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JANUARY
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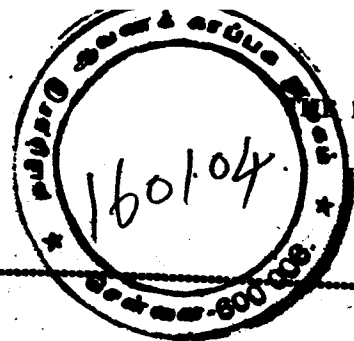
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[JANUARY 1954]



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THE INDIAN POLICY-HOLDER

VOL XIX

JANUARY 1954

NO. 9

Indian Insurers and the Field Organisation must face
adverse factors boldly in the New Year.

AS we are stepping in to a New Year, news reaches us that some Insurers have been able to show an increased volume of business completed during 1953. It is heartening indeed. But, there are also a good number of Insurers who could not, in spite of their best efforts, complete even that much of business they recorded in the year just preceding. So far we were able to know from personal contact, even those insurers who were able to show an increased volume of business, could not achieve it so easily as they were able to accomplish in the preceding years. In many cases undue pressure has been exercised on the field workers to somehow reach the target. How far business so completed will be worth the paper on which it is written is to be seen. We have pointed out time and again in these columns that the Life Assurance Business written particularly by Indian Insurers is not on such sound lines as it should be. Insurers spend a great deal to secure business, but even then they are not able to secure business that will prove a strength to the Insurers and a safe provision to the families concerned. The effort and time so spent by the Insurance Institutions and the field organisation, not to speak of the huge waste of funds, proves of little value to anyone. There are definite signs of a depression and it is well for the Insurers to take note of it and ponder for a minute whether they should not pick up courage and concentrate on quality business from now on. Prospective policyholders will have no reason to underestimate the strength, stability and the progressive character of Insurers by a fall in the New Business completed especially in unfavourable times. Both the Insurers and the representatives working in the field must understand each other better and function, fully conscious of their responsibilities. Particularly, the fieldworkers' in our country should feel the responsibilities all the more. The Insurers are very liberal in remunerating them even at the risk of the policyholders' interests, which, according to sound principles, ought not to be done, but still their service for the remuneration paid, is of a poor order. If the representatives of Insurance Institutions properly realise the importance of their role in the business, if they know full well the great harm they do both to the companies and

the policyholders by securing business from gentlemen who are not either serious about it or who cannot afford to pay the premiums regularly. Such whole sale lapses as we find today, will not occur. Real progress of a Life Assurance Company does not lie in the mere show of a big new business record, but in a steady increase in the Renewal Premium income. The members who join a group afresh must remain to strengthen the group. Their withdrawal the next minute will not in any way improve the position. On the otherhand, in a Life Insurance Institution such a withdrawal will undermine the strength of the Institution. Fieldworkers must prove faithful at least to the extent they receive remuneration from the Insurers. A Life Insurance Agent, who serves his fellow men consciously deserves to be considered as something like an angel to Society. It is he who taps the door, makes the bread-winners see ahead and teaches them thrift. It is he who shows them a way, the safest way, to protect widows and orphans from misery and want. Persons engaged for such a responsible task must be of a high order.

Depression apart, there is a fear in the minds of the executives of Indian Insurers, that competition coming from State run Insurance Organisations and Postal Insurance would create fresh problems. While State Managed Insurance Organisations have a few agents here and there, Postal department have not engaged workers at all to canvass business. There appears to be not even a proposal to employ workers to canvass business. Nowhere in the world Life Insurance Business on any large scale could be conducted successfully in the absence of competent agents to canvass. Even in Western Countries where Life Insurance commends itself to every citizen, State enterprises have proved an utter failure. Even the Equitable Life Assurance Society of London, familiarly known as the "Old Equitable" that earned a name for stability and strength, for transacting business on very sound principles and for offering most favourable terms, could not make much headway because the Company never employed agents to canvass business. The fact is, Life Assurance is not a business, the services of which will be availed of even by prudent people voluntarily. As the people will not be induced to approach the Institutions and seek insurance protection themselves it is only the Insurance Companies that must contact them through their representatives to effect sales. So long the Postal Department continues to offer Life Insurance protection only to those who go to them voluntarily, there is not much to bother about for Indian Insurers; but they cannot continue to be blind or indifferent to what takes place around them. No effort should be spared on their part to not only better their standard of service, but also to improve the efficiency, integrity and honesty of their field organisation. In spite of the State run Insurance departments and Postal Insurance enjoying certain advantages, Indian Insurers can continue to hold the field for a long time to come only if they decide to exist on merits, but, not otherwise.

The Twelve Commandments of Life Insurance

DONALD G. MACLEAN;

Toronto, Ont.

MET the man who doesn't believe in life insurance.

"No sale," he tells the agents. "What good'll money do me if I'm dead?"

He's single, and he has a good job. But he's really not very smart. He doesn't know that insurance plans today offer good investment values.

He hasn't learned that carefully planned life insurance can be an emergency fund for a loan, provide an income in his old age, and pay off his debts when he dies.

To many Canadians, life insurance is only a means of providing security for their dependents. There's no doubt about its value there.

But it has other uses too. You don't have to die to win.

Want proof? Canadian life insurance companies last year paid out \$161 millions to living policy holders, and \$98 millions to beneficiaries.

All the money was used differently: it provided dependents with the necessities of life, paid off mortgages, educated children, bought houses and annuities.

But whether you're buying insurance for your dependents' security or your own advantage, don't do it haphazardly. Remember the prime rule. Plan Carefully. It can make a big difference at the final reckoning.

When buying protection for your family, you want as much as you can afford. The income you can provide for them is the important thing. The cash value, or the investment feature, of your policies isn't nearly as important.

But if you're buying insurance to provide a sum for a definite purpose, then cash values are foremost.

Most life insurance policies combine both protection and investment features in varying degree. That is where the need for careful analysis comes in.

Let's assume that you can afford to put a stated sum, say \$400 or \$500, into life insurance every year. If you're buying protection for your dependents you'll probably buy insurance with relatively low cash values but which pays the greatest indemnity when you die. But if you want a combination of protection and investment you'll want higher cash values.

(The cash value in a policy is the amount of money you build up in the policy which you can borrow from the company or withdraw if necessary.)

These are the chief types of level premium policies:

—Whole life or long-term limited payment policies, under which you pay premiums as long as you live or, say, until you are 85. They give protection up to the face value of the policy, but they also

have a cash value which you can withdraw any time. The premium is relatively low.

—If you want the cash value to grow faster you can buy (1) a short-term limited payment life policy or (2) an endowment policy.

A limited payment life policy, say, a 20-payment life policy, costs you 20 annual premiums, then the policy is paid up—you pay no more. You can either leave it until you die, or withdraw the cash value, or take any of the options allowed in the contract.

An endowment policy names a definite sum which the company will pay you at the end of a stated time—say \$1,000 at the end of 20 years.

In all three of these policies the cash value is guaranteed. But the faster the cash value goes up the premium is so much higher.

Here's how premiums and cash values compare in different types of policies. They're set for a man aged 25, per \$1,000 of non-participating insurance.

	Annual Premium	Cash Value After 20 Years
Whole life ...	\$14.43	\$243
20-pay-life ...	24.85	495
20-year endowment	43.85	1,000

Premium rates vary among companies, but figures quoted illustrate the difference in cost and cash values of the different plans.

Usually you can withdraw or borrow the cash value of your policy after it has been in force three years. Sometimes after two years. But all policies offer a variety of options which may fill your needs.

Suppose you're a young unmarried man with no dependents. You want to leave enough money behind to pay your last debts, but if you live you want an assured income or a large cash value. Here's one type of policy.

The company insures your life and if you die before 65, will pay your beneficiary the face value of the policy. But if you live to 65 the company will pay you \$10 a month for every \$1,000 of insurance, guaranteeing 100 monthly payments in case you die before you've received an amount equal to the face value.

For example, let's say you have a \$5,000 policy, taken out at age 30. When you reach 65 you start to draw your pension. In three years you'll have drawn out \$1,800 in pension. If you die then, the company will continue to pay your beneficiary for the 64 months of the 100 months period remaining.

That's a popular policy with young men because it combines protection with saving and makes provision for the policyholder's old age.

Suppose you've a mortgage of \$8,000 due on your house in 10 years. The contract calls for you to pay off \$400 a year leaving \$4,000 due at the end of the 10th year. But if you die you don't want your family burdened with the debt.

A 10 year endowment policy for \$8,000, your total mortgage liability, will give your family the full amount of the policy to clear off any indebtedness. If you've kept up your payments the \$8,000 will exceed your mortgage debt—but the extra money will be welcome. If you live the 10 years, the policy will pay \$8,000 cash, \$4,000 for the mortgage, \$4,000 for other purpose.

If you have a son one year old, a 15-year endowment taken out now will guarantee any stated amount, say \$2,000 when he is ready to go to college. But if you die in the meantime, it provides \$2,000 for your family.

Maybe your object is to accumulate \$10,000 to retire on when you're 65. If so, you'd better get cracking. At age 30 an endowment policy for \$10,000 payable at 65 will cost you \$240 (\$24 per \$1,000 insurance) for a non-participating policy. This will give you your \$10,000, and if you die before you're 65 your estate will get the \$10,000.

In all these cases, of course, you might save the same amount of money by buying sound securities. If you're a lucky speculator, you could do it very quickly. But few can.

Lots of men find term insurance helpful for special purposes, especially to cover the period when children are small or where your earning prospects are good. Term insurance for a long term can be converted to level premium insurance when the individual's earnings rise.

