In my general agency, we have policies that have been running twenty years and thirty years on a fifty per cent. note. I have a policy of that kind myself. I have been carrying that policy since 1869 in the Penn Mutual Life Insurance Company. I never have any difficulty with them, either. I think that the great trouble in all life insurance is that irresponsible agents insure people to get their money and do not let them understand what they are doing. I do not think we want any stock rate policy at all. We had one for many years when I was first a general agent of the company, but I never wrote a policy on it and never wanted one. I think the thirty per cent. note policy answers the purpose admirably, and the company as well as the policyholders who have been paying premiums for a long time have been amply protected by it.

Mr. A. A. WALKER. Mr. Chairman, I could not answer for thirty or forty years; but we issued a thirty per cent. loan policy to a man thirty-eight years of age ten years ago, and if he were to die to-day he would get twelve hundred and forty-odd dollars of insurance that never cost him a dollar.

Mr. MACOMBER. Mr. Chairman, excuse me for speaking so often. I am almost ashamed to have spoken so often and so poorly as I have, but I feel interested in the subject of this stock policy. It has cost me policies. The argument that the Actuary has adduced; that this is a purely mutual company and its charter therefore forbids the issuing of other than mutual policies, has cost me policies. I remember the Actuary worked out a plan in one of these instances, of taking a policy out on the thirty per cent. loan basis, and as soon as it was offered to the man he threw it aside and would not consider it. And it seems to me now that the only serious objection we have to the stock policies that are under discussion is that this is a purely mutual company. There are other companies also purely mutual. No one will deny that the Mutual Benefit Life Insurance Company is mutual. Some of the large New York companies may deny being purely mutual, under the control of their policyholders, but I have been always told and have believed that the Penn was and is mutual—really the company "for the policyholders, by the policyholders," and so on. Now, if this is so, ought we not to take this into consideration? Let the Actuary be the chairman of a committee to consider it, if it be thought best, but it seems to me the most vital thing that has been brought up here this afternoon is the subject of issuing a form of stock policy.

Mr. BARKER. Mr. Chairman, I am informed that at this very moment there is a suit pending in New York City against the Mutual Life Insurance Company as a mutual company, protesting against its issuing policies on the stock rate plan; that it has no right under its charter to put up the assets belonging to the other members, as a guarantee that there shall be a twenty-five or thirty per cent. or any annual dividend in advance on any form of policy.

Mr. WM. L. LOTT. Mr. Chairman, I have had experience with the thirty per cent. loan policy, and I find as a general thing they are a satisfactory policy in my territory, and I have a number of them that in the course of time have been reduced. It has been a very satisfactory policy. While I have had some little trouble occasionally coming up, I consider that I have had virtually none whatever. Of course, some of the competing agents occasionally run down the policy, but a little explanation generally satisfies the policyholders. It is a policy that I think is good.

Mr. A. C. PHELPS. Mr. Chairman, I am opposed to that stock policy for two reasons. The first is, I think the twenty and thirty per cent. loan features meet the objection that these gentlemen have raised. And the second is this, that by the adoption of the stock rate it destroys that magic phrase which I am sure has served to make this grand old company what it is—purely mutual.

Mr. HART. Mr. Chairman, my experience has been in line with Mr. Bahl and Mr. Harrison who have spoken in favor of stock rate policies. In my judgment a policy with a thirty per cent. or twenty per cent. loan of premium is undesirable. But the increase in dividends does not always and at once offset the increase in interest. It has not been my fortune to have a delightful experience with that policy. It is a fact we have lost insurance in spite of our best efforts, in competition with the stock rate. Of course if there is an inherent objection in our organization to the issuing of such a policy, there is no use talking about it, but if it is only an opinion of somebody who did not want to issue it, I think it is a proposition worthy of the most serious consideration.

I know if we have a policy of that kind that we can write such insurance in our field.

Mr. H. I. PINEO. Mr. Chairman, the ordinary thirty per cent. life policy has been my salvation. If there is a possibility of making a stock plan or some other plan which will reduce the rate and not have the loan note, then that plan will be adopted I hope. I do not know whether we can discuss the subject here intelligently because we do not know whether we have the right to make such a plan. But if there is any such plan that can be devised, it would be the best thing for this body to introduce it into the Penn Mutual's plans.

Mr. KENDALL. Mr. Chairman, when I took the agency in Cleveland I found some fifty per cent. loan policies and some thirty per cent. loan policies. I find that the fifty per cent. loan policies are more satisfactory to most people than the thirty per cent., from the fact that they pay their interest on the fifty per cent. every year, whereas the interest is added on the thirty per cent., and as time goes on the thirty per cent. loan makes an unfavorable showing. I have absolutely refused to write thirty per cent. loan policies, and I hope that policy will be withdrawn, and say instead, that a twenty per cent. loan be the limit that we accept. Or, if we accept a thirty per cent. loan, that the interest be not added, but that the interest be paid every year, so that the note shall not be increased.

I have written a number of such policies, and, for my own salvation, have limited them to a twenty per cent. loan. As we used to give loans of twenty per cent. or thirty per cent. the first year, with our large dividend of twenty per cent. commencing the second year, it brought the policy, from that time, down to the stock rate; and I do not know why we should accept a loan note for the first year and not afterwards, because a dividend of thirteen, fourteen or fifteen per cent. would very soon bring the policy to a stock rate. And by so doing, we would not violate our charter, and a man would only have the note to meet that he gave in the first instance, and that being very small, it could be lifted at any time.

Mr. M. HARRISON (ironically). Mr. Chairman, I think it would be a wise thing to leave this entire matter with the Actuary, and at the same time I think a committee of ten ought to be appointed—a permanent committee, by the President and Trustees of the company, and call it a "Plan Committee," and they ought to get up two or three hundred more plans—we have not got enough. It is very difficult to instruct an agent now, as it is, and I think the idea of suggesting any more plans is absurd.

Mr. BARKER. Mr. Chairman, another word about the note policy and the stock rate. The stock rates of the stock rate companies are perhaps about twenty-five per cent. below the rates charged by the mutual companies. Of course in the earlier years of the stock policy the insured would obtain his insurance at a considerably lower rate than he is afforded now in our mutual company, as our dividends start at say ten or twelve per cent. and gradually increase until it takes perhaps eight or ten years to bring them up to twenty per cent.; perhaps fifteen to twenty-five years. Therefore in the earlier years, as I said before, the stock rate policies would obtain insurance at a lower rate than our ordinary policies. But our older policies are receiving dividends as high as sixty to seventy per cent. Would the holders of stock policies, when such policies get to be as old as the policies obtaining sixty or seventy per cent. dividends, be willing to continue to pay that rate which at first gave them a reduced charge for their insurance and greatly increased it in the later years of the policy? I think not. I think they would object.

Mr. G. L. ROOT. Mr. Chairman, I would like to know what length of time it will take to equalize a thirty per cent. loan policy —how many years to bring it down to a fair rate.

Mr. BARKER. Mr. Chairman, I think the question asked was how long would a thirty per cent. note policy take to eat up the face of the policy. I figured that out once and found it would take about 150 years. And this assumed very small dividends, indeed.

Mr. ROOT. Mr. Chairman, that is not the question that I want the Actuary to answer. When I first became connected with this company in 1888, Mr. McCary was working for the Equitable Life, in Birmingham, Alabama, and the Penn Mutual was writing thirty per cent. loan policies. And Mr. McCary gave out in the newspapers in a good long article a statement, and showed by correspondence from our Actuary, that it would take between twenty-six and twenty-seven years for that policy to equalize itself at thirty per cent.

Mr. Barker. Mr. Chairman, in answer to that question I will say I have forgotten what I calculated upon at that time as the length of time. At that time I had calculated, upon the basis of the dividend declared that year, that the thirty per cent. note policy would have the notes wiped out within a certain time. Mr. Root's recollection of it is that it was twenty-six years. I have no doubt that that time is correct. I remember the circumstance very well in which this gentleman who was the agent of the Equitable Life Insurance Company secured a policy of the Penn Mutual and wrote to me for my opinion on this point. I first referred him to our agent, Mr. Guenther. And he was not satisfied with that, and wrote me again and wanted my reply direct. In my perfect innocence and unsophisticatedness, Mr. Chairman, I was tempted and fell. (Laughter.) I made the calculation, and I therefore opened my mouth and put my foot in it. I found that it would take—I believe that was the time—twenty-six or twenty-seven years, to wipe out that note. And that letter was published far and wide by the Equitable Life as a canvassing document. But it only required the usual astuteness of the average agent to take away entirely the sting of that circular, and that was to have the desiring applicant ask the Equitable whether they would issue such a policy as that, and permit the payment of part of it by note. The answer would be no; that they wanted it all in cash. I know that at that time as now, our dividends far exceeded the dividends of the Equitable Life. The insurance of the Penn Mutual therefore was in every way far ahead, in desirability, of that which the Equitable could issue.

Mr. C. S. Smith. Mr. Chairman, I have sold a great many thirty per cent. note policies. I have accepted a great deal of business from the Mutual Benefit on the thirty per cent. note plan because we write that kind of policy. I am heartily in favor of it. It is one of the oldest forms of insurance known and I do not think it right for it to be discontinued. Ten or twelve years ago we were justified, on account of the dividends we were paying at that time, to tell a man that the note would be wiped out inside of twenty-seven or twenty-eight years. We were justified in making that statement, and we could figure it out on the basis of increase in the dividends and show him that it could be done in that length of time. I hope that the suggestions made in regard to discontinuing the thirty per cent. note plan will not be put in the shape of a resolution to be acted upon by the Policy Committee of the company. I hope we will continue to keep the policy and write it.

Regarding the non-participating rate or stock rate, as you might call it, I think it is a very desirable form of policy to write. The Northwestern write it, and other companies write it—mutual companies. If our charter does not permit us to write a stock policy we ought not to consider it.

The CHAIRMAN. I wanted to say, gentlemen, that there is one feature of our gathering here to-day for which we had arranged that we unfortunately miss, and that is the face of our Vice-President-elect, Mr. George K. Johnson. You probably have heard that he has met with a very severe loss in his family—his dear mother—and for that reason he has been debarred from any participation in the ceremonies of this celebration. I hope that on Thursday we shall all have the pleasure of seeing him at the office for a few minutes, and I will try to arrange a time when he will be able to meet us and the gentlemen with whom he is so soon to be associated—our General Agents. It is a very important matter, and I hope that he will be willing to forego his feelings in this matter and be with us at least an hour or two on next Thursday. I will try to make some arrangements with him so that we will all be able to meet him.

Mr. RHAWN. Mr. Chairman, I move that an expression of sympathy with our Vice-President-elect, Mr. Johnson, be extended to him from this assemblage, by our Chairman.

(The motion was duly seconded by several members.)

The CHAIRMAN. You have heard the motion, gentlemen. All in favor please say "aye;" contrary, "no." The motion is unanimously carried.

Mr. ELLWOOD JOHNSON. Mr. Chairman, before we adjourn, I desire to call attention to the program for the second day's entertainment. It gives several interesting features of the morning session. For the afternoon session, which will commence at 12 o'clock, there will be provided here, on Tenth street, conveyances to take the gentlemen to Arch street wharf to meet the steamboat chartered to take them on their trip on the river.

I mention these circumstances so that you can come here prepared to take the coaches at the termination of the morning session. You will have no time to go to your hotels, as we leave the hall at 12 o'clock sharp.

The CHAIRMAN. If there is no further business, a motion to adjourn will be in order.

(Upon motion duly seconded and carried the Convention adjourned until Wednesday morning at 9.30 o'clock.)

SECOND DAY.

MERCANTILE LIBRARY HALL,
PHILADELPHIA, Wednesday, May 26, 1897.

The second day's session of the Convention opened with a full and punctual attendance of the delegates; the assemblage equaled in numbers that of the preceding day, and again testing the seating capacity of the commodious hall to its utmost limit.

At 9.45 A.M. the gavel of the Presiding Officer (Mr. Harry F. West) sounded the call to order and instantly the hum of conversation ceased, the audience assumed a business-like attitude and the program of the day was proceeded with.

Chairman WEST. Gentlemen, I regret much to say that I will be away from the proceedings this morning, but Mr. William H. Rhawn, one of our Trustees, has kindly consented to act, in my absence, as Chairman of this meeting. It is hardly necessary for me to introduce Mr. Rhawn to you. You all know him, know of his ability and of what he has done for the company. I take great pleasure, therefore, in asking Mr. Rhawn to take my place as Chairman.

Mr. WILLIAM H. RHAWN, upon taking the chair, was greeted with tumultuous applause. Upon its subsidence he spoke as follows: Gentlemen, I thank you for your kindly greeting. I feel very much as Jacob did when he supplanted Esau. I think I have, however, supplanted a much better Chairman than you will have to-day, but trust that you will bear with me patiently under the circumstances.

I have a statement to make, this morning, that will interest you. It is this. During the month of May, 1847—the first month of the business life of the company—there were thirteen policies taken out, to the amount of $56,000. Yesterday, on the fiftieth anniversary of the commencement of the business life of the company, the number of policies issued by the Penn Mutual Life Insurance Company amounted to two hundred and five, aggregating a value of $702,000. (Applause.) This number exceeded, I think I may say, the total for any previous three days.

There have been more than two millions and a half taken out this month, and I feel well assured that the total will run up to three or four millions before the end of the month is reached.

Yesterday I had the pleasure of presenting to you a grandson of mine, who expects to be here at the Centennial, in 1947. That is what he told me, yesterday morning, at breakfast. I hope his expectation may be realized. I want now to present to you a gentleman who started with the company in 1847, and who is still with it to-day—Mr. Compton. I ask that gentleman to take a seat, for a short time, on the platform, in order that you may all see the oldest representative that we now have here. Mr. Compton, the Chair will state, is not only an insured member dating back to the first year of the history of the company, but he is also one of the oldest agents of the company.

Mr. ALBERT G. COMPTON, of West Chester, Pa., was here escorted to the platform by Manager Henry C. Lippincott, amid the hearty plaudits of the Convention, and, after bowing an acknowledgment of his reception, quietly took a seat to the left of the Chairman.

Chairman RHAWN. The first business that the Chair finds on the program this morning is the reading of a paper upon "The Evolution of Life Insurance," by Mr. John W. Iredell, Jr., General Manager for Ohio, Kentucky and Tennessee.

Mr. JOHN W. IREDELL, JR., upon being presented by the Chair, was warmly welcomed by the Convention. He proceeded at once with the reading of the paper prepared by him on the above subject, the salient features of which were much applauded. The paper was as follows:

ADDRESS BY MR. JOHN W. IREDELL, JR., "THE EVOLUTION OF LIFE INSURANCE."

MR. CHAIRMAN AND GENTLEMEN:

More than two hundred and fifty years ago the seeds of the present science of life insurance were planted in London drinking taverns, in the crude form of bets as to whether certain prominent characters would survive some present illness, or that a certain man, under the influence of liquor, would reach home safely. The habit of betting, once inaugurated, extended to all sorts of vagaries and swindling schemes, about which there was neither experience nor any collected data on which to predicate results.

But wild and visionary as those early schemes were, they suggested the possibility of equalizing and distributing loss.

The law of average had begun to be investigated in the line of marine insurance, and the sale of annuities and reversions was attracting attention and stimulating investigation into the principles on which they rested. The rates of births and deaths were being gathered up by statisticians, and the foundations for scientific superstructure were being laid. But it was not until 1698 that the first life insurance company was founded in London.

The first company to insure lives in this country was the Presbyterian Ministers' Fund, organized in the year 1759, in the City of Philadelphia. In the same city, in the year 1769, the Protestant Episcopal Corporation was founded, and the Pennsylvania Company for Insurance on Lives and Granting Annuities was organized March 12, 1812. During the years 1843 to 1847, inclusive, there were seven mutual life insurance companies incorporated. At that time the business of life insurance was largely experimental. It is reported that several companies divided all surplus after the first and second years, and that the oldest company did not make any provision to create a reserve fund, to meet future contingencies, until after the fifth year. The application of the Penn Mutual at that time contained fourteen questions, and information as to ages of grandparents, parents, brothers, and sisters, condition of health or cause of death, was not required. The medical examiner's blank contained seven questions only, and yet the records show that the risks were first-class, and that many of the old members are living to-day.

The officers of a New York company issued policies on the statements of the applicant, the family physician, and the certificate of an intimate friend, no examination being required.

During the year 1846 the same company issued 339 policies on the lives of slaves. The amount of insurance was usually $500.00, for the term of one year. Occasionally one policy covered several lives. Policy No. 799 was on the lives of three slaves, and No. 268 was issued on the lives of ten slaves and *one white man!* The first death-claim paid by that company was under a slave policy for $225.00. The issue of such policies was discontinued April 19, 1848. One of the early agents of that company was Schuyler Colfax, late Vice-President of the United States.

Policies were issued upon the ordinary life and short-term plans only, and were forfeitable for non-payment of premium; no paid-up or other values were allowed to the unfortunate members who could not pay premiums when due.

The policy contained many restrictions, one of which was that in case "the insured shall, without the consent of this company, previously obtained, and endorsed upon this policy, *die upon the seas*, this policy shall be void, null and of no effect." A Cincinnati policyholder, contemplating a visit to England, objected to that part of the contract, and when informed that the restriction as to travel had been removed, insisted upon a permit being granted, because the policy very clearly set forth the condition that if he should "die upon the seas *without the consent* of the company, it shall be void, null and of no effect." A permit, granting permission to die at sea, was issued by the company, and the gentleman was satisfied. (Merriment.)

Another company's policy did not allow the insured to reside in the Wabash Valley, south of Springfield, Ill., or west of the Mississippi River.

In those days commissions paid to agents were ten per cent. on first year's premiums, and five per cent. on renewals. One of the companies decided to establish an agency in the City of St. Louis, but not to extend the business beyond the city. As an inducement to write a large business, the agent was allowed ten per cent. on first year's premiums and ten per cent. on renewal premiums during the life of the policies. Appreciating the value of the contract, the agent put all his energy into the work and, as territory was extended West, he succeeded in building up a large business, and is now receiving his ten per cent. on renewals, which affords a very handsome income.

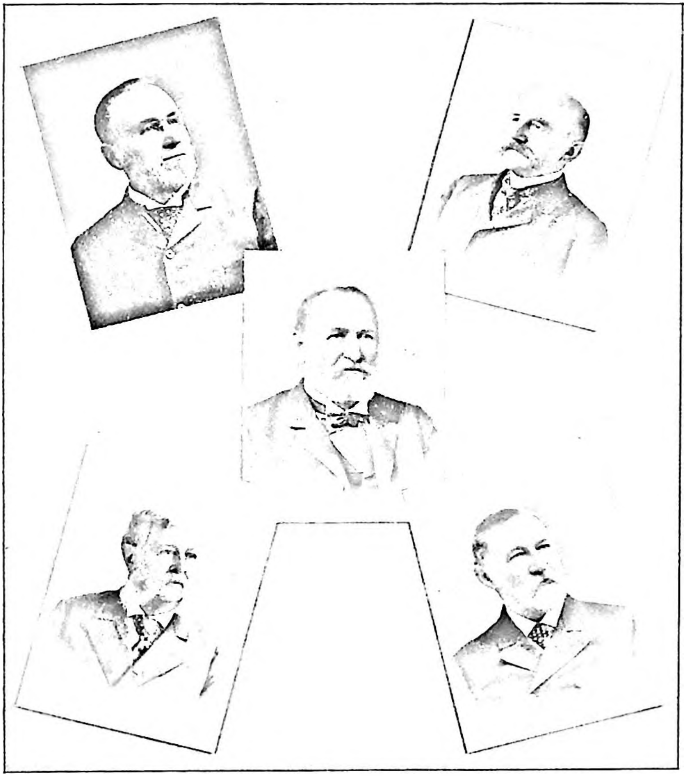
After 1860, and especially after the war, many companies were organized, and competition among agents was sharp and exasperating. There was a great contest between all-cash premium and half-cash and half-note premium companies. The latter companies wrote the larger business, which forced the all-cash premium companies to increase commission to agents, which enabled them to largely extend their business, and which finally resulted in the abandonment of the half-cash and half-note plan of paying premiums.

The first endowment policy was issued in May, 1862, and the first limited-payment life policy was issued in December, the same year. In 1869 the Tontine policy appeared; later the Semi-Tontine, life-rate endowment, accumulated surplus and trust certificate policies were introduced, and became very popular, judging from the very large amount of insurance written on those plans. Within the last few years cash, loan and extension values have been adopted by several companies, all of which are printed in the policies, so that every member may know what his privileges are at any time by referring to his policy.

The past fifty years have unfolded marvelous changes and improvements in all branches of social economy, but in none are the advancements better marked or more beneficent in their results than in the field of life insurance.

In this, as in all other human institutions, the elements and sources of progress were present, experimental science pressing on to perfection, every new endeavor, every new fact acquired, bringing the investigator nearer to the desired end.

On the other hand, in the advance of civilization, the desire of human



COMMITTEE ON FINANCE.

James Butterworth,
Atwood Smith,

Aaron Fries, Chairman.

Richard S. Brock,
N. Parker Shortridge.

beings to ameliorate unfavorable conditions, was keeping step with scientists, and the co-operation of these scientific and humanitarian forces have evolved one of the most marvelous institutions known to history.

Crude in form, and limited in application as were the beginnings of life insurance, the seed has fallen upon a favorable soil and has grown to a great tree, whose spreading branches now shelter almost every home in the land.

The early prejudice of "tempting providence," strong and tenacious as was the "divine order of human slavery," gave way before the accumulated facts of history, and the force of logic by the indefatigable energy of a few philanthropic people. (Applause.)

The early methods, plans, rates and forms, have all yielded to the progressive march of advancing knowledge, always in the general direction of establishing equity and mutuality among members. Unnecessary restrictions have been removed, and the whole contract reduced to the nearest approach to simplicity in language, expressing equity and justice between man and man that conscientious men can devise. Actuarial science has worked out plans adapted to the wants and circumstances of the whole people.

High and low, rich and poor, the professional man and the business man, no matter in what sphere he may move, or what his relation in society may be, a plan has been devised to meet his wants, to conform to his circumstances, and so as to extend to every family the benefits of an institution which was orignally the privilege of a favored few.

Has life insurance reached its full development in all directions, in all departments? Has the future yet in store for it further modifications, a greater expansion, a more universal application? While the sources of progress in the human heart and human brain remain unexhausted, it would be presumptuous to predict either the extent or the direction of the future of this science—but that there will be progress cannot be denied. Having made liberal provision for unfortunate members compelled to lapse their policies, what new inducements will be offered to members who continue to pay premiums until their policies mature by death or otherwise? What equitable proportion of the surplus, then existing, and to which they have largely contributed, will be awarded to them. (Applause.)

The distinguished physicians who have charge of the medical departments of their respective companies are entitled to, and have received full credit for all they have done to advance the best interests of life insurance. They have appointed local examiners throughout the country, many of whom stand at the head of their profession—men of ability, experience, and integrity, who are well qualified to make a thorough examination of the applicant brought before them, and who are fully competent to decide whether or not he is an insurable risk. Is it not possible that the time will soon come when the Medical Board will fall in line with the officers of the other departments in the march of progress, to the end that the great benefits to be derived from legitimate life insurance may be more liberally distributed among those who are recommended by the local examiners? Many well-informed life underwriters, who have given many years and all their time and talent to the business, believe that beneficent protection of life insurance could be profitably distributed more freely among those whose applications therefor are submitted to the several companies.

On this important subject, a prominent actuary writes as follows:

"It is to the education, character and care of those medical gentlemen, who have the honor to be associated with us in this noble business, that much is due, for many and great are their responsibilities attending the duties associated therewith. The mortality tables in use are predicated on none but healthy lives being insured; so, it is a necessity, as these tables are now constituted, that none but healthy lives are admitted to membership. But are not the refinements of medical examinations and the exclusion of applicants arising therefrom, growing at such a rate as even now to exclude a large class of applicants, formerly considered safely insurable, and accepted without any hesitation, and, too, without affecting the security or welfare of the companies themselves? The purposes and results of life insurance are too valuable to humanity to be unnecessarily curtailed. Should we not rather endeavor to enlarge the sphere of its usefulness, if it can safely be done? When we consider that the experience of the life insurance companies of this country shows that scarcely four-fifths of the mortality losses, permitted by the tables in use, and provided for by the premium rates charged, are realized on the average; and that the mortality tables themselves have been calculated so as to eliminate the advantages arising in the first few years of the insurance from the selection of risks, does it not seem possible to act with greater liberality in this direction? Life insurance is a progressive, and not a finished science, is certainly capable of great expansion, and of providing for much that is not yet dreamed of, and we must not forget our responsibilities under the Scriptural injunction—to do good, and forget not." (Applause.)

Chairman RHAWN. The Chair is sure that we are all greatly indebted to Mr. Iredell for his very able paper.

The next thing on the program is a paper by Mr. Henry C. Lippincott, Manager of Agencies, entitled "Dividends in Mutual Life Insurance Companies."

Manager HENRY C. LIPPINCOTT, upon rising at his place at the Secretary's table, was honored by a more than ordinarily significant demonstration of kindly feeling and hearty good-will by the delegates.

ADDRESS OF MR. HENRY C. LIPPINCOTT, "DIVIDENDS IN MUTUAL LIFE INSURANCE COMPANIES."

MR. CHAIRMAN AND GENTLEMEN:

A request has been made to say something on the subject of "Dividends in Mutual Life Insurance Companies." If the undertaking carried with it the condition of novelty or originality, then some degree of temerity might be ascribed to one who makes the essay. It is conceivable, however, that within the circle of known facts and established principles something may be said which, if it affords no information to you, may be instructive to that large class of agents who are on the threshold of their business, and to that still larger class of insurants who have not acquired a knowledge of the policies which they accept, and for which they pay with promptitude and cheerfulness.

As long as the business of life insurance is mainly done by mutual companies, or those in which the mutual principle is applied with more or less fidelity—the record showing that seven-tenths of the whole is carried by them—just so long will the dividend question be the paramount question. And the reason is obvious; it goes to the core of the thing—it discloses the cost of insurance, and in so doing attests the fidelity and fitness of the servants whom the policyholders have chosen to do their business. Other questions have been answered to the satisfaction of those concerned. The terms of the contract, as to residence, occupation, travel, habits, suicide, surrender for value, loans thereon, non-forfeiture, incontestability—almost every such question in which liberality may unite with justice—has been arranged in accordance with the will of the insured; if anything is yet needed to render conditions more liberal or to more fully adapt them to particular cases, it is having the earnest thought of competent men. But the dividend question, which is the cost question, the one which determines whether price is the actual cost in mutual companies, the one which shall settle whether managements have been assiduous to obtain for their *cestui que* trusts all that a dollar of premium will buy, that question has yet to be agitated, and through such a searching inquiry as shall disclose all the facts, let us hope that a way may be discovered to a proper solution. (Applause.)

Quite recently, a gentleman, long and creditably connected with this business, publicly expressed the opinion that life insurance should be taken "for the protection which it affords, and not for the dividends which may be made to the insured." With this statement there will be general agreement, but if the intention was to minimize or ignore the dividend question, hoping thus to divert attention from an object of deep concern to premium payers, the purpose will deservedly fail.

While the life insurance business has not yet been declared to be commerce, the thing that is sold by the members of a mutual corporation, and therefore bought by each member, is, in a certain sense, a commodity; and the cost of it cannot be hidden permanently, no matter how shrewdly attention is diverted to minor matters. An overcoat is bought for "protection," but a purchaser would rarely be so absorbed in the use to which it is applied as to forget the price demanded for it. Analogy is not entirely absent. It is conceivable that a thousand or more men may each subscribe and pay a varying number of dollars to a fund with which to buy overcoats, of various materials and different sizes, stipulating that when cost is definitely ascertained the balance of the fund remaining unused shall be returned to each, in the proportion contributed by him. Does anyone imagine that forgetfulness or indifference would restrain any considerable number from claiming their share of the surplus, or that the sense of comfort derivable from the new garment would entirely banish inquiry as to its cost? Or, if men are thus restrained, what is the character of the trustee to whom the fund was committed, if he makes no return or a false return?

It may be justly said that the parallel is incomplete; that the one transaction is ended when the overcoats are delivered, and that the conditions permit of a full accounting and a just distribution of surplus; that in the matter of life insurance there is a continuing contract, involving investments of more or less permanence, and presenting the possibility of contingencies for which there must be provision; and that, short of a dissolution of the company each year and the formation of a new one, it would be impossible to have a complete adjustment and a just distribution. Probably no one will strongly dissent from these claims, but under cover of it the refusal to render any account cannot be sustained. The adjustment may be incomplete, conditions are mutable, but what word would be applied to a trustee who, being unable to report fully as to the ultimate of certain items in the suspense account, refused to make any report whatever?

If the cost of life insurance of all kinds, at all ages, was capable of being predetermined, if its cost could be known within the fraction of a dollar, the dividend question would disappear. Some one has said that fire insurance is "a magnificent system of guessing;" equally it may be said that life insurance is a monument to the faith of the premium payer and to the fidelity of the trustee; but the *moment* that cost can be predetermined that is the instant when such a trust will end, and only the obligation of contract, as between strangers, will obtain. Men associate themselves in mutual organizations with the object, and, so far, with the *result*, of doing for themselves, at less cost, what stock organizations agree to do for a stipulated price. Incidentally, they must trust some one; but when, if ever, it comes to be the rule that trustfulness is misplaced and that the final cost in mutual companies equals or exceeds that in stock organizations, then the utility and supremacy of the mutual system are gone forever.

It is well understood that exact cost cannot be foreknown. There are tables of mortality, but men do not die in perfect harmony with their decrees. There are assumptions of interest, but in practice no company's experience exactly conforms thereto; there are loadings for expenses, and sometimes the aggregate is all absorbed, usually not. So, it would seem that of all the elements going to fix cost, not one is certain. No wonder, then, that results are uncertain, varying from year to year. All that a policyholder may demand is a capable, intelligent, worldlywise and honorable administration of the trust committed to the officers. He pays to his company, by way of stipulated premium, a sum confessedly larger than is needed. He has a right to expect an honest account of it; not only this, he has a right to know that his dollars are applied, every penny of them, to proper and just uses, in keeping with the legitimate purpose of the partnership. It is around methods of administration that the dividend question revolves, and must continue to revolve until finally settled right. It is beyond the power of any management to absolutely control the three factors which fix cost. Upon two of them but little influence can be exerted. A wise caution in the selection of risks may temporarily, and perhaps permanently, to a degree, reduce mortality; scrupulous honesty, supplemented by the highest financial acumen, may slightly affect the average rate of interest received. In neither can much be done to vary or to escape the conditions by which they are surrounded. In the control of one factor, however, the management, with a single exception, is supreme. It cannot determine what it may be required to pay for taxes—what fines upon thrift State or municipality may exact—but in all else its power in controlling expenses is absolute.

Where the power resides there also is the responsibility. Given a management with the power to say whether one shall pay \$100 this year or \$85, it is incumbent to fix the smaller sum if, all things considered, the true and lasting interest of all the policyholders is subserved thereby. And just here policyholders are to a degree forced to rely upon the judgment and discretion of the management; but this reliance need not be, and should not be, a blind confidence. The judgment and discretion of a management are to be weighed by its acts, and if anywhere it is found that the acts themselves are immoral, invasive of the rights of policyholders, even in the slightest degree, then there is abundant justification for criticism and for such measures as will lead to reformation. (Applause.)

There must, however, at the very outset of such an investigation, be ascertained what the rights of policyholders are, for, until this is definitely settled, there can be no method by which to decide how far there has been an invasion of right or a perversion of trust. Ever since life insurance in reserve-maintaining companies began there have been two classes, holding directly opposite opinions, and to a degree governing their actions by such opinions; and in nothing is there such a pronounced variance as upon the question of ownership of reserve and the extent of the interest in surplus to which they are entitled. On the one side, we have those who contend that membership in a mutual organization means a surrender of individual interest, a merging, so to speak, of the individual right with the congregate right, and, as a consequence, that the individual withdrawing, either by death or lapse, or by surrender, must accept such expression of his interest in reserve and in surplus, or dividends, as the collectivity awards. It appears to be reasonable that no member of a mutual organization shall be permitted to withdraw at any time or in any way so as to impose a loss upon his late associates, or intermediately to have awarded him surplus to an amount which may inflict a similar injury. On the other hand, there are those, probably a majority, who hold to the idea of individuality of interest, and contend that each member of a mutual organization is entitled to withdraw at any time, taking with him his contributions to the general funds in excess of the cost of his insurance to that date, provided he inflict no injury in so doing. This view has been largely recognized by the voluntary action of several companies and by legislation in various States. Some companies, at the end of a stipulated period, permit a withdrawal of the entire reserve; and in some States the withdrawal value closely approximates the full reserve. These conflicting opinions are difficult to harmonize, and where held in good faith, and the general management is in accordance therewith, no exception ought to be taken to either until it is clearly demonstrated that the one or the other is the just one.

Until, however, this primal question is settled, there can be no hard and fast rule by which to weigh the acts of the trustees, who are the officers of the various mutual companies. Those who hold to the first opinion cannot be expected to apportion surplus under all conditions and circumstances with the same degree of generosity, so to speak, as would be incumbent upon those who hold to the second opinion. There, therefore, will be in companies charging the same premium for a given amount of insurance a disparity in the amount of dividends annually returned to policyholders, or in the amounts which may be apportioned to them for purposes of accumulation—and this entirely independent of the main causes which control dividends. So, also, a retiring member's share in the aggregate surplus of a company will be controlled by the difference of opinions named.

There has, however, grown up in the last fifteen years a practice which, to one who is a believer in the individual right of each member of a company to all the surplus derived from his contributions, ought not to be tolerated for a moment. Reference is made to the expenses incident to the procurement of new business. They seem extravagant and wholly reprehensible. The opinion is held that no man should be permitted to enter a mutual life insurance company who does not pay his way from the start, any more than a man would be admitted to a club at the expense of his associates.

This is not the general view, of course, for the practice of many companies, and all the larger ones, is directly to the contrary. There is scarcely a pretense that a new member pays his way from the start. The legitimate provision for expense incorporated in the premium is wholly inadequate for the first year, with the result that the sum necessary to make good the deficiency must be taken from the funds of others, and it is so taken. It is alleged that this is merely a system of borrowing, the old members contributing from their funds and making the advances needed, so that they may have the benefit of recent selection through an influx of new lives, which is claimed to materially reduce the mortality of the mass, and so compensate the older ones for the present use of their funds. This is a partial justification, if true, assuming that the old policyholders know the situation and assent thereto. For a brief period, when the expenses of the companies now in mind were relatively much less than now, there were indications that this theory was partially true, at least, and that injury was not inflicted on the old members; but the results of the last few years now wholly deny and disprove this contention. No one may look upon the increasing cost of insurance in some institutions—due in part to other causes, but chiefly ascribable to the expense item—without noting that the predicted vitality gains are absent, or, if existing to a moderate degree, they do not set off and compensate for the tremendous cost of new business. If they did the effect would be most marked. There would be an increase in dividends instead of a steady decline. (Applause.)

There are several companies which have refused to be carried away with the pursuit for bigness, but have been annually renewing themselves and making moderate gains in volume of insurance in force, where the actual mortality to the expected is more favorable than in the expensively managed ones; and these companies afford the best possible demonstration that high-pressure methods do not, in the long run, justify themselves, for such companies furnish each year insurance at a much lower cost than those which fail to have a due regard for the individual right of members.

The matter of dividends which, as first said, to a degree controls cost, is largely a matter of management: and results so far sustain and approve those who realize the obligation of stewardship, who appreciate the sacredness of the trust-relationship which they occupy, and who will not for a moment consent to the robbing of Peter to pay Paul, reserving the right to later pluck Paul for other generations of Peters, who, in turn, will have the same treatment. With confidence it is stated, that management is best which will carefully guard the right of the individual, permitting no wrong to him for the benefit of the mass, taking nothing from the mass for the advantage of the individual. Such a doctrine, let us hope, shall be the guiding star of the institution whose birth we commemorate, and so make it continuously worthy of the illustrious name it bears. (Applause.)

Mr. SIMON WOLF. Mr. Chairman, in moving a vote of thanks to our friend, Mr. Lippincott, I think I voice the sentiment of one and all present, and indeed of every policyholder in the

Penn, when I say that the paper he has read is not only admirable in tone, elegant in diction but fruitful for the future, I have no doubt, of results that will be of great benefit to the company, to the insured and, last though not least, to the agents.

The Penn has been in a state of evolution; and the best evidence of it is that the Manager of Agencies is so closely in touch with all the intricacies that underlie this business, especially in his keen knowledge of the one end, aim and object of the agents—who, after all, are the primal factors in the success of the insurance business, and therefore of the Penn Mutual. I therefore move you that the thanks of this Convention be tendered to Mr. Lippincott for his able paper. (Applause.)

The CHAIRMAN. The Chair takes pleasure in seconding that motion.

Mr. A. A. WALKER. I suggest that we evidence our respect for the Manager of Agencies by a rising vote on the motion.

The CHAIRMAN. (After a whispered suggestion by Mr. Lippincott.) The Manager of Agencies has suggested that Mr. Iredell should be included in the vote of thanks. (Applause.) If that be the pleasure of the delegates, the motion will be to tender a vote of thanks to Mr. Iredell and Mr. Lippincott, taking them in the order in which their papers were presented.

The Chair here took a vote upon the motion, when all the delegates rose in the affirmative.

During the taking of the vote Mr. Lippincott rose, but hurriedly resumed his seat with the remark, "Oh, I am in the negative." A burst of merriment followed, during which he added: "It has been suggested that I rise, with all the others, to emphasize my appreciation of Mr. Iredell's paper. I vote for that half of the resolution." (Renewed merriment.)

Mr. IREDELL (who had already voted) remarked: I had previously done that for Mr. Lippincott.

The CHAIRMAN announced that the vote on the motion of thanks was unanimous. He then announced the details of the arrangements for the boat ride on the Delaware in the afternoon, and followed this with the announcement that the meeting was open for general discussion.

Mr. JESSE J. BARKER (responding to calls, accompanied by requests to take the platform) came forward and after taking a position alongside the Chairman, said: Gentlemen, I don't think it is necessary to take the platform to disclaim any intention of "taking a photograph" this afternoon. I am not the guilty party this time. (Merriment.)

Mr. C. HALL humorously suggested that a vote of thanks be tendered to Mr. Barker for his beautiful speech. (Continued merriment.)

Mr. GOULDEN. I presume that it may be in order to explain why the suggestion is made to tender thanks to Mr. Barker. It is not for the speech, I take it, but it is because he has agreed not to shoot his camera upon this occasion, as he did, in July last, at the Thousand Islands. Those who were not present last year don't know the joke connected with this matter. Our friend, Mr. Barker, always alive to the interests of the company and to the pleasures of the agents, had his camera with him on that occasion, and he was loaded for every emergency.

The CHAIRMAN. You mean his camera was "loaded."

Mr. GOULDEN. It appears, Mr. Chairman, that the boys know Mr. Barker as well as I do; hence they will understand that it was the camera, not the gentleman himself, who was in that condition. It was a very common thing for Mr. Barker, at the Thousand Islands, upon every occasion, to say, "Boys, look pleasant, smile now," and immediately operate his camera. This he did so frequently that all those present on that occasion constantly expected to hear the genial voice of Mr. Barker saying "Smile now, look pleasant." Hence the necessity for a vote of thanks upon this occasion, when he has agreed not to shoot his camera as he did then.

The CHAIRMAN. The meeting is now open for a general discussion of the papers that have been read or of any other subjects that may be pertinent which gentlemen desire to introduce. I do not desire to follow the example of your Chairman on yesterday (with which he expressed his dissatisfaction) in calling upon individuals. I prefer that those who feel impelled to speak should rise and do so without being called upon.

Mr. G. A. Watkins. Mr. Chairman, I desire to ask a question about the time for getting something to eat to-morrow evening. I notice that the time for the banquet at the Union League is not noted on the program, and I am afraid I might miss it if I did not know the time appointed for it.

Secretary Lippincott. The hour is 6 o'clock.

Mr. Watkins. Thank you.

Mr. Lippincott. While I am on the floor let me say this also. with the permission of the Chair: I understand that some of our visiting guests came away from home without their dress suits, and one or two have expressed some apprehension that if they attended the banquet in any other than a dress suit they would be tabooed. Gentlemen, let me say for the information of all that about one-third of the guests on that occasion will not appear in dress suits. so that there will be no discrimination in that regard, nobody will be marked for it, and let nobody stay away for that reason. (Applause.)

Mr. Noah H. Plympton, who was about retiring from the hall at this point, was good naturedly seized by friends and reluctatly compelled to accompany them to the platform, all the delegates meanwhile joining in a chorus of calls for a speech. He responded:

Gentlemen, this is a most unfair advantage and perhaps a little out of order. My case is a good deal like that of a delegate to a convention in Massachusetts in 1878. There was a row in the party (there is always a row in our party—the Democracy), and we, of the majority, had reason to believe we wouldn't get into the convention hall. So in the still hours of the early morning we went in and took possession. We were holding a mock convention, when all at once, in a remote corner of the hall, a Milesian brother got up and said, "Mr. Chairman. I rise to a point of order." The Chairman said, "State your point of order." Our brother then stated, "Mr. Chairman, I have a call of nature and I would like to know what to do with it." A delegate in another corner of the hall arose and said. very solemnly, "Mr. Chairman, I move that it be laid upon the table."

(In the uproar of merriment which here followed, Mr. Plympton disappeared.)

Mr. A. A. WALKER (being called upon by the Chair), responded: Mr. Chairman, haven't you another agent here of that name? I am sure there is some mistake.

(Here the calls to take the platform were continued so persistently that the speaker was obliged to pause.)

I am overwhelmed just at this time, as I have just now received a telegram stating that there is $5000 of new insurance coming from my agency. I therefore don't feel like talking. In looking over the list of eminent speakers on the program, before I left home, I concluded that I would not be called upon, and hence did not prepare any speech. Otherwise I might have written one, or might have got an agent of the New York Life to write one for me.

However, I will say to you, gentlemen of this august Convention, that Alabama greets you and especially the Penn Mutual Life Insurance Company in its great management. When the Penn Mutual came South, to Alabama, it didn't come with two distinct classes, a Northern and a Southern class, but it gave the citizens of Alabama the same rate; it had the same rate for a Georgian or an Alabamian that it had for a Pennsylvanian. It came down there with the same old table of rates, and the people adopted the Penn Mutual. Last month Alabama was about the fifth, in the list of States, in its contributions of new business to the Penn Mutual. While we hardly expected to make it the first, in point of business, we did expect to get farther forward on the line than fifth, and we hope now to be nearer the top than we now are before the first of next January—I mean in your monthly reports. The company is immensely popular in Alabama now. For three or four years I worked hard for the Penn Mutual, succeeded in convincing people that they ought to insure their lives, and they did so—in the New York companies. (Merriment.) When I argued with them, they retorted, "We would like to insure with you, in the Penn Mutual, but everything goes to New York, we can take ordinary securities to New York and borrow money on them; if we want to borrow in Philadelphia we must carry a 'gold brick,' and they will bore through it to see whether it is gold." (General merriment.) But, gentlemen, we greet you with words of good cheer. We are here to tell you that the Penn Mutual has a future in Alabama and in the South.