Usually a combination of policies is helpful. In laying out your program, ask an insurance man to help. He's an expert at Watching Your Step.

There's no set rule for what percentage of his income a man should invest in insurance. Some say 8% to 12% is a fair proportion. One man with, say, four children, and heavy doctor's bills on a salary of \$4,000 can't afford as much insurance as a man with the same salary and one child.

Here are the Twelve Commandments for buying life insurance:

1. Work according to a plan; calculate what you need, what you can afford; then after studying how the different settlement options will meet your needs buy what you can afford.

2. Tell the medical examiner your complete medical history. Failure to give him important information might invalidate your policy later on.

3. Arrange to have your policies paid out the way you think best. Certain methods of payment, such as on a monthly basis, may save your widow a lot of trouble.

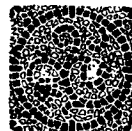
4. Pay your premiums promptly. If you don't your policy may lapse, especially if it hasn't been in effect long enough to have a cash value. If it has a cash value, the unpaid premium normally will be treated as a loan under the automatic premium loan clause. Most policies have this clause.

5. If your policy does lapse, you can usually get it reinstated by proving good health and paying the outstanding premiums.

6. Read your policy carefully, especially, restrictions and settlement options. Your policy is a legal contract and the restrictions may persuade you against doing something that might invalidate the policy. The settlement options will suggest various ways of using the policy proceeds.

7. See that the company admits your age when you apply for your policy. A birth or baptismal certificate is usually the best evidence. The company will usually want proof of age when paying a policy.

8. If, because of substandard health, the company charges you a premium higher than usual for your age, and your health improves later on you may get your premium rate adjusted by having another medical examination.
9. Advise the company of any change in address.
10. If planning an airplane trip make sure your policy has no air travel restrictions. Best way is to consult your company by letter before making the trip.
11. Don't borrow on your policy if you can help it. A loan reduces the value of the policy and the interest adds to the cost.
12. Pick an agent who knows his job and on whose judgment and integrity you can rely—one who knows something about estate planning, how to use life insurance, succession duties and the like. Sometimes a complete stranger can do a better job for you than a close personal friend.



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With No Regrets

By R. C. DAMANI

WHAT was it that induced me to take up Insurance Selling? Was it the lure of big income as Insurance Salesman commands or was it the scope of the independent career that it offers? Well, while both these reasons were there when I decided in favour of Insurance selling there was another important consideration that moved me. It was the scope that it offered, it seemed to me, for doing immense service to my countrymen. My few years' service in a prominent Insurance Company as a cashier brought me into close touch with hundreds of our people whose stories of miseries, loss, and damage were so pathetic and painful that they left an indelible impression on my young mind, I vividly remember how sincerely these poor, destitute and disconsolate claimants would bless me when I handed over cheques to them. These poor fellows perhaps thought that I was the man who paid them the money. They would refuse to believe me when I told them that it was the money of their husbands or bread-winners that was being paid back and if anybody was to be thanked, it was the agent who sold the policy to their relatives.

This daily contact with Policyholders' dependents and claimants proved a powerful motive force with me to choose insurance selling as my career. While yet doing my job as a cashier, I began to visit some of my friends and relations and sold them Policies. When my initial timidity and apologetic approach were overcome, I decided to become a full-time insurance

agent, notwithstanding much kind sympathetic advice from my relations and well-wishers. And today, I am glad that I did not succumb to their persuasions and advice, though, no doubt, they were offered in all good intentions.

My job as a cashier of the Insurance Company opened my eyes to the great and beneficent role Insurance played in alleviating the distress and miseries of people when bereft of their bread-winners. I have also seen how Insurance helped old and decrepit persons to spend their last days in comfort and ease, and also how it restored businessmen who lost their all in speculative investments or sustained losses in carrying on their trades to their former prestige and financial solvency. It was therefore easy for me to fully assess the immense benefits that Insurance provided to the individuals and the community.

Considered from the aspect of an independent profession, Insurance Salesmanship, I feel convinced, stands without a rival. After one has worked in this profession for a number of years, honestly, and persistently, one must have acquired a spirit of independence, a sense of equality and fraternity which no other profession that I know of can give. This is so because an Insurance Salesman's personal gains in providing financial security for his clients are insignificant as compared with the amount of service that he is required to give throughout. In fact, this is a job which helps his clients

more than himself. Frankly speaking, therefore, when a man is engaged in a profession that bears the maxim 'The necessity is greater than mine', he must command greater prestige and enjoy better welcome everywhere.

From the standpoint of income, Insurance Salesmanship provides unlimited scope. In fact, there is no ceiling to income that can be earned from this profession. What is more, in this profession there is also not the least risk to which every other business or profession is liable. Another most valuable benefit in Insurance Salesmanship, I mean life insurance salesmanship, is that as one goes on working, one builds up a solid income from year to year through his renewal commissions. No other Salesman's profession has this special advantage.

Man is essentially a social being. Insurance Salesmanship offers perhaps the best scope to one to make oneself socially useful. An Insurance Salesman has to come into touch with many individuals belonging to different countries, communities, sects and religions. He can know their psychology, special habits, modes and ways of living and their choice. Since he becomes a friend of the family nothing is kept concealed from him. Thus, he enjoys the full confidence of each and every member of a family and his presence is always welcomed.

Viewed from whatever angle, Insurance Salesmanship offers more scope and possibilities for improvement and realisation of one's highest ambition in life than any other profession.

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Sri V. Parthasarathy, B.A., B.L., Chairman.

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Some facts about our progress:

	1950	1951	1952
	(In lakhs)	(In lakhs)	(In lakhs)
New Business	89	92	73
Life Fund	77	83	107
Business in force	388	429	431

Latest Valuation
as on 30-12-1952.

BONUS declared at Rs. 12 and Rs. 10 per thousand per annum on Whole Life & Endowment Policies.

V. Venkatachalam, M.A., B.L.,
Secretary.

A Balanced Diet for Health

THE importance of diet has been stressed from the most ancient times by many teachers of mankind. Charaka, an early Ayurvedic physician, taught that overeating was the cause of wars—through a concatenation of causes from Satya Yuga, the Golden Age, down to the chaos of Kali Yuga, the present Dark Age. He wrote:—

In Satya Yuga, when righteousness and happiness reigned and no one ate more than he needed, gradually some began to eat a little too much, began to heed the inclination of the sense of taste; from that came heaviness of body; followed tiredness; from that laziness; then hoarding to save trouble and exertion; arose possessiveness, greed, deceit, falsehood; in their turn came lust, anger, fear, excitement, grief, apprehension; followed then the misleading and exploiting of weaker people which ended in violence and wars. (Vimana, 3, 26)

This Tract will not deal with the sick; it will indicate what a well-balanced diet is, which, if adopted, should go far toward restoring health and maintaining it. The food problem of those who are ill, in some way abnormal, or who live where pure, natural food is not available, is largely covered by the following advice of W.Q. Judge:—

There are many who fix their faith on particular kinds of food and who endeavour to convert others to that particular kind of faith. They, like all

others who fix their faith upon externalities, are "false pietists of bewildered soul." The question never is of kinds of food, but of fitness for each particular case; for when all is said and done, each body extracts from any kind of food only that which conforms to the nature of the possessor of the body, and that nature is subject to change from within. The main thing to be observed is to keep the body efficient as an instrument for the soul who inhabits it, by whatever means and food may be found necessary for that purpose. Here, like and dislike are set aside and only the purpose of the soul is considered.

(Notes on the Bhagavad-Gita)

The above quotation should give the food faddists also something to think over. We shall avoid fads and extremes, holding to practical common sense, humane principles and moderation, and thus endeavour to be useful to housewives in both East and West. After all, human bodies vary little in time or space, therefore the properly balanced, natural diet for normal human beings under most circumstances does not change or "date," and can be used internationally as a basis to be modified as necessity may dictate. Hence we may profitably heed the advice of ancient and spiritual teachers as well as that of some modern dietitians. We shall use familiar terms most easily understood by the average person.

WHY A BALANCED DIET? Because the matter of bodies is being constantly

replaced by other matter, largely obtained from what we eat, it is possible to cure and prevent much disease through a proper diet, as well as to maintain better health. The body is made up of many organs and substances; all of these must be nourished daily. A well-balanced diet supplies much of the material needed for this purpose. Sunlight, air, water, exercise, rest, sleep, pure and tranquil thoughts, good feelings, etc., also contribute to human well-being, but here we shall consider only the role of food.

Take for example the blood; science teaches that the average life of a blood cell is 6 weeks, if you have no infection and are not constipated; you could start today with a well-balanced, bloodbuilding diet and 2 months from now should have an entirely new blood stream.

Inflammation is the reaction of living tissue to injury. If you habitually eat too much of one kind of food, thus forcing some part of your digestive system to overwork, the overstrained tissues become inflamed, slowly, insidiously, undermining health. The reverse is also true; fail to nourish an organ and it will work on to exhaustion, deformity and disease.

DIGESTIVE HYGIENE: To benefit from a well-balanced diet you must see to it that your digestive and eliminative hygiene is as it should be. What the most perfect diet could do for you may be entirely prevented by constipation. Food waste should not remain in the body over 24 hours. For internal cleanliness a thorough bowel movement at least once a day is essential. The best, natural and harmless way of having this is to eat some uncooked foods each day. These are easy to prepare, delicious and necessary to a

balanced diet. Fresh fruits such as melons, peaches, pears, figs, apricots, grapes, etc., are aids to elimination.

A BALANCED DIET: Much of what is in this *Tract* has been gleaned from V. H. Lindlahr's *You Are What You Eat* (National Nutrition Society, Inc., New York). His father, Dr. Henry Lindlahr, was one of the modern pioneer physicians to use diet to prevent and cure illness. His successors, the later dietitians and food chemists, have merely confirmed the essential dietetic principles which he taught and used in his sanatorium for years. Because it is simple and practical we shall use the Lindlahr method of classifying foods, having examined many books and found none superior for our purpose.

Although general principles on diet can be advantageously applied by all, it is also important to recognize that the science of nutrition cannot be applied practically until dietitians learn to regard their patients as human beings instead of as chemical apparatus. The fact that each one's digestion and metabolism are unique must be taken into account. For this, bodily weight serves as quite an accurate guide. When your body has its proper weight, according to your age, and height and bone structure, that balanced diet which causes a loss of weight is inadequate in calories and that balanced diet which causes a gain is too high in caloric value. With this simple guide and the information that follows each one can regulate his own diet very easily, and parents can guard and improve the health and the growth of their children.

CALORIES: A calorie is a unit of measurement for the heat which food

produces in the body, and which is transformed into energy and/or fat according to the work you do and the type of body you have. The calories per ounce in food vary from 0 to well over 200. Those who do hard physical labour need greater heat and energy-supplying foods; those who exercise little or who do desk work should not eat much food of high caloric

value or they will become overweight, unhealthy and shorten their lives. Bodily weight is the infallible guide to caloric consumption. From the following list of some common foods those of low, medium or high caloric value can be selected to fill individual needs. (Authorities differ somewhat; this table is approximate.)

CALORIES PER OUNCE

High 80-200	Medium 20-60	Low 1-20
Apricots (dried) 85	Okra (<i>Bhendi</i>) 20	Lettuce 3
Olive oil 90	Apricots (fresh) 21	Cucumbers 4
Prunes 93	Figs (fresh) 21	Buttermilk 4
Barley 95	Grapes 21	Pumpkin/Squash 6
<i>Mung Dhal</i> 95	Double/Lima Beans 24	Spinach 6
Peaches (dried) 98	Milk (Goat's) 24	Cabbage 7
Sago 100	Potatoes 26	Cauliflower 7
Whole Wheat 100	Peas (green, fresh) 28	Carrots 11
Cheese 100	Bananas 30	Beets & Beet-tops 12
Oatmeal 101	Indian Corn (<i>Makai</i>) 30	Pumpkin (yellow) 12
<i>Masur Dhal</i> 102	Avocado (Butterfruit) 33	Pears (fresh) 12
<i>Channa Dhal</i> 103	Milk (Buffalo's) 33	Peaches (fresh) 13
Dates (dried) 104	Sweet potatoes 36	Bamboo shoots 13
Peas (dried) 104	Beans (dried) 40	Curds (Yoghurt) 14
Beans (dried) 106	Sweet green peppers 43	Fr./String Beans 14
Raisins 106	Soy-beans (green) 45	Limes 15
Cocoanut 106	Tapioca 45	Oranges 17
Almonds 186	Olives 48	Apples 18
Walnuts 195	Eggs 49	Pineapple 18
Butter 250	Lentils 60	Milk (Cow's) 18

For easy understanding and practice we shall divide the balanced diet into 5 parts; of these 1 part must be of PROTEIN foods; 1 part of CARBOHYDRATE foods and 3 parts of PROTECTIVE foods, which are the fruits and vegetables and which supply especially organic minerals of at least 11 kinds besides the 3 most important ones: calcium, phosphorus and iron.

PROTEIN: Protein foods are rich in and characterized by their nitrogen, phosphorus and sulphur content. They are digested and assimilated by different bodily organs and tissues from those

which deal with starches and fats. Proteins are the builders of the body, they make flesh and muscle and repair tissue. Most meat eaters eat too much protein. If one eats daily two or three times as much protein as is needed an injury is done to that part of the system that takes care of protein and eventually symptoms of some disease appear.

Balance your meals with 20 % of protein foods from this list:—

Almonds	Milk
Barley	Oatmeal
Beans (dried)	Peanuts (Monkey-
Cashew nuts	Peas (dried) nuts)
Cheese	Pistachio nuts
Indian Corn (<i>Makai</i>)	Soy-beans
<i>Dhals</i> (dried)	Walnuts
Eggs	whole-wheat cereal
Grams (dried)	whole-wheat bread
Lentils (dried)	or <i>chapatis</i>

CARBOHYDRATES: Carbohydrates are starches, sugars and fats. These foods give the body heat and energy; they are fuel for it and as such are valuable and necessary; but only 1/5 of the daily food should be made up of carbohydrates. More than this will unbalance the diet of an average person and the starches, fats and sugars will become bodily fat. Visible fat is unsightly and inconvenient, invisible fat is an insidious enemy, producing serious ailments.

Balance your meals with 20 % of carbohydrate foods from this list:—

Starch and Sugar	Fats
Cakes, Buns	Avocado (Butterfruit)
Candies, Sweets	Butter, Ghee, Marg-
Crackers, Biscuits	Cheesearine
Breads	Cream
Bananas	Fried foods
Chocolate, Cocoa	Nuts, especially Al-
Cocconut	Oilsmonds
Potatoes	Olives
Rice	Salad dressings
Ice cream, Puddings	Pastry
Honey, Syrup, Sugar	Chocolate
Jams, Jellies	
Sweet Chutneys	
Macaroni, Vermicelli, etc.	

PROTECTIVE FOODS: These foods are rich in mineral salts and vitamins and,

what is more important, when eaten in proper quantity they create a slightly alkaline condition of the body, necessary for both the development and growth of normal tissue and the complicated chemical reactions that must take place during digestion and assimilation. More than 50 % of the daily diet should be of these foods. When this is so, a preponderance of alkaline-ash is assured and also a sufficiently vitamin-and mineral-rich diet to maintain health. Three-fifths of the daily diet should be chosen from protective foods; at least 1/2 of these should be chosen from the list of raw, fresh fruits and vegetables, the other half being chosen from the list of protective foods which are usually cooked:—

Protective Foods: Raw

Apples	Lemons, Limes
Apricots	Mangoes
Bananas	Melons
Cabbage	Milk
Carrots	Parsley, Coriander
Celery	Papayas
Cucumbers	Peaches
Figs	Pineapples
Grapefruit	Raisins
Grapes	Tangerines, Oranges
Lettuce	Tomatoes

Protective Foods: Cooked

Beans (fresh, all kinds)	Papry
Beets & Beet-tops	Potatoes (sweet, white)
Cauliflower	Pumpkin (yellow white)
Cabbage (green, red)	Spinach
Corn (<i>Makai</i>) (fresh)	Bamboo shoots
Carrots	<i>Dhals</i> (green)
Celery	Artichokes
Eggplant (<i>Brinjal</i>)	Brussels sprouts
Okra (<i>Bhendi</i>)	Stewed fruits
Peas	<i>Tenti</i>

VITAMINS AND MINERALS: In discovering "vitamins" modern science was simply rediscovering the heading virtues of certain foods that our ancestors had known but their descendants had forgotten. While vitamins are now used by physicians for various cures, the fact remains that their best source is foods. All foods contain vitamins; the most common fruits and vegetables are treasure stores of them;

The hundreds of chemical reactions going on in the body all the time require that the vitamins and minerals act in unison. This co-operation of vitamins and minerals is called "synergistic action." If one eats simple, well-balanced, well-prepared meals, the synergism of all the vitamins and minerals will be at work. To give an example from experiment: The enamel of teeth is formed primarily through the union of calcium and phosphorus with links of iron, but to fuse these minerals into enamel, Vitamin A, Vitamin C and the "Sunshine Vitamin," D, are absolutely necessary.

Modern research discovered toward the end of last century that minerals in foods are of major importance to man's life and health. In fact they have been found to be the key factors for bodily welfare. This recognition showed the great importance of fruits and vegetables in the diet. For, though often low in protein and starch content and in caloric value, the commonest fruits and vegetables are rich in food minerals and vitamins which, when taken in food, are more usable and valuable than when derived from other sources. Many vitamins and minerals have been and still are being discovered in foods. Some of the better known ones

and some of their best food sources are given below, in the order of the richness of each food in the particular vitamin or mineral:—

VITAMIN A: Raises resistance to infection, preserves skin health, promotes tooth development. A lack of it inclines one toward colds, catarrh, sinus and tonsil troubles, skin trouble; weak eyesight; stones and gravel in kidneys and lowered vitality. The following supply Vitamin A:—

Parsley and Lettuce (green)
Spinach
Eggs and Milk
Apricots and Peaches (dried and fresh)
Butter, Cheese and Ghee
Carrots
Celery (green)
Tomatoes
Peas (dried and green)
Bananas (green, yellow and red)
Dates (dried and fresh)

VITAMIN B 1 (*Thiamin*): Not stored in the body; lost from food in milling and refining processes and by over-cooking; harmed by alkalies such as soda. It promotes health of nerves, appetite and assimilation and relieves tiredness. A lack of it interferes with children's growth, causes lack of appetite, constipation, nervousness, neuritis, heart disturbances and low energy. It dissolves in water. It is found in:—

Beans (dried and green)
Whole Wheat
Soy-beans
Peas (dried and green)
Eggs and Milk
Apricots and Peaches
Cauliflower
Indian Corn (<i>Makai</i>) (dried)