I might say something on other lines, but I prefer not to do so now. My friend, Colonel Goulden, over there, is spoiling for a speech. He is one of the best talkers that I know, wherever you strike him. So that, after this informal little pleasantry, I call on Colonel Goulden to represent us.

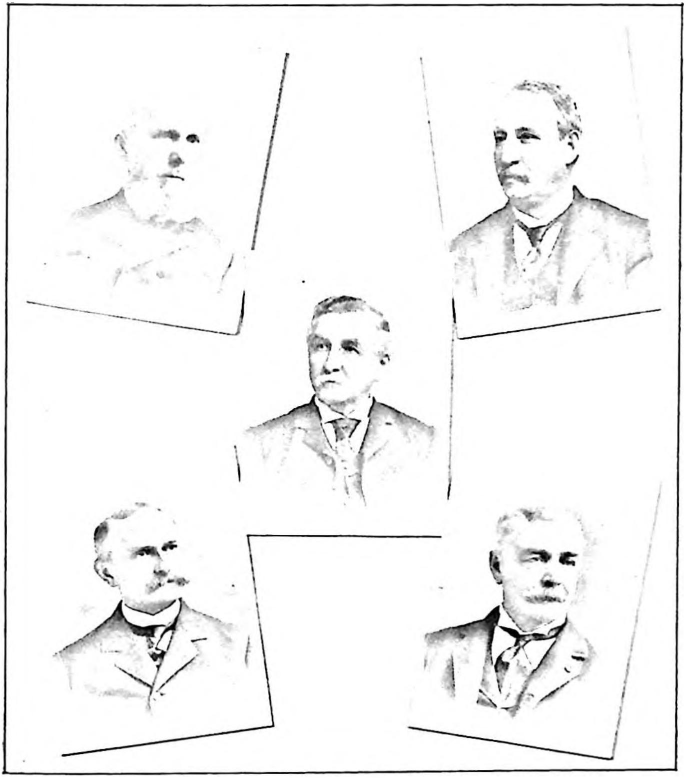
(Calls for "Goulden" here resounded from all parts of the hall.)

Mr. J. A. GOULDEN, General Agent at New York, here rose and endeavored to speak, but was interrupted by the usual call to take the platform. He declined, however, to come forward, and when several gentlemen attempted to escort him from his seat, amused the delegates by exclaiming "Save me from my friends."

The CHAIRMAN. We have just heard from the "gold brick" of Alabama; now we will hear from "*Jerusalem the Golden*" of New York. (Laughter.)

Colonel GOULDEN finally said: Mr. Chairman, I think you made a mistake, a few moments ago, when you intimated that you would expect those whom "the spirit moved" to speak upon this occasion; and I don't often have an opportunity of calling your attention to mistakes. You evidently feel the spirit which should pervade this occasion, the Golden Jubilee of the Penn Mutual Life Insurance Company, and therefore you imagined that this should be a Quaker meeting. While the Quakers are frequently moved by the spirit, I very much fear that you have erred, as a great majority of the representatives here, while admiring the Quakers and the spirit that brought into existence this company, are not themselves of that persuasion, and therefore you will be disappointed if you wait until the spirit moves them.

I am sorry that our friend from Alabama (Mr. Walker) has put me in the position in which I find myself, but he has done that because he wants us to shake hands over the bloody chasm. He wore the gray during the war and I the blue, but when I had the honor of appointing the Captain as an agent in Alabama, we



COMMITTEE ON CLAIMS.

John H. Watt,
George K. Johnson,

William H. Rhawn, Chairman,

Benjamin Allen,
Tattnall Paulding.

agreed to bury all past differences not only in the interest of the old flag which we all honor and cherish but in honor of the company that we now represent, and he has been a good representative in that State for many years. I have no doubt that when he tells you, Mr. Chairman, that he is going to put the Penn Mutual among the leading agencies of the country, in the matter of new business, and away up on the list of agencies, he will not fail to do so. I never caught Captain Walker telling a lie, though they say he does it occasionally when he is in competition with the New York companies; they say he will tell a pretty good-sized yarn under those circumstances. (Merriment.) Now, whether that is true or not I will leave you to judge, as you will learn to know him as well as I do.

I have been much impressed by the papers we have heard read this morning, as I would have been by those read yesterday if I had been here. It was my loss as well as my misfortune to have been denied that pleasure on yesterday.

I made a few notes while the gentlemen were reading their papers. The gist of the first paper, so far as I discerned, was this, how we could retain membership in this company—how we could retain the policyholders we had managed to secure in spite of the desperate and very serious competition in which we have all been engaged? That is a very serious question: and if I was able to solve it satisfactorily I should not be in the employ of the Penn Mutual nor of any other life insurance company, for the secret would be worth millions of dollars.

Now if you will search the records you will find that the largest percentage of lapse is found in those companies doing what is termed "a high-pressure business." Men are induced to insure under the fair but delusive promises of agents as well as by the reprehensible system in vogue of rebating. I think that that is very clear to all of us because we know that men are pressed into life insurance under promises of all-kinds and under a rebate ranging anywhere from 25 to 90 per cent. I know of scores of men who have insured their lives for large amounts with no intention of continuing the policy beyond the first year. I want to say that that practice does not exist in the Penn Mutual for the very good reason that you are not able to compete with the large companies in the matter of commissions. Hence it seems to me that, if something is done or an attempt made to bring all the companies together, particularly the larger ones, into a compact to which they would not only subscribe but would faithfully carry out, the remedy would be speedily applied to this crying evil in life insurance. When I say "the larger companies," I ought to be specific and say the three large ones. If they are to be brought into a contract such as they have subscribed to to-day, absolutely forbidding rebates, and that contract be kept inviolate, I believe you would discover a means of increasing the duration and age of policies in the various life insurance companies to a very large degree and would solve the problem of expenses and management. Men are pressed into service as policyholders, under these rebates, for large amounts and for much larger amounts than they are able to carry, and the consequence is that a very large percentage lapse within the second, third or fourth year. The question of how to retain the members of a life insurance company is certainly a great one. It costs a great deal to get them, and there ought to be some system adopted by the various companies, looking to that end. But there must be united action, Mr. Chairman, on the part of the companies if you desire to accomplish this much needed reform.

Another thought given out by Mr. Iredell is the question of under-average or sub-standard lives. There is a tendency in that direction on the part of life underwriters, of which you are all aware. The New York Life Insurance Company have inaugurated a sub-standard department, which is now being carried into effect. They have gathered the statistics, in England and elsewhere, for a number of years. Mr. McCall claims that they have locked up in their safes data sufficient to jusify the New York Life in establishing this branch of life underwriting; and they propose to carry it into execution. They hesitated about it at first on account of the feeling in life insurance circles that the issuing of a policy to second class or under-average risks was not commendable nor praiseworthy, and that it would not meet with popular favor on the part of those who could pass the requisite test for a policy on the old well-established companies.

But the day is not far distant, in my judgment, when all the companies, including the Penn Mutual, will be willing to write a sub-standard risk free from organic disease, at an adequate premium, thus insuring the better class of sub-standard or impaired lives.

In an experience covering thirty years of my life I have watched carefully those sub-standard risks and to-day I could name a number of them who were rejected twenty-five or more years ago, who are now living and well, while many of those who passed first muster and were considered first-class in their physical conditions have died from organic disease long since. (Applause.) This may seem strange that twenty-five years ago the Penn Mutual declined to write a policy on my life because of overweight, my weight then being, as it is now, 200 pounds, with a height of five feet, seven and a-half inches. Dr. Page, then Medical Director of the company, declined to write my application for no other reason than that I failed in the standard of height and weight, which at best is but an arbitrary rule of the medical directors of the various companies. I was obliged, in order to secure a policy in the Penn Mutual, to personally visit the home office and submit to an examination, severe in character, at the hands of the Medical Director and his assistant, Dr. Keating. After mature deliberation on their part, they decided that inasmuch as my life was an active one it would be safe to issue a limit of $10,000, which was done. But before this conclusion was arrived at I was obliged to go through the paces of various kinds, jump over all sorts of things in order to satisfy the distinguished medical gentlemen that I was what the local examiner claimed, "a first-class, healthy risk."

I believe that that subject should receive the attention of our officers and trustees with a view of arriving at some satisfactory conclusion of this vexed question and instituting a needed reform in this direction. There is no reason it could not be safely done, providing the company will charge a rate commensurate with the risk assumed. If a company like the New York Life or the Penn Mutual cannot do it, how can you expect other companies that are doing exclusively a sub-standard business to do it successfully?

Now, with reference to the paper read by our friend, Mr. Lippincott—I should say "the Judge," for by such title he is best known to the agency force of the company—I will not compliment him (because he would say it was blarney) beyond saying that it was a most admirable, well digested and ably-written paper, one worthy of the careful study and consideration of every one connected with life insurance interests. We have now a fragment of the "blarney stone" on exhibition at the Irish Fair, in New York City; and I cannot therefore speak more at length on the value of this paper, else he would charge me with having kissed that stone before coming to this meeting. The paper read by Mr. Lippincott has thrown out some original ideas that commend themselves to every lover of life insurance and particularly to those interested, as we are, in the success of the Penn Mutual Life Insurance Company, and I hope that it will find fruitful soil among the Trustees and officers of the company.

I want to say, in connection with this, that during twenty years' experience with the Penn Mutual I have never yet known our Trustees to throw aside or fail to give the proper attention and consideration to suggestions emanating from any one connected with the company. I know of no board of trustees of any life insurance company who are so thoroughly in sympathy with the objects sought to be attained in life insurance and with the suggestions made by agents and policyholders of the Penn Mutual as that of the Penn Mutual Life Insurance Company. (Applause.) And I may include in that the officers of the Penn Mutual. I do that without desiring to flatter them. Living, as I do, in New York City, I am more or less familiar with the management of the various companies finding a home there. It is about as difficult to obtain an audience with or have a suggestion or recommendation considered by those gentlemen as it is to reach the President of the United States or have him give consideration to a suggestion made by a citizen of the country. This, I am proud to say, is not the case with our company. The humblest policyholder or agent can always obtain, at the hands of the management of this company, due and careful consideration of any suggestion or recommendation made by him. They are always in touch and sympathy with both policyholders and agents and are therefore to be specially commended at our hands.

Now, a very valuable suggestion was thrown out by Mr. Lippincott, the head of the Agency Department, with regard to the matter of expenses in new business; that being the only factor absolutely within the control of the management. We, as agents and fieldmen, can do much towards aiding the company in their efforts to increase the dividends to policyholders by curtailment of the small and incidental expenses of our respective agencies. While individual items may amount to but little, yet in the aggregate they amount to thousands of dollars annually. There is no doubt that the question enters very largely into the success or failure of life insurance companies. You have got to meet this question as to the cost of life insurance; and, while I am neither a prophet nor the son of a prophet, I venture to say the day is not far distant when you will be called upon to sell largely annual dividend policies. Men come in to me and say, "I want nothing but an annual dividend policy, one in which the distribution of surplus takes place yearly; I have no desire to wait for ten, fifteen or twenty years for something that, in the event of my death or by taking a paid-up policy, will inure to the benefit of others or perhaps of the company in securing new business." These people say, "I don't wish to insure my life for speculative purposes but I want insurance for the sake of the protection alone." The New York Life Insurance Company have just formulated a new annual dividend contract which they purpose pushing to the front. While they claim, in their circular of instruction to agents, that the semi-Tontine policies are the best that there are, yet there is a growing demand on the part of the insuring public for something of the character which I have just outlined, viz: insurance for insurance sake. John A. McCall was always in the van of reforms and in feeling the public pulse, and it is due to him to say that he has not made a mistake in this case. I think Mr. Lippincott struck the key-note on that subject of annual dividend policies, and that he very aptly states that it is impossible to predict the actual cost of insurance in the future as well as to give any definite figure as to the distribution of the surplus in the shape of dividends annually. And yet, with the proper and conservative management which has always been given us by those in charge of the PennMutual, there is no reason why a good dividend should not be paid in the future by this company as is the case now.

But, Mr. Chairman, when you talk about curtailing expenses, especially in the direction of cutting down commissions, then there is a kick all along the line. The fieldmen do not object to a curtailment of home office expenses. But, seriously speaking, I believe that there could be some economy practiced by the managers of the various life insurance companies in directions in which it would not seriously affect either the officers of the company or the agents doing work in the field. We don't think we are getting too much now.

The annual dividend policy is one that, I think, will become more popular from year to year, as was the case twenty or twenty-five years ago. While many of our friends think that Col. Jacob L. Greene, of the Connecticut Mutual, is a little off his base in reference to this subject, I really think that Colonel Greene has carried out the true policy in issuing only regular yearly distribution policies; and I think the agents of the company will appreciate the fact and vote with the Trustees to assist in keeping down expenses, wherever it can possibly be done, in order that our company's reputation as a dividend payer may be maintained. As to the question of dividends, it does not enter into the matter of insurance as it did twenty years ago, but the insuring public are gradually approaching that point when the same condition will exist and when the question will be asked, and a candid answer expected, "What dividends are the company likely to pay during the next ten, fifteen, or twenty years?"

Mr. Chairman, I think the agents are to be congratulated to-day upon having heard two such excellent papers; that the papers will be productive of good results in increasing the efforts of the agents in their respective fields when this pleasant occasion has ended, and will prove of great benefit to the company as well as to the material prosperity of the field workers in the future. (Long continued applause.)

Mr. WALKER. Mr. Chairman, did I understand the gentleman (Mr. Goulden) to say that there is any danger of the companies stopping the issuing of dividend paying policies?

The CHAIRMAN. Not at all.

Mr. WALKER. I thought that the gentleman suggested the fear that the company was going to stop.

I want to ask the gentleman another question, viz: whether the system of rebates prevails in New York, with those New York companies?

Mr. GOULDEN. Mr. Chairman, I am sorry to answer yes, just as badly as ever, notwithstanding the compact entered into by the Presidents of the various life insurance companies.

Mr. WALKER. That has been violated then?

Mr. GOULDEN. I may say, if the gentleman will pardon me, that I lost a $30,000 risk which I had issued, last December, because I couldn't give the man ninety-five per cent. rebate. (Laughter.) I reported the case to the company and asked them, if possible, to ascertain the name of the agent, stating that if the name was ascertained I would prosecute him. I couldn't get the name of the agent. He was of the Mutual Life Insurance Company of New York.

Mr. J. J. BARKER. Mr. Chairman and gentlemen, the impression seems to be entertained, on the part of some, from Mr. Goulden's remarks, that the New York Life has recently adopted an annual dividend paying policy and that the Penn Mutual did not issue that kind of a policy. I want to reaffirm that the Penn is still at the old stand and is issuing all the old forms as well as all that is desirable in the new ones. (Applause.)

The CHAIRMAN. (Humorously.) It seems to be as hard to keep insurance companies in line in the matter of rebates as railroad companies. But Mr. Walker was right when he said that Mr. Goulden was boiling over for a speech. (Merriment.) I think we will have to reverse the aphorism that "Speech is silver and silence is golden," for the gentleman (Mr. Goulden) has given us a "golden" speech. (Applause.)

The Secretary has placed in my hands something which he thinks will interest you—an editorial from the *Philadelphia Record* of this date. I ask the Secretary to read it for the information of the Convention.

Secretary LIPPINCOTT. Mr. Chairman, perhaps I should preface the reading by calling attention to the fact that this semi-centennial celebration has demanded and is receiving widespread notice in the city of Philadelphia. Means were taken to that end. We hardly expected however to attract so much notice; we did not anticipate that a journal like the *Record* would regard our celebration as of sufficient moment to warrant it in saying what it has said in its issue of this date. I read from its editorial columns:

> "The Penn Mutual Life Insurance Company, of this city, has given a useful object lesson to the country in celebrating its semi-centenary by a convention of delegates, representing its branch agencies in thirty-nine States of the Union. A more instructive demonstration of the vast ramifications of Philadelphia enterprise and of Philadelphia business methods has never been given to the country; and it may as truly be said that the country has never had a clearer proof that life insurance is one of the most potent of the beneficent institutions which tend to promote the feeling of National unity and community. These are among the obvious moral gains of this novel celebration, the holding of which will also be a reminder to the country that the city founded by Penn has become, in no narrow sense, the life insurance capital, and the center from which radiate all the material advantages which inure to society from prudent and progressive insurance methods."

The CHAIRMAN. The Chair thinks we may hear with profit from Colonel Fell, of New Orleans.

Mr. JOHN R. FELL, after a cordial greeting, replied: I came here quite unwell, this morning, and if you will kindly excuse me for the moment I will be under many obligations. At some other time I will venture to engage your attention.

Mr. GEORGE FRENCH. Mr. Chairman, in the line of thought which has been presented to us in regard to annual distribution of dividends or surplus, and in connection with which some of the gentlemen here expressed themselves, yesterday, in regard to issuing a policy on the stock rate plan or a non-participating policy, I wish to say a word. I hold that the term "stock rate" has no place in the Penn Mutual Life, but that we should use the term "non-participating." What have we, in our present policy, which shows to the public that it is a participating policy? I fear that when I arrive at home I shall be compelled to return a policy because there is not expressed in the contract that the policy shall participate in an annual distribution of dividends. Now, I would recommend or desire that, in our ordinary life, in our twenty-payment life and in our endowment (regular) policies there should be embodied something to show to the policyholder that the policy shall participate in yearly distribution of dividends or surplus. I take a policy to a customer and express to him my pleasure that the company has seen fit to issue to him a policy. He scrutinizes the policy and fails to find in it anything regarding the dividends to which I have referred and which he may use in the annual reduction of his premium. He tells me, "I have not time to talk to you now but I wish you would go to my attorney and give him a note from me." He gives me a note in which the inquiry is made whether in the opinion of his attorney, it is safe for him to take that policy in expectation of having the premium reduced by dividends. When I deliver the note, the attorney scrutinizes the policy and fails to find in the contract anything that assures the insured that his policy is participative. Then I turn to the answer in the application, but I am met with the rebuke that that application is not the company's contract and therefore is not binding on the company.

I hope that these suggestions will be recognized, and that there will be embodied in the policy, as there is in many other policies, a statement of the fact that it is participating and will receive annually its share of distribution or surplus.

A delegate here handed to Mr. French a policy and added: Will the gentleman read what is on the top of that policy?

Mr. French. This policy has been handed to me with the request that I read the following: "This policy will be entitled to a dividend upon the payment of the third annual premium, and thereafter upon the payment of each annual premium." It is not a Penn Mutual policy.

Mr. IREDELL. Is that signed by an officer of the company or is it merely a memorandum?

Mr. FRENCH. It is printed on the face of the paper. But I simply rose to say that I would like to see in all policies, somewhere in the body of the contract, a clause like that which I have indicated.

Mr. IREDELL. Does not the application of the Penn Mutual ask the question, how is the surplus to be used? and is not the application a part of the contract? Do you not have to take the policy and the application together? I think there is a very good reason why the company cannot insert the clause to which the gentleman refers. I have never had any trouble in convincing a person that the dividends could be used annually. We have a record of fifty years, showing that we never failed to pay an annual dividend. (Applause.)

The CHAIRMAN. The point taken by Mr. French, the Chair thinks, is a good one. (Applause.) The matter ought to be referred to the Committee on Policies—no doubt it will be.

Mr. WATKINS. If the Penn Mutual have for forty years paid dividends and expect to pay them for forty years more, why are they afraid to say so in their policies?

The CHAIRMAN. The Chair does not think they are afraid. (Applause.)

The Chair thinks that we would now hear with much pleasure and profit from Col. Ezra DeForrest.

Col. EZRA DEFORREST, of New York, who was cordially greeted, responded: Mr. Chairman, modesty seems to be my only virtue. (Merriment.) Perhaps it was because of this fact that the Penn Mutual, wanting to have a live agent in New York City, put one there who was always calling upon the "Colonel of the Gallant Twenty-third." (Renewed merriment.)

Seriously speaking, I can only say that I have listened with great pleasure to the various papers read here yesterday and today, and have profited by them. I regret that in my own agency in New York, the blossoms have been so few, but I hope that the influence of the valuable papers to which we have listened will bear fruit there in hundreds of thousands of dollars of new insurance business. I thank the Chair for calling upon me, but beg to be excused from making any extended remarks. (Applause.)

The CHAIRMAN. If any other gentleman would like to be called upon, the Chair wishes he would announce the fact.

Col. DEFORREST. Mr. Chairman, if the last remark of the Chair can be construed into an intimation that I had wished to be called upon, I would like to have it understood that that is an error. The call upon me was entirely unexpected. (Merriment and applause.)

The CHAIRMAN. The Chair desires to present at this time the oldest Trustee of the Penn Mutual—Mr. James O. Pease—who has just entered the hall. This gentleman is the oldest Trustee in the service of the company.

(Mr. James O. Pease here came forward and was escorted by several delegates to a seat on the platform, adjoining that of his veteran associate, Mr. Compton, the Convention meanwhile rising and complimenting the gentleman with a series of cheers.)

The CHAIRMAN. Gentlemen, you now have with you two of the "1847's."

Mr. PEASE here said: Mr. Chairman and gentlemen, I am overwhelmed by this reception. I never received such a one before, and never expect to have another like it. I thank you. (Here the cheering was renewed, after which the regular order of business was resumed.)

The CHAIRMAN. We have not quite exhausted our list of military representatives. Capt. J. S. Land comes next on the list. The Chair calls on the Captain to respond.

Capt. J. S. LAND replied: Mr. Chairman, I beg to be excused. I am not gifted in the way of making speeches. I prefer to leave that to some of the older agents, who have had more experience in that specialty. I will have to leave you call upon them.

The CHAIRMAN. Still the list is not exhausted. We have with us Captain Kendall, upon whom the Chair now calls.

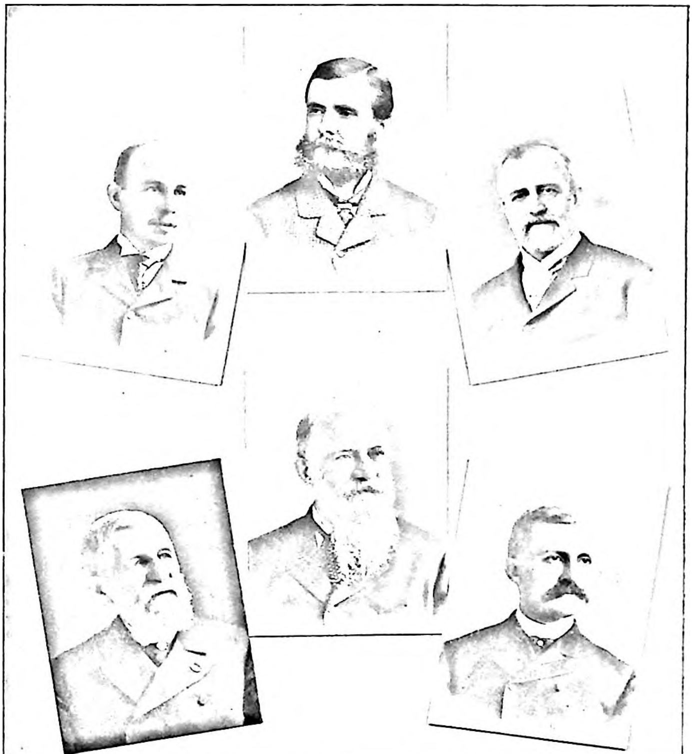
Capt. F. A. KENDALL, of Cleveland, O., yielding to solicitations, came forward to the space in front of the platform, and said: Mr. Chairman and gentlemen: I am delighted that Brother French brought up this matter that our policies do not contain a clause agreeing to permit the policies to participate in the annual distribution of surplus. Having at one time read law and come in contact with many members of the legal profession, I can say that that matter is a source of complaint with them when they critically examine our contracts. I have observed some old contracts of this company, of twenty or twenty-five years ago, wherein that clause was inserted. I had supposed that it had been eliminated from the contract for some good reason; that there was a compact among the companies, years ago, to do that, but for what reason I know not. I supposed so from the fact that the grand old Mutual Benefit Life Insurance Company has not had that agreement in their contract until within the last three years, I am so informed. As our policy lines up pretty closely with theirs, I cannot see what harm there may be in placing in our contract a clause to this effect, "This policy while in force will participate annually in the company's distribution of surplus." There is no contract if you do not make any. That would have this effect, that after two years it would be incontestable except for non-payment of premium. I presume there is some good reason why that clause is not incorporated in our own policy. I suggest that the matter ought to be referred to the executive force of the company, and possibly in that way we may have an explanation in regard to it. I make this suggestion because legal gentlemen, who have carefully scrutinized our contracts, have said that they did not see anywhere in those contracts any agreement whatsoever for a distribution of surplus.

I have nothing further to say. I regret to add that I went to bed late last night, and my circulation isn't up yet, as I didn't have time to take my morning exercise.

The CHAIRMAN. You haven't taken a "bracer" then?

Mr. KENDALL. I am too old a chicken to take "a bracer" before breakfast. (General merriment.)

I have been astounded to see this muster of representatives of our company. A little bunch of fifteen or twenty of us have been meeting every year and sometimes twice a year, and I had almost come to think that we constituted the entire force of the Penn



COMMITTEE ON AGENCIES.

Samuel B. Stinson,	*Robert Dornan,*	*W. Beaumont Whitney,*
Charles J. Field,	*Ellwood Johnson, Chairman,*	*Lincoln K. Passmore, Jr.*

Mutual; therefore, I have been astounded by the vast proportions of this Convention. We have an assemblage here of gentlemen of high character. The agents of this company partake of the characteristics of the management of the company. When you visit a military post and note the bearing and conduct of a few of the privates of the company, you can tell just what kind of a captain they have, you can judge of his characteristics and his influence over his men by the character of the men themselves. Therefore it is neither remarkable nor accidental that the character and executive force of the management of the Penn Mutual should be apparent in the personnel of the agents of the company as assembled in this Convention. The company itself has moulded into a harmonious body all of its representatives. And I think the mould is a pretty good one. (Merriment and applause.) I thank you, gentlemen, I will not occupy your time longer.

Mr. H. I. Pineo here inquired whether Mr. Kendall had had any difficulty in delivering insurance because of the fact that the cash values expressed in the policy were not guaranteed, but were, as it were, an illustration of the cash values, and announced merely the minimum or the maximum cash value which would be allowed.

Mr. Kendall. I never had any trouble in that regard, because I endeavor to impress upon my friends that whatever I say is so. (Merriment.)

The Chairman. We have about exhausted the military names upon our roster. The Chair would now call on Hon. Simon Wolf.

Hon. Simon Wolf, upon rising to respond, was heartily applauded. He declined repeated invitations to ascend the platform and proceeded to speak as follows:

Mr. Chairman and gentlemen, I do not intend to take up your time. I am not an humorist and I am not an Actuary, so that I cannot amuse or instruct. I am, however, a policyholder and an agent of the Penn Mutual. I was a policyholder long before I became one of its agents. I feel myself honored in both capacities; for I think a man is to be congratulated when his application is accepted by a first-class company. At the same time, I think an agent is to be congratulated, who is the recipient of the confidence of a company like the Penn Mutual. (Applause.)

On an occasion like this (and I will say that I am not one of the regular speakers to answer any toast, and therefore I have to get even with somebody)—on an occasion like this, the golden opportunity, when we have two of the founders with us, it seems to me to be a very fitting occasion for saying a word in regard to the character and standing of the company.

(Addressing Messrs. Compton and Pease:) I congratulate you, gentlemen, upon having had the distinguished honor of aiding in the founding of this beneficent organization; and I believe that what the company now enjoys in character, in distinction, in recognition, is based entirely upon the good old Pennsylvania stock—upon Quaker integrity. (Applause.)

(To the Convention:) I think you, gentlemen, have every reason to feel proud and grateful for the fact that the Penn Mutual, as far as I know, has never been the subject of any investigation by a political body or legislature, which is always alive to the dollars and cents, especially where corporations are concerned. In connection with this, it is a well-known fact that some of the largest insurance companies of this country have to have a reserve fund (and do have it) in constant fear and dread of being blackmailed by gentlemen who come from the District of Buncombe. The Penn has fortunately escaped that—and why? Because its dealings are fair, square, open and based upon that for which it was created. In that particular I think, on this Golden Jubilee, we have every reason to feel most grateful, not only as policyholders and agents, but as citizens of the United States; for when an organization of this character does exist and does enjoy the confidence and esteem of its fellow-citizens, it is part and parcel of the great history of our country. Everything of this character enters into that history; and whatever enters into National prosperity of course makes part of the National history. I think that the record of this company forms a bright and shining page in the history of Philadelphia, and of this State and Nation. (Applause.)

Now, one of the gentlemen here said something about medical examination. I am well aware, by reading and by observation, that no science has made such slow progress as the medical. Surgery has made a wonderful stride, but medicine has taken an anesthetic, which has not only put the patient asleep, but has put itself and its evolution asleep. Now, certain guaranteed, fixed rules are made for the examination of risks that are absolutely inapplicable upon the basis of common sense. (Laughter.) I have in the city of Washington, to-day, an intimate personal friend whom I brought here to the Penn Mutual to be examined, fifteen years ago, and I have the letters of the medical department, and a personal letter from one of the officers of the Penn, stating that my dear friend would not live six weeks. He is living to-day and is the father of eight children. While, on the other hand, a gentleman who was accepted at that time died within six weeks thereafter. (General good humor.) So that absolutely no fixed rule can apply. There are undoubtedly certain fundamental rules in regard to a man's pulse, temperature and other matters that enter into the Royal Arcana of medical jurisprudence; they are made use of as the foundations. But I claim this, that an agent living in the city where he was born, where he is esteemed, recognized and honored (otherwise he would not be an agent of the Penn Mutual), that when he presents the application of a man, in good faith, his word, his knowledge, his observations, backed by that of the family physician (who in many instances is also the examining physician for the patient), ought to go for a great deal in the acceptance of the risk. (Applause.)

I know how it is in fire insurance. A man fails in business; he applies for insurance and the commercial agencies give the fact that the man has failed, and the fire insurance company doesn't wish to insure the man on account of his having failed. How ridiculous! There are plenty of men who have never failed whose word I would not take, and there are men who have been unfortunate, who have failed not through any fault of their own, but by a combination of circumstances over which they had no control, and whose moral hazard is first-class; who are high-toned and honorable, who are known in the community and whose paper is discounted in banks, although they had failed. Therefore, it is the moral risk, not the financial risk that is of account. And so it is with life insurance. These are things to be considered. Every branch of a company must go hand-in-hand with every other branch.

Now, with regard to dividends, I have said a thousand times that the Penn Mutual is a better company for the insured than for the agent. That is true, perfectly true, because in the competition with other large companies, where fabulous, unnatural, unjust, illegal and criminal rebates are allowed, we cannot compete. Why, I had a friend who died here the other day, who had eight policies in eight years. The last company caught him at last; he died, he had to die; but he took a policy every year and dropped it at the end of the year, taking a new policy, and thus was insured eight years and paid no premium. It didn't cost him anything to carry his insurance. Is that a condition to be tolerated for a moment? Is not that one of the reasons why some of the companies cannot pay larger divdends than they do, on account of their enormous expenses?

Then, as to the enormous expense of administration, we of the Penn are fortunate that the Presidents of the Penn Mutual do not receive royal salaries at the expense of the policyholders. Their salaries are moderate and in keeping with the aim and object of the mutual life insurance company, which is a trustee in every sense for the benefit of those who trust it.

So that there are many things to be considered, but I did not get up for the purpose of boring you. However, I wish to say with regard to our friend Plympton, when he made use of his little illustration (which was rather "loose" in its character, but still was very apt), I was reminded of an anecdote of a preacher who said that with God everything was possible; that

> "When He created the mountain, He created the hills;
> When He created the ocean, He created the rills;
> When He created the behemoth, he created the squirrel;
> And when He created Plympton, He created a daisy."

(Long continued applause.)

Mr. Schley, of Georgia, being here called upon, responded: Mr. Chairman, I have become a Quaker, the spirit has moved me. I was called upon yesterday and was a little too tired, but I have now a serious thought—it's not often I have one—and I want to express it. You will remember that after your paper was read yesterday, a brother called you a "brick." I have been trying to think how I could express the same thought, and our brother from Alabama (Mr. Walker) has given me the expression. I knew you were "all wool and a yard wide," but I have come to the conclusion that what the brother meant yesterday was that you are a "gold brick," a brick that doesn't have to be bored for anyone to see whether it is solid. That suggests another serious thought. When we look on the platform to-day and see upon what a foundation our company is built—one of "gold bricks," bricks that have stood the test of years—we recognize that it has a foundation of strength and security. This means that I am a "gold man," of course, but I am not from Denver, Colorado. (Laughter.) Taking up Captain Kendall's expression when referring to the character of our agents, my thought is that we are all "bricks." As bricks we occupy a part in the building of the Penn Mutual; and I hope we may help to build its walls higher and carry out in the next fifty years the record of the past fifty years. (Great applause.)

The CHAIRMAN. It is now within fifteen minutes of the time when the coaches will be here for the ride to the river; and, unless there is some other business to come before the meeting, the Chair thinks we might begin to draw to a close.

Mr. KENDALL. Mr. Chairman, I made a few remarks yesterday about the reasons why people used to insure and why they insure now. There is one thought that comes to me and I was struck very forcibly by it as the discussion here proceeded, and that was this: The confidence of the financial institution of the country in the insurance companies is such that I am at liberty to say that just so far as our cash values are written in our contracts and are put upon the country, just so far is the capital of the country increased. The trust companies have placed insurance policies as good collateral at their cash values. Therefore every policy issued by us, with cash values in it, is like the issuance by the Government of the greenback; it increases the capital of the country and contributes to the development and industrial enterprise of the country. An officer of the Cleveland Trust Company recently told me that a provision had been inserted in the charter of that company, by which it is enabled to hypothecate insurance policies and make them the basis of large operations, and that is being done. Wealthy men have used their policies in that way, and the banks are preferring them as securities because of the promptness with which they can realize upon them. When this vast amount of insurance goes out into the world, as it will in the course of ten years, we will not hear anything about there not being money enough to do the business of the country. Having as a basis the confidence that the financial institutions of this land have in our great insurance companies, these insurance values can be put forth and made available whenever necessary. They will thus be the means of fostering prosperity in every form.

Mr. JOHN J. McCLOY was next called upon and was greeted with applause. He said: Mr. Chairman, I don't like to see the meeting adjourn without something being said from the Home Office standpoint on the papers that have been read. I mean to say, sir, that the Home Office has a keen sympathy with that class of citizens whose knock we are compelled to leave unanswered, and in whose expectant face we so often close the door, but who, I may be permitted to say, nevertheless contribute largely to the prosperity of our institution. Surely, Mr. Chairman, on the basis of pins often saving the lives of many people by those people not swallowing them, so somewhere in life insurance there must be a place for great gratitude to the declined applicant. We at the Home Office have seen him under many and varying circumstances, sometimes too fat, sometimes too lean; sometimes with murmurs, soft and low, surging through his laboring heart; sometimes in consumption's wasting grip; sometimes as the victim of an unfortunate ancestor; too often the victim of his own folly and indiscretion; but always, gentlemen—it is my pleasure to assure you—always the object of patient consideration by those of your company's officers whose duty it too frequently becomes to withhold from your applicant the protection for which he seeks and from you the reward of your persistent labors.

I don't know how far it is practicable or reasonable to insure under-average risks, but this I say, that your company recognizes fully and keenly that we ought to extend our operations to include every one who can safely and reasonably be insured at safe and reasonable rates. (Applause.)

Chairman RHAWN (a few minutes before the adjournment) said: Gentlemen, I do not know that I will have another opportunity of appearing before you as your presiding officer. I would like to make one remark, called forth by my observations as Chairman of the Committee on Claims. A couple of weeks ago a death claim to the amount of $25,000 was presented to me for my signature as Chairman; and, in looking over the numerous papers that were attached to it, I discovered there were no less than four different signatures purporting to be signatures of the same individual. He was the Judge of the Probate Court, I believe, who had to certify to a certain portion of these papers. I declined to approve that claim until that matter could be explained. It was finally explained, but it required a page of foolscap, signed by the Judge of that Probate Court, over his own proper signature, in order to make that explanation satisfactory. I merely call attention to this little matter because it is one that came under my personal observation. In that instance the policy was for a large sum, $25,000, and there were no less than four different signatures purporting to be the signatures of the same individual, but of course three of them were not his signatures. This is a little incident that it occurred to me to mention on this occasion.

Mr. W. W. MACOMBER. Mr. Chairman, before we adjourn, I move, as an expression of the sense of this body, that the thanks of the Convention be presented to you, sir, for the interesting and "fruitful" way—if I may use the last adjective—in which you have presided at this day's session.

Secretary HENRY C. LIPPINCOTT, in taking the vote on the motion, suggested that it be made more emphatic by the Convention rising.

The suggestion was instantly acted upon and the Convention rose en masse in the affirmative. (Applause.)

Mr. LIPPINCOTT then notified the Chairman that the vote of thanks had been tendered unanimously.

Chairman RHAWN. Gentlemen, I thank you for your high appreciation of my very simple services.

An adjournment was then ordered until the following day at 10 o'clock A.M.

A BOAT RIDE AND SHAD DINNER.

The afternoon of the second day (Wednesday) was enjoyed by the delegates in a steamboat excursion on the Delaware river and a shad dinner at Washington Park. The guests departed in a body from Mercantile Library Hall, at 12 o'clock M., and were conveyed in coaches to the river front. The route had been so arranged as to afford the visitors a view of Independence Hall and contiguous buildings and the grave of Benjamin Franklin, also the historic structure in which the first American flag had been made by Betsy Ross. On arriving at Arch street wharf the steamer Sylvan Dell, which had been engaged for the river trip, was placed at the exclusive service of the participants, with steam up ready to sustain her record as the swiftest boat on the Delaware. Moorings were quickly cast off, and with the strong and refreshing southwest wind, which made the usually placid river something like the ocean after a storm, the steamer soon brought into view the extensive and interesting works of the Messrs. Cramp, where so many battleships have been built. Here was viewed the U. S. S. Iowa, lately constructed, and many lesser craft in various stages of completion. The intention had been to land and inspect the buildings, machinery, etc., etc., as well as the interior of the cruiser, but time did not suffice. As a seaman would say of a vessel under sail, the Sylvan Dell "hung in stays" for a few minutes, while curious eyes were gratified, and then turning southward hastened to the Navy Yard at League Island, seven miles below the city proper, where there came into view a fleet of U. S. vessels, including the new cruiser Columbia, the receiving ship Richmond, and several monitors distinguished for service during the rebellion, the Ram Katahdin, the Miantonomoh, Canonicus, Jason, Montauk, Lehigh, and Nohant being recognized.

Upon their arrival at Washington Park, the visitors were photographed in a group, and after an excellent dinner, to which their sharpened appetites enabled them to do full justice, the party spent some time in watching the operations of the shad fishery. When finally the fishermen had made their haul, the return trip was made and the city was reached before evening.

THIRD DAY.

MERCANTILE LIBRARY HALL,
PHILADELPHIA, Thursday, May 27, 1897.

The third day's session of the Convention opened with an attendance nearly equal to that of the preceding days.

Secretary HENRY C. LIPPINCOTT (at 10 o'clock A.M.), in calling the delegates to order, said: The Secretary has very great pleasure in announcing that our deliberations to-day will be presided over by the company's friend, and the friend of right administration in life insurance, Col. Noah A. Plympton.

Colonel PLYMPTON, after an enthusiastic greeting, came forward on the platform and said: Gentlemen, it is not only a pleasure, but it is an honor to preside over such a body of men as are assembled together here to-day. I have attended many meetings of the local underwriters' associations in different parts of the country; I have attended the meetings of the National Association. and the Penn Mutual has no reason to hide its face when a comparison is made between its representatives and those of any or all of the companies in the country combined.

You will pardon me if I take a little advantage of you, this morning, and take a few minutes—(because there must always be some compensation for a man who is forced into a position—he has a right to get even with those who put him there)—in reviewing the evolutions of life insurance and the progress of our company. I noticed, in a New York journal that I picked up the other day, a reference to Philadelphia—you are pretty sure to find some such reference in a New York journal—and, while it seemed to me that what I read bore evidence of jealousy, if not of a little malignity, I have thought that it was not intended in that spirit. Philadelphia, to my mind, is the typical American city of this country—next to Boston. (Merriment.) It has more than any other a local flavor, is more genuinely characteristic—"provincial" they may call it, but it is not provincial—and is loyal to itself. Bigness, when made up of an aggregation of discordant elements counts large in figures but not in what it accomplishes. Cities like Philadelphia, cities like Boston, from the earliest day in our country's history down to our own day, have done more to mould the institutions of this country, to wield an influence for the good of the country and to stimulate the patriotism of the country than all your aggregations that boast to-day of their millions of money and their areas of population.

I have sometimes been amused by the pertinacity with which the merits of our cities have been iterated and reiterated. The other night, in Boston, at a meeting of our underwriters' association, at which our friend Lippincott was present, we had with us the so-called Demosthenes of Philadelphia, Hampton L. Carson. One of the speakers had raised a laugh at the expense of Philadelphia, and when his opportunity came Carson made the most of it. After he had wrought us up almost into a state of frenzy by his magnificent panegyric upon the City of Brotherly Love—claiming that there was to be found hereabout all there was worth living for—he quietly observed that if he had sufficient opportunity he could say much more than he had said. A speaker who followed him, commenting upon the fact that all that had been said for Philadelphia was only what Carson could say when not prepared for a speech, said he wondered what, in God's name, would be left of this green earth outside of Philadelphia when Carson got through after having had an opportunity to prepare himself to speak. (Merriment.)

But, as I listened to the eloquent Philadelphian, my memory went back, and I have some doubt to-day as to who is the original "Jacobs" in this matter. I heard our friend Lippincott say, years ago, all that Carson had said; when I came down to the meeting at Philadelphia I heard Carson say what Lippincott had said; at another time I heard Lippincott say over again, in substance, what Carson said; and I am in doubt now whether the question is not one as to quality and as to which said the same thing in the best way. However, my own private judgment is that, in our own company we have a gentleman who has said the same things for Philadelphia, and they seem to me to sound better when coming from him. (General merriment.)

There is another thing that I congratulate myself upon. You talk about the Penn Mutual being a Philadelphia institution. Up in Boston we claim that it is a Boston institution, because while we are a little city up there, we own, next to Pennsylvania, the biggest share of the Penn Mutual Life Insurance Company.

But there has always been a peculiar kinship between Massachusetts and Pennsylvania, and between Boston and Philadelphia. You talk of your Valley Forge and Germantown, but we fix the date a little earlier for our Lexington, Concord and Bunker Hill. You talk of your Independence Hall and of that grand body of men who met there, under the leadership of the great Virginian who wrote the charter of the liberties of this country, but at the same time we tell you that you had to send to Boston for a man to preside over your deliberations, the one who wrote his name first among those of the signers of that great charter, and wrote it in characters which shall be indelible as long as time shall last.