Lentils and Barley
 Parsleo
 Raisins (*Sultanas, Kismis*)
 Pumpkin and Carrots
 Spinach and Cucumbers

VITAMIN C (*Ascorbic acid*): This vitamin is easily destroyed in food by staleness, high temperatures or contact with copper or soda; and it dissolves in the water when cooking. It gives resistance to infections, benefits bloodvessels, prevents ulcers, makes minerals available to the body, helps in chronic arthritis and prevents and cures scurvy. Found in:-

Parsley
 Lemon and Lims juice
 Oranges and Tangerines
 Grapefruit and Papayas
 Cabbage (raw and green)
 Tomatoes (fresh, raw)
 Pineapple (fresh)
 Lettuce (green)
 Watermelons
 Potatoes (white, new)
 Beans (French/String)
 Okra (*Bhendi*)

VITAMIN G (*Riboflavin*): This vitamin is harmed by alkalies like soda and dissolves in water. It prevents many skin diseases and protects against cataract. A lack of it impairs growth and causes loss of hair and of general "tone," skin eruptions and eye degeneration. Supplied by:-

Soy-beans (dried and green)
 Beans (dried and green)
 Eggplant (*Brinjal*)
 Parsley
 Spinach and Beet-tops
 Apricots, Peaches, Pears (dried and fresh)
 Brussels sprouts, Cabbage (green)
 Whole Wheat
 Carrots, Carrot-tops

Lettuce (green)
 Eggs
 Bananas

CALCIUM: This mineral is essential to the structure and health of bones and teeth; it affects blood-clotting, muscles and nerves. Lack of it may produce rickets, slow growth and scurvy. It dissolves in water. Its best sources are:-

Milk and Buttermilk
 Curds (*Yoghurt*)
 Cheese
Dhals and Lentils
 Soy-beans (dried)
 Oats and *Ragi*
 Beans (dried)
 Molasses, Treacle (*Gur/Jaggery*)
 Figs (dried and fresh)
 Eggs
 Cauliflower
 Almonds (raw and blanched)

PHOSPHORUS: Phosphorus is necessary for the growth of bones and teeth and the proper functioning of glands; it helps to maintain the alkalinity of blood. It dissolves in water. It is best supplied by:-

Whole Wheat, Barley, Rye and Rice
 Cheese: Swiss or Cottage (*Panir and Dahi*)
 Milk (whole and fresh)
 Eggs
 Beans and Lentils (dried)
 Almonds, Walnuts, Peanuts
 Cabbage (green)
 Peas (dried and green)
 Indian Corn (dried and green) (*Makai*)
 Soy-beans (dried and green)
 Apricots, Peaches, Figs (dried)
 Potatoes (white)

IRON: Iron is necessary for the blood and its functions, and the vital processes of cells. The lack of it causes anaemia.

It is not stored in the body and must be supplied daily. It dissolves in water and depends on the presence of other minerals and vitamins to make it usable in the body. Its best food sources are:-

Parsley and Lettuce (green)
 Lentils and Barley
 Beans (dried)
 Apricots, Peaches, Prunes, Figs (dried)
 Pistachios and Walnuts
 Eggs
 Peas (dried)
 Raisins and Currants
 Spinach and Chard
 Beets and Beet-tops
 Brussels sprouts
 Artichokes (globe)

RAW FOODS: Raw fresh milk and salads, when pure and clean, are very valuable parts of a health-sustaining diet. Nutritional science now strongly recommends the inclusion of some uncooked food in the daily menu. Cooking inevitably causes foods to lose some of their vitamin and mineral value; only fresh, ripe, raw foods have full vitamin and mineral content. fruit and vegetable dishes are delicious, quickly and easily prepared and daily necessary; ripe, fresh fruits and vegetables in their proper seasons are indispensable to a balanced diet and to health. In the handbook on food values of the All-India Village Industries Association, from which we have taken data on Indian foods, it is written:-

As the science of dietetics is still growing as every day some new information is added in the research of vitamins, for the laymen it is important to develop a healthy habit of keeping variety in every day meals. Variety in diet...is necessary not only to make

food appetizing but also to keep it well balanced.

COOKING IS IMPORTANT: Unfortunately no balanced diet is possible without taking the effects of cooking methods into consideration. Many people may eat the ingredients of a well-balanced diet and yet suffer from bad teeth, poor eyesight and some of the other 30 or 40 food deficiency symptoms. Why? Because 50 to 90 per cent of the mineral and vitamin values of food may be destroyed or lost by wrong cooking methods. For example: First-class spinach contains 7500 Sherman units of Vitamin A per ounce (more than is in a Vitamin A tablet). Also each ounce of spinach has 360 I. U. of Vitamin C, an outstanding quantity. If spinach is boiled for only 15 or 20 minutes, at least 50 % of Vitamin C will dissolve into the cooking water, and as most housewives and cooks throw away the water in which vegetables are boiled half the precious Vitamin C, plus minerals, is lost! Countless similar examples could be given. Most of the vitamins in foods are easily lost; they and the minerals must be carefully guarded. Vitamins B, C and G dissolve in water and are often thrown away in the water in which vegetables are soaked or cooked; Vitamin A dissolves in fats. Soda should never be added to foods; it destroys most vitamins; some are destroyed by heat, others by drying or staleness. Besides this, many modern foods are "processed," "preserved" frozen or have had "something" done to them. Some of this seems unavoidable as people live today in large cities, but serious nutritional damage results. These facts make it doubly imperative that raw salads, fruits and fruit juices be liberally used so that enough

protective foods are eaten daily. But even so no diet is balanced unless the cooking is properly done. A few directions for proper cooking follow:—

Never soak food in water and throw the water away before cooking. Use as little water as possible in cooking vegetable. Cook everything in as short a time as possible. Keep all the water in which vegetables are soaked and cooked, for gravy or soup. Avoid using aluminium cooking-pots; use iron, stainless steel, enamel, tin-lined brass, fired glass or pottery. Baked and boiled foods are more healthful than fried ones, being easier to digest.

It may be noted that some common foods such as the flesh of animals, birds and fish, the onion and mushroom species, and hot and strong spices, have been omitted from the lists given. This has been done with intent. The lists are in no case exhaustive. We have selected the most wholesome, pure and widely available foods for mention, taking into consideration East and West, poor and rich, physical and spiritual well-being. The omission of animal flesh and the onion and mushroom species as food is due to their impurity and unfitness for those who would improve their magnetic as well as their physical health, and who desire to clear and elevate their minds. The magnetic purity of food, as well as that of those who prepare it, was regarded as of primary importance by ancient lawgivers, e. g., see the *Bible* and the *Law of Manu*. The latter states that garlic, leeks, onions and mushrooms are unfit to be eaten by one who aspires to live a pure and spiritual life (*Manu*, V. 5) and enjoins:—

Having well considered the disgusting origin of flesh [foods] and the cruelty of fettering and slaying corporeal beings, let him entirely abstain from eating flesh. (*Manu*, V. 49)

Although modern Western science is much concerned, and rightly so, with physical cleanliness and contamination, it has only recently begun to speculate and experiment with electrical and magnetic vibrations and with the influence of the inner, invisible man upon his visible physical body (as in psychosomatic medicine, ESP, etc). On the other hand:

Oriental experience for a hundred centuries has shown that the germs of moral contagion linger about localities, and impure magnetism can be communicated by the touch. (*Isis Unveiled*, II, 611)

And H. P. Blavatsky warned in *The Key to Theosophy*:—

... every kind of animal tissue, however you may cook it, still retains certain marked characteristics of the animal which it belonged to, which characteristics can be recognized... disease, and especially the great predisposition to disease which is becoming so marked a feature in our time, is very largely due to the eating of meat, and especially of tinned meats.

We will close with some menus of balanced meals as samples only, for the lists given above will enable any one to plan balanced meals as is most convenient, choosing those foods which are available at any given time and place.

MENUS

1. Raw vegetable salad: Lettuce, tomatoes stuffed with grated carrots and raisins, parsley garnish
French salad dressing: Salad oil mixed with lime or lemon juice and a pinch of salt
Baked potatoes: sweet or white, with butter or ghee
Whole-wheat bread, *chapatis* or oatmeal muffins
Stewed fruit
2. Raw fruit salad: Lettuce, diced bananas, apples, oranges or other fruit in season
Mayonnaise salad dressing: Egg yolk beaten thoroughly with lime or lemon juice, oil and honey and a pinch of salt
Rice
Dhal or lentils with tomatoes
Curds, sweet or plain
3. Salad; chopped celery, apple and walnuts, chopped parsley
Salad dressing: ripe banana mashed with lime or lemon juice and honey to a creamy consistency
Whole-wheat toast or *chapatis*
Cottage Cheese (*panir*)
Stewed fruit
4. Salad: potato, celery, parsley and lettuce
French salad dressing (see Menu No. 1)
Cauliflower baked with cheese
French/String beans with grated, fresh coconut
Fresh-fruit cup: bananas and fruit in season
5. Raw fruit salad with raisins and blanched almonds on lettuce
Banana salad dressing (see Menu No. 3)
Dried or green peas, boiled and buttered
Spinach or beet-tops on whole-wheat toast
Baked apples
6. Raw vegetable salad: Carrots, cucumbers, tomatoes sliced thin with lettuce
French salad dressing with chopped parsley added
Mashed potatoes with butter or ghee and chopped green coriander (*daniya*)
Beets—soaked in lemon or lime juice and honey
Whole-wheat bread or *chapatis*
Steamed dry-fruit pudding
7. Raw vegetable salad. Shredded cabbage and carrots with parsley on lettuce
Mayonnaise salad dressing (see Menu No. 2)
Scalloped potatoes (baked in Milk)

Cheese toast or French toast (dipped in beaten egg and fried in ghee)
 Fresh-fruit cup: bananas and other fruit in season

8. Salad: Sliced tomatoes spread with cheese (*panir*) parsley and lettuce
 French salad dressing (see Menu No. 1)
 Vegetable stew: potatoes, carrots, celery, beans, tomatoes with gravy of the water in which they are cooked
 Whole-wheat bread or *chapatis* or oatmeal muffins
 Sliced fresh pineapple and curds
9. Salad: Pineapple sliced and spread with cottage cheese (*panir*), on lettuce
 Sweet French salad dressing: oil, lime or lemon juice and honey
 Rice and tomato casserole (baked)
 Okra (*Bhendi*) with chopped parsley or green coriander *daniya* in melted butter or with grated fresh cocoanut
 Stewed dried fruits: figs, apricots, raisins, etc.
10. Salad: Lettuce and cucumber with raw carrots cut in long pieces
 Salad dressing: Cottage cheese (*panir*) mashed with honey, lemon or lime juice and nutmeg
 Mixed vegetables, boiled and creamed on whole-wheat toast
 Buttered beets or steamed green Indian corn
 Prunes and dates stuffed with blanched almonds

NOTES

- (1) Milk, buttermilk, cocoa, chocolate, tea, coffee, herb teas, barley water, vegetable juices, soups, fruit juices, hot or cold water, should preferably be drunk between meals or early in the morning, not with the meals.
- (2) The first nourishment taken in the morning should preferably be one of the above drinks with some raw fruit or buttered toast only.
- (3) Two full balanced meals daily is sufficient for the average, healthy child or adult under normal circumstances.
- (4) One should not eat when not hungry. One should never over-eat. One should avoid eating between meals.
- (5) Never cook vegetables in salted water and use a minimum of mineral salt with foods.
- (6) Vegetables and fruits must be thoroughly washed and clean before cooking or eating them raw.

—Theosophical Free Tracts, No. 28 Dated 4-1-54.

Progress of Insurance Business in India

Excerpts from the address of Mr. S. Ramachar, General Manager, Hindusthan Ideal Insurance Co., Ltd., at the Economic Conference held on the occasion of the Silver Jubilee Celebration of the Andhra Chamber of Commerce, Madras.

FOR reasons well known to all of you the Insurance Industry is in a nascent stage in this country. The per capita insurance in India is perhaps one of the lowest in the world. With our low standards of livings, it is not surprising that it is so. I hope the Five-Year Plan will succeed in bringing prosperity to the country and as a consequence thereof, the per capita insurance would also rise.

Expansion of General Insurance depends on the expansion of Industry. The more a Country industrially advances, the more the Commerce grows, the premium income of the Insurance Companies grow. When production is short, and the trade is dull, General Insurance is in difficulties. Therefore, gentlemen, we in the Insurance trade are extremely anxious that industry and commerce should expand in this country. In its own interest you can depend on the insurance industry to give you its helping hand in building up the industry and commerce of this country.

Of late, the insurance industry in this country has been called upon to adjust itself to many changes. The Democle's sword of the Insurance Act is ever over its head. The implementation of the various provisions of the Act has been both a challenge and an opportunity to the insurance industry — challenge in the sense that the provisions of the Act are fairly vigorous and to conduct its busi-

ness within the provision of the Act is not easy. Opportunity it is, I strongly feel, as if the Insurers in this country work according to the spirit and letter of the Act, Indian Insurers will definitely be out of the woods.

While I welcome the various provisions made in the Insurance Act, to safeguard the funds of the policyholders, and measures adopted to see that financial adventurers do not get an opportunity to lay their hands on the funds of the insurance Companies, it is necessary that the business should not be denied its freedom to build itself. No business can grow in a vacuum. Enterprise and competition are the twin directive energies that go to build any business. I therefore hope that the Government will refrain from interfering in the day-to-day working of the business and will give it a chance to grow in a friendly competition.

Of late there has been quite a lot of irresponsible talk of nationalisation of insurance. You know the fate of the industries that have been managed by the Government. Have a look at the Madras Government Transport, and compare the services, the comforts and other amenities provided by this service with that of TVS or any other private transport. That will give you the necessary answer for or against nationalisation. The present Government has not the Personnel with

necessary experience to manage such a highly technical trade as insurance. The Government Administration is wooden, it lacks personal touch. Therefore any industry that comes under the Government management does not grow. It will be extremely wrong on the part of the Government to think of nationalisation under the present circumstances. If they did so, they will check the progress of such a beneficial trade as insurance, — a trade that provides the most important psychological and financial assistance to the individual and the industry — SECURITY. No individual can be happy or work in peace without security and no business can grow without being assured of security in case of a catastrophe. I therefore hope that the Politicians in their enthusiasm to catch votes will not indulge in irresponsible talk of nationalisation.

While a definite plan of nationalisation of insurance gives the private enterprise to know where exactly it stands, the half-baked measures that are adopted now and then by various State Governments create nothing but confusion. A number of States in this country have insurance department of their own. They not only pretend to cater to the life insurance needs of the public but at times they even pretend to provide protections against other hazards, like Accident and Fire. Recently the Postal Insurance Department issued a comparative chart of their premium rates etc. as compared with a number of private companies. A comparative chart of that type if it were issued by, say, the company with which I am associated, would be considered as a breach of professional etiquette. But when a Government Department issues

such a circular, we, in the trade have no option but to suffer. The comparisons between the working of a department controlled by the Government wherein a large volume of their management expenses is provided by the tax-payers, with that of private institutions is far from being fair. It is common knowledge that Government Department does not render to its constituents that service which the private enterprise does. This effort of the Postal Department and of the various States to pretend to serve the insurance needs of the public is a baneful enterprise. Consciously or unconsciously, it is an effort on the part of the Government to check the growth of this beneficial industry. I therefore fervently pray that the various Governments will not introduce half-baked measures and the Government of India will adopt a uniform policy in this respect and will instruct all the States to do likewise.

Instead of creating hindrances for the growth of the industry it is high time that the Government took definite steps to help the industry to grow. For example, a large volume of General Insurance premium still goes to foreign companies. Some time back addressing the Bengal Chamber of Commerce our Commerce Minister advised the Non-Indian firms to place atleast 50 % of their insurance needs with Indian Companies. I thought the Commerce Minister was serious about it and would take some steps to get the Non-Indian firms to act up to his recommendations. There has been no development in this respect. The nascent Indian Insurance industry, particularly General Insurance business needs protection. I hope the Government will ere

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News

Life Assurance Business completed during 1953.

Metropolitan Insurance ..	8.75	crores
Indian Mutual Life Rs.	1.025	..
Jupiter General Insc. ..	1.06	..
Bombay Co-operative ..	86	Lakhs.
Canara Mutual Life ..	50.04	..
Hindusthan Ideal ..	50	..

The amount has been sent to Sri Jawaharlal Nehru.

Insurance Club Patna.

Bihar, particularly North Bihar, is in the grip of flood. The Insurance Workers have been individually contributing their mite towards relief. The distress of the people is of such magnitude that Prime Minister Nehru is raising funds by a Cricket Match. The Executive Committee of the Insurance Club, Patna, consider it necessary to take up the work of the relief seriously and have opened a relief fund for the purpose. On behalf of the Insurance Club, Patna, we appeal to all the Insurance offices and workers to contribute liberally to this fund of the Club.

The collected amount will be made over to the Prime Minister's Flood Relief Fund, along with a list of the donors.

We suggest that the contributions be sent to their respective local offices who will forward it to the General Secretary, Insurance Club, Patna.

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In response to the appeal of the Insurance Club, Patna, the following contributions to the Prime Minister's Flood Relief Fund have been received so far.

		Rs.
1	Metropolitan	100
2	Bombay Mutual Life	500
3	Bharat Insurance	51
4	Mr. Dayal Ram Sharma (Lakshmi)	2
5	„ U. N. Sen (Hindusthan Co-op)	10
6	„ A. N. Roy Chowdhury	5
7	„ D. N. Sen	5
8	„ M. C. Chakravorty	2
9	„ R. N. Prasad	5
10	„ B. N. Dutta	5
11	„ S. C. Biswas	5
12	„ B. L. Roy	5
13	„ S. K. Roy	5
14	„ P. S. Sen Gupta	5
15	„ P. M. Bose	5
16	„ M. S. Tawheed	5
17	„ J. N. Verma	5
18	„ V. P. Sinha	5
19	„ S. L. Roy (Bengal Insurance)	5
20	„ R. J. Shah (Ruby General)	5
21	„ N. G. Samaddar (National Indian)	5
22	„ K. N. Ganguly (Metropolitan)	5

Total Rs. 745

The Metropolitan Insurance Co., Ltd.

Shree T. S. Sehgal, Manager, Ahmedabad Office has been promoted to a higher post at Bombay as Branch Secretary of the Metropolitan Insurance Co. Ltd., (H. O. Calcutta) and Shree B. K. Parikh has been promoted to a higher post as an organization Manager at Ahmedabad Office.

United General Assce. Trust, (India) Ltd.
Mr. A. P. Sawrathy appointed
Branch Manager,

The United General Assurance Trust (India) Ltd., has appointed Mr. A. P. Sawrathy as the Branch Manager at Madras. Mr. Sawrathy was formerly connected with "Sterling General Insurance Co., Ltd., as the Superintendent of Branches at its Madras Branch. The Branch Office of the United General Assurance Trust is located at 35/37 Thambu Chetty Street, Madras. We wish the Branch Office under the control of Mr. Sawrathy all success.