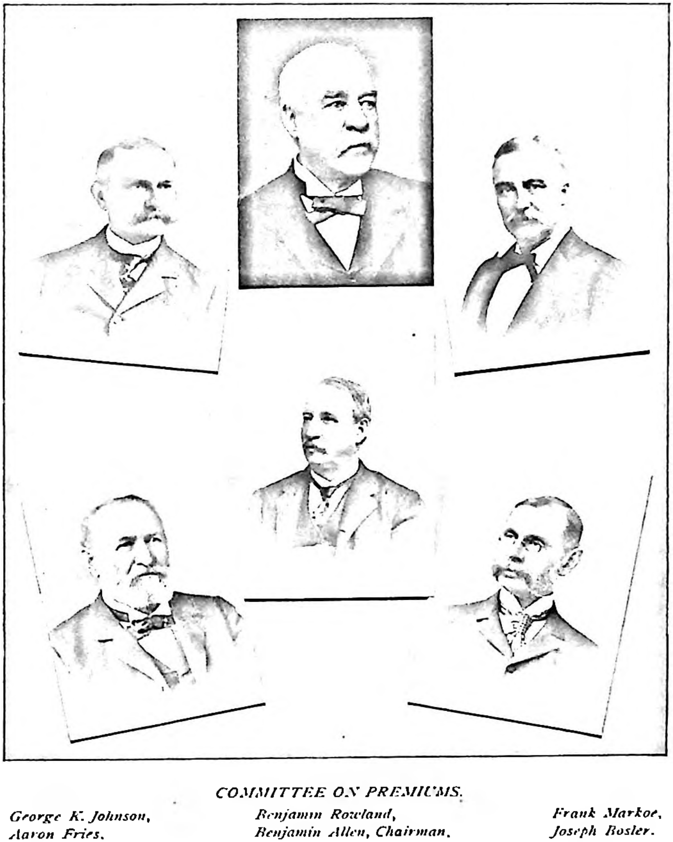
I may mention another thing. You have over here, in your Park, a little house and you say that that was where the greatest sage and philosopher of his day and generation, if not of all days and all generations, Ben Franklin, lived, in Philadelphia. But within a stone's throw of my office, in Boston, I can point to the spot that gave him birth. And I am frank to say that, when Ben Franklin left Boston, he was a model of Puritanic purity, but the associations which he found in Philadelphia were such that, I am afraid, if we were to-day distributing his life insurance, we would uncover the fact that many more beneficiaries existed than were nominated in the bond. (Merriment.) However, I don't bring that up against Philadelphia; I mention it simply as a fact. I say that if you glory in the name of Franklin in his maturity, you ought to reflect that Boston gave him to you.

It may not always be safe to accept without some reserve all that is said about Philadelphia. I read, in a New York paper the other day, of a little boy at school, in New York, who was told by his teacher that Philadelphia was founded in 1682 and was asked, "What has been done in Philadelphia since 1682?" The little New Yorker thought it up and answered, "Nothin'." Well, now, a good deal has been done in Philadelphia. I know it is said that you work a little slow. I read, the other day, that you have erected to the memory of George Washington the most magnificent monument that can be found in the world. Well, this year, you seem to be going pretty fast in Philadelphia. But then I happened to run across this statement of facts: you organized to erect that monument in 1811—you laid the corner-stone in 1833—and you put on the capstone in 1897. That wasn't remarkably fast, but I will guarantee that for permanence, for stability and for beauty your monument will not be surpassed in this country. (Applause.)

I recollect that, a number of years ago—I was pretty young then—I came down here to Philadelphia and saw an immense pile of stones up here on the site of your Public Buildings. The other day, as I glanced over that way, I saw that the buildings had not been completed, and I wondered whether some old antiquarian or archæologist, in the future, who wants to know when the buildings were begun and who, after poking around and finding the corner-stone will not discover that time has obliterated the date upon it and that all that is left there is "B. C." (Merriment.)

Now, you have all been told or have read, or you will all read when you get home and have time, the brief but very satisfactory history of our company since 1847. In the first month of the company's existence thirteen applications were received and thirteen policies were issued for an aggregate sum of $56,000. We have gone along—some of the time pretty slowly but always surely—until on the day before yesterday, as I am told, 207 policies in one day were issued for $702,500. (Applause.) Now, that is not the greatest thing that has ever been done. There are companies that were organized fifteen or twenty years after ours that have done much more than that. But there is one little thing we can take pride in, and that is this, that whatever our people have done they have done well; they have not taken any back steps. If they have not stepped forward as quickly as we wished, there is no period in their history to which they look back with shame or when they took a back step.

Now, the evolution of life insurance has been more wonderful than that in any other class of business in this country. I remember the old President of the State Mutual—good old "Uncle" Isaac Davis, as we used to call him—a most magnificent type of the



COMMITTEE ON PREMIUMS.

George K. Johnson,	*Benjamin Rowland,*	*Frank Markoe,*
Aaron Fries.	*Benjamin Allen, Chairman.*	*Joseph Bosler.*

Yankee, who originally came to Worcester with his earthly possessions done up in a bandana and having but nine cents in his pocket. He left one of the largest fortunes ever accumulated in the State of Massachusetts. The old man built up the business of life insurance in that State. I remember that one day one of his policyholders, who had found a decrease in his dividends, met old "Uncle" Isaac on the street and said to him, "Isaac, what do you mean by cutting down my dividends sixty per cent.?" "I don't know—me and Clarendon fixed up your dividends and we meant to have them right."

Again, in the State Mutual, in its earlier years, every application used to be read in the open Board of Directors and was voted upon by the Directors of the company. One of their number, Charlie Putnam, was a good deal of a wag. One day, as they were all seated around the Directors' table, "Uncle Isaac" rose ponderously from his chair, for he was a man of immense size, put on his gold-bowed spectacles, took up an application and remarked, "It appears, gentlemen, from this application, that the applicant has had no *aliment* for thirty-six years." Charlie Putnam got up and said, "Mr. President, I move that the application be accepted—a man who has lived without eating for thirty-six years ought to be a risk that it would be safe for the State Mutual to take." The old gentleman picked up the paper again, looked it over and said, "I beg your pardon—it says that the applicant has had no *ailment* for thirty-six years." "Mr. President," said Charlie, "I move the application be declined—a man who has not been sick for thirty-six years is dead sure to get sick the next year after his insurance, and to die and make a loss to this company." So the applicant was declined. (Laughter.)

Colonel Plympton here told an amusing story in which two Medical Directors of the State Mutual (Drs. Sargent and Gage) were the principals. One of them stuttered badly and indulged in profanity. It was customary for them to alternate, each week, as Medical Examiners and to pass upon each other's papers. An applicant whom Gage had passed as a first-class risk was declined by Sargent, but upon being again presented three months later, was accepted by the latter as satisfactory in every respect and was then declined by Gage upon the ground that the application had previously been rejected by a reliable expert. Sargent thereupon stuttered his protestations and profanity but relished the joke when he learned that the reliable expert who had turned down the applicant, in the first instance, was himself.

Another thought in connection with the evolution of life insurance is this. My State of Massachusetts has been in the van in legislation concerning life insurance. It was the first State in this Union to recognize the beneficence of the underlying principle of life insurance. It was the first State in this Union to crystallize its approval of that beneficence into law. It was the first State to enact into legislation that the claim of the widow and the orphan should be superior to those of creditors and to all other claims. It did this for the reason, as it declared in its legislation, for the public good because all associations of men united to prevent families from becoming charges upon the public should be encouraged. Therefore the Massachusetts Insurance Department was created, and from the day of its creation down to this day it has been the fountain head of authority, intelligence and ability in the matter of legislation and in executing legislation regarding life insurance. First of all, of the States of the Union, Massachusetts guarded the interests of the unfortunate as against the fortunate. I remember that, when the law giving a paid-up value to the retiring policyholder was passed, we heard the Jeremiahs of that day complaining that it would ruin the companies. Again, when Massachusetts put extended insurance into her law, the cry of the Jeremiahs was, "Why, you are going to carry this man on for so many years or so many days without the payment of premium;" but Massachusetts did not pause and the law was enacted.

Again, there came the question of cash surrender value. Arrayed against that legislation were many of the ablest and all of the most conservative. They predicted that when the cash surrender system had been adopted and the Massachusetts companies had been compelled to abide by it, in the event of any financial depression there would be a rush of policyholders to the offices of the companies; that the companies would not have enough ready assets to meet the demand and would be compelled to suspend if stay legislation was not enacted. What has been the history? Sixteen years of cash surrender values in Massachusetts. Has any man heard a rumor of any "run" on a Massachusetts company? (Applause.) Aye, more than that—are there any other companies in this broad land that can show, during the last three years of financial depression, a record equal to that of the Massachusetts cash surrender value companies? Not one. They and they alone can show thirty-two per cent. increase in insurance risks—a less falling off, a less lapse than is shown by any other group of companies in this country. Following that, another company, which later adopted it, shows twenty-eight per cent. of gain. Following that, another company, which was the last to adopt it, shows a gain of twenty-two per cent. Following that, we come down to companies like our own, that recognize the demand and the right of the policyholder by a loan system showing sixteen per cent.; and we follow down from that to the one company of this country, which has been the meanest of all to its unfortunate policyholders, which has robbed them at both ends of the game—and you find that, in spite of the biggest volume of new business written by any company in the country, the lapse beat the new business all to pieces. (Applause.)

Do you tell me there is danger in doing right? The danger always is in doing wrong, in defrauding somebody. (Applause.) Exactly on the same principle, not many years ago, it was claimed that the street car lines here couldn't get along on less than a ten-cent fare. When the experiment was tried, the ten-cent fare nearly drove them into bankruptcy, while a recognition of the rights of the people in a five-cent fare gave handsome dividends to the stockholders. How many men have I known, in the last three years, who, had it not been for the loan provision in our company, would have gone from among us. It is the same with all companies; they are all recognizing it; and we thank God that in many things the Penn Mutual continues to lead the whole procession. (Applause.)

Now, gentlemen, I have detained you altogether too long. ("Go on" and applause.) There is just one thing more that I wish to say. Twelve years ago I became a member of the Board of

Trustees of this company. There necessarily was misconstruction and misunderstanding at the outset, but—thank God!—the clouds have rolled away and to-day, in the clear sunlight of perfect unity, trustees, agents and policyholders of the Penn Mutual meet together on equal terms, with equal confidence and with mutual love and regard for each other. (Applause.) At no time since I have been a member of our Board of Trustees have I ever known the door to be shut on any proposition looking to the good of this company. Every proposition which has been carried there by those who were your direct representatives in the board has been received with courtesy, has received careful consideration; and I may say to-day that I cannot remember one proposition which was presented, particularly from the agents of this company, that hasn't been adopted by a unanimous vote of our board.

The pleasure of our reunion to-day is marred by the sad thought that one face which was familiar to all of us of the older agents—that one hand that we always grasped when we came here to Philadelphia—that one man to whom we always wrote in regard to our business is unable, through sickness, to be here with us. I refer to our late Vice-President, Horatio S. Stephens.

Another who is with us to-day, but will not be with us long officially—a sincere, loyal, upright man, who never has done an intentional injustice to any man—is our President, Mr. Needles. (Long continued applause.) But these changes occur. As vacancies come, your Board of Trustees has sought, in its best judgment and wisdom, to fill them.

There is another, of whom I can speak freely because he is not here this afternoon. I believe you will cheerfully endorse the action of your Trustees in choosing him to fill the vacancy caused by the retirement of Mr. Needles. I speak of a man whom I have known, and by whose side I have sat for ten years past; who, to my mind, is pre-eminent for his integrity; who is not only able but who combines with his ability firmness, a wonderful degree of tact, and a lovable disposition which makes a friend for him in every man who comes within reach of him—Harry F. West. (Applause.)

There is another face that I had hoped we would see here with us, but which we miss because of a family affliction. When our good President, a month ago, advised us of his retirement and that Mr. West had been elected to take the Presidency on the first of July, the Trustees were confronted with the question of who should succeed Mr. West. A mental canvass was made and careful consideration given to it. There was one Trustee who had come into the board four or five years later than myself, but from the day he came into the board he became a student of life insurance; he went into our Premium Committee and gave freely of his time and his thought to understand contracts of insurance. From the day he went into that Premium Committee until to-day there has never been a proposition looking to justice and liberality, and that would be attractive that George K. Johnson has not been the champion of, both in the Committee on Premiums and in the Board of Trustees. He is a man of splendid business ability, who has proved his ability by his success. We, as employes, know that no one can be found who will not say a kindly word of him. I predict that when you all know him as those who started with him in the Board of Trustees know him, every agent and employe of the Penn Mutual will hold him in as high and loving regard as the men who are at his back to-day.

Now, gentlemen, only one word more. Your company to-day is in the front rank. There is little to be desired in the way of giving facilities to the agents of this company to do business with. We have as good weapons to work with as are in the arsenal of life insurance. It is our own fault if the next ten years do not quadruple the business, the assets and the surplus of this company. All I can say to you is, conduct yourselves in such a way as to take advantage of your situation, do your level best; and, if you are not with us fifty years from now, when we celebrate the centennial (Mr. Needles has promised to be here in person then), we will be able to write on your tombstone that epitaph which the man read in a little solitary graveyard in Arizona:

"He died with his boots on,
He did his darndest—
Angels could do no more."

(Merriment and applause.)

Chairman PLYMPTON in making some announcements for general information, here stated that, at their meeting on the previous evening, the Executive Committee of the Agency Association had voted to hold the next annual meeting of that association at the Hotel Jefferson, in Richmond, Va., on May 17, 18 and 19, 1898.

The Chairman added: In the program for to-day the first number is missing. Capt. F. A. Kendall, of Cleveland, O., was expected to read a paper on Agency Management from the standpoint of a general agent, but when I have explained the situation to you, I have no doubt you will excuse the Captain from this engagement. Some few months ago the city of Cleveland, by an overwhelming majority, elected Captain Kendall to take the management of 900-and-odd school mistresses in that city. Instead of devoting his attention to such utterly irresponsible creatures as life insurance agents or telling you how to manage them, he has been engaged most assiduously in the congenial task of studying how to manage 900 school mistresses. I think you will all agree with me that it would be violating the law against cruelty to animals if we insisted upon the Captain keeping his engagement. We will therefore proceed to the next item of business.

It makes no difference whether it is a policyholder who walks up to the window to pay his premium, whether it is an agent who comes there to settle his account or whether it is an officer who comes there to ask a question, no one is ever disappointed who goes to that corner; no man is ever seen to come away from there without a smile on his face; and you have never known of one who was not perfectly satisfied and happy after having visited our friend, Harry H. Hallowell, upon whom the Chair now calls to come forward.

Mr. HENRY H. HALLOWELL, responding to the call of the Chair, appeared on the platform and was complimented with three rousing cheers by the Convention. He then proceeded to read his paper on "How the Books are Kept;" prefacing it with the remark, "Mr. Chairman and gentlemen, I thank you very sincerely for the spontaneity and fervor of your welcome."

ADDRESS OF MR. HENRY H. HALLOWELL, "HOW THE BOOKS ARE KEPT."

The theme, "How the Books are Kept," is one not admitting of romancing nor the infusion of humor in its discussion, but confines the writer to a plain statement of dry facts, for a mass of figures are astounding when they record something like the total amount of insurance outstanding December 31, 1896, of American life insurance companies of $5,055,865,017; and figures are *perplexing* when the trial balance is incorrect, and convincing as to "a condition and not a theory" when they show one's liabilities to exceed his assets.

I shall endeavor to give you a general idea of the method of keeping the corporation's accounts, and it may be that some of the information imparted may enable you to tell any inquiring policyholder who may be anxious to know how his funds, intrusted to the company's care, are being administered, for, where a corporation is exact as to the accurate recording of all its transactions there you are reasonably sure to find a faithful administration of the trust placed within its keeping.

As bearing directly on the question of accounts, the by-laws of the company provide that, "The President shall have in his care the assets of the company; shall invest and re-invest them," etc.

All accounts relative to interest on assets (save on notes on policies) are collected through this department.

The Vice-President is given "direction of the correspondence with the agents, and a general supervision of the insurance branch of the business, including accounts and the reports of the agents."

The Secretary and Treasurer has assigned to him, in conjunction with his other duties, "the keeping of the accounts of the company, as well as a regular cash account," and the Actuary has in his special charge all matters of calculation as to the value, surplus contributions as to each policy," etc.

In transacting the work of such a corporation as the Penn Mutual Life Insurance Company, a thorough system is absolutely requisite. In no way could the enormous and ever-increasing amount of detailed work be successfully accomplished, except by a strict conformity to methods evolved from experience.

The system of accounts now in operation is the result of years of careful study and of improvement, and now covers the existing needs of the company's work, and fulfills the exacting requirements of the various State Insurance Departments.

The necessity for an enlargement of the method of keeping the accounts, following the rapid growth of the company, may best be shown by a reference to the gross receipts and disbursements through different periods of the corporation's career. I speak now of only such transactions as pass through the home office cash book, the only agency matters entering into these figures being the cash remittances received from the agents.

During the tenth year of the company's history we find that the gross cash receipts were $411,812.29, and the disbursements were $385,468.27, a total of $797,280.56 that passed through the books.

During the twentieth year, shows receipts of $545,266.97; disbursements of $533,452.26, a total of $1,078,719.23.

The year that rounded out a quarter of a century of existence, revealed receipts of $1,164,382.79; disbursements of $1,214,020.85, a total of $2,378,-403.64.

Taking a period still farther on, it is ascertained, by reference to the fortieth year of corporate life, that the receipts were $3,689,613.98; disbursements, $3,755,544.51, a total of $7,445,158.49.

And now, coming up to the year 1896, the fiftieth in the ever-increasing career of usefulness of the Penn Mutual Life Insurance Company, we reach the largest volume of transactions, when the receipts were $10,007,332,82; disbursements were $9,816,570.89, giving a total of $19,823,-903.71.

Another way of indicating the increased operations of the company at successive periods may be relatively expressed by the labor or talent (whichever word suits the individual hearer best) employed by the company at such periods.

During the tenth year (1857) the official force presented very much the appearance of a Kentucky regiment, as the officers were five in number and the clerks three. In the twenty-fifth year the officers and clerks numbered fifteen, there being seven officers and eight clerks. The fortieth year the officers were nine and clerks thirty-one.

Assistant officers being appointed to relieve the officers of some of the onerous duties bearing down on them, as well, also, as to make effective the system of administration of the details of the company's affairs—a system made necessary by the rapid growth of the corporation and the multiplicity, variety and intricacy of contracts of insurance issued—on January 1, 1897, the list comprised thirteen officers and a clerical force of seventy-two.

The first cash book of the company, consisting of four hundred and seventy-three pages, was utilized for six years, from 1847 to February, 1853. During the year 1896 the cash book transactions covered over thirteen hundred and sixty-eight pages.

The clearest way to give an idea as to the operation of keeping the company's records would be to trace a premium from its payment until it is in part, or in whole, ultimately merged into the asset accounts.

The policy on issuance, necessarily, is forwarded to the agent, and the agent should enter upon his register full details of the policy; then, upon the date of the settlement of premium, the same should be recorded in the daily cash book, whether the premium be settled for in cash, temporary note, or part cash and note, but let the entire transaction be spread upon the cash book with accuracy, for accuracy is essential to good bookkeeping. In accordance with contractual requirements, the agent is called upon to report monthly or oftener to the home office.

The premiums paid to the agent, and embodied in his report, are remitted, with the report, to the Vice-President; the check to balance the account goes to the Secretary and Treasurer for acknowledgment and collection. The report is then given over to the Auditor of the Agency Department for analysis and audit.

In this department, premium settlements are entered in the agency register (the latter containing a record of policies, grouped as to each agency)—vouchers are checked off, commissions and credits taken, are verified to see that they conform to contract agreement.

After the report has satisfactorily passed the scrutiny of the auditor, it is handed over to the Comptroller. In the department of the Comptroller is kept an individual record of each policy.

Finally, the agent's report is given to the Secretary and Treasurer. In the latter's department are kept the financial books of the corporation (as before-mentioned), as well, also, as a ledger account for each agent under contract directly with the home office. The account is here journalized, to get the aggregate of the various items of agency receipts and disbursements, and to complete the individual ledger account of the agent.

The premium has now become a part of the assets of the company, and takes its place among the investments to fulfill ultimately its mission in providing for a final liquidation of the provisions of the contract for which it was in part a consideration.

It is hardly necessary to state that the daily cash transactions are always balanced at the close of each day, and at the end of each month the general ledgers of the company, likewise, are balanced.

Our next step takes us to the closing period of the fiscal year of the company, and a balance is then struck as to the year's transactions.

The income and disbursements are calculated and the net income is ascertained, and out of this net income provision is made for all the liabilities under the policy contracts.

The Actuarial Department computes and determines the amount of reserve that it is necessary for the company to hold, and the net increase in reserve for the year is provided out of this said net income of the year. Provision is made out of it, likewise, for all liability under such forms of policy contract in which the surplus abatement is held for accumulation. These figures as to liability for surplus accumulation are furnished by the Comptroller, in whose department separate record is kept of each policy, showing the surplus accumulations that accrue to each policy from year to year.

From the balance of the net income remaining, after all liabilities have been fully provided for, the Committee on Accounts, with the concurrence of the Board of Trustees, authorizes the amount of abatement of premium (or dividend) that shall be made for the ensuing year. The surplus or dividend year runs from May 1 to the succeeding May 1. The reason therefor is, that the meeting of the Board of Trustees, at which they determine the gross amount of abatement of premium for the ensuing year, does not occur until late in January, and it requires the intervening time to May 1 for the Actuary to make the requisite apportionment to each policy entitled to surplus abatement.

Some few years ago the Committee on Accounts of the Board of Trustees, realizing that the rapidly increasing volume of transactions through the financial books, and the details thereof, prevented a sufficient audit by the committee, except by prolonged examination, deemed it the part of wisdom to engage a public accountant, vesting him with authority to make an exhaustive and thorough examination of the financial books, covering such period as the accountant might elect to go over, and to submit the result of his examination thereof by report to the committee.

This wise course of examination instituted by the Committee on Accounts is still continued, and the committee's recommendation for an examination subsequently became a by-law requirement, as we find by reference to Article XIII of the by-laws, which reads:

"The Committee on Accounts shall audit monthly the cash account, and yearly, or oftener, at their discretion, examine the books, accounts, securities, moneys, papers, effects, and general state of the business and affairs of the company, and report to the Board the amount of profit and loss, the amount of surplus to be divided. * * * * * *

"They are authorized to employ such special auditor or accountant as they may deem requisite, at any time, to aid them in the discharge of their duties."

I am pleased to state that each and every examination thus far made by the company's expert has elicited from him a report commending the accuracy of the work, the methods employed, and the system of bookkeeping in operation. To quote from one of his reports:

"We beg to report that, in compliance with your instructions, we have audited the accounts of the Penn Mutual Life Insurance Company, as to all items of receipts and disbursements, covering the period selected, and verified the same by the numerous vouchers and auxiliary records submitted, and found the whole to be correct, and very creditable to the several officers by whom kept.

"Very respectfully,
(Signed) "H. & W."

"P. S.—My confidence in the company and its management is evidenced to-day by my receiving an endowment policy for $15,000, and my payment to the company of the first premium in full of $1,783.35.

"Truly yours,
(Signed) "JOHN H."

At the close of the fiscal year the Committee on Accounts verifies, bv examination (and actually counts), the stocks and bonds and collateral loans claimed to be held by the company, as per its book accounts.

A comparison of the report required to be made and submitted to the Insurance Departments of the various States of a few years ago and the one recently adopted by the Insurance Commissioners, in session, will give you some idea of the complicated records which must be kept in order to comply with the requirements of the several Insurance Departments. The adoption of this searching blank by the Insurance Departments was made necessary by the fact that some of the life insurance companies, through ingenious bookkeeping and specious reasoning as to what constituted income and disbursement, were enabled to magnify their operations and cloud their actual conditions.

The present blank has materially helped to clarify matters, yet the Commissioners should require all companies to make a division of the item "surplus to policyholders," so as to distinguish clearly how much is actual surplus to policyholders, and how much is accumulation of surplus on deferred dividend plans.

A Deputy Insurance Commissioner of the State of Massachusetts tells of an examination by him of a small New York insurance company, wherein he found during his examination that a part of the books had been kept in cipher by the Secretary. The official gave as an explanation thereof that he kept his accounts in this way in order to prevent the company from dismissing him should he become unable to work with his accustomed celerity, on account of his increasing years. It is needless to add that the Insurance Department's representative saw that the offending official discontinued his way of making sure of a life tenure of his position.

The Penn Mutual has been thoroughly examined at different intervals by the Insurance Departments of Pennsylvania and of other States. The Commissioners for these States voluntarily advanced the statement that in all their examinations of the various companies, in no company had they met with such an excellent method of keeping accounts, giving such essential information and detail, as was found in the methods in operation with the Penn Mutual.

The record of the company for the past fifty years, as disclosed by its books, shows that those who were instrumental in shaping its course during that period builded exceedingly well.

Security and confidence must ever be the foundation-stone and keystone of all sound life insurance, and on these latter lines they reared their structure.

The development of fifty years of corporate life shows as a result that we have an institution of which we may be justly proud, and it must ever keep on, strong and beneficent under its charter, which is perpetual.

All of us here to-day connected with it should be factors in perpetuating its honorable career. To the incoming administration let us give an enthusiastic co-operation, showing such zeal, energy, and intelligent business capacity as will result in helping to safely multiply and broaden the company's usefulness, so that when the spectacled bookkeeper of 1947 tells then "How the Books are Kept," he may be able to pay a tribute of approval, commending the wisdom, judgment, forethought and faithfulness of the makers of the company's history during its second fifty years.

The CHAIRMAN (after the applause which followed the paper had subsided) said: To prevent confusion, for I see that three-fourths of the delegates are just ready to get on their feet to move a vote of thanks to Mr. Hallowell, the Chair puts the question at this time, so that no one else will have a chance to make a prior motion. All who are in favor of tendering a vote of thanks to Mr. Hallowell will signify it by rising to their feet.

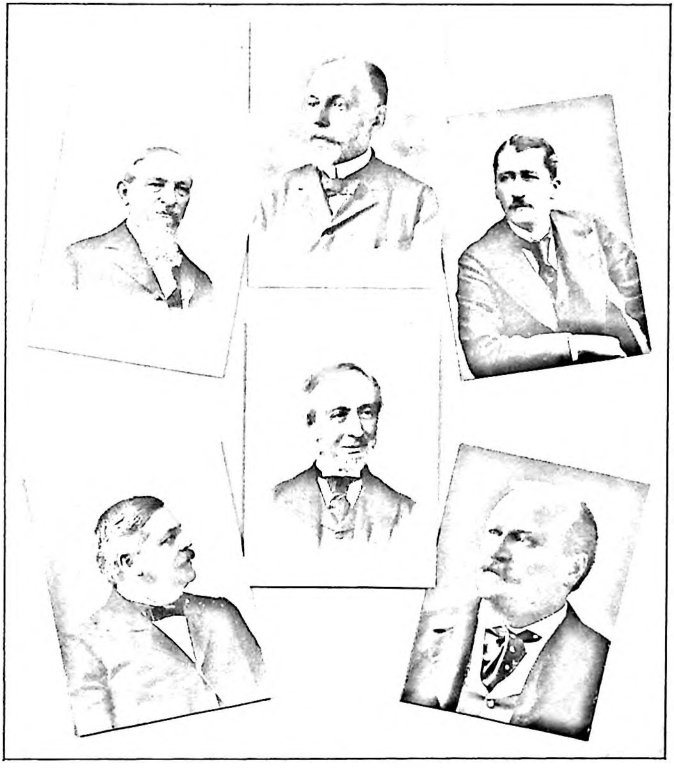
(Here all the delegates rose, and the thanks were voted unanimously.)

The CHAIRMAN. The next item of business is the discussion of the paper which was read at the morning session. Any gentleman who desires to do so may submit any remarks on the subject. If he does not do it now let him forever hold his peace. (No response.) As the "discussin" seems to have been postponed for the "cussin" later, we will proceed to the next business.

Dr. O. P. REX, Medical Director, responding to the invitation of the Chair to favor the delegates with suggestions as to the best way in which they can perform their duties in regard to medical examinations, and to answer questions on the subject, here came forward and received a cordial greeting.

REMARKS OF DR. O. P. REX, MEDICAL DIRECTOR.

After acknowledging his appreciation of the warmth of his reception, Dr. Rex remarked that, being unaccustomed to public speaking, it would be more agreeable to him, if he consulted his own inclination, to change places with the audience, and do the thinking while they did the talking. He continued: But in my own feeble way, which doubtless is known to all of you, I will tell you something about the passage of an application from the time it leaves your hands and reaches mine until it passes through the hands of Mr. McCloy and is finally returned to you as a policy.



COMMITTEE ON ACCOUNTS.

R. Allison Miller,	*Harry Rogers,*	*Robert C. Drayton,*
Frank Pyle,	*James O. Pease, Chairman,*	*N. A. Plympton.*

After the examination is received by me it is sent down-stairs to Mr. Cloy, who looks to see whether the application has arrived, and he will tell you whether or not you have properly arranged the preliminaries. The thunder peal follows the lightning flash, though sometimes far distant, so the application follows the examination; and meanwhile the agent is writing to know why the policies have not been forwarded. The rule of the company is this (and I am sorry to say it is not always carried out) that the doctor making the examination shall not begin it until the signed and properly filled application is in his hands.

While I am on this point, let me make a suggestion to you. It may happen that, when you have taken a $1000 policy paper to the examiner and he has complimented the applicant upon his excellent physical condition, the latter is so much pleased that he gets the agent, on leaving the examiner, to ask for an increase. If this is granted, the increase necessitates the making of a urine test. The necessity for this is not known to the physician when the papers are sent in. Consequently I am compelled to return them to the doctor for completion. For this, of course, the doctor is in no way responsible. The agent, in his lapse of memory, overlooks this fact until after the papers are sent out, when the matter leads to considerable correspondence. A change must be made in the figures, and this is attended with delay, which however could have been avoided by a little thought and reflection on the part of the agent.

In some instances the agent fails to give anything of the family record or any statement of when the parents died, of what disease they died, how long they were sick or their previous condition of life. It should be borne in mind that, when a blank is made, there is a definite purpose in making it, and that each column and line upon it is designed to contain something bearing directly upon the case presented to us. Therefore, I would like you, gentlemen, where you can avoid doing so, not to insert a dash or a stroke of the pen, but wherever a question is asked, to make a correct and concise reply to it, remembering that the family record is a part of the structure which we build upon in deciding as to the acceptance or declination of the risk. It is essential for the medical department that you should make your papers as thorough and accurate as they can be made.

We desire to do work promptly, we desire to be honest and frank in our relations with you, and we desire that you shall be honest and frank in your relations with us. If you know that an applicant drinks to excess, tell us so; if you know that he has any special failing, tell us about it, and we will investigate it. It is important, in order that your papers may be promptly made out, that we should feel that you have dealt just as honestly and justly with us as we hope to deal with you. I want you to trust me and I will trust you.

A sailor once said that he liked to go to the Episcopal Church and, when asked why, he replied it was because he could talk back to the minister. He said he enjoyed doing that and he knew of no other denomination in which he could have that privilege. Now, I want to "talk back" to you for a moment. Yesterday a statement was made in this room, which you applauded and accepted as true, but which I contend is not true, and I want to produce proof in support of my conviction. That statement was that there had been no advance in medicine, that while surgery had made progress, medicine had remained where it stood in the days of Æsculapius. I want to refute that statement by saying a few words to you about the Medical Department of the Penn Mutual. First, let me say that for twenty years I lectured in old Jefferson College on clinical matters, such as diseases of the heart and lungs, and finally I established the first course, in that old college, on diseases of children. After making it a success I retired. I have not time to go further into personal matters and I make this reference only to say that the progress in medicine has been just as rapid as it has been in other sciences. The term "charlatan" has been dropped and the term "scientist" substituted for it. It is true that surgery in America has made a great advance, but the advancement in medicine has been equally marked, and I want to tell you of what advancement there has been in the Medical Department of the Penn Mutual. A gentleman now in this room underwent an examination and was declined as a risk, some years ago, because his height was less than five feet nine inches, and his weight was two hundred pounds. But we now take applicants who are 45 per cent. over standard weight and we find them to be acceptable risks. Again: when I took charge of the medical department a homœopathic physician was not allowed to receive appointment papers as an examiner for this company. I have found, upon inquiry, that some of my best examiners to-day are homœopathic physicians. Is not that an evidence of a progress in medicine? There are also on my rolls to-day the names of first-class eclectic physicians, whose papers I accept as freely as I accept papers from the old-school doctors. Let me say further that the Penn Mutual was the first company to appoint female medical examiners, and let me tell you that we have seen no cause to regret having done so. The risks received from that source are as good as any upon our books. So that, upon the whole, we think we are not open to the charge of being old fogies, but that we are going along as rapidly and surely as can be expected. I know that in the past five years the Medical Department of the Penn Mutual has made more rapid progress than was made in all the previous years.

DISCUSSION.—MEDICAL.

Chairman PLYMPTON, referring to Dr. Rex's allusion to the subject, went on to speak in a humorus way of the alleged slowness of Philadelphia. He said it reminded him of the story told in Chicago about a man who fell from the top of a building of many stories in height and who astonished everybody by reaching the earth in quite a leisurely way, without serious injury. When interrogated, the man quietly explained that he "came from Philadelphia, where they never do things in a hurry."

Dr. REX retorted with a humorous statement to the effect that the reason why the express trains from Boston to Philadelphia were put on, it was alleged, was to enable the New Yorkers to get away from Boston more quickly.

Mr. SIMON WOLF, replying to Dr. Rex, explained that the statement made by himself, to which the doctor had taken exception, was that medicine had made no advance in comparison with that of surgery. He disclaimed having said that medicine had made no advance whatever. He continued: I personally knew that medical science, especially in the Medical Department of the Penn Mutual, had made an advance; for I remembered that, last year, after my wife had applied for a policy and had been rejected, she insisted upon coming personally to visit Dr. Rex—and I came with her. (Merriment.) Gentlemen, I know every word of the English language thoroughly and do not use a word unless advisedly; therefore what you are now thinking of never then entered my mind at all. (Renewed merriment.)

Well, I was going to say this, that the moment Mrs. Wolf was seen by the doctor, he said, "Why, how did I ever come to reject so good a risk?" Mrs. Wolf was passed, thus showing that there is some advance in science. (Continued merriment.) But the point I made yesterday was this, that the person who examines the individual at the place where the application is made, who has known the applicant for a lifetime, who knows the moral and physical risk, who is present at the examination, ought to be more competent to judge as to whether the risk shall be accepted than the medical director who, with his college experience, sits in his room and has nothing to guide him but the dry details. That is the point I was making. I may be wrong, but that is my opinion.

In regard to the advance of which the doctor has spoken, I may say that no one appreciates it more than I do. But if a person weighing 200 pounds, after having been previously rejected, is now accepted, that does not show an advance in medical science, but simply an advance in experience. Then, too, if you now recognize homœopathic physicians, that is not an advance in science, but simply an advance in being more liberal than you formerly were.

Now, I would like to ask the doctor this question. If either of my parents has died of consumption many years after my birth, or if any member of my family has died of it, does it follow that I, as an applicant, am to be regarded as destined to die of that disease?

Dr. Rex. The truth is this. We do not any longer believe in the hereditary character of phthisis, but we believe in a predisposition to phthisis; that there may be in the system, in certain cases, a soil on which the disease will develop and finally eventuate in phthisis. A man may contract a cold from being exposed in a storm and he may escape with no other consequences than a slight sickness, but where there is a predisposition to phthisis the condition may be intensified from slight causes. Where the disease appears in a family of children, all of them have been known to become victims to it.

Mr. WOLF. Then the same rule may apply to a case of insanity which is not inherited?

Dr. REX. That has nothing at all to do with the question.

Mr. WOLF here suggested a case in which the parents of an applicant had died at about eighty years of age, without having given any indications of a tendency to phthisis, and where, out of nine children, the brothers and sisters, of the applicant, six or seven had died of the disease. He suggested that the applicant was more apt to contract the disease from the other members of the family than to suffer from it through heredity. He requested an answer with respect to such a case.

Dr. REX replied that in such a case, where phthisis had developed among a family of children whose parents had not been known to have the disease, there is as much to be feared as if the parents had died of phthisis.

Mr. MEYER HARRISON inquired whether Dr. Rex had considered the question of appointing homœopathic physicians in localities like Denver, Colorado, and other portions of that State.

Dr. REX replied that he had not, and intimated jocularly that he thought the intelligence necessary to qualify a man of the homœopathic school could not be found in the extreme West.

Mr. HARRISON protested against what he regarded as an imputation upon the homœopathic fraternity of the West.

Dr. REX explained that his reply was simply a joke, that it had not been intended as a serious statement, and that he felt that what he had done in the matter of appointments in Western towns disproved any assumption that he had failed to appreciate the merit and ability of the medical profession there.

Mr. STOCKWELL. There is a feeling among field men that there is a sense of etiquette existing between the examiners of the various companies, in consequence of which, if an applicant is declined by one company, his case is settled so far as any other company is concerned; in other words, after they have been once declined, applicants do not receive that consideration which it seems to us they deserve. I would like to know if there is any truth in our suspicion that people are sometimes declined by a company because other companies have said "no."

Dr. REX. My dear sir, etiquette plays no part in the question. We are looking for business. Whether Dr. So-and-so approves a case and we decline it or not, ethics play no part in it whatever. This is not a county medical society nor a state medical society, where certain specific laws govern. I can assure you that the fact that one company declines a risk has no weight with us. Bunyan says, "Let every tub stand on its own bottom," and we try to bear that injunction in mind.

Mr. GOULDEN. I wish to ask this question: Are applicants restricted, in examinations, to the particular medical schools in which they believe?

Dr. REX. If an applicant prefers to be examined by a homœopathic physician, he has a right to be examined by a physician of that school. At the present time we have given instructions to consult the wishes of applicants in this regard.

DISCUSSION.—ACTUARIAL.

The CHAIRMAN. The next item upon the program is the answering of questions by the Actuarial Department.

Actuary BARKER, responding to the invitation of the Chair, here came forward and was received with applause.

Mr. Chairman and gentlemen, I am here ready to explain anything that any of the agents may desire to know about in regard to the operations of my department or the forms of policies, distribution of surplus, or standard values. We had a little discussion here, yesterday, upon several points, but there may be others on which information is desired. Anything I am questioned about I will give you information upon to the best of my ability.

Mr. GEORGE L. BAHL. I ask the Actuary whether the dividends of surplus on convertible term policies can be used annually, after the end of the first five years?

Mr. BARKER. I have to say that originally, upon the adoption of the convertible term plan, it was decided to defer dividends until the end of the term period. It was found that many parties desired to have those ten-year convertible term policies, but did not desire, and were not willing to permit, the dividends to remain and be accumulated for so long a time as fifteen or twenty years. Therefore the suggestion was made to the committee to allow a distribution of surplus on these forms every five years. This was concurred in by the committee. The present plan adopted on all these policies is long enough to determine whether there had been any special mortality or other reason why the dividend should not be declared, or whether it should be a diminished one. So that now the dividends on those plans are declared every five years and are applicable to the payment of the premium on the next anniversary, or can be broken up into five or ten-year portions to diminish the following premiums or to pay premiums on a new policy, if taken at the end of that time.

Mr. BAHL. Do I understand you that at the end of the first five years the dividend may be used as an annuity to pay succeeding premiums?

Mr. BARKER. It can be so applied.

Mr. WATKINS. In the case of a holder of a policy having been paid three or four years, then two or three years having elapsed and no payments having been made in the meantime, can that holder renew that policy by paying up his back premiums, without an examination?

Mr. BARKER. He cannot.

Mr. WATKINS. Let me ask you why? Suppose a man has paid, say three years on a ten-year endowment. The extension period carries him over that ten years. You have got to carry it here anyway. He wants to give you his money—why won't you take it?

Mr. BARKER. That is an exception to the general rule. My general answer probably would not apply to the case of a ten-year endowment, where the extension would carry him to the end of the endowment period.

Mr. WATKINS. Make it twenty years.

Mr. BARKER. As to any other form where the extension runs to the end of the period, there would be no necessity to require an examination.

Mr. MACOMBER. I did not propose to take part in this discussion at all, but I would like to have a little light upon the subject of the life rate endowment policy. Many years ago, when I first commenced my work with the Penn Mutual, the life-rate endowment policy was the popular policy. We did business very extensively on that plan. Now, after paying twenty-odd premiums on No. 18,900, which I took out on my life while I was an agent of the New York Life Insurance Company—while I was an apprentice—I found that I had a certain amount of surplus and a certain amount of reserve; and, wanting to know (not being enough of an actuary to decide it myself) at what time this policy would mature as an endowment, I wrote to our actuary to know when it was likely to mature. As the company is now earning dividends and as those dividends are earning interest—if the company progresses during the intermediate time as it is progressing at the present time—I may hope that when I am about seventy-nine years old I will see that policy mature as an endowment.

(After a request from the Chairman, to make the question more specific, Mr. Macomber continued:)

I want to ask this question: Whether, in the opinion of the Actuary, in the expectation of life, any wrong would be done if the company was to settle the life rate endowment policies and pay the amount of reserve and accumulated amounts of that period, or would it be necessary to have the policy modified in terms to that extent.

Mr. BARKER. In reply to Mr. Macomber's query, as to whether in such a case—a case of a life-rate endowment having run a number of years—any injustice would be done if the contract was so changed so as to pay at the end of the expectation of life, from the starting of the policy, the accumulated dividend up to that period with the reserve, even though together they do not reach the amount of the policy, I have to say this. I cannot see that any injustice would be done to any other members of the company, but it would require a special authorization by the Board of Trustees to make any such change in the contract as to provide for the payment of that full reserve. It is not the custom of the company, in such cases, to pay the full reserve as a cash surrender value, but to charge a small fine upon the reserve in order to replace the retiring number with a new one.

Mr. JOHN F. BROWN. In the past five years contracts have been liberalized, and by resolution of the Board of Trustees the new benefits have largely been extended to the old members as well as the new. I want to know, does that practice now apply in the increased loan and surrender value cash loan, etc., to our old policyholders as well as to the new ones?

Mr. BARKER. In reply to Mr. Brown's question, as to whether the new values and more liberal features of the new policies have been extended to the old contract, I have to say that they have not been; that that old policy was upon a different basis. Upon the new policies, we are reserving on a higher basis; consequently the reserve upon the new policies is larger and will permit a larger value to be given on the surrender of the policy. I have no doubt that when the probationary period of three years has elapsed (which has been cited as the measure of time after which loans will be made for smaller amounts than $100), applications for loans of small amounts on old policies will be granted the same as upon the new one.

Mr. HART. I would like to ask this question, which is somewhat in line with the question suggested by Mr. Brown. Would it not be a matter of justice to the old policyholders to extend to them the new and liberal values contained in the new policies, particularly the privilege of the non-forfeiture extension system? I have a policy, which I have carried for eleven years, in which that privilege is embodied.

Mr. BARKER. In answer to Mr. Hart's query, I would say it would not be feasible to extend to the old policies that have no extension feature incorporated in them to-day the privileges which have been adopted for subsequent policies; it would probably be impossible to do so except by a special agreement between each and every person interested in that policy and the company. The contract could not be varied by the company, in giving extension features instead of a paid-up value, and this be made to apply to all policies, except, as I have said, by the special consent of all interested. There might be many who would be glad to avail themselves of the privilege of the extension feature, but there are others who prefer the paid-up policy. I have had many complaints from men who have had extension features in their policies, who permitted their policies to lapse, and received that extension, who claim that they would have been much pleased to have had paid-up policies. If every new feature introduced by a company was extended to the old policies, endless confusion would probably arise. It might cause the company to refuse to adopt new and liberal measures. It might prevent them from adopting such a system if it was necessary to apply them to all the previous policies. The plans, under such an arrangement, could never be changed or modified.

If the new and very liberal values adopted are found not to be to the advantage of the company, under the present arrangement the company can simply cease to issue any more of them and can change from that time forth to some new basis. So that it would be impracticable to make all changes apply as suggested by Mr. Hart.

Mr. Kendall. I have great respect for the management of the Penn Mutual. I believe in their infallibility, but sometimes things occur that in my stupidity I am not able to comprehend. Here is one instance that I would like to have the Actuary speak about, and it is one that might save a large amount of trouble if the reasons for certain actions were comprehended. It is within my experience that a person carrying an ordinary life policy, after carrying it about two years, concluded it was not what he wanted and asked to have that policy changed into a twenty-year endowment. And the orders were for a new application and a new

MEDICAL COMMITTEE.

John C. Bullitt, *Charles D. Barney,* *Robert Dornan,*
Atwood Smith, *N. A. Plympton, Chairman,* *Benjamin Allen.*

medical examination in that case. Now, as the risk was being reduced, as the time of carrying the risk was being reduced, I could not comprehend why, if the risk was diminished, there should be, in the interest of the company, a necessity for a medical examination to protect the company. The party was already carried on an ordinary life policy, which had the opportunity of running through life. I cannot see, if he wanted to change an ordinary life into a twenty-year endowment, he should not be able to do so. I presume that some one may have a life policy that they will want to have changed into an endowment policy, and they will wonder why that action is necessary.

The CHAIRMAN. The Chair thinks that the question suggested by Captain Kendall is not an actuarial question. It is one that perhaps will be taken up when we reach it.

Mr. GOULDEN. I would like an answer to a question of a personal character. I have the honor of holding a policy about which I spoke to Mr. Barker yesterday, one which was granted after a thorough examination by the medical director twenty years ago. That policy does not contain the incontestable clause. Does that incontestable clause apply now to my policy?

Mr. BARKER. Do I understand Mr. Goulden to say that the policy was recently issued?

Mr. GOULDEN. No, twenty years ago. I want to know whether the incontestable clause is applicable to that policy, under the rules of the company.

Mr. BARKER. It is. Under a resolution going back to a rule of the board passed July 1, 1886. I will send you a circular giving the features of that resolution.

Mr. GOULDEN. One of the Trustees has just suggested to me that that resolution may not apply to suicides.

Mr. BARKER. It covers even suicides after the policy has been in force for two years.

Mr. WM. E. BROWN. Why will the company issue a joint life policy on an ordinary life plan and not the convertible term plan?

Mr. BARKER. In reply to Mr. Brown's question as to why the company would not issue a joint life policy on the convertible term life plan, I say simply this, that almost any form of joint life policy could be issued. The principles relating to insurance are so expansive in their character that they may be made to cover almost any possible contingency of life. But the question is one of feasibility. It was our custom formerly to give rates for almost any kind of policy asked for on joint life plans; but we found, after our young men had spent many hours in each case to make the necessary rates and calculations, that in sixteen months we made sixty-six such calculations and issued only one of that number; and that policy was returned not taken. We have now in force forty-six joint life policies. We really had not the men to spare to make a lot of calculations which would never be of any practical use and would result in nothing. Therefore it was concluded to limit the joint life forms to two classes—joint ordinary life and joint ten-payment life policies. We think that those, with the other forms of policy adopted by the company, ought to be sufficient to cover almost any desirable form of insurance.

Mr. Root. I ask if the policyholders in our company can obtain a loan on the payment of the third annual premium? If that is answered in the affirmative, I would like to ask, why not embody that in the contract? I would like also to ask Mr. Barker if the figures in our policies of loan and cash paid up and extended values are guaranteed. If they are, why use the word "illustration" and why not use the word "guaranteed?"

Mr. Barker. The first question is whether, after the third premium is paid, a loan could be obtained on our new policy. I answer that the loan can be obtained immediately after payment of the third annual premium: that is, at the beginning of the third year.

As to the second question, whether or not our figures which are contained in our policies are guaranteed, I have to say that, so far as it is possible to have them guaranteed, they are guaranteed. Our rate-book, which has been carefully prepared, is the basis for the figures to be inserted in those policies, and that is guaranteed. But we cannot guarantee against the inefficiency or carelessness of a clerk who might exchange slips containing values prepared for different policies and insert the wrong values in each policy. It is impossible to guarantee against errors; but so far as it is possible we do guarantee the figures that are put in the policy. They are prepared with extreme care and the policies are written with care, but in the hurry incident to the issuing of over two hundred policies in a day errors may creep in; and I feel sure that you will agree with me it would be inadvisable to guarantee figures under such circumstances.

Mr. Root. Referring again to the loan values, it would seem from what the Actuary said that loans can be obtained at the end of the second year, and the contract says "at the end of the third year." Would it not be well for the agents of this company to have it stated in the contract, instead of saying the cash that is obtainable at the end of the third year, to make it "at the end of the second year?"

Mr. Barker. I have to say this, that while we would be willing to make a loan at the beginning of the third year, after the three years' premium had been paid, deducting the interest for a year from that loan, yet we might not be able to pay the full cash value of the policy for the end of the third year, at the beginning of that year; for in some forms of policies the values are lower at the beginning of the year than at the end of the year.

Mr. Hall suggested that, in the clause relating to the cash and loan values, the words "not to exceed the amount stipulated below" be left out.

Mr. Barker. In answer to Mr. Hall's suggestion that the words be left out, I will read you the clause which is printed on the policy; that is, so much of it as relates to this question. I read as follows: "In lieu of said paid-up insurance the company will, on surrender as aforesaid within thirty days from the date of lapse, pay a cash surrender value based upon the entire net reserve on this policy at date of lapse, computed by the Actuaries four and one-half per cent. total of mortality, less a surrender charge equal to one per cent. of the sum insured by the policy, not to exceed the amount stipulated below."

This is an explanation of the method by which those figures are arrived at. But when we find that we have in some cases exceeded this amount which this value would give, and in others perhaps are slightly under it, it is necessary to add, "not to exceed the amount stipulated below." The values would not be in strict accordance with the clause, with those words omitted. Therefore, the words have to be inserted, in order that exception may not be taken to the values as taken from our book of values.

Mr. LIPPINCOTT. I appreciate that some of our agents are occasionally handicapped by the fact that the policies themselves do not in the most clear and explicit terms contain a statement of the cash and loan values. The reason stated by the Actuary seems to me to be a very weighty one. It is impossible to guarantee all the figures at the home office; but the whole question can be met, whenever it arises as to the accuracy of the figures in the policy, where they are guaranteed by the company, by simply forwarding that policy to the company for examination and verification. This seems to me to be the best way, and it does not delay the issue of the policy in the first instance.

Mr. HARMON. I have a policy in my pocket concerning which I was asked to have those figures verified and endorsed; and then the lady would take it. She was advised by a lawyer, and the company refused to endorse them.

Mr. LIPPINCOTT. I did not know there had been any such instance of refusal: and I think there would be a reconsideration of such action if the matter was discussed. I do not know that there would be. I think there ought to be. I don't hesitate to say *that*, whether there is any such reconsideration or not; values should be explicitly stated.

The CHAIRMAN. I do not see why, if opportunity is given for a verification of the figures on the policy, it would not be satisfactory.

Mr. HARMON (exhibiting a letter). Here is a letter from Mr. McCloy, refusing to do it.

Mr. BARKER. I presume that the opening of the door to the exceptions suggested by Mr. Lippincott would result in demanding from every agent who had a policy issued a complete verification of the figures placed in that policy; and, as many companies do not give cash values at all and the Penn Mutual is very far advanced in doing so, there seems to me to be no real necessity for any such action to be taken. Mr. McCloy's letter, written after consultation with me, is in line with the practice which has been adopted by the company in guaranteeing the figures so far as that there may be no errors therein; and it is scarcely in accord with Mr. Lippincott's suggestion.

The CHAIRMAN. I have no question that the matter will receive attention at the hands of the Board of Trustees at a very early time. (Applause.) I think with that we will let it pass.

Mr. BARKER. Even if we did guarantee the figures, the company would still have the right to revise them. Every company, every individual and all business corporations reserve the right to correct any errors which may occur under those circumstances.

Mr. IREDELL. Is it proper for a company to send out a policy stating loan, cash and surrender values, unless assured that those statements of figures are correct? Now, that can very easily be settled by having some one, before the policy goes out, revise or check those calculations, as is done in the Mutual Benefit and other companies. When their policy goes out and is delivered to the policyholder, he is assured that its figures are correct. It will be very little trouble for the company to adopt (and I believe it will adopt) some system of that kind, so that it can say that the figures are correct.

Mr. DURHAM. One of the very pleasant improvements in the practice of our company, in the last twelve or fifteen years, since I have been connected with it, is the increased willingness, year by year, on the part of the company, to make exceptions in a general way to correct inequalities—I don't mean to say that, but I mean to say to do specially such things as are in line with their general work. Now, I have never had in our agency a single request to have those figures verified. I don't believe there would be one such request in a year, but I think it is a good thing. If the policyholder does want that, we can say to him, "Why, certainly, that is your right." (Applause.)

The CHAIRMAN. In answer to the gentleman, I will say that, in issuing almost three million of business during the past year on these forms, I have never had occasion to ask the company to verify any of those figures. Consequently I don't think the danger that Mr. Barker speaks of is to be apprehended any more than any imaginary danger. I have not the slightest question, now that it has been called to the attention of the representatives of the company, that at the next meeting of the Premium Committee Mr. Barker will bring the matter to the attention of the committee; and I have not the slightest doubt that the company will substantiate any representation that it makes as well as the letter of the bond.

DISCUSSION.—APPLICATIONS AND DEATH CLAIMS.

Mr. John J. McCloy, Supervisor of Applications and Death Claims, responding to the call of the Chair, appeared on the platform, and after a cordial welcome, said:

I want to say to Captain Harmon that his question was probably intercepted before it got to our department. I cannot recall having received any such question as the one he has just stated.

In the few remarks that I have to make, I desire simply to call attention to the importance of properly completing the application before forwarding it to the home office. And I cannot do better than to go over each question as it appears upon the application blank.

In answer to "Question No. 1 B," it would be some accommodation to our department if you, gentlemen, will always be sure to write the name in a clear, legible hand, and also include the applicant's Post Office address. If he resides in a city having numbered streets, the number and street as well as the town and state should be given.

In answer to "Question No. 2 B," the kind of business always should be stated—if he is a clerk, whether in a drygoods house or a manufactory; if a mechanic, the precise kind of labor performed. In any occupation in which there is a possibility of extra hazard, the precise duties performed should be stated. Of course if he is in any way connected with the sale of liquor, that also should be carefully explained. The previous occupation also is important.

In answer to "Question No. 2 A," the name of the proposed beneficiary should also be clearly and legibly written; and where it is a wife, her maiden name should invariably be given, as it enables us to identify the beneficiary when the time comes to pay the death loss. Please note that we do not write policies payable to unnamed beneficiaries, that is, to children unnamed. In such cases the wife or some one should be named as trustee to receive the money for the children.

In answer to "Question No. 3," great care should be given to correctly state the age and date of birth. This is a point on which agents often err, and the error or omission compels correspondence, which of course causes delay.

It would be well to remember that under our rules the age of a person born in any month of the first column would change in the opposite month of the second column, as below:

January	July.
February	August.
March	September.
April	October.
May	November.
June	December.
July	January.
August	February.
September	March.
October	April.
November	May.
December	June.

The matter of family record, as explained by the Medical Director, is also of importance. Care should be exercised to have as full information given in regard to the ancestry and the brothers and sisters as is possible. This often determines whether the applicant will be accepted, limited or declined.

In answer to "Question No. 6 A," we always desire to know the amount of insurance carried and the companies in which it is carried. This becomes of great importance, particularly where the application is of large amount or for the cheaper plans of insurance.

"Question No. 6 B," we find frequently answered incorrectly; and in such cases we always feel that an applicant has not been as frank with us as we had a right to expect, and the case is prejudiced to that extent. It would be well in every instance to read the question, emphasizing the different points covered thereby.

In answer to "Question No. 7," the kind and amount of policy as well as the manner of paying premiums should be carefully stated, especially as to how the surplus is to be used. Remember that there are several ways of using the surplus, viz: to reduce premiums, purchase additional insurance, or in accordance with the five-year option plan, or to accumulate for the different stipulated periods, as for instance ten, fifteen or twenty years. The application should be dated on the day that it was signed, being careful that it does not bear the date of Sunday; and it should also state the facts as they were on that date.

If an applicant desires to be rated at the younger age, please make note in pencil, to that effect, on the lower margin of the application. And remember, in all cases where the applicant is fifty years of age or over, or where the application will make his insurance with us for more than $1000, that a urinary examination is necessary by the rules of the Medical Board.

Mr. Goulden. Would it not be well for the gentleman (Mr. McCloy), as he has suggested the importance of supervision, to say something for the benefit of gentlemen present with regard to changes? Are these gentlemen to understand that they can make changes in an application without their being attested by the signature of the applicant?

Mr. McCloy. In reply to Mr. Goulden's question, I state that of course an agent is not authorized to make any corrections in the application unless such corrections are attested by the applicant's signature. It should be remembered that we annually issue nearly thirty millions of insurance on this application blank; and where such a large amount of money is involved the application should be written with as much care as you would write a deed for your house. You will recognize that it is a much easier matter for you to go around the corner, see your applicant and have a correction made under his authority than to wait for the home office to call attention to the error, and then go to see the man, when he is expecting that you will bring the policy with you.

Mr. Kendall here remarked that sometimes the agent did not know the fact when the applicant made a mistake in signing his name. He mentioned an instance in which he asked the applicant to state his full name, and the latter omitted his Christian name and merely made use of his middle name and his surname.

Mr. KENDALL suggested an inquiry as to the case of an applicant who requests that the policy shall be payable to the wife.

Mr. McCLOY replied that in that case, if it was to answer "Question No. 4," as to whether the applicant was married or not, the company always assumed that he was married.

Mr. McCLOY, in reply to an inquiry by Mr. Bahl, explained that the company's agreement specially prohibits the service on any railroad train. This is covered by a special permit which accompanies the policy, issued without extra charge.

DISCUSSION.—ACCOUNTS.

The CHAIRMAN announced that the next item of business, "Policyholders' Accounts," which had been assigned to Mr. Jacob Leithmann, Comptroller, would be passed over informally, because of the absence of Mr. Leithmann, who had temporarily retired from the hall, being quite unwell. The Chair added that the next item of business was "Agents' Accounts," and he called upon Mr. H. H. Marot, Auditor.

Mr. H. H. MAROT, the Auditor, here came forward and offered to give any information that might be desired in regard to the agents' accounts with the Auditor of the company.

(No inquiries were made.)

Mr. KENDALL. Before we adjourn I want to say one word, and that is this. Many of the agents here imagine occasionally that they are having a hard time, but they know nothing of the grievances of the agents of other companies. I want to say that many of the agents of the Penn Mutual are better situated than any other set of agents of any other company in the land. Whenever I get disgusted I go and take a look at things in the New York Life and the others, and I become reconciled to my situation. I wouldn't be under the harrow as those fellows are; I would rather quit the business. (Applause.)

Mr. GOULDEN. I want to endorse every word that Captain

Kendall has said. My colleague, Colonel DeForrest and myself are right in the net, amongst the home offices of the great leading companies of the United States, and I want to say to you that, in our Underwriters' Association and generally, the agents are everlastingly complaining. They say to us, "Why don't you pay bigger commissions, for then we would work for the Penn." They become thoroughly disgusted, and I want to say they have had ten times the amount of trouble that you, gentlemen, in the Penn Mutual have had. Therefore, you ought to bear patiently the ills you have and not fly to those you know not of.

Mr. John F. Brown. I think it would be proper for us in some way to show our appreciation of the superior literature which has been given us. I refer particularly to that brief history of the company that was sent out to the general agents a few weeks ago. I think that the author and compiler of that little book should have an expression of appreciation from us. I was charmed with the elegant diction of that work. It fell into my hands at 11 o'clock at night, and I read the whole fifty-six pages before I went to my rest; I could not lay it down until I had read the whole of it. I think it is one of the most complete little histories that could be placed in the hands of the agents, for their instruction and guidance.

The Chairman (by unanimous consent) here appointed a committee to prepare a resolution in accordance with the suggestion of Mr. Brown. The committee was constituted as follows: Messrs. Brown, of Clarion, Pa.; Iredell, of Cincinnati, and Goulden, of New York. The Chair also suggested, by way of expediting an adjournment, that the committee be empowered to incorporate in the record of the Proceedings of the Convention the resolution which would be prepared by them.

A vote was taken, and the suggestion of the Chair was adopted as a motion regularly made. The committee subsequently reported the following:

Resolved, That the chaste historical brochure, written by Mr. H. C. Lippincott, Manager of Agencies, and printed for the occasion of this semi-centennial celebration of the Penn Mutual Life Insurance Company, has received our most hearty appreciation, not only as a valuable historical and instructive book, but as another evidence of the literary ability and diction of the author, to whom the credit belongs for the great superiority of the company's literature furnished to the agents.

JNO. F. BROWN,
J. W. IREDELL, JR.,
J. A. GOULDEN,
Committee.

Philadelphia, May 27, 1897.

MR. HART. I think it necessary for the agents of the company to voice their appreciation of the hospitalities extended to them by the officers and Trustees of the Penn Mutual. I therefore move that a resolution of thanks be voted to the officers and Trustees of the Penn Mutual Life Insurance Company for the generous hospitality extended by them on this occasion to the agents, as their guests, at their expense; and also for the entertainment and instruction they have afforded the agents on this occasion.

The resolution was adopted by unanimous vote.

The business of the Convention having been completed, an adjournment was ordered.

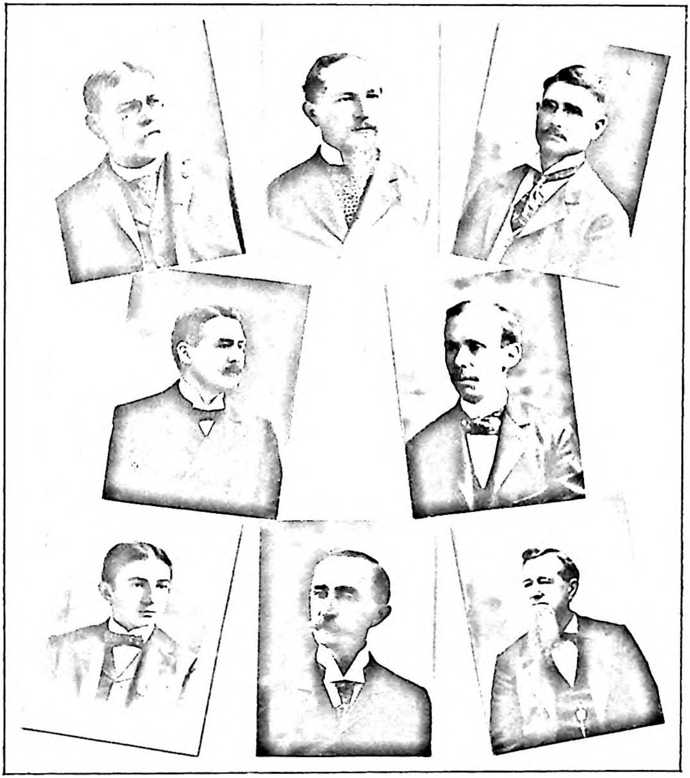
BANQUET AT THE UNION LEAGUE.

PHILADELPHIA, May 27, 1897.

One does not need to say much of the Union League as a suitable place in which to give a banquet. The company, through its committee, held to the idea that in extending its hospitalities to those of its own household, those who through few or many years had been instrumental in advancing its prosperity and progress and sustaining its repute, nothing less than the best which modern facilities afforded would be appropriate for an expression of its thanks and appreciation. The Union League was therefore selected, and it is needless to say that all the accessories were in keeping with the place. The flowers, the music, the menu and the oratory; the seriousness, the gaiety, the comradeship, the exaltation which rightly comes from a knowledge of good done; the assured hopefulness for the future springing from lofty aspiration—all these united to make the occasion memorable.

Seats had been provided for 208 persons, and with few exceptions all were occupied. While all the tables were most beautifully decorated, the one devoted to the speakers was most conspicuous for elaborate ornamentation. At this sat the officials of the company, a number of the older Trustees, the counsel of the company, together with agents and others who had been selected to make postprandial addresses. Harry F. West sat at the post of honor in the center, and on his right was President Edward M. Needles, who retires from official life July 1, together with James O. Pease, the oldest Trustee in the service of the company; Henry C. Townsend, its counsel for more than fifty years; Trustees William H. Rhawn, Benjamin Allen, N. Parker Shortridge, Aaron Fries, and Samuel B. Stinson. A place had been reserved at the left of the Chairman for the newly-elected Vice-President, George K. Johnson, whose absence was due to the death of his mother. Then came the Chairman of the Agency Committee, the senior general agent of the company, Dr. R. Allison Miller, and farther along were seated Joseph H. Harrison, Secretary and Treasurer Henry C. Brown, Medical Director Rex, Counsellor Samuel B. Huey, and J. W. Iredell, Jr., General Manager for Ohio, Kentucky, and Tennessee. Conspicuously located at the several tables were Trustees Charles D. Barney, Charles J. Field, Noah A. Plympton, Lincoln K. Passmore, Benjamin Rowland, and Frank Markoe. Messrs. John H. Watt, Frank Pyle, and W. Beaumont Whitney, all Trustees, were placed with some of the more prominent general agents of the company and representatives of the insurance press. Among the latter were noted Henry R. Hayden, Dr. J. A. Fowler, Robert R. Dearden, F. C. Oviatt, F. A. Durham, P. J. Hanway, Charles A. Jenney, and B. P. Tillinghaste.

Of the whole number of agents attending the several meetings all were present. Every place was a post of honor. No such thing as class distinction was permitted. The pupil sat beside the professor, the trustees mingled with clerks, and the man who had written a first application was as well pleased with himself as his veteran neighbor whose years were many and whose work was large. The committee in the arrangement of the seats seemed to have in mind the newspaper injunction, to the effect that every notice should be put at the top of the column next to reading matter; and all the guests esteemed themselves to be thus placed.



PARTICIPANTS IN THE FIFTIETH ANNIVERSARY.

F. A. Kendall, R. Allison Miller, Henry I. Pineo, J. Edward Durham, John J. McCloy, George William Rhawn, William L. Lott, A. A. Walker.

POSTPRANDIAL.

Simultaneously with the rapping of the Chairman's gavel, at a few minutes before nine o'clock, the entire company arose and, under the lead of Col. N. A. Plympton, greeted Chairman West with a series of hearty cheers in his honor.

The postprandial exercises were then proceeded with as follows:

The CHAIRMAN (Mr. Harry F. West). Gentlemen, as I look around this room I am forcibly reminded of one thing, and I will let you into the secret. It is the first time that I have ever had the privilege of acting as the Chairman of a meeting such as this. When I see all these handsome faces around here, all the influential men who have gathered here, I feel proud to think that I should have been called upon to act in this capacity. It is not my intention to inflict a speech upon you to-night. I refrain from it in deference to the gentlemen who have so kindly consented to make speeches to you. My intention was to say a few words about the company, but all that I would have said has already been told to you to-day and yesterday, and more is contained in a very interesting book sent to you, which was compiled by the Secretary of our committee—a gentleman who is in every way fitted for doing that work, and whose labor, I am sure, we all have appreciated. (Applause.)

According to this "Postprandial," it was arranged to call first upon Mr. Allen, but out of deference to a gentleman who has been connected with this company for thirty-three or thirty-four years as a Trustee and officer—as Vice-President and President—I recognize that the celebration would not be complete unless I should speak of him, and I think he is entitled to be spoken of first. I promised that I would not call on Mr. Needles, our dear President, for a speech to-night, but after all the work he has done for this company, the way he has done it and the increase in the business that has occurred during his Presidency, as I said before, I feel that I would be doing wrong unless I said something of him now. I cannot speak of him in the terms in which he was spoken of this morning, because I have not the gift of eloquence; it is not in me; I was not brought up a life insurance man, and consequently you will have to take my language as I give it. I want simply to ask you to rise and drink with me, to the health of our President, in that potent beverage of which he is so fond—Apollinaris.

(The entire company, rising, drank to the health of President Needles, whom they also honored with rounds of cheers. Calls were then made for a response.)

Chairman West. No, I promised that Mr. Needles should not be called on for a speech.

President Edward M. Needles, yielding to the repeated solicitations of the company, here rose and, after the enthusiasm with which he was greeted had subsided, said: Gentlemen, I think that U. S. Grant was occasionally let off with about five words. I doubt if you could have any more from me. There is an old, trite saying that "Nothing succeeds like success," and there is another one—I will add it to it—that "One failure is remembered longer than a hundred successes." If I should attempt to make a speech I would make a failure of it, and you would remember me by it for the balance of your lives. (Prolonged applause.)

Chairman West (addressing Mr. Henry C. Lippincott). Mr. Secretary, will you be kind enough to read a letter you have received from the Commissioner of Insurance of Pennsylvania and some of the telegrams in your possession?

Mr. H. C. Lippincott responded: Gentlemen, at the request of the Chairman, I take pleasure in reading one or two telegrams and a letter, which have been selected from among numerous messages of commendation and congratulation addressed to the Penn Mutual Life Insurance Company. The first is from Mr. Franklin Webster, the editor of the *Insurance Press*, one of the strongest insurance journals in the country. It is as follows:

"I exceedingly regret that I am unavoidably absent and prevented from attending your jubilee to-night. Extend heartiest congratulations and best wishes."

I have also a telegram from Mr. J. C. Bergstresser, of the

Insurance World, another leading journalist—in fact, we know no journalists who are anywhere near the rear, viz:

"I exceedingly regret my absence. May the Penn's future be in geometrical ratio to its honorable past."

The next is from the distinguished editor of the *Insurance Herald*, Mr. Young E. Allison, of Louisville, Ky., viz:

"I regret very much that absence and misunderstanding have caused my delay in acknowledging your invitation. The fiftieth anniversary of the company that has stood so well and so faithfully for all that is successful and noble in the beneficence of life insurance, as the Penn Mutual has, is an occasion that every one with correct knowledge of the business should be glad to honor. I feel so and am very sorry I cannot be present to personally so testify."

The following letter is from Hon. James H. Lambert, Insurance Commissioner of Pennsylvania:

"Mr. Harry F. West, President-elect Penn Mutual Insurance Company,

Dear Sir—I regret very much that a previous engagement prevents acceptance of the invitation to the dinner of the Penn Mutual, on Thursday evening, in celebration of the company's fiftieth anniversary. I should have been much gratified to unite with you in an anniversary of so much significance, and of which all connected with your company have such abundant reason to be proud. Permit me to extend my most sincere congratulations, not alone to those of you who are most immediately administering this great trust, but to all the policyholders who are the beneficiaries of the intelligence, the ability and the integrity by which the management of their business is pre-eminently distinguished. May they be as fortunate in their trustees of the future as they are in those of the present. With sincere personal esteem, I am Very truly yours,

"JAMES H. LAMBERT."

(The reading of each of the above communications was followed by hearty applause of the company.)

Chairman West. Gentlemen, I am going to reverse the order of the program again and call upon one of our esteemed fellow-members—a gentleman who has been a member of this company for fifty years, who holds one of the first policies, who has acted in the capacity of our counsel almost from the beginning of the company, and who was also one of the gentlemen to draw the charter of the company. I call upon Mr. Henry C. Townsend.

Henry C. Townsend, Esq., upon rising to respond, was applauded at great length.

ADDRESS OF HENRY C. TOWNSEND, ESQ.

Mr. Chairman and Gentlemen:

One who is past three-score years and ten is given to prolixity. I am reminded of an anecdote of President Lincoln. He was engaged in a law suit and had as his antagonist a gentleman who was distinguished for his volubility and great flow of language, but who was utterly destitute of ideas. When Mr. Lincoln got up to reply to him, he said: "May it please your Honor and gentlemen of the jury, I have listened with great respect to what my learned adversary in this case has said, and I have tried to understand it, but have been entirely unable to do so. But perhaps that is not his fault. He is so constituted that when he begins to talk his mental operations cease, and he reminds me of a steamboat which I saw in my boating days. It had a seven-foot whistle and a five-foot boiler, and whenever it whistled the boat stopped. (Merriment.)

In considering what might be appropriate to say on such a festal and family occasion as this, two thoughts arise: The first is a mingled feeling of surprise and gratification at the phenomenal financial success of the company whose fiftieth anniversary we now celebrate. The second is, to what paramount cause this result may be fairly attributed.

While conceding all that may be properly claimed for this success to the efficiency, integrity and intelligence of the executive department, its President, Vice-President, Secretary and Treasurer, and Actuary, to the ability of its heads of departments, to the alertness and energy of its capable agents, to the force of clerks in all departments, giving to the medical staff due credit for its professional skill and watchful care, and, it may be said in parenthesis, to its grand moral courage on many trying occasions in rejecting undesirable applications, and omitting all reference to its legal department (on which, for obvious reasons, I could not be expected to enlarge), the dominant conviction in my mind is that this success, so great and gratifying, is due to the confidence felt by the community in the principles of integrity, honesty and fair dealing, to that firm determination to regard with favor and act upon the truth of the maxim that "honesty is the best policy" which controlled the founders of the company in its organization, and which has governed its management during the half century of its prosperous career. I am, perhaps, the only individual present who has a personal knowledge and recollection of its inception, creation, organization and entrance into business life. As is well known to most of you, its originator was John W. Hornor. In its formation he was largely aided by William Martin, the then president of the Delaware Mutual Insurance Company, an exceptionally strong, intelligent and experienced man, and among its incorporators were many of the managers of that staunch old insurance company, including Daniel L. Miller, Samuel E. Stokes, Benjamin Coates, Theophilus Paulding, Edmund A. Souder, Richard S. Newbold, John G. Brenner and others, all men of high character and recognized ability.

Together with the late Hon. Charles Gilpin, I assisted these gentlemen in framing the charter. Among other matters discussed was a suitable name, and after careful consideration that of Penn was adopted, as it was to be a Philadelphia institution, and it was to be erected and managed upon the principles of honesty, justice and uprightness which controlled the life and actions of the great founder of the Commonwealth of Pennsylvania. From a close personal and professional relation with the company during these long years, I can truthfully say that this policy of honesty and fair dealing has distinguished the management of the company from the beginning. Its contracts have been observed in good faith, its losses have been paid promptly, its engagements have been met with punctuality, its methods have been pacific, its litigation, either as plaintiff or defendant, has been infinitesimal, and so far as known not a single spot or blemish has dimmed its fair escutcheon.

The occasion invites retrospection and reminiscence, and, did time permit, it would be a pleasure to mention the names of some of the many honored officers of the company who were active in its organization and who served it faithfully during these fifty years, some of whom are still on duty, but I forbear. It is a rare event for any official to continue a half century uninterruptedly in the service of a corporation, as has been my good fortune, and to see its assets grow from the cipher figure to thirty millions of dollars, and I cannot close this brief and inadequate response to your request without expressing my sincere thanks and gratitude to its management for the kind and considerate confidence and trust with which, as the senior counsel of the company, I have been treated through the various changes which have taken place in the executive departments and the Board of Trustees. With all of them my personal relations have been cordial and pleasant, and I look upon this connection for a half a century with the Penn Mutual Life Insurance Company as the most gratifying feature of a somewhat busy professional life, covering fifty-three years.

Chairman West. Gentlemen, I am going to tell you another secret. Our senior counsel has not told you all. I had occasion within a few days to see a letter that was written to him, which made this statement: "You have examined over fifty millions of dollars of mortgages, and there has never been a mistake." (Applause.) We have with us to-night one of our Trustees, who has faithfully discharged the duties of that office for many years—the Chairman of our Policy and Premium Committee, a very important committee, in which he takes the deepest interest. We all love and honor him, and we will be glad to hear from Mr. Benjamin Allen.

Mr. BENJAMIN ALLEN was greeted with much enthusiasm.

ADDRESS OF MR. BENJAMIN ALLEN.

Mr. President and gentlemen, I assure you most truthfully I feel much honored in being called upon to-night to say a few words upon this most interesting occasion—the celebration of the Semi-Centennial of the good old Penn Mutual, so dear to us all. At the same time, I feel under no slight embarrassment in so doing. I realize, when attempting to address an audience like this, that the speaker should be prepared to either instruct or interest his hearers; or better still, to do both.

Appreciating these difficulties, what I shall have to say will be confined to a subject that I know is dear to your hearts—that of "Life Insurance," with the ceaseless and conscientious work it at all times demands and, greater still, the grave responsibility it imposes. Here, my dear friends, my embarrassment increases, for I do not fail to realize that I am in the presence of a number of officers and trustees far more familiar with this broad subject than myself; a large part of whose lives have been devoted to the upbuilding and advancement of the interests of our honored company. I have said I am in the presence of a *number* of our intelligent and indefatigable workers; but, alas, how many of our former colleagues have joined the great majority, and that, too, in but recent years. I know it will interest many present to-night to recall some of those honored names. Men to whom our organization can look back to as Trustees, who gave the company the best they had always, and whose labors and devoted interests in the company's welfare is a part of its history and of its great success. I may mention in this connection the names of Samuel C. Huey, Thomas W. Davis, Charles Watson, F. A. Hoyt, Joseph B. Hodgson, Joseph M. P. Price, W. C. Houston, Wm. H. Kern, Charles B. Williams, Howard Hinchman, Stephen A. Caldwell, John Scott. Let us cherish their memory in grateful remembrance, and, as far as possible, emulate their example: for in their day they never failed to serve the Penn Mutual faithfully and well.

In contemplating the wonderful changes that fifty years have wrought in our goodly city; changes in population, in styles of living, in the varying methods of business, in matters of educational and philanthropic effort, in progress in the arts and sciences, and in the marvelous increase of organizations having for their object the alleviation of human suffering—I say what a retrospect this affords to those of our people who are well advanced in life, and who have, in a measure at least, kept a mental record of the many and various changes in our grand old city during the last half century. In this connection, Mr. President, some of us can recollect many of those who have achieved success and distinction in the battle of life; and, alas, how many, perhaps equally worthy, who have fallen by the wayside; and in these moments of personal reflection may we not also be permitted to dwell briefly on the past in its dealings with institutions and corporations? It seems to me that their history has been as stormy, as checkered and as eventful as those of individual effort. The same successes, the same failures mark them both in this vista of the past.

Having reached this point, I trust, gentlemen, you will not imagine for a moment that I am about to indulge in any invidious distinctions or comparisons, nor to dwell upon that expression so often used, the survival of the fittest; an expression, I confess, I do not always admire. No, gentlemen, this is not my purpose, nor would it be in good taste; and yet, even at the apparent risk of inconsistency, I cannot refrain from adverting to one of these corporations, whose "*Semi-Centennial*" we are celebrating to-night, the good old *Penn Mutual*, and to congratulate you all upon her record and the position she occupies to-day. It is truly a grand achievement, and may I not add, tells its own story of intelligent management, faithfulness to duty and an uninterrupted period of fair and honorable dealing, not only by the pioneers in its management, but continued by their successors to the present day; and I will further add that it is my earnest hope, and I know it is yours, that the end of the next fifty years may find this good old company with a fame as fair and a reputation as unsullied as she presents to the world to-night.

The old Penn has now over 56,000 policies in force, representing over $141,000,000 of insurance; and since its organization has paid to its policyholders or their representatives the sum of $42,000,000. These are truly large figures, and should, as they doubtless do, afford us all great pleasure, as showing the solid and conservative growth of this good old organization. But when we come to contemplate the wonderful aggregate of insurance written by what are known as the "old line companies," the figures are simply astounding. These companies, some thirty-six to forty in number, have outstanding to-day insurance aggregating upward of $6,102,582,337, and have paid to their policyholders or their representatives during 1896 the enormous sum of $138,923,030.

This is not only most gratifying to all who believe in life insurance, who have predicted its success and labored to achieve it, but doubly welcome as showing the almost unlimited confidence of the intelligent people of our great country in the safety and continued success of a system that has carried aid and substantial help into the home of thousands who otherwise would have been called upon to suffer from a double grief. It is impossible, it seems to me, to contemplate a business of such magnitude; an amount of good so grandly, so unostentatiously accomplished, without it inspiring the deepest thought and reflection. To me, gentlemen, these reflections take the shape, as I have already said, of the great responsibilities that develop upon those having these vast interests in charge.

Interests involving not only the management of millions of money, but, permit me to add, the happiness and welfare of thousands of homes throughout the length and breadth of our land. Is it not then well and profitable to dwell, at times, upon these grand results? To glance not only upon the past achievements of life insurance, its present position, but also as to its future prospects. If we do this, even but occasionally, I am confident that it will not only afford a pleasant retrospect, but a bright and living faith in its continued prosperity and power and its wonderful instrumentality for good. It is not my intention to attempt a dissertation upon the history and underlying principles of life insurance; I know I do not possess the ability, even had I the inclination, to do so. No; this must be left to abler and more experienced heads, yet a word in this connection may not be out of place.

The foundations of life insurance I regard as simple, safe, deeply laid, comprehensive and enduring. As I understand it, the base of this system is not only a theoretical, but a practical knowledge of the laws or records of mortality, or a thorough understanding of the averages of human life, in connection with accruing interest and the compounding of same. The superstructure is simply what management makes it, and I now come to a most pleasant phase of my self-imposed task, viz: a brief glance at this superstructure, or, in other words, a simple contemplation of what intelligent and faithful stewardship has achieved and the high pinnacle occupied to-day by the life insurance companies of our land, in which, I am proud to say, the good old Penn has achieved, and deservedly so, such a high and honorable position. It is then, I assure you, a very great pleasure to me to have the privilege of meeting so many of those engaged in this most laudable, I will say noble, work, and among them our agents and those serving them—men directly from the field. And what a field of work it is, embracing the whole of this vast and glorious country.

And may I not add, how much we are indebted for this marvelous development to the earnest and indefatigable work of these agents, for in whatever part of our land there is found an increasing population, *there* will be found the agent getting in his work as he alone knows how to perform it. He has with him his tables or schedules of premium rates; he can deal eloquently upon the averages of human life; he can and does, in his persuasive way, present the various plans of insurance—plans that meet the wants and needs of the poor, of those moderately situated in this world's goods, and the millionaire; and he does it, as he does all his work, from the standpoint of the intelligent and conscientious gentleman; and I desire to say right here that my heart goes out to these men every time. We, as Trustees, know something of their trials and labors, and I am sure we appreciate them. I feel safe, however, in saying that these trials, and I may add, the unkind receptions frequently accorded them, are happily a thing of the past.

The agent of to-day has a far different story to tell than in the times to which I have alluded. Then, he had but few plans to offer. Now, how many, varied and comprehensive they are. In this presence it would be useless to attempt to enumerate them. Suffice it to say that in number and character they have been made to fill almost every want, and are within the reach of almost every one who is seriously looking to the welfare of his dear ones after he himself has ceased to be their protector and provider. Yes, gentlemen, it is from a contemplation of these facts we learn what it is that gives the agent of to-day a confidence, a courage unknown to him. perhaps, in his earlier career; and I am glad of it, and I realize with pleasure that for every dollar of premium he brings to his company, it gives to his client a full and clear equivalent. This should, and doubtless does, make the agent feel that he is to-day the peer of any living man in any of the business walks of life

I have already alluded to the grave responsibilities that the management of this vast system involves. Now let us glance for a moment at the result of this stewardship, as presented to-day. Not dealing, of course, with the history of the Penn Mutual alone (although it occupies a proud position in the grand aggregate), but with the system as a whole. It would really seem in the highest degree improbable, and yet reliable statistics give us the following figures, representing forty-six reserve-maintaining companies, foreign and home, doing business in the United States. On December 31, 1896, the companies had 9,393,196 policies in force, representing, as I have before remarked, insurance amounting to $6,102,582,337, and having paid out to policyholders or their representatives, during the year 1896, the vast sum of $138,923,030. When I contemplate the stupendous magnitude of this business and reflect on the sacredness of the trust reposed in those having the management of these vast corporations, these thoughts force themselves upon my mind—first, a feeling of pride in what has already been accomplished; second, a feeling of deep appreciation of the intelligence, zeal and integrity of those to whose care these great trusts have been committed, and finally, a feeling of confidence in the future of life insurance. In my judgment, prosper it must, as long as its business is conducted on those safe underlying principles that have brought it to its present proud position.

May we not then as a company having a share, at least, in the past half-century of life insurance, be proud of the retrospect it affords us: for the good old Penn has done her part and did it well, and her officers, Trustees and agents alike, have all had some share in the work so successfully, so honorably accomplished. I have said that I am not here to instruct. I feel that it would be unnecessary, even had I the ability to do so. It is simply my purpose to urge what we have so often listened to before, and to what we can with profit listen to again, viz: to push forward on our present lines! More ambitious to care for the interests that we already have in charge than to seek an almost unlimited business, or to venture on some new and untried paths. Let us then keep on in the good, old fashion that has brought us to where we are; it means steady, painstaking work—it means hard work—work for all. For no position in our office, from the President down, can be or should ever become a sinecure.

Another very important element upon which our success depends is, as I have said, our Agency Department; and here let me say that in this respect I think we, as a company, are fortunate, because I believe our agents to be true and loyal to our best interests; and how much, after all, depends upon this loyalty on their part in the acquisition of risks. Of course, our company, like others, is equipped to determine as best we can the nature or character of the risks presented, both from a physical and moral standpoint; but, after all, the agent is an *important factor*. He sees the applicants, or nearly all of them, while the officers of the company see but few, and, as I have before remarked in this respect, we are in good and capable hands, as is most clearly shown in our mortality experience and in the entire absence of irritating and annoying litigation incident to disputed claims. Why, gentlemen, in disbursing, as we did during 1896, some three to four million dollars in death and other claims to our policyholders or their representatives, we were not brought into court as defendants in a single instance. What a commentary this is upon fair and honorable dealing.

And while upon this question of agents, I may remark that our company occupies rather a unique position. I cannot recall another old line company where any of their agents are members of their Boards of Directors, although there may be others; and when the old Penn inaugurated this movement I am free to say it was regarded by many, myself among the number, as of doubtful propriety; but I am happy to say the lapse of time has proven the contrary, and at every recurring election, if the term of any of our Agent Trustees expires, they are invariably re-elected, simply because they have been able, from time to time, to give us most valuable aid and information, as only those directly from the field can do. Again, we have found them in our Board kind, genial and intelligent gentlemen. Always mindful of the company's interests, and never the promoters of legislation having for its object their personal interest, they are to-day among our most esteemed Trustees.

In this half-century's history, the Penn Mutual has been most fortunate in the sturdy honesty and faithfulness of its officers—Presidents and Vice-Presidents, Secretaries, Treasurers, Actuaries and all serving under them, and this, I feel, is the happiest thought that can come to us to-night, that, at the end of fifty years, the record of our officers is without a blemish, and their official life a source of the most profound pleasure and gratification to us all. It is this conscientious performance of duty, this undeniable record of watchfulness and care, not only by our executive officers, but in our Agency, Medical, Financial and Actuarial Departments that has made our company what it is to-day; and this is just the idea I intended to convey when I alluded to the superstructure that it was possible to raise on the foundation of life insurance.