Mother India Life Assurance Co., Ltd.
Mr. T. S. Ramachandra Row, appointed
Branch Manager at Madras.

Mr. T. S. Ramachandra Row has been appointed as the Branch Manager, of the Mother India Life Assurance Co., Ltd., Mr. Row had been connected with the Insurance Business for a long time. Till recently he was connected with the Empire of India Life Assurance Co., Ltd., We wish Mr. Row all success in his new appointment.

United India Fire & General Ins. Co. Ltd.
Mr. S. R. Mandlam joins as Asst. Manager

Mr. S. R. Mandlam, formerly Manager of Hercules Insurance Co., Ltd., Madras Branch, has joined the United India Fire and General Insurance Company, Ltd., as the Assistant Manager at the Head Office.

Author of an article on Insurance
Salesmanship complimented.

Mr. S. N. Kolhatkar, Managing Director, Your Own Provident Insurance Company, Limited, contributed an article under the caption "It often pays to put

your cards on the Table" to one of the leading trade journals in the field of Life Insurance, The Insurance Salesman of America. Articles appearing in the periodical is of very high standard and by publishing Mr. Kolhatkar's article in its columns, the Journal has accorded a national recognition of his ability in the field of Insurance business. We congratulate Mr. Kolhatkar on his success in writing an article of such high value. Mr. Kolhatkar is one of the prominent contributors of "Bima and Byapar," of Poona. He is also one of the representatives of the Western India Life Insurance Co., Ltd.,

(Continued from page 22)

long take steps to stop this invisible drain of our money to foreign countries.

For the successful operation of the insurance industry, co-operation on a very intense scale is needed all over. Insurance is definitely international. I have therefore no intention of making use of the platform for advocating the cause of the insurance companies in South India or making any efforts to differentiate between insurance institutions that are established in Andhra or Tamil Nad. Still I would like to state here that compared to Bombay, Calcutta, and other industrial centre, the progress of insurance institutions in South India has not been much. The scope for expansion of insurance in South India is very great. In the realm of general insurance South Indian risks are known for their exceptionally low claim experience, and for the wonderful moral hazard that is associated with it. Therefore, gentlemen, I should, on this occasion appeal to all of you to take greater interest in the insurance institutions established in this part of the country.

Mysore Insurance Guild, Bangalore.

At the Annual General Body Meeting of the Mysore Insurance Guild held recently at The Chamber of Commerce Buildings, Kempegowda Road, Bangalore-2, the following Office Bearers have been unanimously elected for the year 1953 and 1954:—

President:— Mr. T. K. Krishnaswami, (Bombay Mutual) *Vice-President:*— Mr. J. Matthan, (New India) *Jt. Secretary:*— Mr. B. S. Bhatia, (The National) *Secretary:*— Mr. Gudibande S. Rama Rao, (Sterling General.)

Committee Members.

Mr. P. R. S. Rao, (Asian), Mr. B. Radhakrishna, (United India Life), Mr. T. N. C. Satagopan, (United India Fire & General), Mr. V. K. Srinivasan, (Empire of India), Mr. D. V. Ramaswamy, (National Indian).

Insurance Employees Meeting

We are informed that a meeting of the Insurance Office Employees of Jamshedpur held on December 10, 1953, adopted a resolution supporting the demand for an All India Tribunal for Insurance disputes put forward by the All India Insurance Employees' Association.

Members of Insurance Underwriters' Association entertained

Mr. R. C. Damani, Treasurer, the Insurance Underwriters' Association of India entertained the Members of the Association at a Tea Party arranged in the Hall of the "International Cafeteria" on 4th December, 1953. Mr. Damani and Mr. N. C. Ghosh accorded a cordial reception to the Members and Mr. S. S. Ali welcomed the guests in a short speech.

Mr. T. Ananthachari.

Mr. T. Ananthachari, B. A., who retired recently as the Divisional Manager of The Hindusthan Co-operative Insurance Society, Limited, at Madras, has joined the General Assurance Society, Ltd., as Manager at Madras for Southern zone.

After graduation from the Madras University Mr. Ananthachari joined the "Wealth of India" and "Indian Review" as the sub-editor during the first world war. After four years he was in "Hindu" for a short period. Then he was the Assistant Manager of the representative of Messrs. Grahams Trading Co., Ltd., Madras, who were the Chief Agents for "Norwich Union" and South British Marine Insurance Co., Ltd., In 1923 Mr. Ananthachari became the Chief Agent for the "Norwich Union" for South India. In 1930 he was appointed as Branch Manager at Madras by the National Insurance Company, Limited, Calcutta. He joined the Hindusthan Co-operative Insurance Society, Limited, in 1934 and was promoted to the post of the Divisional Manager at Madras, which post he held with distinction till his retirement a few months ago.

Mr. K. R. B. Vora joins Industrial & Prudential

Mr. K. R. B. Vora, B. Com., F.I.A., has joined the Industrial & Prudential Assurance Company, Limited, Bombay, as the Company's Actuary. Mr. Vora was previously in the service of Government of India, Ministry of Labour, in the Employees State Insurance Corporation.

Mr. A. Srinivasaraghavan, M.A., B.L., F.I.A.,

Mr. A. Srinivasaraghavan, M.A., B.L., F.I.A., who was the joint Manager of the

Jupiter General Insurance Company, Ltd., has been appointed as the Assistant Administrator of the Company.

Mr. A. C. Banik, B.Sc., A.C.I.I.

Mr. A. C. Banik, B.Sc., A.C.I.I., we understand, has been appointed as Acting Secretary of the Calcutta Regional Committee of the Indian Insurance Companies' Association Pool.

Mr. V. G. Patkar

It is reported that Mr. V. G. Patkar, who was connected with the Presidency Life Assurance Company, Ltd., has joined the Industrial and Prudential Assurance Co., Ltd., as Branch Secretary of their Hyderabad Branch.

Mr. L. V. Kashikar, M.A.,

Agency Manager, "Western India" entertained.

During his recent tour, Mr. L. V. Kashikar, M.A., Agency Manager, Western India Life Insurance Co., Ltd., was entertained at lunch by the Rajasthan Insurance Association, Jaipur on December 13, 1953. The party was arranged by Mr. U. C. Sipahimalani, Divisional Superintendent of Western India. It was attended by Insurance Executives and other prominent citizens. Mr. S. K. Thapar, President of the Association, welcomed the guests on behalf of the Association. Mr. Sirumal, Ex-Deputy Speaker, also addressed the gathering.

The Agents of Jaipur office of "Western India" held a function in honour of Mr. Kashikar on the 14th December and presented him with a new business of Rs. 72,000.

Mr. Kashikar also visited New Delhi where his company's fieldworkers and

sympathisers held a tea party at Nirula. Mr. Kashikar addressed the gathering suitably.

Mr. U. N. Chatterjee.

We understand that Mr. U. N. Chatterjee, General Manager of the Standard General Insurance Co., Ltd., has retired from December 1, 1953 and has since joined the Board by Directors of Fire and General Insurance Company of India, Ltd., Calcutta.

It is reported that Mr. P. P. Gupta has ceased to be the General Manager of Bharat Fire & General Insurance Co., Ltd., Delhi, from 17th December, 1953.

Mr. S. B. Roy Choudhury

Mr. S. B. Roy Choudhury, Assistant Agency Superintendent of the Hindusthan Co-operative Insurance Society, Ltd., has resigned with effect from 16th December, 1953 and has joined the General Assurance Society, Ltd., as its Life Manager.

Sterling General Insurance Co., Ltd.

We understand that Mr. Mont Dutta, Branch Manager Sterling General Insurance Co., Ltd., Life Department, at Calcutta, has resigned with effect from 15th December, 1953.

General Insurance Council.

A Meeting of the executive Committee of the General Insurance Council was held at Delhi on 17th December, 1953. Mr. S. K. Majumdar, Director, Fire and General Insurance Co. of India, Ltd., was nominated as a member of the Administrative Sub-committee of the Calcutta region in place of Mr. U. N. Chatterjee. Mr. K. G. Ambegaonkar presided. It is reported that the Code of Conduct and

the working of the Administrative Machinery was also reviewed at the Meeting.

Life Insurance Council.

The Executive Committee of the Life Insurance Council met on the 17th December, 1953 at Delhi, Mr. Ambegaonkar presided. Problems regarding paid-up policies and the question of some concession for co-operative insurance companies were discussed. The next meeting of the Committee is scheduled to take place in Bombay during March, 1954.

Prithvi Insurance Co., Ltd., to be converted as a Mutual Co.,

The Gazette of India of Part II-Sec. 3 of 5th December 1953, notifies that the Prithvi Insurance Co. Ltd., of Madras has applied to the Central Government for converting itself into a "Mutual" Company as per a special resolution passed by its General Body. The notification reads:—

S.R.O. 2215: It is hereby notified for the information of all concerned that the Prithvi Insurance Company Limited, Madras, being a public company limited by shares carrying on insurance business has passed a special resolution for converting itself into a public company limited by guarantee and has applied to the Central Government under sub-section (1) of section 6C of the Insurance Act 1938 with a scheme for putting the special resolution into effect including provision for the alteration of the memorandum and articles of association for the purpose of such conversion. An extract from the scheme is annexed herewith.

2. Notice is hereby given that the said scheme will be taken into consideration by the Central Government on or after the 10th January, 1954.