How gratifying it is, then, to be able to-day to contemplate life insurance, not as a problem or speculation—that period has happily passed—but as a positive and thoroughly demonstrated success, and this, too, after one of the most severe and prolonged business depressions known in our history as a country. To what, then, may I again ask, is this phenomenal success due? Why, simply, in my judgment, it is due, in large measure, to the brainy men, many of whom have passed away. Men of bright intellects and indomitable courage, who, in the face of many discouragements, labored earnestly and incessantly until the success of life insurance was unchallenged. I repeat, *unchallenged,* for to-day its success and permanency is unmistakably attested by its enormous growth and prosperity in the United States. Why, sir; in times not even remote, life insurance was regarded as,—what shall I term it? well, as a *luxury* within the reach, perhaps, of only the rich or well-to-do. Now, however, may we not claim for it that it is almost a necessity, and, as I have already remarked, brought within the reach of nearly all? The history of our own company abundantly verifies this assertion. In our outstanding policies, some 56,000 in number, we have our proportion of the larger amounts, $50,000 being our maximum, and running down to even $500, and it may be interesting to know that the average amount insured by these 56,000 policies is in the neighborhood of about $2520 per policy. Should we not, then, feel, even those of us who occupy but an humble position in its management, a commendable pride in having had even a small part in the development of a system that has accomplished so much for the good of humanity?

How true it is, then, that it should be our aim, our earnest study not only to add to these grand achievements, but to still further increase its usefulness and power. How, then, can we most effectively contribute to this most wished for result? I might, in answering this question, say by simply following the example and adhering to the precepts of the pioneers—the fathers in life insurance—those, both of the past and present, who have given freely of the best they had mentally to the problems of life insurance, the solution of which has placed it on the plane it occupies to-day. If, therefore, we follow these examples is it not safe to say that this future is practically assured? I firmly believe it is, and, as far as our good old company is concerned—whose Semi-Centennial we are celebrating to-night—I honestly think that in the future, as in the past, there will always be found steady hands and honest hearts working, and working cheerfully, to perpetuate the high reputation the good old Penn Mutual enjoys to-night.

Let me, in conclusion, give utterance, although a Trustee, to a final word of congratulation to the grand old Penn. Not only upon her great success—happily, that is amply assured—but also upon the harmony that characterizes her management, for in the daily, weekly and monthly intercourse of her officers, Trustees and agents no serious differences have ever arisen, no word of bitterness is ever spoken. That these relations may ever continue is my earnest hope. This accomplished, nothing can prevent that onward march of progress that we all so much desire, and to which we all look forward with confidence and hope.

Chairman West. Gentlemen, I have now the pleasure of calling upon Mr. Darwin Barnard, of Boston, General Agent, who will give us, I hope, some of his poetical ideas on the subject of life insurance.

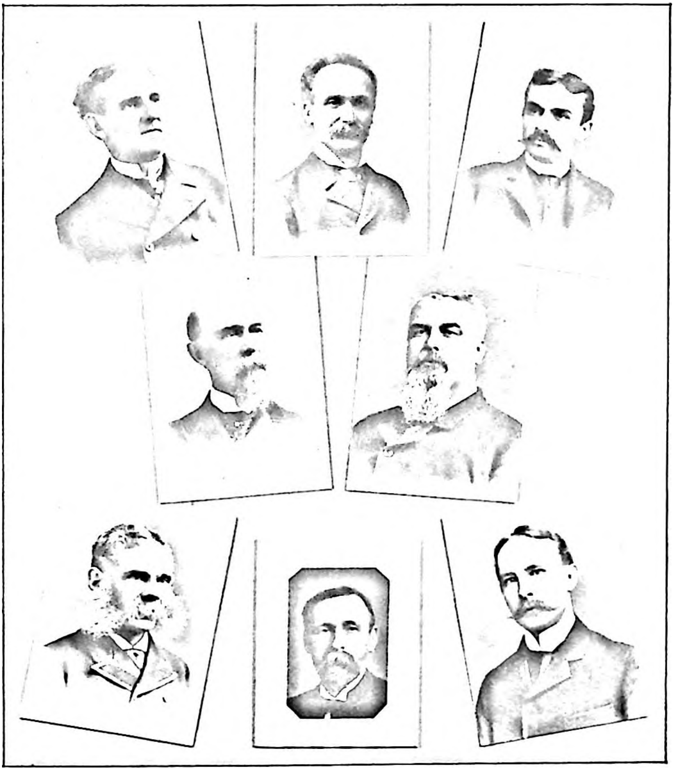
Mr. Darwin Barnard, when the applause which greeted him had subsided, spoke as follows:

SPEECH OF MR. DARWIN BARNARD.

Mr. Chairman, I have no doubt that all here present, especially those of us who have come from the far-off coast of California, regret exceedingly that this banquet winds up the Semi-Centennial celebration of our company's history. Fifty years is a long time, though not so long when looked at in retrospect as when looked forward to through the dim and shadowy mists of the unexplored future. But whether the years to come shall be short or long in comparison with those that have gone, of one thing I am entirely certain, and that is that they will not be long enough to efface from the memory of any one of the general agents of this company the right royal reception which has been extended to us by our hospitable entertainers here in this far-famed historic City of Brotherly Love.

When our friend, Col. Plympton, was covering so much ground in his happy and forceful way, this forenoon, running on like the Great Father of Waters on its pathway to the sea, I began to think that he was going to exhaust the entire vocabulary in describing the relations of Philadelphia and Boston, and in comparing them with other cities. But he did, however, forget to tell you about a certain boy who resides in the city from which he and his genial partner and I have the honor to hail.

The lad asked his mother whether Philadelphia was older than Boston, to which the good woman replied, "No, Boston was settled in 1622 and Philadelphia not until about sixty years later." "Well, then," the boy said, "how is it that Philadelphia is mentioned in the Bible and Boston is not?" (Merriment.) We all know that the words "Brotherly Love" appear in the Bible at least three times—once in the twelfth chapter of Romans, in the third chapter of Thessalonians, and again in the thirteenth chapter of Hebrews. If that mother and her hopeful, inquisitive son could have been



PARTICIPANTS IN THE FIFTIETH ANNIVERSARY.

Calvin S. Smith, Simon Wolf, W. E. Brown, J. W. Iredell, Jr., Joseph W. Pressey, Darwin Barnard, Louis H. Stephens, Cunningham Hall.

with us during the last few days, and could have shared with us the cordial welcome and the courteous hospitality of those who have so handsomely entertained us, I am perfectly sure the little shaver would have had no wonder that Philadelphia is the one only American city which is mentioned upon the Scriptures' sacred pages. His marvel would have been that the Bible didn't say more about it.

It is, perhaps, but natural that our experience here should have been just what it has been, since the city itself was founded in a spirit of love, kindness and good-will. I have just read in a work recently published a letter written by your city's and our own company's Patron Saint, William Penn, to his three commissioners on their embarkation for the New World. It was printed alongside of one by Cotton Mather, in a very different strain, to show the refreshing contrast between William Penn's friendly manifesto and the harsh diatribes of those who did not agree with him. William Penn said: "Be tender of offending the Indians. Let them know that you are come to sit down lovingly among them. Let my letter and conditions with my purchasers about just dealing with them be read in their own tongue, that they may see we have their good in our eye, equal with our own interest. Make a friendship and league with them according to those conditions, which carefully observe."

How like the officers, Trustees and agents of the Penn Mutual Life Insurance Company, all of whom are very tender of offending any one unjustly, who to-night and always sit down lovingly with everybody; who occasionally (of course, in the most disinterested spirit) call attention to and take just pride in their company's long and consistent record of just dealing; who try in all possible ways to show to their policyholders and the insuring public that "we have their good in our eye, equal with our own interest;" who would fain make a friendship and league with all mankind, and the conditions of truth, honor and justice carefully observe.

For a company to have reached its Semi-Centennial anniversary in so sound and satisfactory a condition as is ours to-day, reflects great credit upon the system which it represents, and also upon the tact and energy of its field workers, as well as upon the sagacity, fidelity and good judgment of those who have conducted its affairs at the home office. To say that the very wisest and best thing possible has always been done could hardly be expected to be true, and it would be claiming altogether too much for any human foresight. The celebrated French general, Turenne, upon being criticised for the commission of a strategic error, declared that to have made no mistakes would be to have had no experience. A Sunday school teacher once said to his class: "What must we do before our sins can be forgiven?" To which a bright little fellow answered: "We must sin." (Applause.) If the officers, Trustees and agents of this company have made mistakes, or can be charged with any sins, either of commission or omission, in their long and arduous service, judging from the company's splendid condition, we must conclude that the mistakes have been extremely few and far between, and, so far as the intentional neglect of any duty is concerned, that they have absolutely no occasion to be forgiven.

In its long experience of fifty years, our company has had to encounter about every kind of business condition to which the changes and mutations of time are liable, and has come safely and successfully through them all. A distinguished clergyman who was desirous of adding to his learning and culture the advantages of a little foreign travel, hesitated about doing so through excessive timidity and an overpowering dread of the ocean voyage. He finally decided to risk it, but when the first storm arose he worried the very life out of the captain with his repeated inquiries as to whether the situation was safe. The captain told him that there was one unerring sign by which he could always tell—that when everything was safe and secure the sailors used a great deal of profane language, but when danger was impending and they were expecting every moment to go to the bottom, their profanity ceased. The clergyman immediately went among the sailors and, upon his return to the captain, reported that they were terribly profane, whereupon the captain assured him that there was no occasion for alarm or anxiety; but presently the clouds began to lower and look more threatening; the zigzag lightning darted back and forth across the lurid sky, and the wind howled through the heavens more furiously than before; when the clergyman again became anxious, and again took a walk among the sailors. Upon his return a second time to the captain, that officer said: "Well, what are the men doing now?" "Oh," said the clergyman, "they are swearing still, thank God." (Merriment.)

Our good ship, in its long course of fifty years, has sailed over angry billows and through raging storms, as well as amid gentle breezes and calm sunshine. It has just come through a long, protracted business depression, such as this country has not seen before, and I am happy to be able to say it is prospering still, thank God.

That the earlier and later management of this company has been by men of distinctive force and ability, its past history and present condition would seem to abundantly prove. With a certainty that its official force and energy will not be diminished hereafter, but are rather to be largely increased, together with all the other gratifying auguries of the present which combine to inspire us, there can be nothing but assurance made doubly sure with which to begin a second fifty years.

During the last few days we have been occupied, altogether, in casting a retrospective glance over the first half-century of our company's existence: with the morrow's dawn we shall have to right about face and address ourselves to the duties and responsibilities of the future. While pleasantly sojourning with the officers and Trustees, they have extended to us the right hand of good comradeship, and have made us to feel that, while they sustain to us the relation of employers and business associates, they are at the same time our good friends and pleasant acquaintances—all of which we fully appreciate and for which we are duly grateful, but we know very well that upon our return to our various fields of labor these same officers and Trustees, like England's great admiral at Trafalgar, will expect every man to do his duty. In cheerful response to that reasonable expectation, we pledge the best endeavors of which we are capable, and sincerely hope that the results will be satisfactory. (Applause.)

In conclusion, I congratulate everybody upon the past, and wish everybody all manner of good fortune for the future, although, like the poet,

"I wait for my story:
Bells cannot ring it:
Birds cannot sing it,
Not one as he sits on a tree,
But long years, O bring it,
Such as I wish it to be!"

May the weird sisters, whose mission it is to spin for us the thread of fate, be very kind to all our interests in the future, as they certainly have been in the past, and while

"Half a hundred lilies start,
One from every summer's heart,
Keep our 'Company's armor bright,
Silvery as the gems of night."

And as the years roll on with each of us, may we have the high honor and the extreme satisfaction of knowing that while we are accomplishing something for ourselves, to which every man has a right to aspire, we are contributing still more to the prosperity, the perpetuity and the lasting fair fame of the already time-honored Penn Mutual. That it will continue to grow and prosper through another half-century, no one who reviews its history and progress during the first fifty years can for one moment doubt, and when it shall have reached its centennial anniversary, that its career of usefulness and of honorable achievement will, even then, have only just begun, we may accept as self-evident truth, since we are assured by a very high authority that

"Whatever is excellent,
As God lives, is permanent."

(Long applause.)

Chairman West, upon the close of Mr. Barnard's response, said: Gentlemen, I told you he was a poet. I move "Three cheers for Darwin Barnard!" (Great cheering.)

Chairman West. An old friend of mine of thirty-five years' standing, an old friend of the company, its junior counsel (although he doesn't like to be called a "junior" any more), is here with us to-night. In addition to that, he is a son of one of our Presidents, and I am sure that you will all be glad to hear from him. I present Mr. Samuel B. Huey. (Cheers.)

SPEECH OF SAMUEL B. HUEY, ESQ.

Mr. Chairman and gentlemen, I thank you for your kindly greeting, and wish that during the next few minutes I had the power to give you such a treat as you have just had from the silver-tongued orator from Boston. My subject, however, as it has been allotted to me, is not of a kind adapted to arouse much enthusiasm. I have been asked to say something to you about the Law Department of the company, of its aims, its purposes and its methods. I am glad that I have been, for it gives me an opportunity to say, on my own account, one or two things which I think it is but fair and proper for me to say. In the first place, it enables me in a public manner to pay a tribute to the senior counsel of this company—a gentleman who for fifty years has stood by the side of its officers, and one who has treated his colleague with such consideration and such gentle courtesy that I would be derelict in duty if I did not make this public acknowledgment of my indebtedness to him. (Applause.)

Twenty-five years ago I was first retained by the company, and throughout this quarter of a century he and I have naturally been brought very closely together. Not once in all those years has there been the slightest friction or the slightest difference in judgment as to any point brought before us after we once had our conference. And on his behalf and my own I want to make this public acknowledgment of the indebtedness of the Law Department to the officers of the company for the kind consideration they have always given us. Advice is not always palatable, and sometimes it grates upon the feelings, and yet the advice we have given this company has always been received with such kindness of manner, and has always been acted upon with such freedom and enthusiasm that we can but feel honored in serving such clients.

I am not sure, Mr. Chairman, that the Law Department (much as it may be respected by the Executive Department of the company) has stood quite as well with the Agency Department—not but that we have always had the pleasantest relations when brought into personal contact with the agents, but from the diverse nature of our duties, from the different points of view which we take in connection with life insurance matters. The agent is very naturally anxious that investments suggested by him should be accepted because those investments naturally bring business to him, while the lawyer necessarily looks at the investment simply from the standpoint of validity and irrespective of its advantage to anyone. The agent naturally wants death claims paid promptly, because promptness of payment is a perfectly legitimate advertisement for him and his work, while the lawyer is necessarily concerned with the validity of the payment, and concerned also to protect the company from double claims. The one, perhaps, might be spoken of as the representative of progress, the other of conservatism. And yet, Mr. Chairman, the very fact that the Law Department does look at these subjects from a different point of view from that of the agent, only serves to inspire the Law Department with the most unbounded admiration for the agent. We have learned that he has certain qualities which we do not possess, and certain qualities which demand, as they have received, the attention of the world.

You all, perhaps, have heard of the old lady who was of such genial temperament and such sweet disposition that it pained her to even hear a suggestion of unkindness toward anyone. One day one of her grandsons remarked to her: "Grandmother, I believe you would have a kind word to say of the Devil if his name was mentioned in your presence." She replied: "Well, my dear boy, we would all do well to imitate him in his persistency." (Merriment.) Now, I don't mean any invidious distinction, but certainly persistency may be set down as one of the qualities of a life insurance agent.

In the Drexel Building, in which I have my offices, there is a gentleman who I think is easily one of the most persistent promoters whom I ever had the privilege to meet. If any of you at any time get out a patent that you want to introduce on the market and need to have a first-class promoter, call down at the Drexel Building, and I will take you up-stairs and introduce the gentleman to you. He recently had a new article on hand which he was very much interested in placing on the market, and he himself told me this story. He induced one of our leading merchants to come into his office one afternoon, and talked to him about an hour on the merits of his invention. He felt that he had made a decided impression and thought he was going to have a purchaser. But the merchant said: "Have you any objection to my bringing a friend here to-morrow morning to see you?" "Certainly not." The next morning the visitor appeared with a Jewish clothing merchant from Market Street. The inventor launched out on his subject, he told me, for an hour and a half, and told them of the immense fortune there was for those who got in on the ground floor, and he sat down thinking he had secured two large subscriptions. The two visitors looked at each other, and finally the Jewish merchant said to his friend: "My, what a clothing salesman he would make." (Merriment.)

I always think of that story when any of my friends among the life insurance agents come into my office—for, Mr. Chairman, I think that I am one of the best-canvassed men in Philadelphia. If there is any life insurance agent representing a good old line company who has not seen me, and who has not assured me that my duty to my family, to my city, to my country, to my children, and to the children I may not have, requires me to take out a policy in his company, I don't know where that man lives. I have heard them talk to me about ordinary life policies, and, finding that that was of no avail, they tell me about endowment policies. I tell them they cost too much money. "Well, then," they say, "what do you think about the ten payment life?" "No, I don't like that either." "Well, how do you like Tontine?" "I don't fancy that very much." "How do you like this plan and that plan?" "I don't fancy them very much." "Well, then, what do you think of a patented Lippincott 6 per cent. bond?" (Merriment.) I tell them that I will think about it, and finally, when about to leave, after having had a very pleasant half-hour's conversation, they say: "Well, at all events, Mr. Huey, here is my card, and if you ever want any life insurance I wish you would be kind enough to see me again." I reply: "I will." And that is repeated every month in every year, until I have learned to thoroughly appreciate the fluency of the life insurance agent.

A Jewish peddler who went into a store on Market Street to sell his suspenders, found out where the head of the establishment was, up-stairs, and persisted in offering his goods after they had been declined. Having declared repeatedly that he didn't want to buy anything, and the man having as often insisted on showing his stock in trade, the merchant got out of patience and finally took his visitor by the shoulder and hastened his progress down the stairs; a junior partner at the foot of the stairway did his part in assisting the man toward the front door, and a porter then took a hand in the operation and landed the intruder on the pavement outside. The suspender merchant gathered himself together, looked up at the building and exclaimed: "Holy Moses—what a system."

Persistency, fluency and system certainly do mark the successful life insurance agent. And, Mr. Chairman, I want to say in all seriousness, on behalf of my colleagues and myself, that I have learned to appreciate and respect the life insurance agent. A well-managed life insurance company needs, first, a good charter; it needs departments well selected; it needs a President sympathetic, broad-minded, genial and yet firm; it needs a broad, catholic policy; it needs strict arithmetical solutions of problems; it needs honesty and intelligence in all its departments; and, back of all these things, in these days of competition, it needs the resistless push and drive and energy of the life insurance agent—the man who brings the business which the others take, handle and conserve. (Applause.) So that, in common with others who are at the home office, I do gladly welcome this meeting of insurance agents, and we do gladly pay our tribute of respect to them for the manner in which they have aided in bringing on this wonderful development and this brilliant success of the Penn Mutual Life Insurance Company. (Applause.)

Now, Mr. Chairman, to go back a moment to my theme and say a word about the Law Department, there are just two instructions which are given by the company to the Law Department. The first is in the matter of investment, absolute security; second, in the matter of policies, absolute compliance with the letter and the spirit of the contract. Gentlemen, the day when the lawyer was the symbol and the type of litigation has gone by; the day when the successful lawyer meant one who would plunge his clients into litigation has gone by. The honored and successful counsellor to-day is one who so advises his clients that he keeps them out of litigation, who so words his contracts that there is no room for misunderstanding, and who so cares for his investments that there is no possibility of default on the ground of invalidity. In the twenty-five years in which I have been associated with this company, millions of dollars in investments have passed through the hands of counsel, and I am proud to say (and I say it without affectation or egotism) that not one dollar has been lost to this company through any error or through insecurity or invalidity.

I want to say another thing, that during these twenty-five years we have had just two cases tried in court—one the Fox case, which was finally settled by the return of the premium, the other the Monroe-Snyder case, which was defended on the ground of suicide, and was finally decided against the company on the ground that the man was insane when he committed the suicide. But, with those two exceptions, we have not had one litigated case in court; and there is not now on the dockets one litigated case, except in this respect that every now and then there are two claimants on a policy, who reside in different jurisdictions, and suit is brought in different jurisdictions. We cannot help that. All that we can do is to so arrange for the payment of the money that a payment in one quarter will answer as a defence in another jurisdiction. At this time there is pending a case in Louisiana, one in North Carolina and Virginia, and one in California and Arizona. In each of those cases the company has gone into court stating that it had no defence to the claim, that the money is ready to be paid, and asking the court that it shall, by its sifting process, and by the application of principles of law to the subject of contracts, decide which of one or more claimants is the one entitled to that money. With that exception, there is no litigation. (Applause.) We think that this is a matter of which we may speak; that it is a matter about which the agents may talk. It is a matter that stands, and that will stand to the credit of this company as opposed to many others.

I do not think, Mr. Chairman, that it is my function to extol or to speak of the general subject of life insurance. These men who are here know more about it than I do, and can talk more fluently about it; but I may be permitted to say that it impresses me, as it impresses every man who intelligently considers the subject, as one of the most beneficial devices that has ever been suggested in connection with human affairs. I take it that in our Christian civilization you find, in the front rank, the church and the school with the ideas that are taught in the church and school, but close behind these are the hospital, the home and the institution of life insurance. I think there is nothing that can be said in commendation of the others which may not be said in like measure of this institution, whose beneficence is seen in the number of deathbeds that have been made easy, in the multitude of widows and orphans who have been made comfortable, in the host of business enterprises that have been helped, and in the number of children who have been educated by reason of this device of life insurance. It is more than a business; it is philanthropy crystallized. And as we go about the administration of the affairs of this company we may well take to ourselves the thought that we are not simply making money for ourselves, but that we are inculcating broad, humanitarian ideas, that we are gathering to ourselves the benefactions of those who benefit from our labor, and, as we go through life, are doing some good by our efforts.

Mr. Chairman, I do not want to take my seat without saying a word in reference to the gentleman whom you now greet for the last time as President of this company. Mr. Needles was associated with my honored father in connection with the affairs of the company, and it was during that association that I learned to know him and respect him. During the last eleven years I have been brought very close to him and have learned not only to respect, but to love him. Of him I can say, as sincerely as of any man whom I ever met, that he has been integrity personified—integrity sweetened by amiability. Standing firmly above even a suspicion of temptation, he has treated those with whom he has been brought in contact with such gracious courtesy that they went away feeling that they had met a man who knew what it was to sympathize with others; who knew what it was to give a helping hand to others; who knew what it was to be a broad-minded, all-around citizen. If I were to put in two words what I think and what I believe you all think of Mr. Needles, those words would be "sweetness and strength." (Applause.)

Now, gentlemen, referring to what has been said with reference to the welcome which we have sought to give you, permit me, on behalf of the company, to express the pleasure which we have enjoyed in having you with us, and the gratification it has been to us to have you come to the building, to have you become acquainted with the personnel of the management; to have you come more closely in contact than ever before with the plans and methods by which the business is carried on, and to have you take away with you that of which you could not have known except by belief, a knowledge of the strictness with which every detail of the management is attended to. We want you, when going away, to feel that everything you have said about the Penn Mutual was based on a good foundation—nay, more than that, that anything you may say of it in the future shall be said upon your own actual observation and knowledge of its truth. We welcomed you when you came, we speed you as you go. We hope that you and we, so long as we may be spared, shall work together for this institution and that, in the years to come, each one of us may be cheered by the thought that in our life's work we are doing that which is worthy of commendation and is helping others. (Long continued applause.)

Chairman WEST. Gentlemen, I do not think it is worth while for me to introduce the next speaker, for not to know Mr. Barker is to argue one's self unknown. And what he does not know about figures—either of arithmetic or of speech—is not worth knowing. I call upon Mr. Barker.

Mr. JESSE J. BARKER received a royal welcome, the applause being frequently repeated during his remarks.

ADDRESS OF MR. JESSE J. BARKER.

Mr. Chairman, it is pleasant, indeed, to be presented in words so kind as you have chosen in introducing me here this evening. The occasion is inspiriting, the company unexcelled, the speeches grand and poetical, the flowers beautiful, the music delightful, the dinner choice, and the water is *good*. Gentlemen, the topic upon which I have the honor to address you this evening is—*The Future Trend of Life Insurance*.

When but a little over two hundred years ago Sir Edmund Halley, a celebrated English astronomer, deduced the first table of mortality of which we have any record, from a series of life registers kept for five years in the City of Breslau, Silesia, there was discovered a force destined to be most potential in the alleviation of that distress which Death invariably entails upon those dependent. That Almighty God should have permitted this discovery and its use by feeble man is only another evidence of His goodness and mercy, and it might almost be said to have been a rainbow of promise reaching the clouds of misery surrounding Death, that thenceforth and forever he should be shorn of many of the terrors and much of the anguish with which he had theretofore deluged the earth.

This discovery of the rate or force of mortality among human lives deserves, from its importance to mankind, to be ranked with the discoveries of other wonderful forces of nature, such as the attraction of gravitation and dynamic electricity, and the application of the force of steam. Wonderful to relate, the important discoveries of the mortality and of the attraction of gravitation were both made towards the end of the seventeenth century, and both by Englishmen who were friends. But it remained for America, with its genius and daring, not only to perfect, through John Watt, the application of steam power in the engine, and to give to electrical science the giant strides it has made through the investigations and discoveries by Franklin, Morse, Edison, and Thomson, but also to perfect and give to life insurance that impetus which has resulted in its outstripping in growth and magnitude every other business of the times.

The doctrine of probabilities, which is the underlying principle of the application of the mortality table to life insurance, has a marvelous scope, and has given to us, besides life insurance, fire and marine insurance, burglary insurance, plate glass insurance, steam boiler insurance, and storm insurance. Even the marriage portion has been provided by its means; funds have been furnished upon the death of an infant to properly prepare and bury the tiny remains in some cherished spot, when otherwise this could not have been done; the aged have, through its resources, been able to secure an income until the lengthening shadows have reached the horizon of their lives; partners, upon the death of a member, have been assured of the stability of their business; the contingency of an invalid or imbecile child surviving its parent and being cast upon a heartless world has been guarded against—these and countless other benefits have been provided by the blessings of the discovery of the law of mortality of human lives.

The importance of this discovery was not at the time recognized, nor its possibilities suspected, and it was not until about one hundred years later that it was to be practically applied to its true purpose, nor until about fifty years ago that the business of life insurance in this country was fairly launched upon its marvelous career. Then it was that those companies destined to entirely revolutionize the business of life insurance were organized, and among them was the Penn Mutual, whose Semi-Centennial we are assembled here to-night to appropriately celebrate. The achievements in the line of insurance in this country, nearly all attained since then, are astounding and almost beyond belief. Nearly nine millions and a half of people are now insured for more than six thousand one hundred millions of dollars, while the yearly income of the companies reaches the enormous sum of nearly three hundred millions. The companies paid in 1896 to policyholders $139,000,000, of which $80,000,000 was for death losses alone, and the extent of the relief to suffering humanity afforded by this immense sum to needy families it would be difficult to estimate.

In all this the Penn took no inconsiderable part, and her conservatism, integrity, strength, energy, and progressive liberality have gained her a foremost place in the ranks of the best. Without the conservatism for which she has always been distinguished, it is true, she might have attained a larger growth, but bigness is not greatness, and wherever she is known her name is a synonym for stability, integrity, and fair dealing with all. She has issued more than 117,880 policies, for $318,760,206 insurance; has paid out in death losses over $20.000.000. and now has about $30.000.000 assets invested. What wonderful thrift, care, and energy were required to accomplish all this even in fifty years, from a start with nothing as a foundation but probity and perseverance! Those men who accomplished it could have been formed in no ordinary mold.

The simple contracts of the early days of life insurance covered only insurance for a short term of years or for life, and contained many restrictions as to travel and occupations, and everything was lost if the payments were not kept up. These, from competition and a better understanding of the business, soon gave way to a succession of many and varied forms of insurance with surrender values, and these also have largely and rapidly been improved upon and liberalized, until the contracts presented to-day are the most liberal ever devised and can scarcely go further. As to what the equities of the insured are in the accumulations of the company, and as to the advisability of the liberal surrender values now given, there is a diversity of opinion which we cannot here discuss, as they are not germain to the question in hand. Suffice it to say that we have from the preceding discovered that the trend of the insurance contract has ever been in the direction of the widest liberality that safety will admit.

But can this be said to be true of all the other branches of the business? An examination of the mortality experience of twenty-four of the leading American companies for the year 1896 shows that the percentage of actual mortality to that allowed by the table was but 76.5 per cent.: that six had a mortality between 60 and 70 per cent.; ten between 70 and 80 per cent., and but eight over 80 per cent., and that the highest was 97 per cent. The experience of the Penn for 1896 was 83.6 per cent., and for ten years the average was but 76.3 per cent., and for twenty years 77.8 per cent. From this it appears that either the great care and scrutiny exercised by the Boards of Examiners, coupled with the skill and increasing tests and appliances of the Medical Boards, have resulted in the acceptance of only the choicest of risks, thereby reducing the mortality rate, or that the average duration of human life is gradually lengthening, or this result may be due to both reasons combined.

It is the interests of all the companies, as well as that of the public, that the benefits of insurance shall be as extended as possible, and that all shall be insured who can safely be accepted. A mortality table could be so framed and the rates adjusted that every inhabitant of a country could be insured, provided all were to be included in the scheme. But if the option is with the applicants, the company must have the right of selection. The rapid and safe growth of sub-standard insurance shows that the regular companies no longer fulfill all the public needs. It is not the perfection of management to hold the mortality down as near to zero as possible. Our usefulness is measured by the good we do, and that a great many risks now laid aside can be safely taken the calculations above referred to and the fact that many cases rejected or postponed by one company are immediately accepted by another abundantly prove.

It is possible that by the judicious insuring of persons, under no other than very short term policies, and the selection of only the cream of the risks, the mortality might even be entirely eliminated. In that case, hypothetical as it is, possible as it may be, such a company would have no place in the economy of insurance, and if we could hold insurance mortality down to zero insurance would cease to exist. Giving all due credit to the Examining Boards of all the companies for what they have done to reduce and hold down to the minimum the mortality of their companies, it is evident that a broadening of views and the relaxation in some degree of the refinements of selection would not work any harm to the companies, but, on the contrary, would do much good, and that, too, without increasing to any appreciable extent the cost of insurance to the insured, for the slightly increased mortality would be largely offset by the lessening of expenses, and as the other branches of the business have been advanced almost to their full limit, this, in my opinion, must be the future trend of life insurance.

And now, before I close, a word as to the clear-headed, far-sighted men who organized this company, fostered it in its infancy, guided it through the trying times of fierce competition and wisely put it in the way of accomplishing the grand results we have seen. Not many of them now live to witness this triumph of their efforts. A few of them are brightening this gathering with their presence here to-night, and we love, honor, and respect them not only for what they have done, but also for their own individual worth and integrity—all of them. They are of nature's noblemen, and, with their intellects still undimmed and themselves as vigorous as ever, they cannot but feel proud of the results of their small beginning and the good work accomplished.

Of the others of this noble band who have gone before, we might add, in the words of the poet Gray—

"Oft did the harvest to their sickle yield,
Their furrow oft the stubborn glebe has broke;
How jocund did they drive their team afield,
How bow'd the woods beneath their sturdy stroke.

"For them no more the blazing hearth shall burn,
Or busy housewife ply her evening care;
No children run to lisp their sire's return,
Or climb his knee the envied kiss to share."

Chairman West. Gentlemen, it was to have been my pleasure to have called upon General Agent Edward Bourne to speak in behalf of that association for which he has worked so hard—the

Penn Mutual Agency Association. We have heard nothing in regard to it to-night, and I was under the impression that Mr. Bourne would be here to speak on that subject. He has worked for it in season and out of season, day and night, and he has been working so hard for it during the last three days that the result is seen in a note which I have received from him to-night, stating that it was utterly impossible for him to be present; in other words, he has broken down. I regret this more than I can express, and I know you will all regret not hearing his voice in reference to his association. I have asked my friend, Colonel Plympton, to say a few words in the place of Mr. Bourne.

Colonel PLYMPTON was received by the company rising and giving three cheers in his honor.

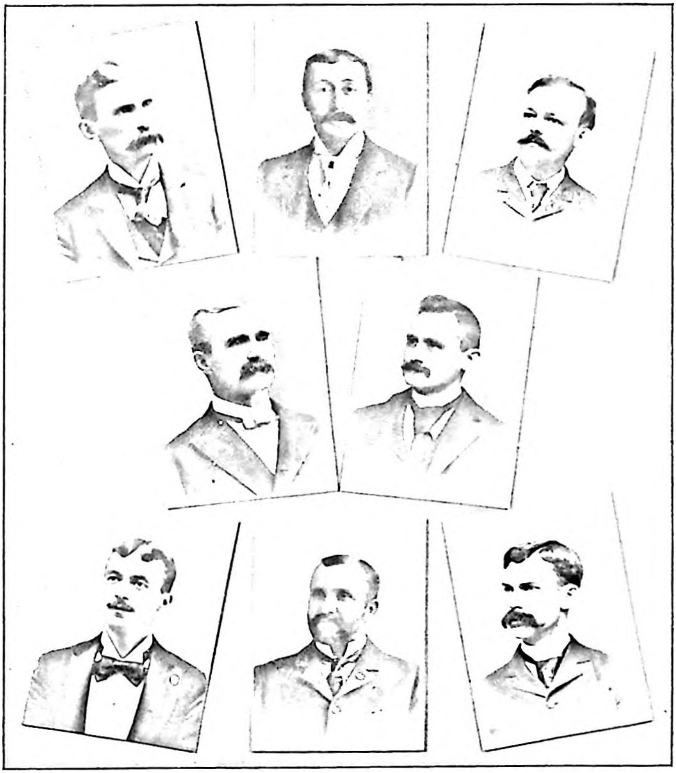
SPEECH OF COLONEL NOAH A. PLYMPTON.

Mr. Chairman, when I hear these cheers, I think of the Irishman who, when walking along a country road and seeing a bull in pasture, laughed to himself as he thought what a mighty good piece of fun it would be to go over and twist that bull's tail. He proceeded at once to put his thought into execution. Pat climbed the fence, approached the animal and twisted its tail, but the bull lost no time in resenting the familiarity and Pat soon found himself in a mud-hole, with water up to his neck. He scratched his head and exclaimed: "Be gorra! wasn't it lucky I got my laugh in first." I feel the same way about your cheers—I am lucky that I got the cheers in first; I know I shouldn't have got them in at the end. (Merriment.) I do not know why Chairman West has inflicted me upon you at this late hour of the night. I think it must be for the same reason that the woman bothered the depot master. (The speaker here gave a humorous illustration of the replies made by the railroad official who was afflicted with an impediment in his speech, caused by "hare-lip.") A lady, accompanied by a little girl, had repeatedly inquired of him: "When will the train leave for Saco, Maine?" And he had as often answered her. She again made the same inquiry, when he indignantly demanded to know why she so often asked him the same question. Her explanation was that she had heard him well enough, but that her little girl did "so like to see his mouth work."

Now, the only reason I can see why your Chairman has selected me to torture you is that he has discovered some vocal peculiarities in my make-up. (Merriment.) I regret more deeply than I can express that Mr. Bourne is not here to-night to speak of the labor of love which he has so faithfully and persistently performed for the last thirteen years. He may have been misunderstood, but I know from my own personal knowledge there never has been one thought or motive behind his work other than that of doing good for the company which we are all proud to represent. He had a clear and well-defined purpose in his mind; he believed that the visible representatives of the company, the men who go out in the field and who come in contact with the policyholders of the company, could in some degree reinforce the management of the company by being admitted to its councils, and presenting for the consideration of the management that which they had gained in their intercourse with the policyholders. He persisted in his work; the misconception which was entirely natural, and which was strong at first, has gradually faded away, year by year, and if he had been here to-night and had heard the kindly words of Mr. Allen, he would have known that at last his patience, his self-denial and his faithful labors had received full appreciation.

Pardon me if I look back a little to-night. I have been thinking of the old Penn office and of the staid and conservative Penn, so conservative that its face was turned backward toward the mausoleum in the rear. Then, there is the new Penn—the young Penn—the live, progressive Penn—the gay, flamboyant Penn—with a reminder of our good friend Atwood Smith in the figure that graces the front of the marble building, and which looks as though ready to lead the girl out to the dance. My friend Smith will pardon me—there is a suggestion in it of his personality, for age is not counted in years. They say a woman is always as old as she looks, but a man is as old as he feels; and I know, judging by my intercourse with him, that Mr. Smith is the youngest man in our Board of Trustees.

Now, the evolution of William Penn in our company is only characteristic of the evolution which has taken place in life insurance. Seventeen years ago, when your company was thirty-three years old, the first policy I wrote was No. 27,000, and that was after your thirty-three years of labor. Only yesterday a hundred thousand dollars went up to Boston which bore the numbers ranging from about 125,000. In ten years you have done all and more than you did in the forty years preceding. Within the last three years the land has been visited by the direst financial conditions. Think of it—almost seventy-five per cent. of the whole railroad system of the country is in the hands of receivers, five hundred national banks have gone the way of the old State banks in the early '60's, securities have shrunken in value, the income from investments has almost disappeared, from all over the land has come the wail of business distress. The farmer sees his storehouses bursting with the unsold products of the field; the warehouses of manufactories of the East are bursting with the unsold fruit of the loom, and yet, at such a time, we have the very reverse of this picture in the showing made by life insurance, that one institution among all the business institutions of the country which is able to show magnificent results in the face of these disastrous conditions. The life insurance companies of the country made an increase in assets in 1896 of $85,000,000, and in surplus of almost $15,000,000. They sent out, all over this broad land,



PARTICIPANTS IN THE FIFTIETH ANNIVERSARY.

S. A. Stockwell, *Julian Schley,* *Edward Bourne,*
Gilbert A. Watkins, *Edward H. Hart,*
George L. Bahl, *Joseph A. Goulden,* *Robert B. Raney.*

to aid and encourage, $200,000,000, or almost $15,000,000 more than they had sent out in the previous year. They received an increase of $12,500,000 over that of any previous year. They issued new policies, in addition to those already out, to the number of 91,640, covering an increase over any previous year of $135,896,320. They represent to-day two millions of policies, insuring, as Mr. Allen has told you, over six billions of dollars. Did you ever reflect upon what a conserving force the life insurance policies of this country are in the stability, the firmness and the perpetuity of our Union? It has been said that the more you persuade men to own their homes the greater is the guarantee you furnish for the maintenance of our government; and those six billions of dollars have a more potent force in guarding, strengthening and maintaining our government than six billions of bayonets. Every policyholder you gather into the ranks of this company becomes a pledge against anarchy and a hostage against socialism, an element of conservatism and good order.

While life insurance has gone on in this way in the days past, the life insurance agent has met the sneers and the ostracisms of men who represented different kinds of business, not one of which carried the beneficence which he brought to the community, yet to-day he goes forward the representative of the only prosperous industry of the land; he goes forward the representative of one of the greatest interests of the land and one of the most powerful conservators of our government. As Talcot Williams, your brilliant journalist of Philadelphia, said, a year ago last fall, when speaking on this subject at the banquet of the National Association, that when the Alamo fell no messenger was left to carry the news, but it was written in blood over the portals of the doorway; so, in all this time of threatened disorder and trouble to our country, no message of distress has gone up from the life insurance companies of this country, nothing but words of cheer, of comfort and of loyalty have come from the institutions we represent.

Now, just one word on the relations of the Agency Association to our company. As I had the pleasure of remarking this morning, never has a single recommendation emanating from the Agency Association been carried to our Board of Trustees that has not been adopted by the Board of Trustees and borne fruit for the benefit of our association. Why should it not be so? Who more than the agent is under bonds to do his level best in the interest of the company? We, as agents, have all the interest which you, as officers and Trustees, can have. We have as much pride in our reputation as you have. We are policyholders in your company, and the future of our wives and our children is as much at stake as the future of your families. More than that, the means of gaining our livelihood is at stake if any mistake is made. In God's name, why should any man doubt for one moment the honesty or integrity of an agent when he comes to the office of his company and presents some plan for the consideration of the company? So, to-night it is to me, as it would have been to our friend Bourne, the crowning glory of the whole work that at last the clouds have broken away and the clear sunlight of prosperity is seen on this, our fiftieth, anniversary; for we all—Trustees, officers and agents—are in hearty sympathy and union with each other. Our union is indissoluble, and, as the years go on, and as we work in harmony with each other, maintaining the same careful and considerate relations toward each other that have been maintained in the past, what we have done in the past fifty years will prove but infinitesimal in comparison with what we may do in the fifty years to come.

Gentlemen, I give you as a toast "The Goodfellows' Union," which seems to me to be a very appropriate one for us to-night:

"The Union—that which is found at the festal board, cemented by good dinners;
Where harmony is all restored 'twixt Republicans and sinners;
Where party strife is all forgot and party names confounded,
And hate with popping corks is shot or in good liquor drowned.
And this the Union that I sing and in its cause am zealous,
The Union whence good feelings spring—the Union of good fellows."

(Long continued applause.)

Chairman West. Gentlemen, our next speaker was to have been the Vice-President-elect, Mr. George K. Johnson (applause), if he had been present. You all know the reason of his absence. I am under the impression that he had prepared a paper to be read on this occasion, and I think he gave it or communicated the substance of it to the Secretary of our Committee, Mr. Lippincott. If that gentleman will be kind enough to favor us with any statement on that or any kindred subject, the Chair will be under obligation to him.

Mr. Henry C. Lippincott, upon rising to respond, received an ovation in the long-continued hand-clappings and cheers of the guests.

SPEECH OF MR. HENRY C. LIPPINCOTT.

Mr. Chairman and gentlemen, this week, particularly this occasion, has been full of surprises, but nothing has been to me so unexpected as the call now made upon me by the President of the company. We were surprised by the extraordinarily large attendance at our meetings and by the unanimity with which our agents have come from every point of the compass to join in congratulations upon our Semi-Centennial, and, more than that, to foster those feelings of mutual good-will which sustain them, and that power of association that makes them invincible against every opposing force. We have had with us, as you know, gentlemen who reside far beyond the ice-capped summits of the Rocky Mountains, who have come from the golden sands of the Pacific; who have journeyed here from the rock-ribbed coast of New England, and some of them have brought with them the warmth and the mighty pulsations of the Gulf of Mexico. We have been surprised by their singular interest in, their signal ability with, and their consummate understanding of the principles of life insurance underwriting, as manifested in their meetings held through this week. We have been surprised at the entire absence of complaint or suggestion, but we have not been surprised by the cordiality and the sincere and earnest loyalty manifested by all of the agency force throughout the entire stretch of this continent. (Applause.)

As Secretary of the Committee under whose auspices these entertainments have been given, it is my pleasure and privilege to know—and I take much gratification in communicating the fact to you—that of all the general agents of this company but three are absent—unavoidably detained by circumstances which they could not control. I put it on record here that it may remain until that blessed time to which our Chairman alluded at our very first meeting, when we shall come to "discuss business in 1947," that there are now absent only three—William H. Taylor, general agent at Bangor, Maine; Victor C. Barringer, general agent at San Antonio, Texas, and Eli Potter, at Kansas City, Mo. All others are here. (Applause.)

But I have also to express my surprise that our worthy Chairman has put upon me a task which is simply impossible of fulfillment. It was my great privilege to scan for a moment the address which the incoming Vice-President, Mr. George K. Johnson, proposed to deliver here this evening, but it is not within the range of my ability, nor would it have been possible for anyone, from a single glance at that address, to repeat to you here the all-wholesome truths and admonitions which he expected to present. I have not that paper, Mr. Chairman, but, if it is your pleasure and that of this meeting for me to do so, I will, in my feeble and entirely inadequate way, bring to your attention the thought which was the paramount one in the paper which Mr. Johnson proposed to present.* He has been concerned, as has every life insurance man in this country, about what appears to be a tremendous waste of energy. He saw this years ago, and he has lately investigated the percentage of such waste in the millions and millions of life insurance written every year, at a cost imposing tremendous burdens upon the companies so writing it, and which he is sure might be written at a fraction of the cost to each. He would have been here to-night if it was within his power, to invite your attention to that subject and to ask you to counsel with him as to the most effective way by which the business once put upon the books should remain with reasonable permanence. His strong truth, his central idea, was that "the business that pays is the business that stays." He wanted you, out of the abundance of your

*Mr. Johnson's paper appears on pages 186–187.

counsel, to advise him as to those steps which you deemed expedient to vouchsafe that proper result. I recollect quite well that his paper alluded to the fact that agents generally had a most direct and self-compensating interest in sustaining a business in force, and that, after they had exerted all the influences, all the persuasive ability which they possess (because life insurance men are gifted advocates, upon whose lips the mystic bee has dropped the honey of persuasion), after they had exerted that and failed, the task seemed a hopeless one for the management of any company. But he would have maintained here with some force that, after we omit those lapses which may be summed up under the general head of "inability to renew," or "indifference," there is yet a considerable number of persons who let their policies lapse because they are not fully recognized in the home office as participants, as equal members, in a benefaction which their money and their wisdom have wrought; and he would have suggested to you, as one of the means to this end, that the company should take steps to be put in close and intimate relations with all of its membership.

Gentlemen, the task assigned me by the Chair has been but poorly discharged. But I ought not to let this opportunity pass without expressing, as I did two years ago—abruptly and crudely as the thought may come to you—that, as I then suggested, the change in the management, following the retirement of one of the officers, ripe in years and full of honors, had redounded to the abundant success and prosperity of the company, so, now, the coming change is likewise welcomed as one sure to promote the progress of the company. Mr. Johnson will enter upon the discharge of his duties fitly trained by long association with the Trustees, fitly trained by acquaintance with the principles and methods of the business, and fully supported by those who, at least, have had reasonable familiarity therewith; but he will have, beyond and above that, as a qualification, this advantage, that he has no enemies to punish and no friends to reward. While I would not for a moment depreciate or minimize the duties and responsibilities which attach to other departments of the company, yet a long series of years of observation has caused me to know that the man who occupies the Vice-Presidential chair of a company never lies down at night upon a bed of roses. I ask, and I am sure of an adequate response from you, that you tender to the successor of our friend, Harry F. West, that loyalty and cordiality, that sincerity and confidence which have characterized the assistance you have given him. To put it briefly, all will then be well.

(Long continued applause.)

Chairman WEST. In olden times, in Philadelphia, we had a celebrated orator who went by the name of "the silver-tongued." He is no more, but from Colorado comes a man who, though now for silver, soon will speak for gold—Mr. Joseph H. Harrison. I call upon Mr. Harrison.

Mr. JOSEPH H. HARRISON, General Agent, was boisterously greeted and repeatedly applauded.

ADDRESS OF MR. JOSEPH H. HARRISON.

Mr. Chairman, nothing so deeply impresses me to-night as the truth of the old adage, "Mountains can never meet, but man cannot hope to escape his fellow-man." The struggle for place and prestige in any community grows more difficult as time passes. Long and persistent effort, however well directed, does not seem to bring about the consummation of hopes and desires for which we are striving. The ties that bind man to some particular place become weaker as time flies and effort fails of realization. It is for this reason that so many abandon all that may have become near and dear, in a half-despairing, though perhaps determined, effort to secure elsewhere that which has been fruitlessly sought at home, and when such a step is taken and the old place is abandoned, surely, nothing is further from the thought or the hope than that this act of separation will, in course of time, gain in the very place thus forsaken much if not all that had been labored for and apparently left behind forever.

Many years ago, whilst a resident of this city, unknown to and not knowing the Penn Mutual Life Insurance Company, like thousands of others I became possessed of the desire to go West, and the inspiration to do so, strange as it now seems, came to me in the old mercantile house of Lippincott, Johnson & Co., a firm with which one of our oldest and most honored Trustees is now and was then connected. The line of work in which I was engaged at the time is as remotely connected with life insurance as the mole hills of the sandy plains are to the mountains of Colorado, and linked with these recollections of the past is a deep sense of gratitude for the fortuitous circumstances which made it possible for me to stand within the walls of this historic club house, among such friends, and take part in so glorious a reunion as we are celebrating to-night.

What to say as an agent upon this occasion has given me much concern. The agent's connection with the formation and development of life insurance is doubtless familiar to you all. As to the value of the service he renders, I prefer to speak in the private office and in the private ear of the Committee on Agencies. I do not think it is my part, as it is not my intention, to do more than allude to this theme which is, in my judgment, more appropriate to those who have been longer in the service of the company. It belongs, in my opinion, to the men who have directed its affairs. It is not for me, who have merely aided, with many others, in loyally and consistently carrying out the program so well arranged and so ably developed by our management. I am far more inclined to offer to these men my most sincere praise for the great and good work they have accomplished. I am much more inclined to emphasize my hearty congratulations with thanks for recognizing through me that great section of our country which I have the honor in part to represent. I am grateful for the opportunity it affords me to call attention, in a superficial and disjointed way, perhaps, to many interesting points of resemblance between the West and the East, the place and the people, with the hopeful view of assisting to promote a broader and a better feeling of respect and sympathy between the two sections. The influence of life insurance companies and the enterprising men who manage their affairs is of great value to the growth and development of the West, but it must not overshadow the transcendent importance to life insurance and kindred institutions of the planting and the progress of new communities. Remember that the golden rod with which the rocks of our mountains have been smitten has caused the pearly stream of life and of labor to gush forth for the benefit of all mankind sixteen-fold.

In the good old days of fifty years ago, when the Penn Mutual began its career of usefulness, the great West was almost unknown. The most vivid imagination did not conceive that it was ever to be the great factor which it now is in its ability to absorb and expand the well or ill-laid schemes of its more wealthy and equally worthy brethren of these Eastern shores. Fifty years ago it was not dreamed that the then trading post of the lakes, now the great city of Chicago, whose population from year to year is as incalculable as its area is uncertain, would by the very impetus of its example force the fated Four Hundred to look with fear, or perhaps with favor, upon the advancing hordes from the great city of Brooklyn. Fifty years ago the Indian and the wildcat were still doing business at the old stand. The march of the marauding savage has ceased; the wild cries of the coyotes are heard no more; the tramp of the pioneer has been drowned in the din and lost in the clamor of the new adventurer, and he, in turn, has pierced the clouds, cleared the mists of the mountains, and given to the world a new and mighty empire, which stands out to-day a brilliant beacon of hope and cheer to the worn and the weary mariner from the Atlantic Coast. Out of this mighty empire above the sea stands Denver, towering above all, the latest and most magnificent monument to manly enterprise, born of American grit and founded on our faith in American brotherhood. Without Denver there could be no typical Denverite, and without restless, persistent and discontented ambition, so characteristic of those who live upon and those who left these Eastern shores, there would be no Denver. The Philadelphian who merges his personal ambition in some new Western settlement is sure to find his preconceived impressions soon dispelled, by the discovery that the new place is peopled entirely of such as he has left behind, or of which he himself is a shining or a shady example. Just as water seeks and ultimately reaches its level, so does he find himself, after a while, either upon the immovable summits of lofty ambition or down in the dark vale of shiftless oblivion. (Applause.)

It was an impecunious Philadelphian of good family who attempted to convince a Western man that it takes three generations of wealth to produce a gentleman. His reasoning lacked conviction, because he borrowed fifty dollars from his Western friend, which was never repaid. A Western man had better success convincing an Eastern friend that silver was actually worth more than $1.29 per ounce by selling him a silver mine in which no silver was found. The peculiar propensity of some people who give vent to their prejudices has in recent years been expressed in all sorts of remarkable assertions. Few of these statements are true, most of them are absolutely untrue, and all of them are based upon a misapprehension of one fundamental fact that seems to be persistently ignored, and that is that the man of the West, be he good, bad or indifferent, bears a striking resemblance in all his virtues and his vices to his proud progenitor of the East, and on close acquaintance is seen to be a veritable chip of the old block, taken originally from a tree in old England, its seed transplanted and roots firmly fixed in the soil of New England or Pennsylvania, and its branches spread all over our common country. It was a Philadelphian, Wm. Gilpin, the first Governor of the Territory of Colorado, who wrote that "the history of the American people commenced at first by a few families voluntarily exiled from the Old World." (Applause.)

The West is now in a broader sense what the East once was. Its pioneers are made of the same sober, solid material as those who pioneered Pennsylvania. Its public spirit and private schemes are alike inherited from its Eastern fatherland. It has the latest application of the newest old forces. One day its valleys and its mountains are bare, barren and naked, destitute of life, void of any human attraction. Another day finds them swarming with living, vibrating humanity, who, in a little while, are wild with excitement, drunk with great riches just discovered. Gradually and in time the excitement subsides, the fever dies out, the drunken get sober, the community settles down to business, and when the smoke has cleared away and the ground is looked over, we are apt to discover a banker, perhaps from Boston, true to the tricks which caused him to emigrate, running a bank in the new town in which he deals more in dice than in discounts. The New York broker and financier from Wall Street working a bond scheme in a bucket shop, whilst the innocent tenderfoot from Philadelphia, whose head has been swimming with the excitement of the place since his arrival, is likely to imagine, on reading the local accounts of the queer actions of the City Council, that he is still at home in the City of Brotherly Love. (Merriment.)

Every section of our country is full of ambitious men who, while striving for selfish enrichment, are assisting to improve the whole broad land. The Liberty Bell's proclamation of freedom to all the inhabitants thereof taught a lesson in independent action which finds its play, as it naturally must, in as many different schemes for the good of our country as there are men strong enough or minds sly enough to propose them. The late unpleasantness resulting in the rejection of Grover Cleveland, and thus in a great victory for both sides, brings to the front once more an American proposition for improvement in American trade that does not ask the aid or consent of any nation on earth. (Applause.)

The realizing power of selfishness is, in my opinion, the sponsor of that peculiar principle in our social atmosphere which extends to the individual unlimited opportunity for personal advancement. It has been in the past and will continue in the future to be the motive power to move the machinery in every human undertaking. It gives birth to tricks in all trades which travel in seven league boots, whose wearer is welcome everywhere. Reward or punishment imposed in the next world cannot affect the value of benefits already conferred in the world left behind. To the power and force of personal ambition must humanity look for a solution of the problem of our social life, the combination most powerful and the machinery most forceful to perform this office, one that has been generated from the highest order of selfish ambition is, I am proud to say, that one with which I have the honor to be connected. It was originally evolved out of the necessities of humanity. It was devised for the purpose of perpetuating beyond the period of life the memory of good deeds. It was built upon a foundation deep enough to test the ages, and upon a platform strong enough to hold the whole world.

It is unnecessary, as I have said, to dwell upon the agent's connection with the establishment of this precious household of life insurance, or the part he has played in giving birth to this child of fifty years ago; or to say aught concerning his paternal duty to go out into the highways and byways in order to provide it with food and shelter, but we may refer to his better-half, if you please, who rules the house with a gracious power of foresight that does not forget in duty and devotion to the common offspring the words of sympathy and acts of encouragement that tend to stimulate and enthuse, as well as to bring the good man to his home, as he has been brought here to-night, to smoke his pipe of peace, of love and highest regard at the fount of inspiration and the fireside of friends and comrades. (Applause.)

Chairman West. And now, gentlemen, comes the youngest aspirant of them all. He is the poet of the home office. And I will tell you another secret—although he is in the Vice-President's department, the Vice-President had nothing to do with his poetical education. I call upon Mr. Jefferies.

Mr. J. H. Jefferies, who was received with many enthusiastic manifestations of personal regard, responded:

Mr. Chairman and gentlemen, permit me, in introducing these lines, feeble though they may be and unworthy of the occasion, to say that they are tendered in four-fold dedication: First, to the Trustees, who have so wisely framed our policy and rules; secondly, to the officers of the company, who have so ably executed and administered those rules; thirdly, to the agency force of the company, which has carried the precepts of the company from the Atlantic to the Pacific; lastly, to the clerical force of the company, which faithfully fulfills the desires of the Officers, the Trustees and the Agents.

As one who climbs a mountain's height
  Will pause, and looking rearward trace
The pathway trod, his soul the sight
  Inspires; he upward turns his face.

Thus we to-day our course review,
  That from its lessons we may learn
How best in future to pursue
  Our work;—how greater blessings earn.

For it were vain to backward glance
  O'er records of departed days,
Did not the retrospect enhance
  The value of succeeding ways.

What see we then, as thus we view
  The panorama of the years?—
Yon fading cloud of lurid hue
  Recalls a suff'ring nation's tears;

When in the throes of mortal strife
  The smouldering fires of human hate
Burst forth, and man fought man for life;—
  While Ruin reigned in horrid state.

Yet not alone midst war's alarms
  Doth Ruin reign. In times of peace
The Sirens' song too oft disarms,
  And men their care and caution cease.

Again we look, and there behold
  Black Friday's dreadful day;—a day
When men were, in their lust for gold,
  By Circe changed to beasts of prey.

Once more we look, and there we see
  A phantasmagoria of greed:—
The dread quicksands of Seventy-three
  Still point a moral all should heed.

Of Ninety-three we need not speak,
  Nor tear apart its healing wounds;—
But turn we from the dark, and seek
  Why thus to-day our joy abounds.

Despite the dangers of the long
  And arduous way, we stand secure;—
An army, fifty thousand strong,
  With glorious past and future sure.

Our leaders, wise and worthy men,
  Have safely led us through the years,
And placed the banner of the "Penn"
  Aloft, beyond the reach of fears.

Adherence to the maxim grand,
  Of "all for each and each for all,"
Has been our stay;—must be our stand;—
  And standing thus we cannot fall.

The thousands helped to-day unite
  In one grand, glorious symphony
Of grateful praise, as they recite
  The good wrought through our company.

With laurel leaves its name enwreathe;
  Its sphere of usefulness on earth
Extend, and to mankind bequeath
  A heritage of wondrous worth.

Col. N. A. Plympton (when the enthusiasm which accompanied Mr. Jefferies' lines had subsided) said: Mr. Chairman, I move that the poem be printed and a copy sent to every officer, trustee and agent of the company.

Chairman West (after taking a vote upon the motion and receiving a unanimous response in favor of it) said: The ayes have it, and it shall be done. He added:

Gentlemen, we have not yet heard from Hon. Simon Wolf, of the Capitol City. I know that if he is in the hall he will respond, and that you all will be delighted to hear from him.

Hon. Simon Wolf, of Washington, D. C., responded:

Mr. Chairman and gentlemen, at this witching hour of the night, when you have been regaled with " a feast of reason and a flow of soul," I do not for a moment believe that you care to hear the howling of the "wolf." You have heard in no uncertain tones from Trustees, from Actuaries, from the Manager of Agencies and from other eloquent and intelligent men; and I am more than sure you do not care to hear from one who, though not to the manner born, is, in spite of his birth, as true an American as any one who listens to him in this historic building. To me there is a peculiar and deep significance in the fact that the management selected the Union League house for this banquet, for the Penn Mutual, with all its traditions, has been recognized since its origin as among the most patriotic of the institutions of the country; and it is peculiarly appropriate that this building, devoted to patriotism, to loyalty and to the integrity of the national cause, should have been selected as the place in which to celebrate the Penn's fiftieth anniversary. (Applause.)

When I had the pleasure to-day to listen to that epitome of eloquence and humor from our worthy Trustee, Brother Plympton, of Boston, I could not help thinking that, in his criticism upon the "slowness" of Philadelphia, he should have included some reference to one building which has contributed more to the up-building of human liberty, and has achieved more enduring renown throughout the world than any building on the earth, including any in Boston, and that is that grand State House on Chestnut Street, wherein hangs the bell that rang out to all the people of the earth good-will and peace, independence and freedom of conscience—thank God! (Cheers.) I feel proud to be in Philadelphia, knowing what Philadelphia has accomplished, for this city of all the cities of this broad continent is thoroughly American. It may not be cosmopolitan like New York; it may not be æsthetic and cultured like Boston claims to be, but Philadelphia is thoroughly American, a city of homes, of patriotism and of loyalty. It was not known to have a draft-riot during the war—oh, no! it was a city of citizens—and I say to-night to those who live in Dixie's Land that they should honor this city as much as any for what it did, because—united as we are, and with the flag of our country streaming among the stars—the Civil War proved the greatest of blessings for North and South, East and West, in eliminating the only blot upon our escutcheon and making the country grander, more united in heart and spirit and more prosperous than it had ever been. (Applause.)

These considerations enter into the life of a first-class life insurance company and into the work of the agents, for when I go South I meet brethren, and when the Southerner comes North he meets brethren. These Penn Life Insurance agents are not only missionaries in the field in which they are employed, but they are high apostles in behalf of good citizenship and good government. I never yet knew a good, first-class life insurance agent who was not a first-class citizen and able to compete with the best of any nation not only in his own calling, but in any other branch of business.

We look forward with pleasure, with pride, with hope and with satisfaction to the future. Many of us here to-night will undoubtedly not be present at the Centennial; but, no matter where we may be, we will be there in spirit to cheer on and to stimulate those who remain on earth, for we all know that among the great benefactions of mankind there is nothing more beneficent than life insurance. And among all the life insurance companies of this world, there is none more worthy of the esteem, the confidence and the love of our fellow-men than the glorious old Penn. (Applause.)

Chairman WEST, at ten minutes past midnight, closed the proceedings as follows: Now comes the saddest thing of all—the parting. Before uttering the final word let me say, that if you have all been as pleased with the home office and its people as the home office and its people have been pleased with you we are satisfied. The occasion has been to us a most delightful one, and I hope that you all will remember it as we will. When you get back to your homes we will expect to hear from you just as we did on last Tuesday—the greatest day the company ever saw. Gentlemen, we will now part. Good-night!

BANQUET AT THE WALTON.

PHILADELPHIA, May 28, 1897.

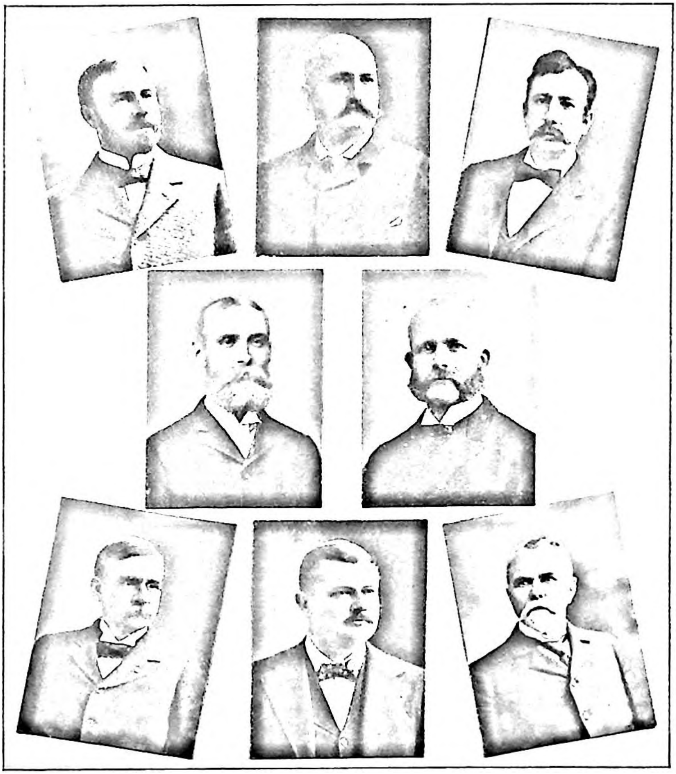
The Penn Mutual Agency Association is an organization composed largely of the general agents of the company, but embracing in its membership some of the officers, which was established in January, 1884, for the purpose of promoting cordial relations between the several departments and thus advancing the business interests of the corporation and for other just purposes consistent therewith. It holds annual and other meetings, and uniformly extends an invitation to the trustees and officers to partake of its hospitality. Such invitations are prized, and it is not unusual for a considerable number of the principal representatives of the company to be present at its banquets and to participate in its speech-making and otherwise contribute to the cordiality and interest of these occasions. These annual gatherings of the agency force have been valuable in developing an *esprit de corps* which has been most helpful. The association has brought about closer relations between the agents and the company. The agents and the trustees have come to know and appreciate each other, and the annual gatherings have been most enjoyable occasions.

Following the banquet given by the company to all its agents and other guests at the Union League, the Penn Mutual Agency Association undertook to return the compliment, and there may be no doubt of its unqualified success in every element essential thereto. The place selected was the Walton, a hotel of the most modern type, having the largest facilities for the service incident to seating and fully providing for the comfort of such a large number of guests as were in attendance. The banquet room was handsomely decorated with plants and flowers. There was a quiet elegance in all the appointments—richness without display, realizing the French injunction of "nothing too much." Choice music was provided, and the sweet strains made a pleasant accompaniment to the conversation of the agents and their guests. Full justice was done to the fine menu, after which the postprandial part of the program began.

The Penn agents are good talkers, whether to an audience of one or to a roomful of people, and they did credit to their reputation. They were enthusiastic over the success of the anniversary. They had enjoyed themselves, and were not too modest in their expressive thanks. The record of what had been accomplished in fifty years was to them the prophecy of what might be accomplished in the next fifty. It had been good to come together, and they felt that the helpful influence of the occasion would be an inspiration to do better work—all that is was as nothing to what shall be. The speeches of the officers and trustees were full of appreciation. They expressed their gratification at the character, loyalty, and work of the agents. These workers, who all up and down the length and breadth of the land were upholding the banner of the old Penn, were compassing beneficial results, which many of them were just beginning to understand; they were helping the country by helping the company. These were the themes, though there were many variations, in keeping with the different points of view of the speakers. However far the speakers might wander afield, it was only that they might better express the thought which filled all minds—the glory of the past and the opportunities of the future. Sometimes the expression was witty, sometimes serious. Again, it was reminiscent, for some had served the company many years, and had seen the progress of which they were a part lead up to the splendid record of the half-century. Others were inclined to prophesy and to anticipate what might be wrought in another half-century under energetic and wise leadership. There was praise of the admirable qualifications of the officers on the one hand, and on the other recognition of the intelligent and meritorious service of the agents. It was an admirable and suitable close to a week of enjoyment, in which officer, trustee, agent, and guest had each a share. Out of the past, through the present, into the future the pathway led, and all declared that the journey so far had been along the line of duty sanctified by beneficence. Every worker had had double pay. The commercial reward came as an incident of business; but beyond this, supremely greater, was the compensation which an approving conscience always bestows upon effort which redounds in happiness to others.

The CHAIRMAN (Mr. J. E. Durham). Gentlemen of the Penn Mutual Agency Association and invited guests, an interval of more than thirteen years separates the first from the second of the only two meetings of the Penn Mutual Agency Association held in this good Quaker City. While these years may now seem to us but as a tale that is told, yet they were in an especial degree for our company makers of history, notwithstanding that we have, during the last few days, been celebrating our arrival at the fiftieth milestone of our journey; that journey which may easily last so long as civilization endures. (Applause.) For the part borne in the making of that history many here to-night may feel a justifiable pride, and in the measure of success achieved, we, as an association, may, without egotism, justly claim that we have manfully and with sincere and upright purpose contributed our due share.

Sufficient reference has, perhaps, been made heretofore to the record of our association. For the past year white-winged peace has brooded over the land, and it is, perhaps, sufficient to say as to it, in the language of Carlyle: "Happy the nation whose annals are a blank in history books."



PARTICIPANTS IN THE FIFTIETH ANNIVERSARY.

H. Toulmin, M.D., James C. Biggert, Jacob Leithmann, Henry H. Marot, W. W. Macomber, Oliver P. Rex, M.D., H. C. Bagley, Charlie Thaw.

This banquet is a noteworthy occasion in more respects than one. It has brought together a larger number of Trustees, officers and agents than have ever been present at any prior meeting of our association (Applause), and is an occasion that will linger long in our memory, not only because our table is graced by the active, earnest workers, but also those who are quieting the restless pulse of care, turning over to younger men the active duties of life, and in a tranquil and contemplative old age viewing from their serener heights the turbulence of active life, giving it the benefit of their matured wisdom, and seeing with clearer wisdom than we, perhaps, those things which are the eternal verities.

> "For Age is the opportunity, no less
> Than Youth itself, though in another dress;
> And as the evening twilight fades away,
> The sky is filled with stars invisible by day."

It is a great pleasure to have with us this evening President Edward M. Needles (Applause), so long the worthy President of our company, and our old, loved President, Dr. R. Allison Miller, kindly and true. (Applause.)

All please rise. "President Needles and President Miller." And in this toast I wish to include our kind-hearted old Vice-President, Horatio S. Stephens, even though absent. (Applause.) In this cup we wish you health, long life and happiness, and may the choicest blessings of God rest upon you and yours.

(All the gentlemen present, after rising and singing "Auld Lang Syne," drank the toast proposed by the Chairman.)

The Chairman. Officially, we are pretty well off to-night, if we count for the present the Penn Mutual Agency Association and the Penn Mutual Life Insurance Company as temporarily affiliated—as indeed they are. We have present here to-night three Presidents and four Vice-Presidents—past, present and future. One of these gentlemen happens to be twins—Vice-President *in esse*, President *in futuro*. (Cries of "very good.") Less than two years ago he was, to most of us, a stranger. To-night we are proud to call him our friend and to be numbered among his friends. (Applause.) There is scarcely any limit to the good things I might say about him and not exhaust the subject, but his duties have been arduous of late and I must not increase his burdens. He has given us country boys a nice little trip to town, and I want him to tell us how he thinks we have behaved ourselves; whether he is pleased with us, and how soon we may come again, if we are good.

(Three cheers for President-elect West were proposed and given with a "tiger.")

SPEECH OF MR. HARRY F. WEST.

Mr. Chairman and gentlemen, it is very gratifying to me to hear this pleasant applause upon mention of my name. I hardly think that it is deserving of so much of your efforts. I have often thought that I should have been brought up a life insurance man, and, if for no other thing, just to have the ability to make a speech such as you would like. This faculty comes, as you know, from intuition or from education. The intuition I have not, and the education has not yet been long enough to make me a fluent talker. But I have learned a few things in the years with which I have been connected with the good old Penn Mutual Life Insurance Company, and one of these is to honor your guild. I do honor it. I have learned to honor it for your persistency, I have learned to honor it for your patience, and for your courage and your marked ability. I have learned to honor it for the kindly spirit in which agents accept an adverse decision in many cases on which they have worked for months to obtain, and I honor them for their liberality. These few things I have learned, as I said before, since I came into the business. But, besides all this, it is due to you who are members of the Penn Mutual Agency Association, and who entertain us so delightfully, to have it made clear that your fraternal spirit and generosity are deeply appreciated and will be lovingly remembered. I wish I could adequately express our obligations to you, so that you may fully realize how much we think of you, and how we appreciate your delightful courtesies; and I now beg most sincerely to assure you that we will carry with us the incidents of these days as a pleasant memory for the balance of our lives. (Applause.)

The CHAIRMAN. I had hoped that we would have had the pleasure of a response this evening from our incoming Vice-President, Mr. George K. Johnson. You are all aware, of course, of the domestic bereavement which prevents his presence with us this evening. I think it proper that we should, as an association, congratulate him on his accession to the Vice-Presidency, a position of great responsibility and also great opportunity, and to send him this message: that in all measures for the promotion of the company's good—and there will be none others—he will find at his back a band of devoted and loyal men ready to follow their leader. (Applause.)

Among our senior Trustees there is a gentleman who has not only given to the company the benefit of his mature counsel and active work, but has always shown a great interest in our association, favoring us by his presence on many occasions. We are always glad to hear from him, and I now have pleasure in calling upon Trustee William H. Rhawn. (Applause.)

SPEECH OF MR. WILLIAM H. RHAWN.

Mr. Chairman and gentlemen of the Penn Mutual Agency Association, I always regret, upon an occasion of this kind, that I do not possess the eloquence of our friend, Colonel Plympton, and of our other friend, Barnard, of Boston. I am not so gifted. Nevertheless, I feel called upon to express my delight at being honored by a seat at this festal board, amidst these most beautiful surroundings. I do not know that I ever, upon any occasion, sat at a board where such surroundings were more beautiful than they are here to-night. (Applause.) Your Chairman has spoken of me as a friend of the agents and the Agency Association. I am glad to know that I am so considered. I have always had a high regard and esteem for the agents of the company, and I have endeavored to support them in all ways that I could. I think this occasion is a fit and happy finale to the jubilee that we have just had of the glorious old Penn Mutual. (Applause.) We have been blest with beautiful weather, and I hope that you will all reach your homes safely and happily, with renewed vigor for increased work for the company. (Applause.)

(At this point the loving cup was passed to Mr. Rhawn and by him to Dr. Miller, and "three cheers for Dr. Miller" were proposed by Colonel Plympton and given with a "tiger.") Mr. Rhawn then continued as follows:

There is a touch of sadness to me in this occasion, from the fact that we are called upon so soon to part with our beloved President, Mr. Needles. I have been asked to read to you the action of the Board of Trustees upon his retirement. And I do not know that I can finish what I have to say better than by reading the resolution that was unanimously adopted on the fifth of this month, after being prepared by a committee:

PHILADELPHIA, May 5, 1897.

To the Board of Trustees Penn Mutual Life Insurance Company:

GENTLEMEN: Your Committee appointed at the last meeting of the Board to draft an appropriate minute respecting the retirement of Mr. Edward M. Needles from the Presidency of the company beg leave to submit the following for your adoption and the transmission of an engrossed copy of the same to Mr. Needles:

In view of the early retirement of Mr. Edward M. Needles from the Presidency of the Penn Mutual Life Insurance Company, the Board of Trustees feel that it is due to him and to the company to place upon record this minute, testifying to their great appreciation of his long and valuable services to the company and their high regard for him personally.

Mr. Needles, because of advancing years and to obtain needed relief from the exacting and increasing cares and responsibilities of the more active management of the company, having resigned the Presidency, to take effect on the thirtieth day of June next, the Trustees hereby express their deep regret in being obliged to accept his resignation.

During the connection of Mr. Needles with the management of the company, for more than thirty-four years, for twenty-three of which he served as Trustee, including six years as Vice-President, and for the past eleven years as President, the Trustees have felt an assured reliance that at all times and under all conditions the interests of the insured members, under his care, were being most intelligently and jealously guarded; and whether in the capacity of Trustee or officer, the Trustees feel that they have in his career an example of uncompromising integrity and absolute fidelity worthy of all emulation and the highest honor.

The Trustees regard with greatest pleasure and satisfaction the fact that Mr. Needles has consented to continue his relations with the management as a member of the Board, and they congratulate themselves and the insured members that the company will thus retain the benefit of his wise counsel and ripe experience in the administration of this great trust, as they fondly hope, for many years to come; and they offer to him their best wishes for a prolonged life of good health, that he may enjoy in his well-earned retirement the recollections of his successful and honorable career and the assurance of the profound respect, not only of his associates in the management, but of all those in this community and throughout the land wherever his name and his long, faithful and invaluable services to the Penn Mutual Life Insurance Company may be known.

The Trustees earnestly desire that upon his retirement the company shall possess a portait of President Needles, and they request him to give the sittings required for the purpose.

Respectfully submitted,

[Signed] Ellwood Johnson,
Richard S. Brock,
William H. Rhawn,
Committee.

Mr. Chairman and gentlemen, I beg to thank you from the bottom of my heart for the opportunity of being present on this occasion. I wish you all God-speed to your homes.

The Chairman. During our celebration, one of the most important, if not, indeed, the most important factors, has, perhaps, received scant consideration. To the untiring and often discouraging work of the solicitor is due new business—that which is as necessary to a life insurance company as food is to the body. I now call upon a gentleman who, by sympathy and by actual contact, has learned to appreciate at its full value the work of the solicitor, to respond to the toast of "The Field Man." Col. J. A. Goulden.

SPEECH OF COL. J. A. GOULDEN.

Mr. Chairman and fellow members of the Penn Mutual Life Insurance Company, it seems a good deal like cruelty to animals to attempt to perpetrate to-night upon our part any speeches or addresses after having three days of it, and I do not wonder at our Vice-President making his remarks brief, for the reason that it occurs to me we have had an abundance of eloquence and of good, sound logic, and particularly upon the question of life insurance.

The Penn Mutual Life Insurance Company is to be congratulated upon having completed the celebration of its fiftieth anniversary. Made up as it is, under its charter, of officers, Trustees and agents, it has happily been commemorated here by the assemblage of all these three great factors. Recognizing no proxies, each man stands upon an equality as a factor in the management of the company of which we all have the pleasure of being members, and particularly to-night, in closing the celebration of the fiftieth anniversary. There is no company that recognizes the rights and privileges of all its members so thoroughly as that of the Penn Mutual Life Insurance Company. (Applause.) I frequently say to the members who are upon the books in my agency: "You are the equal of the President of this company—I hope Mr. Needles will pardon me—you have an interest in the company in proportion to what you have paid, and Mr. Needles, our President, has no more in his election to the Presidency." Therefore, it is founded upon the principle of justice and equality, and is bound to succeed in the future, even to a far greater degree than it has in the past.

I am reminded, by the fact that the agents are important factors in the Penn Mutual Life Insurance Company, of a story with which many of you, particularly my friends in the Agency Association, are probably not familiar. You remember in the olden times, it was written in a certain book that when Moses went up in the mountain and prayed for the success of the army of Israel, that whenever his hands fell the battle went against his friends, the Israelites. Aaron, in command of the army, sent two men to him to hold up his arms, in order that he might pray to the great Jehovah for victory, and by that means a great victory was achieved by the children of Israel. Now, the agents are the arms of the Penn Mutual Life Insurance Company, and we are in a position to ask that our arms be held up in order that we may continue to have success.

One thing that has worked for our good is the perfect harmony existing between the officers, Trustees and agents of our company. I have frequently been asked by the representatives of the Life Underwriters' Association in the City of New York: "What is it that binds you people all together? "Why," they say, "it is a unique affair. You have an Agency Association and such an association is usually regarded as being at war, or, at all events, as antagonistic to the officers and directors of the company; or, if not so, they are supported and their expenses are paid through the home office by the company itself. You maintain an association in all its vigor and strength, a perfect association, and yet you pay your own expenses; and not only that, but you invite and have with you the officers and Trustees of the company at your various annual gatherings. How do you do it?" I cannot tell why it is so, although it is perhaps characteristic of the old Quaker City, but I do not believe it could exist anywhere else—not even in Chicago.

I am expected to say something to-night in regard to the field man, and perhaps I can fill in the time in relating a few instances that have fallen under my personal observation. A few years ago —not very many—two agents approached a man in the City of Philadelphia to solicit insurance. "Why," he said, "the Penn is a good company and I know it well, as I was a Trustee in that company. But I scarcely had my seat warm until somebody else wanted it, and I was kicked out. But, just the same, I will increase my insurance and take an additional policy." That gentleman will be your honored President on the first day of July. (Applause.) I give you that illustration for the purpose of showing the character of the man whom we all love, respect and honor, and whom we hope to most cordially support in the position in which he is about to serve the company.

At another time—and the gentlemen are present to-night—two agents approached a party to insure his life and made an engagement with him for the following morning. The following morning the agents, suspicious of the character of the man they were about to try to secure, approached him by devious routes and saw the gentleman at a distance around certain oil wells.. And as the gentlemen arrived at the point where this party was last seen they could not find him, high or low, although, when crossing a brook, one said to the other: "Now, John, you watch the fence while I cross this brook, and when I get over I will watch the fence until you cross." That was done with the vigilance of a soldier near the enemy's lines, but when the agents reached the place where the gentleman was last seen he had disappeared. They hunted around for the space of two miles or more and failed to find him. They looked down into the hole bored into the earth a distance of fifteen hundred feet. He was not there—it was not large enough for him to be down there. They looked up the smoke-stack of the engine. He was not there. They hunted high and low, and finally, when they were upon the point of leaving, they discovered the gentleman hidden up behind the bull-wheel. One of the gentlemen suggested—and he is sitting at a table adjoining here—"I think we can scotch him out without much trouble." And immediately two or three hogsheads of molasses were poured out upon that gentleman's head, in other words, compliments and flattery of the most undeserved character were given to the gentleman. And then the two agents disappeared for a few minutes. Upon their return the gentleman stepped out from his hiding place and received them with open arms. He was glad to receive them, and welcomed them, and signed his application, and gave them a check for $150 premium.

I remember, upon another occasion, when our late Vice-President, Mr. Stephens, requested a certain gentleman in the employ of the company to go to a certain city known as the capital of Indiana, stating it was impossible to secure business there—it seemed that all the business secured by that agency was out and about the town. For three long weeks two men walked over Indianapolis and labored systematically, going first through the wholesale departments and then through the various other departments, and winding up with the retail men; and at the end of three weeks they did not even have a nibble. But they did manage to obtain an audience with a gentleman one evening about eight o'clock, and at twelve o'clock that night those two men left an office with an application for $10,000 and a check to bind the bargain—for it will never do in such cases to leave without you have the premium in your pocket. Good luck followed them, and the next few days $40,000 of insurance was written.

Another gentleman who is here this evening—I would not like to name him; he is a tall old veteran of the late war, and when he stands up you will see he is head and shoulders above anybody else. But it was up in a little city named Detroit. You may recognize the gentleman now. For three long weeks he labored there, and for three long weeks nothing was accomplished. I think the only thing that was done that was really anything of a success was the brooding of two or three mares which he drove around, in order that they might be properly attended to. After three weeks a siege was inaugurated, and the result was eighty-odd thousand dollars of insurance during the next week following.

Now, a few words more and I shall have to quit. You know our Southern friends are noted for telling nothing but the truth—particularly if there is any danger of being caught. I was seduced into going South a few years ago by a gentleman residing in the State of Alabama. He told me they had there the most magnificent climate in the world; and they never had any snow—never thought of anything of that kind. He did admit: "Oh, occasionally we have a little flurry of it, such as you people get in the month of October." I went there, and the next day after my arrival eighteen inches of solid snow fell in the City of Montgomery, Alabama. This gentleman, on coming to my hotel the next day, when he saw me, held up his hands and said: "Goulden, I am a liar; an infernal liar, and I have been caught in it, and that is the worst of it." That gentleman, a friend from Alabama, is present here to-night, and you all know him.

The field worker of to-day is vastly different from the field worker of thirty years ago. I remember very well that, thirty years ago, every broken-down preacher, played-out lawyer and good-for-nothing politician was in some way or other placed upon the books of some life insurance company as its representative. To-day the life insurance managers of all our companies have no use for them. The demand is for a higher order of intelligence; for the younger manhood for the company; for men, and not for broken-down vehicles who come from the various professions in life where they have been absolute failures. And I am glad there has been such a change. In my meeting with the various life underwriters' associations, I find the men who compose them are the equal of men found in any other profession or calling in the land. And we are all glad that the field of life insurance is no longer an asylum for these broken-down people. Looking around to-night, Mr. Chairman, you will see as handsome a lot of young men as can be found. And they are vigorous men; men of intelligence; men of honesty; men of character; men whose checks are good in their respective communities—provided they are properly certified.

The field worker of to-day differs from the field worker of twenty years ago, and I am glad of it. I think the opinion held by life insurance company managers twenty years ago was perfectly true and proper, because in those days, whenever anyone approached a life insurance officer or manager of a company, he was immediately looked upon as someone seeking an asylum; as someone looking for a place in which to be cared for the balance of his life. To-day it is different. The man who approaches the manager of a company or the manager of its agencies does it with a feeling that he is a man; feeling he is an equal; feeling he is prepared to do his duty in a manly, straightforward, honest, intelligent way.

Now, a word in closing. The day—this day particularly, and to-morrow and Monday—calls for the exhibition of patriotism on the part of the American people. And, while I am not a native New Yorker—I am proud to claim Pennsylvania as my birthplace—for five years I have been an adopted citizen of the City of New York. I feel called upon to-night, not to apologize for New York, but to defend it and to claim for it its equal meed of honor that is claimed for the other cities. I notice one peculiarity in regard to the City of New York, and that is I frequently meet people there, and upon asking them what they are doing there, if they are there on pleasure, they answer: "Oh, no, we are engaged in business and have a branch house here," or, "We have our factory here." And I am glad of it.

Now, there is an impression—and it has found voice during the meetings of the Penn Mutual Life Insurance Company—and I am glad to say not from Pennsylvania, of which fact I am proud, because no Pennsylvanian is equal to making any charge or innuendo against the City of New York, or against the City of Chicago, which our handsome friend, Cal. Smith represents on this occasion. We were reminded by certain gentlemen of the fact that riots have occurred in the City of New York. True, but the sins of nearly a century ago should not be visited to-day upon our heads in New York, any more than the sins of the riots which occurred in Philadelphia less than half a century ago should be visited upon your heads who are the representatives of the old Quaker City to-day.

We have in the City of New York a population eighty per cent. of which is foreign born or of foreign-born parents. Is it not to the credit of the great Empire State that we are striving to build up a strong American citizenship out of these foreign-born children? And I want to say to you, Mr. Chairman and my friends—and I know whereof I speak—that there is not a higher order of patriotism; there is not a better class of men in the United States than in the rising generation in New York City, who are being educated in our public schools, and whom we expect to perpetuate this grand government of ours. We want you to help us in the great work, for, if there is one thing more than another this government must fear, it is the immense influx of a foreign-born population that knows nothing of our language; nothing of our customs; nothing of the word liberty. And we want you in good old Quaker Philadelphia to help us; to encourage us in this work so that the government may be perpetuated.

(At the conclusion of his speech, three cheers and a "tiger" were given for Colonel Goulden.)

The CHAIRMAN. I am requested to announce that Mr. Pease, on account of his advancing age, desires to go home, and there are, I believe, three gentlemen who desire to see him home. I do not know whether that means brevity, but it is well to remember, on occasions of this kind, it is easy to go to too great length of words. I trust you will pardon me for this suggestion, because it has been a week of speeches, and we must not be too long.

For the gentleman at the head of our Agency Department no one, I am sure, will withhold his meed of praise. I refer to our able and accomplished Manager of Agencies. Of his manifold duties and great efficiency we are all aware, although, perhaps, I think at times we fail to appreciate the vigorous mind and facile pen that have resulted in giving to us a literature unsurpassed in grace and scholarly merit. The smoldering fire of his genius has at last burst into flame, and he has revealed himself in the light of a historian. It is sufficient to say, as to its popularity, that his work, although of recent date, has reached the third edition—chiefly, however, due to different styles of binding. (Laughter.) It is, perhaps, too soon to definitely assign to him his proper niche in the temple of fame, but I think I am within the mark in saying it will be somewhere between the author of the sonorous periods of Macaulay's "History of England," and the compiling of a census report. (Laughter.)