3. Any objection or suggestion received in the Department of Insurance, Kennedy Cottage, Simla, with respect to the said scheme before the date specified will be considered by the Central Government.

Life Business of the Mysore Insce. Co. Ltd. to be transferred to the Prithvi Insurance Company, Ltd., Madras.

It is proposed to transfer the life insurance business of the Mysore Insurance Company, Limited, Bangalore to the Prithvi Insurance Company, Limited, Madras, in accordance with a scheme drawn and presented to the Controller of Insurance. The reason for the transfer is to ensure better protection to the policyholders of the Mysore Insurance Co., Ltd. The basis of the transfer will be the actuarial report of Mr. P. Ramaswami, F.I.A., on the valuation of the liabilities in respect of the Life Insurance business of the Mysore Insurance Co., Ltd., as on 31st December, 1952 and the audited balance sheet and accounts for the year ended 31-12-1952, subject to acceptance by the Controller of Insurance. A notice to this effect is also published in the daily papers giving an opportunity to all those concerned to raise objections if any which will be heard by the Controller of Insurance on the 16th March, 1954 at his Office in Simla.

New Premises of the Asiatic and Prithvi Insurance Companies at Bangalore

Mysore State Chief Minister Opens.

Mr. K. Hanumanthaiya, Chief Minister, Mysore, declared open the new premises of the Asiatic and Prithvi Insurance Companies, at Bangalore on the 29th January, 1954. The Chief Minister also inaugurated the eighth annual convention of these Institutions.

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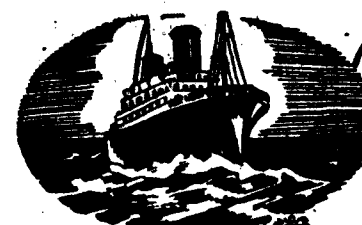
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sisting of representatives of employers and employees and nominees of the State Governments concerned are being set up for each of the Regions to advise the Corporation on the proper and efficient running of the Scheme in all places included in the Region.

The Employees' State Insurance Corporation is a Statutory quasi-Government body under the administrative control of the Ministry of Labour, Government of India. The Corporation functions with its headquarters in Delhi. Its Chief Executive Officer is the Director General who is assisted by four Principal Officers at the Headquarters. The Headquarters of the Corporation will be mainly concerned with the laying down of policy, supervision and co-ordination and the Scheme will be administered through a number of Regional and Local Offices all over the Country.

The Corporation has opened Regional Offices in the five Industrial centres of India viz., Delhi, Bombay, Calcutta, Kanpur and Madras under the charge of the respective area Regional Directors. Local Offices of the Corporation and the State Insurance Dispensaries in each Region, have been or will be established in the residential areas of the insured persons in places where the benefit provisions of the Scheme are or will come into operation. Local Offices will be under charge of the Managers and the dispensaries under the charge of Insurance Medical Officers.

The Headquarters of the Corporation will be mainly concerned with the formulation of policies, supervision and co-ordination. Regional Offices will maintain records, supervise the Local Offices

and deal with most of the routine administrative work. Local Offices will receive claims of insured persons and will pay the benefits provided under the Act. The State Insurance Dispensaries will provide free medical treatment to insured persons.

Administration of Benefits:

Of the five types of benefits provided for insured persons under the Scheme, excepting medical benefit which will be in kind, the other four benefits viz., sickness benefit, maternity benefit, disablement benefit and dependants benefit will be paid in cash.

(i) Local Offices for payment of cash benefits:

For purposes of effecting cash benefits in places where the benefits provisions of the Act are brought into force, the Corporation will set up Local Offices in such of those localities in those places as are having large concentration of labour. These Offices will, as far as possible, be located quite close to the State Insurance Dispensaries, so that the insured persons who come to the dispensaries for medical treatment may also put in without much inconvenience their claim for cash benefits they may be entitled to. The Local Offices of the Corporation will supply the necessary forms to the insured persons for claiming the benefits and also assist the insured persons in filling up the forms and claiming the benefits. These cash benefit payments will be made over the counter to the insured persons, in case he should personally present the claim, or to his authorised representative whenever he could not visit the Office. Payment may also be effected by money orders whenever the insured person requires

payments to be so made. Arrangements will be made at these Local Offices for speedy payment of cash benefits and also for prompt rendering of all assistance to the insured persons in the matter of claiming and receiving the benefits as speedily as possible.

One other main function of these Local Offices is in respect of employment injury to insured persons. Immediately after receipt of report as to an employment injury, the Local office Officials would take prompt steps for ensuring immediate medical treatment, instituting necessary enquiries and action for early payment of disablement and dependants benefits wherever applicable.

(ii) State Insurance dispensaries, etc. for medical benefit:

As regards the medical benefits, it is well known that under our Constitution, any measures relating to 'health' of any person in a State is the responsibility of the State Government within whose jurisdiction he lives. The medical benefit (i.e., medical care) under the Scheme will, therefore, be provided in each State by the State Government. But since it would be hardly right for States to incur heavy costs in providing medical care to industrial workers alone and also because many of them have not adequate funds therefor, the Corporation will pay two-thirds of the total cost of providing a better standard of medical care for insured persons.

Medical care will be provided to insured persons in case of sickness, maternity and employment injury and will include, besides necessary medical examination at dispensaries or clinics, the free supply

of drugs, dressings and other appliances on adequate scale, skilled supervision at child-birth, ante-natal and post-natal care and immunisation against common infectious diseases. At the dispensaries drugs like Sulpha and antibiotics which are ordinarily out of the reach of persons with low incomes will also be supplied free of cost. With a view to maintaining a suitable standard, the Corporation has already laid down a 'Standard of Medical benefit'.

For purposes of providing medical benefits, the State Governments may set up special wholetime dispensaries called the 'State Insurance Dispensaries' solely for the benefit of insured persons. In the alternative, they may also consider the desirability of appointing part-time doctors or even adopting panel system. In any case, arrangement for medical treatment, either in full-time dispensaries or otherwise would be made taking into consideration the distance at which the workers reside so that when a worker falls ill he can have easy access. Where the full-time dispensaries are set up, the dispensaries will be under the charge of fully-qualified doctors and will have a full complement of compounders, nurses and other staff. The Medical Officers attached to these dispensaries will not be allowed private practice and they will be available whole time for attending to insured persons. In order to give insured persons adequate medical treatment there will be one doctor for each 2,500 insured persons.

A State Insurance Dispensary will ordinarily cater for workers residing within a radius of 2 miles but in industrialised cities where workers live in compact

areas, most workers will have a dispensary within half a mile of their residence. Independent State Insurance dispensaries for the exclusive use of insured persons may be established in localities where there is a concentration of 1,000 or more insured persons.

In areas where concentrations are small and where there are large distances between individual groups of workers, the medical benefit will be provided by one of the following methods. In respect of each case, the one which is the most appropriate thereto will be selected.

1. Mobile dispensaries to visit scattered population in villages.
2. Full-time doctor to attend at different times at separate centres or a part-time doctor for one or more centres.
3. Medical treatment to be given in an existing hospital, dispensary or any other institution maintained by the State or in the clinics of private practitioners.

Every insured person will be attached to a dispensary which is near his residence. Ordinarily an insured person will receive medical treatment from an Insurance Medical Officer at the dispensary to which he is allotted; incapacity certificates for purposes of cash benefits will also be given by the same Insurance Medical Officer. Outpatient services at the dispensaries will, however, be supplemented by domiciliary service i.e., home visits by doctors where a patient is unable to come to the dispensary and by hospitalization in cases of emergency. There will be no charge made for these visits to houses.

Salient features of the Administrative set up:

The material point to be noticed in the location of the Local offices by the Corporation and of the dispensaries by the State Government is that as already stated these would be established very near the residence of workers so that when any of them falls sick he may with the least physical strain visit the dispensary, get the medical treatment that is necessary and also with the certificates issued by the Medical Officer claim his cash benefit and return home for taking rest that is necessary to enable him to go back to normal life and attend to his normal duties with the least possible delay. It should be conceded that the very early restoration to normal health restores the happiness in family which in turn will react and be reflected in the improvement of his general health and efficiency.

One other point relating to the medical treatment under the Scheme that may be stressed is that the Insurance Medical Officers have been entrusted with the collective responsibility in respect of insured persons who are not specifically allotted to them and particularly in case of emergency, an insured person can get treatment from any Insurance Medical Officer or State Insurance Dispensary or other institution where treatment is provided under the Scheme.

Important Aspects of the Scheme:

(1) In cases of employment injury, employers are asked to provide emergency treatment and transport for removal to ordinary hospitals whenever the services of an Insurance Medical Officer are not readily available. Any reasonable expenses actually incurred by them therefor

will be reimbursed to them by the authorities.

(2) Three of the cash benefits (viz., disablement benefits, dependants' benefit and maternity benefit) provided by the Corporation compare favourably with benefits to which industrial workers are at present statutorily entitled under the Workmen's Compensation Act and the Maternity Benefit Act respectively which this Scheme would replace.

Firstly, *Under the Workmen's Compensation Act*, the benefits payable to permanently disabled workers and the dependants of a diseased worker are in the form of a lump sum payment. That does not appear to be very satisfactory as the lump sum is usually frittered away and it does not prevent a worker from falling into want again. With a view to preventing this, the State Insurance Scheme substitutes pension for the lump sum in the case of disablement benefit. Similarly, in the case of death of an insured person due to employment injury, his dependants viz., widow, minor legitimate son, unmarried legitimate daughter and under certain circumstances his other dependants will be paid benefits in the form of pensions. The widow will get her pension during her life or until re-marriage and the children until attaining the age of 15 which may be extended to 18 years; if they continue education to the satisfaction of the Corporation. Thus, by substituting a pension for the lump sum payment the insured person or his dependants, in case of his death due to employment injury, would be helped to lead a respectable life without being reduced to beggary after the lapse of a short time.