Mr. Lippincott. Either is good enough.

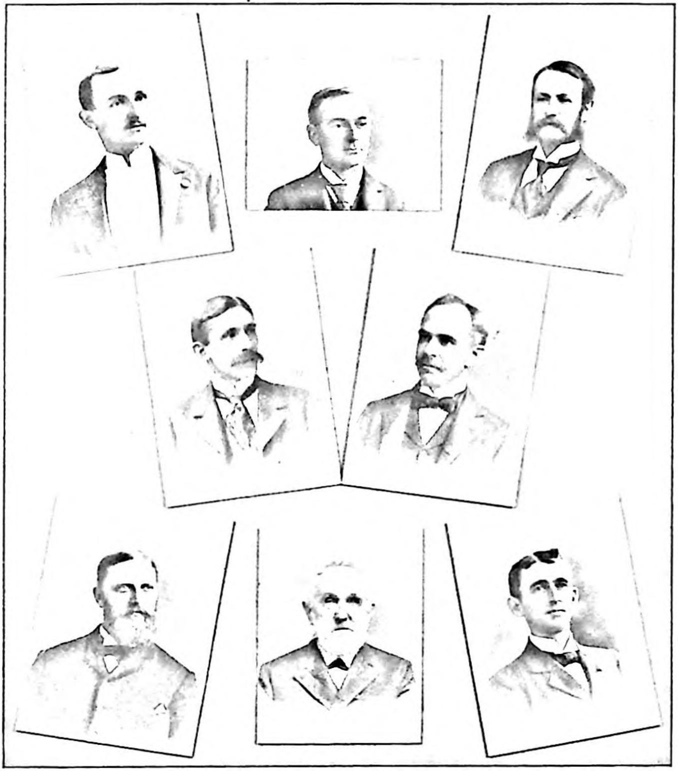
The Chairman. That his light may not be hid under a bushel, or his talent hid in a napkin, or, to change the simile, that his trusty blade may not be covered with rust, I have requested him to speak on a historical subject. Now, it is presumed that he will treat it seriously. Mr. Henry C. Lippincott will now speak.

(Three cheers for Mr. Lippincott were proposed and given with a "tiger.")

Mr. Wm. H. Rhawn. Mr. Chairman, before Mr. Lippincott begins to speak, I wish to say something as a member of the Committee on Celebration that I think the Chairman will concede, as well as every member of the committee, and that is that the great success of the jubilee of the Penn Mutual is largely due to the Manager of the Agency Department. (Applause.)

SPEECH OF MR. HENRY C. LIPPINCOTT.

Mr. Chairman, gentlemen, and friends all, let me thank you for your very courteous introduction and for generous recognition of my labors on every side. But let me say, at the beginning, that it is hardly to be expected that, at the close of festivities and gaieties so prolonged; at a time when we have listened to eloquence far transcending that of any banquet which I have ever attended; when we have heard the most profound and erudite discussions on life insurance topics; when we have met the Trustees of our life insurance company—and I speak as a member of this associa-



PARTICIPANTS IN THE FIFTIETH ANNIVERSARY.

Frederic H. Garrigues, John W. Hamer, Jesse J. Barker, J. Allison Scott, M.D., Joseph H. Harrison, Henry C. Lippincott, Albert G. Compton, George L. Root.

tion—and have received the most hospitable treatment, I say it is hardly to be expected that I should trespass upon your time this evening. So, I think your Chairman, in calling upon me, has made the only mistake during this evening—others may yet come. I give him a chance in that direction by being brief. And reference to a mistake reminds me of a story that I heard so long ago that I assume it to be an antique that will come again into fashion. They tell it of a professor of Chicago; of the great University of Chicago from which our friend, Calvin S. Smith, graduated years ago. He was down in Springfield, and arriving there late at night was put in with another gentleman in a double room. He had to get back the next day in order to deliver an interesting address before his law school, and he strongly admonished the clerk to call him at four in the morning. At four in the morning the bells rang; the door was rapped upon, and this gentleman busied himself, made his toilet and departed for the train. On his arrival at the train, for the first time he discovered the garments which he wore were too big for him; the trousers were dragging in the mud, and the hat enveloped his ears. And he straightway turned his face and walked back to the hotel. As he ascended the stairway of the hotel the clerk accosted him and said: "Professor, what are you doing here? Were you not called in due season? Haven't you reached your train?" "Yes," said he, "but you called the wrong man." And so it seems, Mr. Chairman, to-night. (Laughter.)

But you will agree with me that if it were possible, if it were at all within my limitations to add a word to those which have been so fittingly spoken during this banquet, certainly, the occasion would warrant it. The language, it seems to me, of compliment and of commendation has been exhausted. The vocabulary of praise is spent, and hardly a truthful word could emanate from me which has not already been said. If we have been in the slightest degree derelict; if there has been an omission which would expose us to any censure at all—and I doubt it—it seems to me it could have occurred in only one particular—our failure, if so you may esteem it, to fully recognize the author of the corporation which we serve, and whose work in connection with it for all of twenty-five years, in laying and cementing its foundations, was the best, the most arduous, the most lasting service ever rendered. It was fifty years ago in a little room on Walnut Street, scarcely fifteen feet square, without the pride of office, without the paraphernalia of business, without any of the modern accessories to any achievement, John W. Hornor conceived an institution which should endure for all time. He knew, Mr. Chairman, as much or as little as the men of his day upon a subject upon which our knowledge is now constantly expanding. But he felt, and he had a right to feel, that, following the principles then enunciated, and pursuing vigorously the line of justice and of equity, he would, at the end, be entitled to the recognition, the praises and the grateful tears of widows and of orphans. He builded, gentlemen, better than he knew. We are, to a degree, the beneficiaries of that great trust, the beneficiaries of his idea. And we are more than that, we are the trustees to whom he has committed the perpetuation of this great benefaction; and we cannot too often, in season and out of season, take our bearings by the just principles which actuated and controlled him, and conform our conduct religiously thereto. He knew what true service was. We know what service is. We know what is demanded of us, and that, in a sentence, is to make every dollar and every cent of every dollar paid us do its most effective service in purchasing life insurance for those who put their trust upon us. That is the principle which has guided the management from the beginning, which influences and controls it to-day, and that must be until the end of time. Now, in that work, gentlemen—I pass rapidly away from what I intended to say—in that work, in my judgment, in the enlargement of our contracts, in bettering the principles of equity and their full application, in the extension of the blessing of our system to a larger clientele—in that work the Agency Association of the Penn Mutual Life Insurance Company is now and ever to be eternally thanked. (Applause.)

Looking backward, Mr. Chairman, twenty-three years, I know something of the character of the life insurance contracts of all that time, and I have been accustomed to see many of the things which were at one time regarded as of the inner temple, the holy of holies, rejected and replaced by those which to a greater degree could command our admiration. There has been steady and increasing progress, and I know of no individual, Mr. Chairman, who has more fully exerted himself in the right direction, and who has, I am informed and believe, conscientiously devoted himself to bettering the conditions which surround policyholders, and advocating a higher degree of equity to all, than the Secretary of the Penn Mutual Agency Association. (Applause.) I deem it my right and my privilege to-night to pay to him this deserved tribute, long withheld, and which it should have been my pleasure years ago to have publicly tendered. (Applause.) This is the first time that all the general agents have met in council; it ought not to be the last. To those who believe that all men know more than some men, it is quite clear how the exchange of experience and the interchange of ideas may benefit all. No one is so wise that the man alongside of him may not teach him something. This feeling has pervaded all our meetings, and in speaking for myself I may say what is doubtless true of all, that it has been a season of refreshment and invigoration which will enable all of us to gird up our loins and resolutely attack the common enemy of indifference and selfishness which prevents so many men from doing their duty to their families. And, now, as a final word, let me say that every man's courage shall surely equal every demand made upon him, no matter how great the emergency, if he will turn for a moment a retrospective glance to the days of John W. Hornor and the fierce battles for recognition into which he unfalteringly entered, and from which he came out triumphant. And with that, Mr. Chairman, and bespeaking for the future a development before which all the past "will pale its ineffectual fires," I thank you for your gracious courtesy, further shown by your attention, and wish you all God-speed.

(Three cheers for Mr. Lippincott were proposed and given with a "tiger.")

The CHAIRMAN. Down in the capital of our country, what with functions and Congressmen and Senators, the dreadful habit of talking spreads even up to the ordinary citizen. Various remedies for the cure of this disease have been tried, but few have gone to the lengths of our Washington friend by having himself appointed as Minister to the Khedive—if that be the correct pronunciation in diplomatic language—of extracting the habit of silence from the Sphinx. Having himself failed to do that, he bethought himself of three ways by which a man might utilize loquacity: as a lawyer, as a life insurance man and as an after-dinner speaker. We are very glad, indeed, to-night to have with us a gentleman who has had practical experience in diplomacy. He can tell us whether my opinion is the correct one. I have often believed that life insurance men could give points in diplomacy to even a Tallyrand, and I see no reason why the reverse should not be true and diplomacy be an excellent school for life insurance. I therefore have asked our friend to respond to the toast, "Diplomacy and Life Insurance." Hon. Simon Wolf.

SPEECH OF HON. SIMON WOLF.

Mr. Chairman and gentlemen, some few weeks ago the Secretary of this Association, Mr. Bourne, wrote me, asking me whether I would not respond to a toast, and stating at the same time that necessarily, as there would be quite a number of persons called upon, he would suggest that my response be brief. I replied to him that in all my life I had never been called upon to suspend my remarks on account of prolixity, and, therefore, certainly would not intrude. Indeed, I had thought then of the ancient Jewish philosopher when approached by Mohammed, who, holding a knife in his hand, said: "Jew, learn me all there is in religion while standing on one foot." The Jew replied: "Love thy neighbor as thyself; that is all there is in religion." And I could say to-night, between diplomacy and life insurance there is absolutely very little difference.

After four days of shop, it were an assurance to talk of insurance, and it would be the height of diplomacy therefore to say nothing. The time was when the old class of diplomats used language to conceal thought. That time has passed. Bismarck, the Iron Chancellor, said: "The only way of getting on in this world in the line of diplomacy is to tell the truth; then your opponent will not believe you." Now, the only way to get along in life insurance is to state the facts; conceal nothing. Tell the truth, and you will always win. That is my idea of insurance and diplomacy.

I did not try while in Egypt to extract the secret from the pyramids as to what was best, nor did I find on the obelisk any hieroglyphics that told in ancient times the manner in which the mysteries of life insurance were formulated. For it is a well-known fact that Moses did have something to do—not Joshua, by the way (whom the gentleman evidently meant)—Moses did have something to do with life insurance, for he brought down from Mount Sinai the tables. It is true, they were broken, but they still survive, and very much to our discomfort at times. (Laughter.)

But diplomacy has a great deal to do with life insurance, gentlemen. Tact; the suave personality; a knowledge of humanity; a desire to please and yet enforce respect. All of these elements that enter so largely into the diplomatic field are equally necessary to the successful life insurance agent. There can be no question about that. And the time has absolutely passed when, as the gentleman well said, the broken-down politician or preacher or lawyer can make any successful inroads into life insurance, because it has become a science of all the sciences. I do not intend to speak of the sentimental part of it, for that goes without saying. But there is a practical side to it. It is necessary to care for those who are to come after you—not from any degree of sentiment, but from a desire to do that which is right, just and proper. And to bring such facts home a college education will do no harm, and common sense will be a great factor in making those demonstrations come home to the average citizen everywhere, wherever you may go. These are things that men find to be true more and more every day.

We are in a stage of evolution not only in life insurance, but in every other branch of business. In life insurance it is absolutely more essential, on account of the keen competition, and on account of the vast interests involved in that business. And nothing can better demonstrate that life insurance is a good thing than the very fact the Jews are for it. As I said last autumn on the stump that silver was a bad thing, because if there was anything good in it the

Jews would be for it, but they were not. And so I say to-night that life insurance is a good thing, and the evidence of it is that the best people you have on your books are my co-religionists. They know what is good and right and proper in that direction. They love their families and care for them, and they are the best risks on your books. And I tell you, in a business proposition you can always gamble on it that when the Jew is for it the Christian need not fear to follow in his wake. (Applause.)

On my way to Egypt I stopped in the little village in which I was born. Not a near relative; indeed, not a single co-religionist was living there; all those whom I had once known there were lying beneath the green sod, and the crumbling headstone bowed in deference to time and decay. And when I stood there over the graves of my ancestors, having in my pocket the great parchment of State with the seal of James A. Garfield and James G. Blaine attached (Applause), I felt conscious that there was something more in this world than birth; than religion, and that was that the humblest child of foreign-born parents assimilated to the United States and its institutions, conscious of his duty and fearless in the discharge thereof, had a pride to stand there as the representative of a great people, and to go back to the land of his ancestors and say to the Khedive: "Here I am, the representative of the great Republic of the West, that knows no difference in religion, in faith or in nationality; that recognizes only the American citizen." In this spirit, gentleman, I was your representative. In no spirit of diplomacy or of duplicity. Wherever I have been I represented the American citizen. And I speak for the millions of American citizens who were born on the other side—Irish and German, Norwegian and Scandinavian—these form the best and strongest integral part of your population. They have built your great West; were foremost in your great wars; are the fingers of the artisans and among the best people of the land. And let me say right here to you, gentlemen, that when Robert Morris, the first Secretary of the Treasury, was in want of money, when at Valley Forge the soldiers of the Union were striving and bleeding, it was a Polish Jew, a banker of Philadelphia, who advanced him four hundred thousand dollars to aid the Colonies; and the United States have not, to this day, ever paid back one cent thereof. There is only one thing to do: "Love thy neighbor as thyself." Be true to all and fear nothing. That is the line of diplomacy, and that is the line for life insurance agents.

I thank this association for permitting me to say these few words. I am proud to be a member of it. I am proud to meet the representatives of this great company, for I have always felt as one of yourselves. A gentleman said to me one day: "Why are the lawyers such infernal rascals?" I said: "The lawyer is never a rascal except when he represents one." And so I say the company to-night is told by its agents. And knowing the high standard the Penn enjoys, I always feel a double honor in being known as its agent. May it long live and flourish, as well as every member and every Trustee and every official connected therewith. And long after we shall have gone to our final *bourne*—not the Secretary—may no stain be left either upon the escutcheon of the company or the homes of its individual policyholders. (Applause.)

The CHAIRMAN. No transplanted tree gives to one the satisfaction obtained by watching the growth and development of one of our own planting. We see it expand year by year, the better able to bear the heat and drought of summer and to withstand the cold blasts of winter. It is with great pleasure I call upon one who has grown from boy to man in our office. The younger employes of an office take their tone from their elders, and it is to this and to inherent dignity, which by derivation means worthiness, is due the obliging and courteous spirit which distinguishes the employes of our company's office. As representative of these kindly personal qualities, shared in common with the other juniors whose backs are yearly broadening to bear with increased efficiency additional responsibilities, I now call upon, to respond to the toast of "Our Young Men," Mr. Fred. H. Garrigues.

Three cheers and a "tiger" having been given, Mr. Garrigues spoke as follows:

SPEECH OF MR. FREDERIC H. GARRIGUES.

Mr. Chairman and gentlemen, in view of this introduction and reception, for which I most heartily thank you all, I have the more hesitation in responding to a toast which concerns myself so nearly, and yet would like to say a few words respecting our young men.

Youth is regarded by many as a synonym for incompetence and inexperience, and has been urged as a reason for entrusting weighty matters to more matured persons. History, however, tells us that many of our ablest men, as also those of other countries, achieved their most notable successes while they were still young. I instance Thomas Jefferson, who wrote the Declaration of Independence when he was thirty-three years old; William Pitt was Prime Minister of England at twenty-five; Alexander the Great had conquered the world when only twenty-nine years of age, and there were numerous others in whose bright lexicon of youth there was no such word as fail.

If youth be urged as a reason for denying preferment, one thing should be borne in mind, it is something we will all outgrow if only given a little time; in fact, some of us find our youth and hair together disappearing all too rapidly. We hope soon to be classed among those to whom age has given wisdom and experience.

Our young men are of varying temperaments, though those to whom responsibilities have been entrusted have acquitted themselves creditably, and the interests of the institution have been furthered. When youth has been the only objection to overcome, either here or elsewhere, and not lack of ability, the result has uniformly been rapid advancement.

The young men of an institution are an impelling force, and, guided by the wisdom of its officers, while industriously following the old methods of business, frequently suggest changes of very great importance and permanent benefit. When real merit has won a position, despite the general prejudice against youthful officials, the vigor infused into any management, the new ideas advanced and the progressive and aggressive methods of business advocated are invariably of great worth, and that company with the largest number of able young men in its ranks is usually found to be the successful and advancing corporation.

We rely upon youth, and rightly, to bear the heat and burden of the day, and our young men have accepted their respective duties and obligations most cheerfully, and have fulfilled them capably and energetically, and I have reason to believe to the satisfaction of all concerned. They have had an eye single to the interests of the Penn Mutual, and have ever been mindful of the words of Polonius to his departing son—

> "This above all: to thine own self be true,
> And it must follow, as the night the day,
> Thou canst not then be false to any man."

The CHAIRMAN. There is a youth here of most excellent pith, whom fate thought to conceal by calling him Smith—Calvin S. Smith, of Chicago. I previously asked Mr. Smith to respond to a toast for the West, and he said me nay; he gave me the icy hand. He told me out in Chicago they were high in their ideas; that even the places where travelers lie are ten to fifteen stories up in the air; that the current rate for type-writers; that is, for female type-writers, was $20,000 a year, and these things being so, he desired it understood he was nowadays not talking for the benefit of his health. He also added a statement which, of course, if true—and I have never had any reason to doubt his veracity—should, perhaps, be a reason why we should insist upon his speaking, and I rather think that is what we shall do. He said whenever he opened his mouth in public he put his foot in it so far he could not extract it inside of about a year. I therefore, with the consent of this association, state that we must insist upon Mr. Smith responding to a toast this evening. And I am a little embarrassed, because I am afraid that your Chairman, in common with the rest, will be the recipient of some of the blows which will resound from the rod he has in pickle for the gentlemen who have cast slights upon Chicago. We will now hear from Mr. Calvin S. Smith.

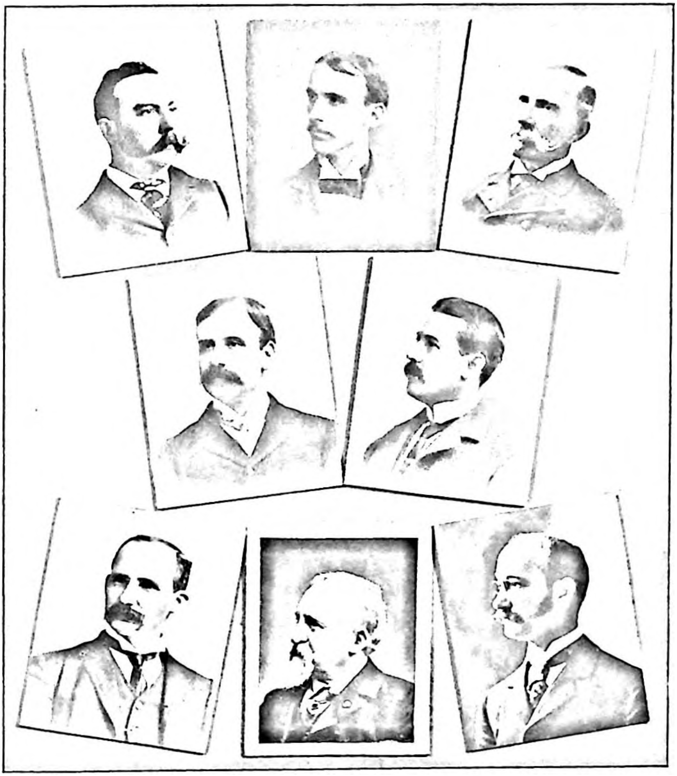
SPEECH OF MR. CALVIN S. SMITH.

Mr. Chairman and gentlemen and our beloved President, Dr. R. Allison Miller, in the first place, I want you all to understand that I am not a speech-maker. I found a little article written the other day somewhere, by some one, which I am going to read to you—

"The man is great who knows it all,
Yet goes his quiet way,
Content to let his deeds proclaim
His worth from day to day.

"But greater far is he that has
A wealth of words and gall,
And, knowing little, makes the world
Believe he knows it all."

I have jotted down a few things which I wish to say. And I wish to thank the Chairman for calling on me to express myself this evening. I am not prepared to speak, in fact, had declined, as the Chairman has told you. In fact, he quoted my letter. But when the magic word of Chicago is mentioned my pulse quickens, and I at once want to know what it is all about. I do not think it necessary for an orator to stand before you and tell you about the greatness and the achievements of Chicago. Chicago stands on the bank of Lake Michigan as a living monument of what has been done by honesty, integrity and hard work. We are not as great as New York. We have no aspirations to be as great as New York. We are satisfied to peg along in our quiet way and console ourselves with the thought that bigness is not greatness. Chicago has been named the Windy City. This is purely—and for your information I will say it—that it is purely from an atmospheric standpoint. Its size, its many qualities, its phenomenal growth was not the result of wind, but the result of action, perseverance and honesty. It stands as a commercial and financial center. It is like a powerful beacon, whose light and influence is felt over the entire world. I can best illustrate how well Chicago is known when I tell you what happened to me in London, in a café of the Metropolitan Hotel, the summer before last. I had the pleasure of meeting an English gentleman there who, in the course of conversation, asked me where I was from. I told him I was an American. I swelled out my chest when I said it. He said: "America? Which America, North or South?" I said: "North America." He said: "What part of North America?" I said: "Chicago." He said: "Why in the Devil didn't you say that in the first place, and I could have placed you." I said: "Haven't



PARTICIPANTS IN THE FIFTIETH ANNIVERSARY.

William M. Bunting, John Howard Jefferies. John R. Fell,
Charles W. Gould, Henry H. Hallowell,
J. S. Land, Samuel B. Huey, Ezra De Forest.

you ever heard of New York, the great New York?" I think I said "N' Yo'k." He said: "Never heard of the place." Then he reflected a moment and he said: "By the way, I don't know but that I have. Is there a man in New York by the name of Goulden?" I said I believed there was. "Oh, yes," he said, "I have heard of New York through Goulden."

This meeting will ever be a bright spot in my memory. How different our reception by Trustees and officers from that accorded to agents of large New York companies. The Trustee's welcome hand is always extended for you to grasp, and there is an expression of willingness to be of service to you should you need him. The officers, where can you find officers of any life insurance company who are as close to the field worker as ours? Starting in with our good Mr. West, First Vice-President and President-elect, whose happy tell-tale eyes—he is no orator—reflect the honesty of his heart in a way far more eloquent than the words of most orators could possibly hope to express. (Applause.) We find in him a warm-hearted and true friend. Next come our genial friends, our Medical Directors (Applause), Drs. Rex, Scott and Toulmin. It is always a pleasure for me to go to their office. Their duties are often more painful to them in turning down a risk than it is to the agent who secures it. And the cheerful manner in which you are received by them, and the apologetic tone in which they regret their actions make you feel on leaving their office that you are sorry you said anything about them.

From the Medical Department we go down to the Secretary and Treasurer's Department, where we are cordially greeted by our suave and polite Treasurer, Mr. Brown. Turning from him, our eyes rest on one who needs no introduction. I refer to our Assistant Secretary and Treasurer, Harry Hallowell. (Applause.) He always makes you feel, by his courtesy and politeness, that he is personally interested in you; that he has just been thinking about you, and that you are his particular friend. The happy faculty that he possesses would make a wonderful life insurance agent.

I could go on in this strain for hours, but I will not take your time except to mention such members of the departments as our duties bring us in contact with: Lippincott, Barker and others, every one of whom it is a pleasure to meet and confer with. All are willing and ever ready to serve you. To the Trustees I feel grateful for their kindness in inviting me to this Semi-Centennial of a company which I feel proud to say I am a part of and which I have helped to build up. To the officers and clerks, permit me to thank you for the kindly manner in which you have treated me; for the deep interest you have taken in making my stay in Philadelphia not only an instructive, but an exceedingly pleasant one.

The CHAIRMAN. Gentlemen, there has been a suggestion made to me which I will at once ask you to favorably consider, and I have no doubt it will meet with your unanimous approval. It is that the flowers that grace our table this evening be sent to the Hahnemann and the Pennsylvania Hospitals. All in favor of so doing will say "aye."

A MEMBER. Mr. Chairman, why could you not add the Jefferson Hospital? It is a very worthy institution.

The CHAIRMAN. If the gentlemen are agreed to that, as no doubt they will be, I will accept the amendment. I certainly have no preference in the matter.

The proposition was agreed to unanimously.

The CHAIRMAN. There are various ways of securing life insurance. Some people do it by mere force of intellectual effort; others, by what might be called main strength and awkwardness. Our friend from the South, however, has a method quite his own. If a gentleman to whom he talks life insurance appears reluctant and coy and indifferent, he simply sits down and sings to him. Now, you know a man can stand so much of that kind of thing and he cannot stand any more, and he quickly succumbs. Mr. Julian Schley will give us an illustration of his copyrighted method and incidentally give us some character sketches. But, out of consideration for the audience, he will not use his own character for the sketch. (Merriment.)

Mr. SCHLEY. Mr. Chairman and gentlemen, I would like very much to tell a little story Mr. Ellwood Johnson told me a day or two ago. If Mr. Johnson does not wish me to repeat it I will not tell it. As he keeps silent, I guess I won't tell it. I will sing you a little song instead, with the assistance of the quartette. Mr.

Chairman, the quartette are away, and I cannot sing by myself. I will tell a little knock-down while they are away, because I think it represents my case.

I met an old darkey whom I had known for many years, and I said: "Sam, I understand you are a preacher?" He said: "No, No, sah, I ain't zackley a preacher. I says: "What are you?" He said: "I only a 'zorter." I said: "What is the difference between a preacher and an exhorter?" He said: "When the preacher take his text he have to stick to 'em, but a 'zorter can stray around from the text." I think there has been a good deal of straying to-night, and as the text has been "sing," I will have to stray around from the "sing." (Cries of "story!")

The CHAIRMAN. Gentlemen, the hour is growing late, and it is one of the sad things that there are a number of good things in this life we cannot possibly participate in. There are a number of gentlemen here, all of whom we would have been delighted to have heard from to-night. I scarcely need mention their names. And I trust that these gentlemen, all and singular, will excuse us in departing without having listened to the very interesting and instructive responses which they would have made. I have a letter here which I wish to read. Among the other gentlemen whom we hoped to have among us to-night was our Trustee, Robert Dornan, whom we expected to say a word or two for our Board of Trustees. He has written me, as Chairman, to this effect:

"I am forced, with great reluctance, to send regrets for this evening's banquet.

"Through cold, contracted either in New York yesterday or at the League, I have been suffering severely since 3 o'clock this morning, and am only now, 6 P.M., beginning to obtain relief, the doctor having been with me twice in the meantime.

"Please convey to your associates my high appreciation of the courtesy shown me by their invitation.

"Regretting I cannot be with you to share in the festivity."

I have no doubt it will meet with the approval of all to extend to Mr. Dornan our sincere sympathy for him in his illness, and hopes for his speedy recovery. (Applause.)

There is one gentleman who I will ask to say a few words, and he wishes to do so, for the purpose of conveying to us some expression of his appreciation of the compliment which I think may safely be said is shown to him and his whole section in the selection of his city as our next meeting place—Captain Cunningham Hall.

Mr. HALL. Mr. Chairman, I am very glad of the opportunity to thank this association for the honor conferred on my city in selecting it as your next meeting place. I will make no extended remarks. I only wish to say I hope to see you all and as many Trustees and officers as are here to-night, and we will give you a cordial welcome.

The CHAIRMAN. There are two sections of our country producing some of the same varieties of fruit, and perhaps the same kind of men. The oranges of Florida come in competition with the golden fruit of the Pacific slope, and the brains of one section fiercely contend with the brains of the other for mastery in the various pursuits of life. It has doubtless occurred to this audience that the Chair has been under an embarrassment of riches in deciding whom to call from such a large constellation of eloquent stars. The eye which is fixed upon California for a second turns later to the representatives from Florida; but, as length of service may with propriety be given precedence, the Chair calls upon Mr. Edward H. Hart, general agent at San Francisco.

SPEECH OF MR. EDWARD H. HART.

Mr. Chairman and gentlemen, "One touch of nature makes the whole world kin" is a quotation that we have all seen and heard a thousand times, and yet there is possibly no other quotation in the English language to which popular conception has so generally attached a meaning not intended by its immortal author. Shakespeare was not only the greatest poet that ever lived, but he was even a greater philosopher than poet, and while the sentimental construction so often placed upon this line, that the "touch of nature" referred to is the bond of universal sympathy which unites the human race, may do honor to the poet's heart, yet it entirely overlooks the deeper philosophy which, in this instance, he sought to enunciate. By recalling, as you no doubt all readily will, the circumstances under which this expression was uttered, it becomes at once manifest that the touch of nature referred to is the universal tendency of mankind to pay homage to present rather than to past heroes and achievements; and that victories of the past, unless reinforced and strengthened by successes of the present, soon gather the dust of oblivion and forgetfulness. "Perseverance and perseverance alone keeps honor bright." To have been or to have done "hangs quite out of fashion like rusty mail in monumental mockery." This aptly illustrates probably the first great qualification for success in the profession of life insurance. To gain position in the first instance requires the most persistent energy, and to hold a position once obtained demands unceasing, unflagging perseverance. Also, courage and good judgment in life insurance, as in warfare, are demanded of those who would undertake to direct the field forces to success. The general agents of this company are vested by the managers at the home office with certain valuable privileges, primarily, let it be remembered, for the purpose of extending the scope of the corporation's usefulness and developing its business, and the general agent who, from timidity or ultra-conservatism, refuses to turn a reasonable proportion of his profits into the channel of his agency, to widen and deepen its current, has mistaken his calling and has as imperfect an idea of his duty to his company as he has inadequate conception of his own ultimate interests. The Penn Mutual, as we all know, has ever been one of the best life companies in business, and there exists an abiding conviction that the era upon which it has now entered contains the promise that it shall not only remain one of the best companies, but become one of the greatest companies of this or any other land, and possibly no better or nobler ambition could be vouchsafed to anyone than that he should, in his generation, have assisted in bearing aloft the banners of this magnificent institution, that he should have aided in extending the scope of its matchless beneficence. (Applause.)

The week, for me, has contained but one disappointment, which arose from the fact that we should have been denied, for any reason, the privilege and pleasure of listening to the address promised us from the company's talented representative at Cleveland, Ohio, from which, in view of the gentleman's well-known ripe experience and well-stored mind, we must have gleaned a fruitful harvest of useful knowledge; and for another reason it was a special disappointment to me because Cleveland is my native city, and a glow of patriotic pride comes over me whenever Ohio, for any reason, comes to the front. A State which is one of the most magnificent in this Union, possessing almost unbounded natural resources, which, by the intelligence and energy of her people, have been expanded and developed to a marvelous extent; a State closely allied to the older Commonwealths of New York and New England, a large section of the State having been recruited directly from the Puritan stock of Connecticut; a State containing two of the best and most populous cities of this country, and with a larger number of thrifty towns than any other State in the Union; a State embracing a people unsurpassed for industry, loyalty and enlightenment, and a State that is apparently destined soon to rob the Old Dominion of the right to be styled the "Mother of Presidents." Great as have been the encomiums pronounced upon the old "Bay State" during the past few days by the company's eloquent New England manager, it should be remembered that, so long as we have Ohio, Massachusetts is not the "only pebble on the beach."

With Ohio, in admiration we include this great Commonwealth of Pennsylvania, the keystone of the original arch of independence; the State from whence was promulgated the charter of freedom, which launched into history the nation which is the grandest in the world; the State which has adorned our annals with the names of so many able and brilliant sons, and the State which shines to-day in unsurpassed luster in the diadem of the Union.

But, gentlemen, there is another portion of this vast country of which we have not spoken. There may be the historic old Bay State, with its Concord and its Lexington, its Bunker Hill and Boston, with its immortal Old South Church and Faneuil Hall and Common; there may be this mighty Commonwealth of Pennsylvania, whose boundless resources are a marvel to the world; there may be the great State of Ohio, which has given to the country such illustrious names as Wade and Giddings and Grant and Garfield, the Shermans and McKinley, but upon the western border of our continent, upon whose hills the glories of the setting sun are last to rest as, sinking into the shining sea, it drops upon the earth the curtain of the closing day—there sits the Empire of the Golden West, only beginning to awaken under the magic touch of American genius, an empire grander, more wonderful in its latent resources, and more marvelous in its possibilities than any other spot upon the footstool of the Almighty. California, El Dorado of the world; realization of the dreams of romance. At its northern portal, Shasta lifting its chaste and mighty crest nearly 15,000 feet above sea-level; and in the south, Whitney, with its ever-glistening pinnacles of snow, stand as sentinels of the Almighty over the Paradise on earth regained. Nature has been lavish with California. The most magnificent scenery on earth is said to be found within its borders. The Sierra Nevada Mountains, bold, defiant and picturesque; the Yosemite Valley, famed throughout the world as the most marvelous work of nature; the magnificent lakes and river cañons, all planned on a scale so grand that, in their contemplation, we halt in awe and reverence. (Applause.)

From the ancient river beds and mountains of California millions of the precious metals are annually produced, the present output of gold exceeding that of any other State in the Union, and the total yield surpassing any country on the globe. From the four quarters of the earth have been brought contributions to the soil of California, to spring into abundant fruitage. From Attica the olive, fabled in the ancient world as the greatest gift of the goddess Athena to the Greeks; from Syria the fig, and from France and Italy, Spain and Sicily and all the islands of the sea, offerings have come. What was spoken as a figure by one of the greatest orators of the present generation, in his tribute to the memory of his brother, that should everyone to whom he had done a deed of kindness bring a blossom to his grave he would sleep that night beneath a "wilderness of flowers," is literally true of California, where we live and move and breathe amid a bewildering wilderness of bloom and fragrance. Incomparable, however, as is the scenery, gracious as is the climate, beautiful as are the flowers, they are not so incomparably gracious and beautiful as the naturalized or native California women, into whose character and disposition are woven the matchless purity of the air and sky and the never-failing sunshine—the fairest, loveliest, noblest and best of all her sex, the acme of perfection, the brightest gem in the State's coronet of splendor.

But, gentlemen, the crowning glory of California has not yet been named. That which constitutes its crowning glory, and that which constitutes the crowning glory of every State of this Union, whether it be California or Florida, Massachusetts or Texas, is that it forms an integral part of an indissoluble Union, a part of the greatest nation that the sun of God has ever shone upon; a nation of aggressive, thinking people, where freedom of speech and freedom of the press are guaranteed, and where, under such circumstances, right must in all cases in the end prevail; and while we possess in a large measure liberty and freedom, we should not forget that scarcely more than a century ago we sought recognition and assistance in our struggle for independence, and without which we certainly should have failed, and that to turn a deaf ear to any reasonable appeal for sympathy that may come to us from a patriotic people struggling for freedom. under the yoke of tyranny and oppression, is to forget our traditions and stultify a century of professions. (Applause.)

Memory, my friends, it has been truly said, is all that we possess of the past. It is that and that alone which gives to each one personal identity and enables him to trace backward his existence, even to the dawn of recollection; and as the shadows of life shall melt into eternity those events which have been deeply impressed upon the mind will rise as the mountain peaks, lifting themselves above the mists of oblivion and forgetfulness. Among such mountain peaks of memory must ever remain to all of us the delightful events of this Semi-Centennial celebration, events which to us can never recur, events which by us can never be forgotten. (Applause.)

The Chairman. The time has now come, gentlemen, when we will say the parting word. And I will call upon our very popular Trustee, Mr. Noah A. Plympton, to say for us "Good-night."

(Three cheers and a "tiger" were given for Mr. Plympton.)

COL. NOAH A. PLYMPTON'S "GOOD-NIGHT."

Mr. Chairman, officers and agents, I certainly will not detain you at this late hour. One thought occurs to me. I know it did to Dr. Miller, the President of the Agency Association, but he was too modest to express it, and I will do it for him. He thought of the story when the Prince of Wales visited this country, a number of years ago. The Prince passed through the land, and at last reached Missouri. That State gave him a public reception and a grand ball. Governor Stuart was the Governor of the State then, and he, with the Prince, stood on a platform at the side of the hall. And as the blue blood of old Missouri passed by, the Governor swelled with emotion. All at once he slapped the Prince on the shoulder, and he says: "Prince, don't you wish you were Governor of Missouri?" And that is what Dr. Miller was going to do to President West, for as he looked down the long line of prosperous and contented agents, he had a right to feel that his office was an enviable one, but his courage failed him and so he asked me to do it for him.

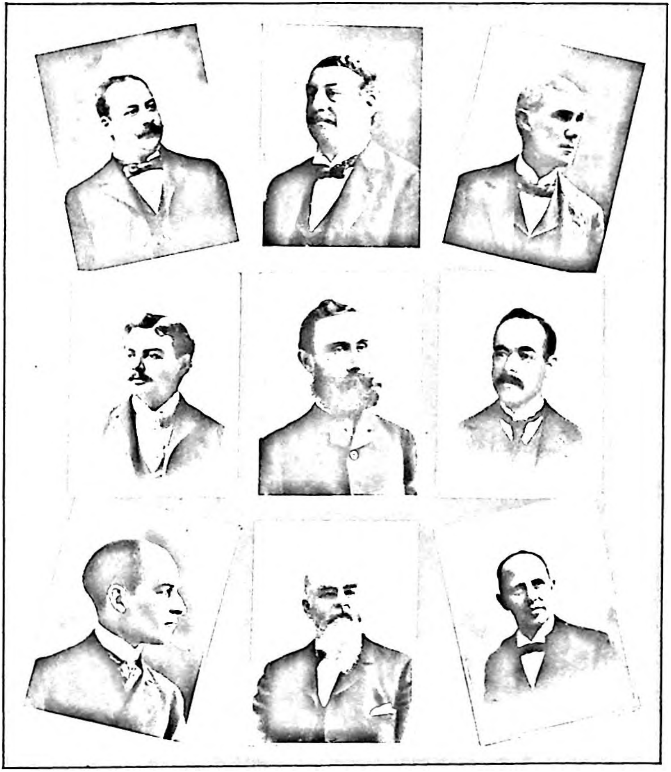
Now, we have all had a good time. It is as it always is, at the hour when the enjoyment is at its height, then it is time to stop. And so I say to you to-night. We have been entertained most royally by the company; in our own quiet way we have endeavored to give a manifestation to-night of the appreciation of the great courtesies that have been shown to us, and there is but one final word to say, and that is, I wish you all a fair "Good-night."

ADDRESS OF MR. GEORGE K. JOHNSON.

Mr. Chairman and Gentlemen: This is a somewhat novel position for me. I am not accustomed to speech-making. My lines have been cast in less embarrassing places. On an occasion like this I should be wanting in respect to an institution in which I have long been a trustee, and where I have been lately honored with an election to the office of Vice-President, if I did not embrace the opportunity to respond, however feebly, to the invitation of your chairman. While my experience in life insurance work has necessarily been less than that of a number of my associates, and less by far than that of many gentlemen whom I now address, of whom it may be said that they have given their lives to the diffusion of life insurance—yet that experience has vividly impressed me with the idea that we must more strongly concern ourselves than heretofore with the care of existing business. I recollect very well when I first made some investigation into the subject of the lapse of policies in companies generally, and while the result of that examination was favorable to our company, I cannot help but think that ways and means might be adopted through which a less percentage of lapse would be realized than now prevails.

I know very well how strongly it has been urged that if the agents of the company cannot induce policyholders to continue their insurance then it is useless for the institution to directly concern itself about the subject. A great deal may be said in support of this view, for while properly conducted agencies can have no interest adverse to that of the company, it is certain that their interest in commissions should be ample to incite them to the largest and most energetic efforts to prevent lapses.

It has occurred to me that one reason why men lapse their policies, throwing aside for the moment all those general causes which may be summed up under the heads of indifference and inability, is that they are not made to feel, as they should be, that they are an essential part of the corporation. One likes to have information from and connection with the head of the company, at least from some of the recognized departments at the Home Office, and while, speaking generally, the number of these may be limited, most men contenting themselves with the very satisfactory information which they receive from the general agents, yet, in my view, there is enough of the first class to exercise a markedly unfavorable influence upon the percentage of lapse. While I hesitate to advance an opinion which may not be sustained by your experience, yet I trust you will give it consideration and later on unite with me in devising some



PARTICIPANTS IN THE FIFTIETH ANNIVERSARY.

A. C. Phelps,	*Horace J. Philips.*	*John F. Brown.*
Wm. H. Kingsley,	*John E. Colt,*	*Meyer Harrison,*
John Humphreys,	*George French,*	*E. L. Harmon.*

method which will reach dissatisfied policyholders, if any such there be, and induce them to maintain their insurance. My view of the situation is largely sustained by the records of the companies during the past three years. Every insurance journal is now showing the wasted energy, to say nothing of the expense, involved in the procurement of new members, and, so far as may be, demonstrating that "the business that stays is the business that pays."

Perhaps there may be other directions in which the management can profitably address itself to the interests of policyholders. Of these I am not prepared to speak beyond expressing the hope that in the new office to which I come on July 1 I shall be favored with the suggestions and counsel of our agency corps, which, coming more directly than ourselves in contact with our members, the more keenly appreciate their wants. It is certain that the business of life insurance must go on steadily improving, or it must decline in character and popularity. It does not matter very much, as it seems to me, whether a company gains largely in volume of insurance in force. While this is desirable, it must be under such conditions as will promote the welfare of all policyholders. Instances have occurred, as you all know, where an increase of business has militated against that welfare, temporarily, if not permanently. The important thing in the administration of so complex an institution as life insurance is to see that every policyholder gets a full equivalent for his payments to the company, and this means, of course, that none shall be overtaxed for the benefit of others.

I have detained you longer than I intended. Let me close now by expressing my great personal gratification at the unbounded success of the semi-centennial entertainment and to say, as well, that you who have been so closely affiliated with us for many years will, I am sure, do all in your power to keep the company moving steadily forward, and just as steadily advancing to higher equities and correspondingly higher planes of usefulness.

REPORT OF COMMITTEE ON CELEBRATION OF THE FIFTIETH ANNIVERSARY.

PHILADELPHIA, Pa., June 9, 1897.

To the Board of Trustees of the Penn Mutual Life Insurance Company.

GENTLEMEN: Pursuant to a resolution of the Board of Trustees, adopted the eleventh day of November, 1896, your Committee on Celebration of the Fiftieth Anniversary of this Company then appointed, consisting of the president and vice-president, and the chairmen of the various standing committees and the chairman of the Special Committee on Real Estate, respectfully reports:

The committee met December 22, 1896, and organized by the election of Vice-President Harry F. West as chairman and Manager Henry C. Lippincott secretary.

The chairman outlined the general scope of the proposed celebration, and suggested as a feature of it that all general agents having a direct contract with the company be invited to visit the Home Office during the three days, May 25, 26, and 27, and that the expense of transportation and a per diem allowance to each agent be borne by the company. In this connection he submitted to the committee a list of agents whom he thought it desirable to invite, 103 in number, subsequently increased to 129. With the view to securing wide publicity to the features of the celebration, it was also recommended to the committee to invite a number of insurance journalists. Statements were presented showing approximately the cost of transportation, incidental expenses, etcetera, and on motion it was resolved to extend an invitation to the agents to participate in the services incidental to the anniversary.

At a subsequent meeting, held February 9, 1897, the committee considered, modified, and approved a proposed program covering the entertainments to be given to invited guests, and a letter of invitation, attached hereto and marked Exhibit A, had the consideration and approval of the committee. The subject of sending a formal communication to the Penn Mutual Agency Association was considered and authorized, and the chairman the next day communicated with the president of the association, Dr. R. Allison Miller, as per Exhibit B attached. The matter of increasing the list of guests so as to include all the leading life insurance journalists of the country was under consideration, and it was resolved that the number of insurance journalists to be invited at the expense of the company should be left to the discretion of the chairman of the committee.

A discussion was then had of those features of the program relating to entertainments at the Home Office, including the selection of persons to write or read papers, as well as the names of speakers at the banquet; and the program as submitted to the committee was finally approved, with the understanding that all other matters in connection with the Semi-Centennial be referred to the chairman, with power to act and with leave to consult the committee on any exigency. The program as finally adopted is hereto attached, marked Exhibit C.

It was found desirable, in order to obviate any criticism, to extend invitations to all the insurance journalists of the country, numbering 46. Of these, some few attended all the sessions, and there were 22 present at the banquet at the Union League on May 27. No expense was incurred for transportation or otherwise, except the cost of seats at the dinner and banquet. All of these gentlemen manifested an appreciation of the courtesy, and many of them have taken, and all of them doubtless will take, pleasure in favorably noticing the company.

Under the discretion allowed the chairman by the committee, he took the liberty of inviting four special agents. They were all large producers, and for this reason were entitled to special courtesy at the hands of the company. The invitations were so arranged as to excite no adverse comment on the part of other special agents who were uninvited.

It is not possible within the limits of an address acceptable to the board to more than summarize the proceedings. The papers read during the several days of the meeting were of unusual interest and merit, and the opinion was freely expressed that they were fully equal, if not superior, to the average of such productions. They commanded close attention, as was manifested through the interesting discussions which followed the reading of each, and by the vote of thanks tendered each of the essayists by the several meetings. Perhaps the most instructive part of the proceedings was found in the asking and answering of questions during the protracted session of Thursday, May 27. The agents were keen to elicit information concerning the methods and practices of each department of the company, and the committee expresses the conviction that the several departments,—the Medical, Actuarial, Applications and Death Claims, Policyholders' Accounts, Agents' Accounts, etc.,—through their officers and managers, were most capably represented. Many features of the business were elucidated; methods and rules were clearly explained; but, what is more important, the reasons for such rules and methods were given and many points explained to the satisfaction of the inquirers, whose knowledge was thus greatly increased.

Perhaps the most formal and pronounced success of the celebration was the banquet given at the Union League on the evening of May 27, in which 208 agents, journalists, officers, and heads of departments participated with the trustees. The addresses were of exceptional merit. Nothing occurred to mar the harmony of the evening. It was an occasion of great rejoicing over the achievements of the past, the present condition of the company, and its marked progressive tendencies, and it is not too much to say that the guests of the company were deeply impressed with the undoubted ability, intelligence, integrity, and high purpose of the management. There has been a very general recognition of this by the insurance journalists of the country and by the press of the city of Philadelphia. Many incidents of the celebration have been approved and favorably commented upon, editorially and otherwise, and stress has been laid upon the importance of the meeting of all the general agents of the company and the influence which such a gathering is sure to exert on its future career.

With the approval of the Board of Trustees, your committee proposes in some way to preserve a permanent memorial of the incidents of the celebration, and to that end is having collected all the addresses, all the various discussions, all the questions propounded and answers given thereto, together with editorial and other notices in the technical and general press of the country. It is proposed to place these files in a suitable cabinet, accessible to the trustees and their successors, so that upon reaching the centennial or other anniversaries of the company a proper knowledge of this occasion may be preserved and due opportunity afforded for a comparison of its then assured greatness with its present position in the insurance world. The number who took part is too great to permit of individual mention. All who participated in the interesting proceedings acquitted themselves with great credit, with a due sense of the responsibility which was upon them, and with a degree of force, earnestness, and dignity which comported with their several positions.

Perhaps something should be said of the wide publicity which was given to all the incidents of the several meetings and to the still wider notice with which we are sure to be favored from time to time by the journals devoted to our special business. Considering the whole celebration as a merely commercial one, intended to pay for itself in the increased mention and popularity of our company, the committee is of the opinion that all the expense incurred has been more than fully balanced. The business for the month was the largest in our history. The occasion, however, cannot be adequately measured by any such standard. As said before, it was most fitting that the company should rehearse its achievements, disclose the methods it pursues, and establish the principles by which it has been guided, and, in thus inviting its agents and the public to its full confidence, give evidence that there is nothing in its record which it desires to conceal, nor, indeed, anything which may cause a blush.

"One cannot get together one hundred or more men, animated by the same purposes and seeking the same ends, without benefiting all by the contact. Men left to themselves year after year lose the feeling of comradeship. They brood over their own troubles, and these grow to mountainous proportions. Get them together and let them discover their grievances are either baseless or exaggerated, and they soon learn to bear the ills they have with patience." So says an editor, commenting upon the celebration, and it fairly reflects the judgment of all that attended.

One of the most gratifying features of the celebration was the attendance of so large a number of our trustees, and the participation of many of them in noteworthy addresses and incidents of the meeting. The committee is under special obligation to all the active participants and to many others for the approval and encouragement given by their presence.

Mention should be made of the very large part contributed by the Penn Mutual Agency Association to the success of the jubilee. There were large accessions to its membership during the week, and new members vied with old ones in promoting a spirit of interest and cordiality which materially aided the purpose of the trustees. To the president of that association, who is also the senior general agent of the company, Dr. R. Allison Miller, unstinted praise should be awarded. Assisted by his colleague, Mr. Edward Bourne, the secretary and treasurer of the association, a most elaborate, tasteful, and enjoyable banquet was served at the Hotel Walton, in which many of the trustees of the company and the chief officers and heads of departments participated. It was an entertainment of peculiar interest. A number of admirable addresses were made, and the deserved confidence of our representatives was greatly strengthened, their knowledge broadened, and their enthusiasm intensified It was a most delightful close to a series of entertainments in which the mental features surpassed those of the physical, the latter being far from inconsiderable.

The committee further reports that arrangements have been made looking to the full publication and wide circulation of all the proceedings of the several meetings and banquets, including that given by the Penn Mutual Agency Association. This publication will be prepared under the supervision of the committee and with the object of intensifying, extending, and perpetuating the excellent results of the Semi-Centennial. There is attached to this report a copy of the "Condensed Record of the Company," and also a copy of the *United States Review*, of May 27, 1897, containing an outline of the several papers presented and the speeches made.

The expense incurred has not as yet been fully ascertained. The committee will report thereon as soon as the various accounts are presented and adjusted; and, without intending in any way to anticipate the judgment of the Board of Trustees, may be permitted to say that in its opinion all the expenditures have been reasonable.

The committee cannot justly close this report without an acknowledgment of the very great services rendered by its able secretary, Mr. Henry C. Lippincott, in carrying out its designs and wishes. It is not too much to say that the unbounded success of the jubilee was in large measure due to his energy, ability, and painstaking efforts. The admirable "Condensed Record of the Company," prepared by him, is a conspicuous example of his excellent work, and fully warrants the committee in commiting the publication of the proceedings largely to his care and supervision, in the confident belief that it will in every respect be worthy of the occasion.

Signed by

E. M. NEEDLES,

J. O. PEASE, GEORGE K. JOHNSON,
W. H. RHAWN, BENJAMIN ALLEN,
ELLWOOD JOHNSON, NOAH A. PLYMPTON,
AARON FRIES, HARRY F. WEST.

AS OTHERS SEE US.

EDITORIAL AND OTHER NOTICES.

The Independent, New York, May 27, 1897.

The Penn Mutual Life Insurance Company, of Philadelphia.

THE FIFTIETH ANNIVERSARY.

DAY before yesterday, May 25, the Penn Mutual Life Insurance Company, of Philadelphia, was fifty years of age. Fifty years is not much in speaking of the age of the world, but the first fifty years of an American life insurance company involves so much of serious moment that no subsequent similar period can be compared with it. Fifty years ago life insurance in this country was so essentially an infant business that its projectors and managers had not learned what infantile diseases it would be liable to nor how to treat them when they came. It was largely a matter of groping in the dark, and pretty dark, too. Errors were plenty—to be rectified as soon as discovered. In a somewhat haphazard way the business grew.

We realize now what a grand, good thing it was that some men had the courage of their opinions, and not only believed in life insurance for itself, but believed that life insurance could be established in this country upon a sound and safe basis. They must have, from the nature of things, realized that the founding and establishing of a life insurance company meant the founding and establishing of an institution which should last for all time, for this is the true conception of a life insurance company.

It is because the way was dark, unseen, and unknown, and not in the least because the prejudices of the public had to be overcome, that we to-day give praise to those men who fifty years ago launched for all time the Penn Mutual Life Insurance Company. If a body of men were to organize to-day a similar institution we would give them no special credit, hardly a passing thought. Instead of traveling, as then, by blazed trees, they now follow a broad, smooth asphaltum pavement; the rough places have been smoothed, the foundations have been well and truly laid, prejudices have been overcome, the necessity for life insurance is acknowledged, and the way is perfectly clear.

Credit, criticism, and congratulations are all easily given or made. Credit in this case is given, and worthily. Criticism should never be indulged in except for the improvement of the criticised. In the case of the Penn Mutual Life Insurance Company no criticisms are deserved. Congratulations are certainly in order upon the attaining by the Penn Mutual Life Insurance Company of its fiftieth anniversary because of the perils it has passed, the dangers it has escaped, and the creditable position it has achieved. Conservatism has always been, from the foundation of the company, a ruling element, and this is to its credit. Its conservatism has not prevented its taking a foremost position with other companies, and, what is very much in evidence, its conservatism enables it to show strength envied by some of its neighbors. It has furnished a most excellent example of the truest and most legitimate method of furnishing sound life insurance, and we sincerely hope that so long as the world stands it will continue on its present lines. The heartiest congratulations of all people who believe in better things go out to the Penn Mutual Life Insurance Company on its fiftieth anniversary.

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It is always difficult to try to sum up and characterize the career and work of a great and beneficent institution such as the Penn Mutual Life Insurance Company, for it is best, although quietly, praised by its own works, and best honored and justified by the record of its own growth. This particular company has always been in touch with progress, except that it has declined to join in the rush for new business at an excessive cost and, therefore, any other course than a conservative one would have been most unnatural. For this company which bears his name has always had the qualities of the state and of the city which Penn founded—the shrewdness, the thrift, the quiet patience, the fairness between man and man, and the steady persistence, which characterized Penn himself, and may almost be called Philadelphian.

Philadelphia Intelligencer, May, 1897.

Penn Mutual Life Semi-Centennial.

A HALF century is long in prospect and short in retrospect. To those who look forward, its pace is almost snail-like. To those who have lived through most of its years, it seems like a passing dream. The half century now drawing to a close has been a remarkable one. Life has been rapid and accomplishment large. The world has been transformed in many lines of effort. In no department has such marked progress been made as in life insurance. When the half century began, life insurance was an experiment, now it is the great financial anchorage of the people. Then it was viewed with suspicion, as running against Providence, now it is considered one of the necessities of life.

The development of life insurance cannot be better traced than by reviewing the history of the half century of the existence of the Penn Mutual Life Insurance Company. When it began there were but few life insurance companies, and they were small. It was an experiment, so far as any reliable chart to work from was concerned. In May, 1847, after two years agitation, the Penn was started by John W. Hornor. A charter was secured for a purely mutual company. Sixty-five men had faith in the proposition, and showed their faith by taking policies. The total amount of insurance was $224,500, and the business of the first year was represented by one hundred and forty-two policyholders. At the close of 1896, 117,738 policies had been issued. The assets had increased from the small beginning to $29,405,529. The total income for the half century was $86,545,545, and the payments of all kinds to policyholders were $35,871,443.

The New York Insurance Journal, June 9, 1897.

Not a Giant.

The jubilee ceremonies of the Penn Mutual Life Insurance Company were of a most interesting character from beginning to end. While it was purely an occasion for celebration of particular interest to the Penn Mutual Life Company's officers, directors, policyholders, and others associated with the welfare of the company, the occasion was one enjoyed by many who had no connection whatever with the organization. It is indeed an occasion for rejoicing on the part of a company when it reaches its semi-centennial with so splendid a record all the way back from the time of its organization. While the Penn Mutual Life has not secured the title of "giant," as the word is now understood, yet it may be well termed a "giant" in fair dealing. We congratulate the officers of the "Old Penn" upon this occasion, and extend our best wishes for the future progress of this sturdy Philadelphian.

It will be noted that the company invited its agents to be its guests, and besides a large number of friends. The expense of this entertainment of its guests was borne entirely by the company. It is well for the management that they have such a corps of agents as appeared on this occasion. Such a jollification, enjoyed as it were in common by the officers and subordinates (for once meeting in many instances face to face for the first time), cannot but be of benefit to all concerned. The occasion will long be remembered by all who attended. There was no discrimination in the invitations to members of the press, and especially were the insurance journals remembered.

Insurance, June 4, 1897.

A Helpful Celebration.

A GREAT time the Penn Mutual Life folks had during three days of last week. The company's fiftieth anniversary was fittingly and thoroughly celebrated in speech and song and festive cheer. The fullest and best report of the proceedings that we have seen is the one given by the *United States Review*, in its issue of May 27. Was it worth while—this celebration? Of course it was. It must have cost a lot of money? Oh, yes; possibly as much as ten thousand dollars, though probably a good deal less than that sum. But it was a fine advertisement for the company, and judicious advertising always pays. We have no doubt that directly by reason of it there has already been a considerable addition to the membership of the company and that further additions will directly result. And then think how the agents were heartened and strengthened by being brought together in such inspiring circumstances. They go back to their work, full of courage and determination and with abundance of material for a successful campaign. They know now—they knew before, but they feel it more earnestly than ever—that the Penn Mutual is a good company to work for, and that they can commend it to insurants with entire confidence in respect both of safety and of equity. They have exchanged experiences, got "points" one from another, had their ambition stirred up, been praised and, perhaps some of them, justly rebuked by the officers, been helped in every way, and they will get business. Yes, the celebration was a good thing for the company and for its agents. And it was a good thing for all sound life insurance companies and for their agents. It emphasized the fact that in a genuine life insurance company age, so far from being an element of weakness, is an element of strength. Here are the "fraternities" round about us, which in former days were so captivating with their boasts of cheapness and so boastful of perpetuity and so reproachful of the old-liners and so scornful of actuaries and so independent of reserves and so confident of the ever-renewing vitality of "new blood"—here they are, from ten to twenty years of age, in great trouble because they are so old! They are trying to devise plans which will somehow keep them from petering out. They want actuaries now. And, oh, how they want reserves! Infirm and anæmic at twenty, at fifteen! And here are other tottering concerns, that did not in their early days take just account of the inevitable future, and find it too late effectually to do so now—the hands of the receivers are outstretched for them. And behind them are hundreds of predecessors that have vanished because they got too old to live. In contrast with these stands the Penn Mutual, fifty years young and renewing its youth all the while. It began right, away back there in 1847. Its first policy was issued upon the assumption that it would continue in force until matured by death and that, when matured, whether in one year or in sixty years, it must be paid. That assumption, varied only according to the kind of policy, has been maintained ever since and the funds have been accumulated to keep the pledge good. To make sure—that was the company's plan from the beginning. And so the Penn Mutual is a living demonstration of real life insurance. Other companies may have their special claims to excellence, and of course they compete with this company, and perhaps both they and it in the stress of competition may go further than they ought in appreciation of themselves and depreciation of rivals; but every old company by the fact of its age helps every other similarly founded company, whether old or young. The old Mutual, the New York, the Equitable, big and strong as they are, may each one with pride and with a sense of added strength say: "Look at the Penn!"

The Chronicle, June 3, 1897.

A Fitting Climax.

THE banquet which closed the four days' celebration of the fiftieth anniversary of the existence of the Penn Mutual Life was in all ways a fitting climax to a very happy session. The dinner served was excellent, the speaking good and the whole occasion was permeated with an atmosphere of good fellowship and cordial, mutual congratulation. Looking over the tables one was struck with the fact that an unusually fine body of men represents the company in the field. They are all bright looking business men, and if there is any one thing more than another that the staunch old Penn can be congratulated upon, it is on the personnel of its field representatives.

The Insurance Age, June, 1897.

Deep Meanings.

THE celebration of the Penn Mutual's semi-centennial was in progress when we went to press last month, and the events connected therewith have already been chronicled at length by clever historians. It was a happy thought to hold this celebration in connection with the annual meeting of the Penn's agency association, for it magnified the one occasion and dignified the other. It is needless to say that the meeting, or series of meetings, was enjoyable, that good fellowship prevailed, that the company felt and showed a pardonable pride in its agency force, and that the agents lifted their hats in a new and intensified feeling of reverence for the company. There are deep meanings in an occasion like this. In a few generations more half a century will not be a great age for a life insurance company, but it is a great age now. It is a fact worthy of notice and fit to invoke congratulation when a life insurance company has come to that age, after having passed through the stormy financial periods which this still youthful country has suffered, and at a time when life insurance was in its tentative stage. And the fact receives an added significance when a corporation has emerged from its first half century with such record, such vigor, and so great promise for the future as the old Penn Mutual Life.

Insurance Opinion, May, 1897.

A Memorable Anniversary.

THE PENN MUTUAL CELEBRATES THE COMPLETION OF ITS FIRST HALF CENTURY.

THERE are not many life insurance companies in the United States which are fifty years old. There is not one which stands higher in the public estimation, which deserves better of the people, or which has more honorably fulfilled its obligations of every kind than the Penn Mutual. The fiftieth anniversary of such a company deserves to be royally commemorated. Its pride in the past is natural and laudable, and the lessons which it has learned and taught are best perpetuated by just such a convention of loyal and enthusiastic workers in the same glorious cause as that which gathered at Philadelphia on the 25th, 26th, and 27th inst.

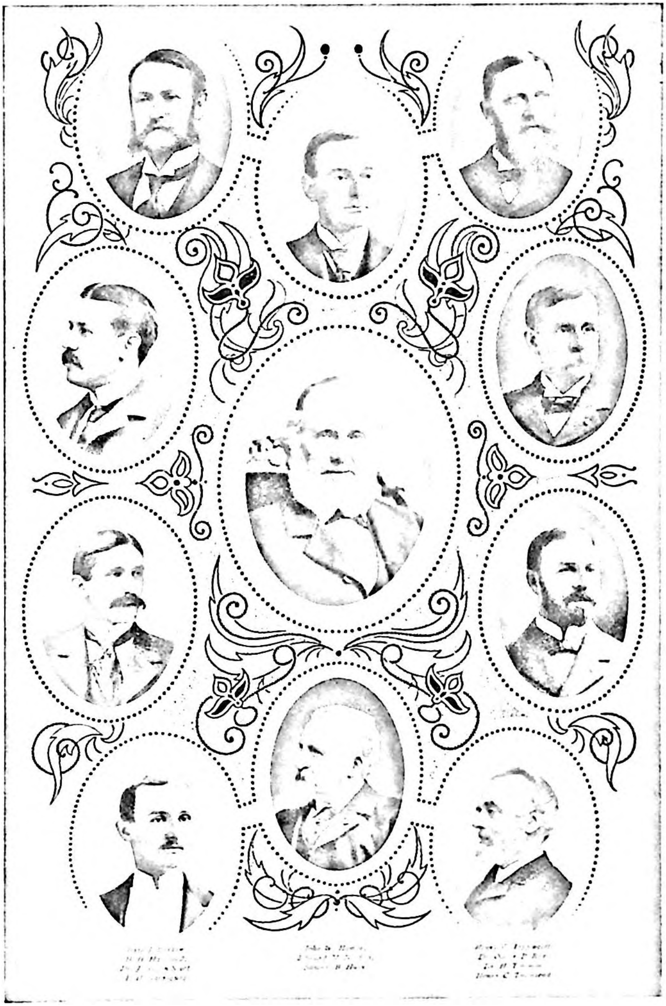
They gathered from thirty-nine states, from the Atlantic to the Pacific, and from the Gulf to the Lakes, to do honor to "the old Penn," as most of them affectionately called the company, and to enjoy the intellectual and material feast which was provided for their delight. They expected a good time, and they had it, but, what is of much more importance, they carried away with them an increased enthusiasm for their work, loyalty to their company, and appreciation of its officers and of each other. Every man of them will do more effective work from what he learned at Philadelphia from his fellows. *Esprit de corps* is as valuable to a life insurance company as it is to an army, and it can only be cultivated by personal contact. The results of the celebration will undoubtedly be apparent when the statement for 1897 is made up.

The Insurance Herald, June 3, 1897.

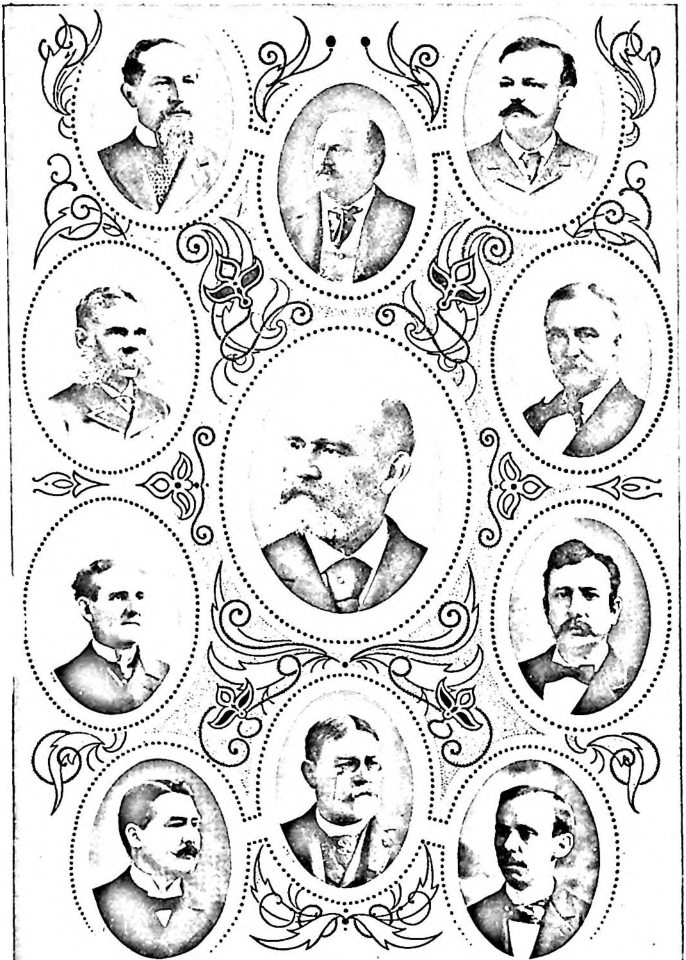
The Old-Fashioned Idea.

THE Penn Mutual Life Insurance Company was fifty years old last week, and yet, as some life insurance companies go, it is not of full stature. It does not even make the claim of being in one respect or another "the largest company in the world." The fact is the Penn long ago irretrievably lost its chance of becoming a marvel of tall financial architecture by devoting itself to the real purposes of life insurance. Its organizers and directors seem to have been imbued with the old-fashioned idea that mutual life insurance was an undertaking in behalf of the policyholders, and not an enterprise of glory for the management. In advance of legislative compulsion it made its policies non-forfeitable and incontestable, and would insist upon paying large dividends to policyholders and in other ways arbitrarily managed affairs so that the members got their insurance at the cheapest possible

From the U. S. REVIEW, May 27th, 1897.



From the U. S. REVIEW, May 27th, 1897.



Dr. R. [illegible] Miller,
Darwin Barnard,
Calvin S. Smith,
J. Edward Durham,

N. A. Plympton,
Harry F. West,
F. A. Kendall.

Edward Bourne,
Frank Markoe,
Jacob Leithmann,
John J. McClay.

rate. It is a tradition of the office that the managers never wept because there were no more worlds to conquer. This is an unerring way to make the benefits to policyholders big, but it stunts, comparatively, the development of the company to a size that does not enable it to compete with the pyramids or the modern twenty-seven-story office building. Strange to say, the policyholders appear to have liked being treated well. Maybe they are right. The company announced on its public anniversary that of the first one hundred policyholders insured half a century ago only five are now living. No wonder the Penn Life is fifty years old. Faithful servant of large interests, it can go on living as long as men need faithful service. It is a triumphant demonstration of the theory of old-line insurance that age cannot stale nor usage wither. President Harry F. West comes to his office with splendid precedents to counsel and advise him. The Penn is a company full of honors and usefulness. The celebration of its fiftieth anniversary was an occasion when all the world of life insurance might well honor so excellent a representative of the great modern idea of family protection.

Insurance Herald.

Penn Mutual Life.

CELEBRATION OF ITS SEMI-CENTENNIAL BY OFFICERS AND GENERAL AGENTS.

The fiftieth anniversary of the Penn Mutual was happily commemorated in the City of Brotherly Love on May 25, 26, and 27. It was an occasion of rejoicing and instruction. General agents of the company to the number of one hundred and fifty gathered as guests of the executive officers. The splendid achievements of the company were reviewed by those long identified with its career. All the intricate workings of its ponderous machinery were clearly set forth by officials of each department. With exchange of experiences seasoned by well-planned social divertisement, the toilers in the field renewed their vigor and stimulated hopes for the future.

* * * * * * * * * * * * * * * *

The Penn has grown into a tower of strength through its fifty years' existence. During its first year there were 142 policies issued. In 1896 the company insured 8013 lives. Ably managed, following honorable and legitimate methods, it stands prominently among the life insurance companies of America.

The Insurance Agent, 1897.

The Penn Mutual.

WE received a card of invitation to the celebration of the fiftieth anniversary of the Penn Mutual Life Insurance Company of Philadelphia, which was held in the Quaker City on the 25th, 26th, and 27th of May. The Penn was one of the pioneers in life insurance, which fifty years ago was in its infancy. It began in the humblest way. In 1847, Mr. John W. Hornor, a Philadelphia hardware merchant, secured a charter and began business with $224,500, on sixty-five lives, with $6304 premiums. Of the first one hundred policyholders only five are now living. The office was one room about fifteen feet square, and the "officers" were Mr. Hornor and the porter, the latter having so much leisure upon his hands that he sold tea, which he stored in the basement. The first assets were kept in a small tin box with two compartments and their scantiness gave more anxiety than their custody, but when the first claim came, in the second year, the company had on hand $31,858. To-day it has assets in hand of $29,405,529. In examining the record of this company for fifty years, one cannot but notice that the interest and profits on stocks have almost paid the death claims, while out of a premium income of $67,193,292, it has returned to members in dividends $13,003,193, a magnificent record, which has rarely been equalled in the history of life insurance.

The Insurance Monitor, June, 1897.

Quaker Element Predominated.

THE beginnings of a big life company, fifty years ago, are portrayed, as well as its later history, in the "Condensed Record of the Penn Mutual Life Ins. Co.," issued in commemoration of that event. Three years passed before the appointment of the first traveling agent to solicit business. A trustee of the company did not think it beneath his dignity to accept the position at a salary of $600. He stuck to his post for thirty years, and during that time planted almost every important agency which the company has in the state. Those were the days of local insurance. It was a personal favor to be granted a policy, and, as a rule, the applicants had to bring the indorsement of one of the trustees. How times have changed. Yet in those three years the company had built up a premium income of $115,000. Ten years later the assets had passed the million-dollar mark. For many years the Quaker element predominated in the membership. One experience is related which is unique in the history of life insurance. A widow actually refused to complete proofs of her husband's death and accept her claim, because the company had been misled about his health when insured. Months elapsed before the company could induce her to receive even a compromise sum. The pictures of this remarkable pair adorn the book.

After the war the company, on conservative lines however, moved forward rapidly in the race. It has grown to be a life insurance giant in size, and thanks to its early nurture, is a giant in strength as well, for the influences of its early days have never ceased to show themselves in its management.

The Insurance Post, June 3, 1897.

Penn Mutual Life's Semi-Centennial.

As EVERYBODY expected, the fiftieth anniversary of the Penn Mutual Life of Philadelphia, held in that city on Tuesday, Wednesday, and Thursday of last week, was a great success. Something like two hundred agents and managers of the company gathered and at the opening looked into the face of President West as he spoke his earnest and grateful words of welcome. The three days were filled in with interesting papers read and addresses delivered, with pleasant greetings between old friends, the formation of new attachments, and the cultivation of that *esprit de corps* which such an occasion was sure to foster. On Wednesday afternoon everybody joined in the steamboat excursion on the river and had a good time. During the various sessions papers were read and addresses delivered by J. E. Durham, John W. Hamer, Wm. H. Rhawn, J. W. Iredell, Henry C. Lippincott, H. H. Hallowell, and some others.

The crowning feature of the gathering was the banquet on Thursday evening at the Union League Club, at which there were many invited guests, the company who sat down to the tables numbering two hundred and fifty. President West was toastmaster, and after the introduction of and fitting remarks by Ex-President Needles and the reading of regrets from several insurance journalists and other invited guests unable to be present, the prepared program of the evening commenced. The principal speakers were H. C. Townsend, the company's counsel; Benj. Allen, a long-time trustee; General Agent Darwin Barnard, of Boston; Actuary Jesse J. Barker; Edward Bourne, secretary of the agency association of the company; General Agent J. H. Harrison, of Colorado; H. C. Lippincott, manager of agencies, and Simon Wolf, of Washington, D. C. An appropriate and bright poem was also read, prepared for the occasion, by J. H. Jefferies, and altogether, the banquet, as well as the program of the preceding days, was such as reflected credit on the old Penn Mutual, with its record of half a century for success on equitable lines behind it.

Standard, June 12, 1897.

Of the Same Family.

GATHERINGS such as the officers, agents, and employes of the Penn Mutual life indulged in recently at Philadelphia possess a distinct value that can scarcely be overestimated, and it would be well if every life insurance company could gather all its staff together at stated periods to listen to well-written papers on topics of vital interest to the business, indulge in an interchange of opinions regarding the varying phases of the business and have a good social time generally. This, of course, is what is done in the national and local life underwriters' associations, and the value of such general association is now widely recognized. But an added value would be imparted to the work of each underwriter if he came in occasional contact with his brethren of the same family, as it were. The Penn Mutual Life Agency Association, for instance, is a good example of a company organization, and one of the results of the recent gathering of the New England Life forces in celebration of President Stevens' fifty years connection with the company was the formation of an agency association, which will probably meet annually for purposes of mutual benefit. Matters pertaining to the business at large can with profit be discussed in general convention, but there are phases of a company's individual business which may be considered with perfect freedom only in a more private assembly, *i.e.*, a company organization. By all means let there be more of them.

Insurance Register, June, 1897.

It was a Grand Time for The Penn Mutual.

JUST as *The Register* was going to press last month the agents and representatives of the Penn Mutual Life Insurance Company were gathering from far and near to celebrate the fiftieth anniversary of that institution, and while it may seem a little like ancient history to speak of that celebration a month late, at the same time, one present at the various gatherings of the agents and representatives held at Mercantile Hall, and who associated with these gentlemen during the various social functions of the occasion, can scarcely refrain from adding to what has already been said regarding this very exceptional anniversary occasion.

In the first place, the character of the representatives of the Penn Mutual, their general appearance and intellectual bearing, has been surpassed by few bodies that have met in this city. The papers prepared and read before the assemblies showed a knowledge and experience in life insurance matters that is sufficient to prove the ability of this party of representatives to give to the prospective insurer a clear and concise idea of the business, comprehensive explanation of the contract they sell, and a very exact statement of the manner of transacting the business by their company.

The Penn Mutual has certainly occasion to be proud of the men who represent it on the field, and there is no wonder that success is constantly achieved by the company with such an agency force. The agents, on the other hand, should be proud of the history of the company they represent and of its honest and fair dealings, of the character of its investments, and, above all things, of the uprightness and integrity of the men who have and are in control of its affairs. The banquet given to these representatives at the Union League was one of the most happy occasions of the anniversary week, and the excellent addresses and advices there offered, both from the executive and official departments, interwoven with the words of praise from the field men, tended only to cement the company and agents more closely together, and to give each a higher opinion and regard for the merits of the other. The gathering of the agents on the following evening was one that will be long remembered, and tended to give these representatives of this very representative company a better understanding of each other and more thorough acquaintance with the field in which they work, and a higher regard for the representative force of the Penn Mutual. Taking it all in all, it was a grand week for the staunch old institution, and one that should fill the hearts of its few surviving progenitors with pride and admiration. We believe such celebrations not only tend to bind the companies and their representatives more closely together, but are productive of financial benefit to the institutions, as they show to the outside world the character of the men who are connected with and interested in the institution in a manner that they have never been seen or appreciated before. May the Penn Mutual enjoy unlimited prosperity, and may her officers and representatives ever be proud of the achievement thus far attained, and of the prosperity and success that undoubtedly awaits the institution in the future!

The Argus, June 3, 1897.

Earned Its Right.

The Penn Mutual has well earned its right to self-congratulation, for during its long record of half a century it has firmly stood for correct practices, judicious enterprise, equitable dealing, and genuine, because safe, progress.

The Insurance Advocate, June, 1897.

Forward With Power.

The staunch old Penn Mutual has celebrated its fiftieth anniversary, and will now proceed upon its career of ever-increasing success and usefulness, enjoying greater strength, vigor and prosperity than ever before, and growing in these as time goes on. On July first Mr. Harry F. West will assume the Presidency. With this experienced financier and able executive at its head, we look to see the Penn move forward with power and add noteworthy chapters to the grand record already made.

The Insurance Press, June 2, 1897.

Looking Forward.

When Mr. Hornor organized the Penn Mutual Life Insurance Company of Philadelphia, it is not likely that he imagined that the company would be as successful as it has been. When German capitalists organized the now great packet company, which celebrated its fiftieth anniversary last week, while the Penn Mutual people were holding their jubilee in the Quaker City, no keenness of Teutonic foresight penetrated so far into the future as to perceive the development in store for their packet corporation. In fact, so swift has been the progress of things in this old nineteenth century that the amazement of "founders," could they witness the astounding results that have come from their original efforts, would beggar description. Rip Van Winkle's consternation would be "normal calmness" in comparison therewith in many instances. And, by the way, who can discern where we will "be at" fifty years hence, insurance-wise and in other respects?

Black and White, June, 1897.

A Notable Meeting.

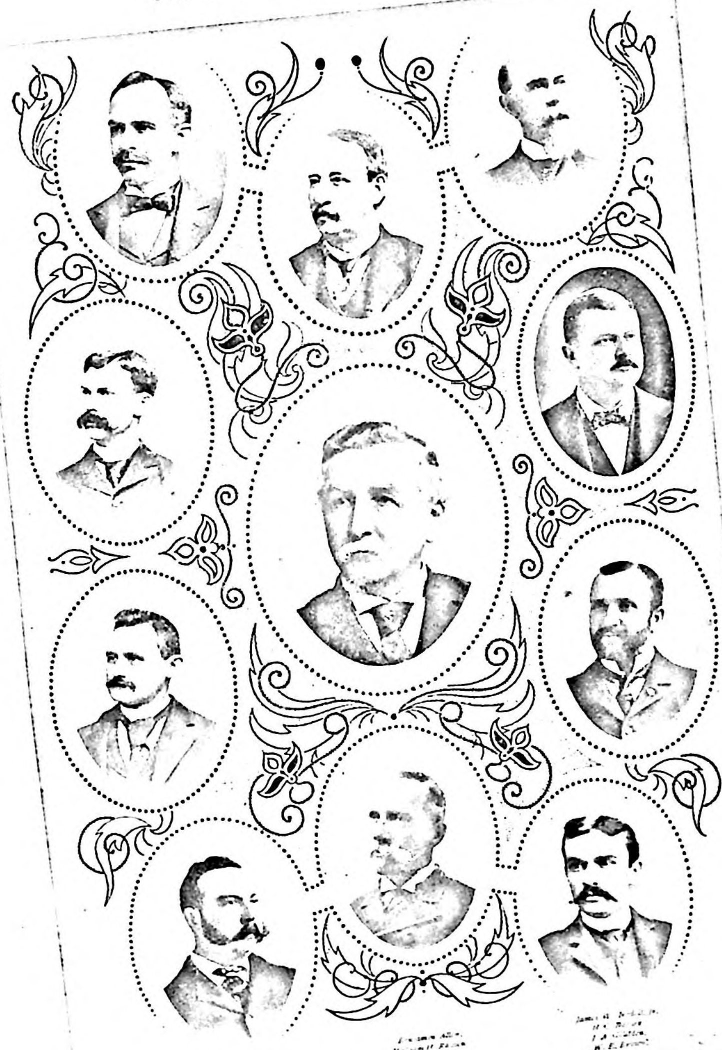
The Penn Mutual Life Insurance Company of Philadelphia, one of the very best companies anywhere, celebrated its fiftieth anniversary in a manner which certainly fitted the occasion. Delegates from no less than thirty-nine States, and numbering about ten-score, came together to give th grand old company a good send-off on its new half-century, and a mo lively, enthusiastic lot of gentlemen could hardly be met with on a simil time and place. Everyone was happy to say what it was in his heart give in the way of celebrating the event, and the meeting was a rous success in every way. Philadelphia has always been a hospitable city, the Penn Mutual has been noted for its hospitable way of doing things it is no wonder that everyone was made happy. President Needles President-to-be West and Manager Lippincott, with the help of the r the officers, made the gathering and the dinner, which came as a conclusion, remarkably cheerful and joyous.

The United States Review, May 27, 1897.

An Unblemished Record.

If it were valuable for nothing else, this story of the founda progress of a great life insurance company would be valuable as the beginnings of things and encouraging men to do and dare o

From the U. S. REVIEW, May 27th, 1897.



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John P. [illegible]

James H. [illegible]
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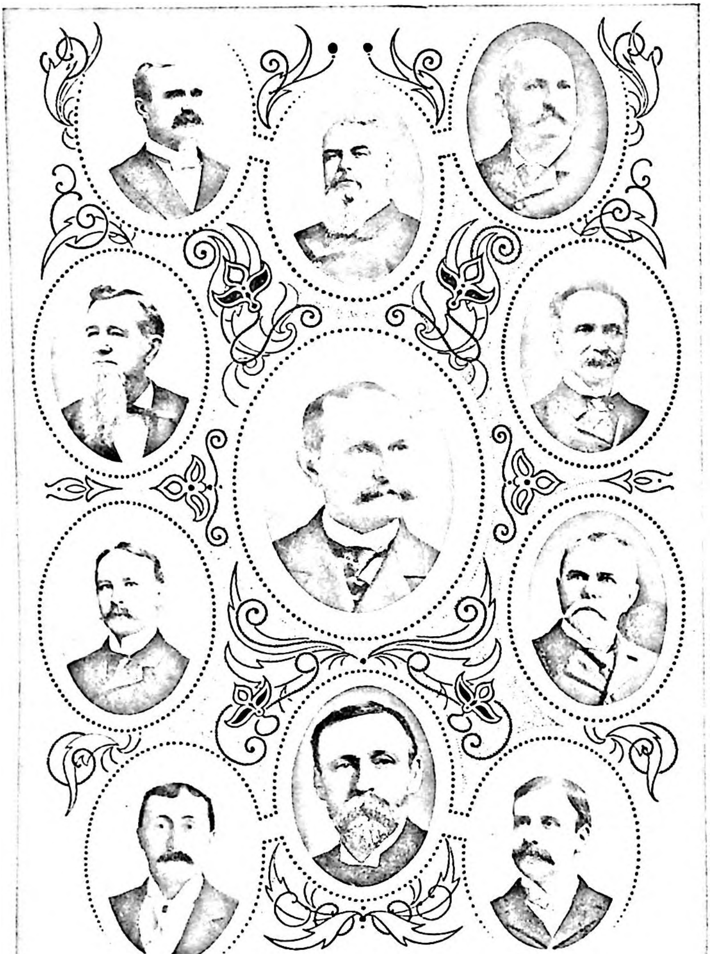
From the U. S. REVIEW, May 27th, 1897.



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In fifty years, out of the slenderest beginnings, this great institution has grown up, with an unblemished record of public benefaction behind it.

American Exchange and Review, June, 1897.

After Fifty Years.

THE three commemoration May days of the Penn Mutual Life Insurance Company are golden in the record which is introductory to the next half-century of the company's progress. There was a looking back to 1847 and a pointing forward to 1947. Representatives of life insurance holding aloft the gonfalon of the William Penn of home protection and life security in thirty-nine States of the American Union, assembled to greet the occasion and show its significance.

Merchants' Guide.

The Semi-Centennial of The Penn Mutual Life Insurance Company.

THE celebration of the event of the fiftieth anniversary of the Penn Mutual Life Insurance Company, which continued for three days, ended on Thursday evening with a banquet at the Union League. It was a great success from beginning to end. The papers read and the discussions were of a high order on the important subject of "Life Insurance and Its Methods of Administration." These gentlemen are all insurance experts, and several veterans in the service.

This solid old native company has a reputation for fair and liberal dealing with its patrons unsurpassed by any other company in this country. The growth of its business and the extension of its influence for the last few years has been phenomenal, and is the strongest evidence possible of the superior management of all the departments and of its finances.

The Surveyor —"Views and Interviews."

Faltering Never.

THE founder of the Penn Mutual Life builded better than he knew. One could not help but be impressed with this fact at the fiftieth anniversary of the company at Philadelphia last week. A successful and honorable career of fifty years means a good deal. Think of the changes that have taken place in that time. Consider how the country was wracked from end to end by a cruel war. Think of the different panics through which we have passed, the uncertainties, the perplexities. Yet, through them all, the Penn Mutual Life has marched steadily on, guided by strong hands, faltering never, but fulfilling year by year the object for which the company was formed. Honesty of purpose and straightforward dealing have made it possible for this institution to survive while many others have fallen by the wayside. It was fitting that the agents should come from all parts of the country to join in the celebration of the company's fiftieth anniversary. They are proud of it, and have reason to be. They surely must have been inspired by all they heard and saw last week, and there is little doubt but that they will work with even a firmer purpose in the future.

Insurance World, June 1, 1897.

Growth.

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It was from this lowly beginning that the Penn Mutual has grown and expanded into one of the leading mutual life insurance companies in the country. During the early years of its career its business was largely confined to the city of Philadelphia and the near-by towns in Pennsylvania. It was many years before agencies were established beyond Maryland and Delaware. To-day it operates in no less than thirty-nine States and has assets of over thirty million dollars. Of the first hundred policies issued fifty years ago, five are still alive; of the other eighty-five, there were terminated by death forty-four, by surrender twenty-seven, by lapse twenty-four. The oldest survivor is Rev. A. G. Compton, a Baptist clergyman, at West Chester, Pa., aged 84. The other survivors are aged 82, 80, and two 76.