Secondly, in respect of these cash benefits one other point which is not to be forgotten is that the quantum of benefit, viz., dependants' as well as disablement inclusive of temporary disablement benefits, is definitely on a scale higher than that provided for under the Workmen's Compensation Act.

The third point to be noticed is that whereas under the Workmen's Compensation Act temporary disablement benefit is payable for a maximum period of five years only, under the Employees' State Insurance Scheme, temporary disablement benefit would be payable so long as the disablement lasts.

Fourthly, the workers would be entitled, for the duration of disablement, to free medical aid wherever necessary.

Coming to the *Maternity Benefit Act* in force in the Madras State, broadly speaking, this Act provides in case of maternity for a rate of benefit of 8 annas a day for a total maximum period of 7 weeks. The corresponding benefit under the Employees' State Insurance Scheme is more liberal in as much as the benefit is roughly 7/12 of her average daily wage or 12 annas a day whichever is greater, and is payable for a maximum period of 12 weeks. Apart from this improvement, the conditions of eligibility for receipt of the benefit under the Employees' State Insurance Scheme are easier than those under the Madras Maternity Benefit Act. Thus as regards both quantum and eligibility for this benefit, the change is for the better.

Implementation Programme:

The Scheme as envisaged in the Act is being brought into force throughout the

Country by stages. Already the workers in Kanpur and Delhi and the Punjab are in receipt of the benefits under the Scheme. So far as the State of Madras is concerned, the Government of Madras have decided to have the Scheme implemented in the first instance in Coimbatore in the course of a few months. With this end in view, steps are being taken both by the Madras State Government and by the Corporation.

With a view to facilitate smooth working of the Scheme before it actually comes into force, the Corporation proposes to contact the various Labour Unions for guiding the workers in the practical details of receiving all the benefits contemplated in the Act. The representatives of employers also would be trained in the maintenance of the various registers and submission of returns.

For the proper administration of the Scheme in every Region, the Corporation is setting up a Regional Board in each of the Regions. The Labour Minister in the Madras State would be the ex-officio Chairman of the Madras Regional Board. Apart from this there are provisions in the Act for the setting up of Local Committees and also Local Medical Benefit Councils within the Region in those places where the benefit provisions of the Scheme are implemented. On these Board and Committees there will be representatives of both the employers and employees in addition to those of the Governments. Thus the employees are having full voice in shaping the policy and activities of the Corporation in their actual day to day working.

Future.

Comprehensive Social Security Schemes have been for a long time successfully working in other countries. The present step taken by the Union Government is a first step towards Social Security in India and may well be called the dawn of Social Security in our Country. Even though the benefits now proposed may look modest one has to remember that the Scheme is purely for the benefit of the employees and that all contributions, not only of the employees but also those of the employers and the Governments, can be utilised for providing benefits to the insured persons only and not for any other purpose. There is no doubt that the Scheme will be extended in course of time to provide medical care for the families of the insured persons sooner rather than later. As time passes and the scheme gets to work efficiently, similar schemes to cover other classes of persons and also other contingencies viz., unemployment, old age and survivor's benefit would also surely follow, leading towards a comprehensive and integrated social security scheme covering all risks to which the common man is exposed.

One of the directive principles of our State policy is that "The State shall, within the limits of its economic capacity and development, make effective provisions for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want" and our Government is moving steadily towards this goal.

Life Assurance Funds and their Investment

BY A. S. RAMACHANDRA IYER, B.A.,

Assistant Branch Manager, Empire of India Life Assurance Co., Ltd., Madras.

THE most remarkable things about the life assurance institution are certainly the premiums it puts upon human lives. In fact, its whole working on a final analysis, centres round the premiums. What then are these premiums we charge? Are they mere guesses as so many people imagine? Or, if they have any scientific basis, how are they calculated? How are the Mortality Tables useful to us and what are those miracles so highly spoken of, which the Compound Interest Tables have enabled our Actuaries to achieve in life assurance? How are the life assurance funds formed and how should they be invested? It is these and similar other questions, I shall attempt to answer but, I must confess at the outset that I am no Actuary and so cannot discuss these questions for you from the Actuarial angle. Neither perhaps will it be possible for most of us gathered here to appreciate a discussion from that angle. For one thing the Actuarial Science is highly technical and defines very often the keenest mathematical intelligence. Although we do not need so deep and thorough a knowledge of the fundamentals in our every day work, it is however necessary for us to be first convinced ourselves about the rational basis of a business proposition prior to putting it before others. It is a matter of common knowledge that in these days, in the course of his daily Life Business transactions, the agent is pestered with many questions by prospects. Unless therefore he is armed with at least a very general knowledge of principles, the

agent will be compelled either to resort to 'bluffs' which is not uncommon in our country or to admit defeat in a competitive market. I was about to say that such an elementary knowledge was essential for all, if only because a proper understanding of a Valuation or Annual Report or the Insurance Act requires it. For example, Section 27 of the Act on which I shall be presently focussing your attention, reads thus:—

"Every insurer shall invest and at all times keep invested assets equivalent to not less than the sum of (a) the amount of his liabilities to holders of life insurance policies in India on account of matured claims, and (b) the amount required to meet the liability on policies of life insurance maturing for payment in India, less (1) the amount of premiums which have fallen due to the insurer on such policies but have not been paid and the days of grace for payment of which have not expired, and (2) any amount due to the insurer for loans granted on and within the surrender values of policies of life insurance maturing for payment in India issued by him or by an insurer whose business he has acquired and in respect of which he has assumed liability, in the manner following, namely, twenty-five per cent of the said sum in Government Securities, a further sum equal to not less than twenty-five per cent of the said sum in Government Securities or other approved securities and the balance in any of the approved investments speci-

fixed in sub-section (1) of Section 27-A or, subject to the limitations, conditions and restrictions specified in sub-section (2) of that Section, in any other investment, etc....."

I will therefore unassumingly put before you what little I have been able to assimilate from standard texts on our subject and what little I have gathered from my own experience. I will first proceed to explain what the Natural Premium is. I will assume for our purpose that according to a certain Mortality Table, out of 1,000 persons alive at age 25, only 995 survive one complete year and start age 26. It is also understood that while premiums are payable at the beginning of the year, claims are payable only at the end of the year. Let us also assume that each one of the 1,000 persons wants to assure for a period of one year stipulating to pay Rs. 1,000/- in respect of each claim arising during that period and before attaining age 26. According to our Mortality Table, for the five deaths which shall be occurring within the one year in question, a total sum of Rs. 5,000/- shall have to be found at the end of the year to meet the claims. While this amount is payable only at the end of the year, premiums which are paid and invested at the beginning, can earn interest for one year, say at 3 per cent. If we can know what sum invested at 3 per cent will amount to Rs. 5,000/- in one year's time, we shall be in a position to arrive at the total contributions necessary by 1,000 persons to meet the claims. This is readily found from Interest Tables. Taking the present value of 1 due at the end of one year at 3 per cent as roughly .97, we will require $(5,000 \times .97 = 4,850)$ Rs. 4850/- to be paid by 1,000 persons or by each, Rs. 4-14-0 which is the premium payable for a term of one year at age 25 years.

Because mortality increases with age you will see that for each higher age the natural premium must also be higher. It is found that at advanced ages the natural premium rises so steeply that it is almost impossible to continue payment of premiums for each age. It has therefore been found convenient to charge what is known as a level premium or a uniform premium throughout, which is worked out almost on the same lines as the natural premium. Only, the total losses till the end of a specified term in the case of the Endowment Scheme or till the end of the Mortality Table in the case of the Whole Life Plan, are calculated and such total costs equally divided among the persons living at the commencement of the term. It then naturally follows that at the earlier ages, a person shall be paying premium in excess of what is actually required at such ages to cover risk. This excess in the earlier years of a policy accumulates with interest to form a fund which would provide for the deficiency in premiums at the advanced ages. This fund is the Reserve which every policy accumulates from early years. So much about a Term Assurance.

In the case of what is known as the Pure Endowment, only the survivors of the term are paid the sum assured while death claims are ignored. Here again the total amount required to pay the survivors at the end of a term is calculated and with the help of Compound Interest Tables, the single premium or the annual premium payable, arrived at.

In the case of the Endowment Assurance, however, with which you are all familiar, the sum assured is payable both to the survivors of the term as well as in the case of all the death claims occurring during the period. It is therefore a com-

bination of the Term Assurance and Pure Endowment. In other words, the Endowment Premium is the total of the Term Assurance Premium and the Pure Endowment Premium.

What is then the Office Premium? We have been considering only the net premiums so far. But companies, as you all know, require to spend for procuration of business and for conduct of their offices and besides have also to provide for certain contingencies and to make a special provision for with-profit policies which are entitled to participate in profits. Expressed differently, provision is necessary in the premium for commissions, for management expenses such as salaries, medical fees, rents, taxes, stationery and stamps etc., and for contingencies such as higher mortality than may be experienced than according to the Table used or lower interest yield which may be earned than the assumed rate etc. Hence the net premium passes through a process of "loading" with extras for purposes I have stated. Conversely, if during a certain Valuation of the assets and liabilities of a company conducted, let us presume (although it is not usually the case) on the same assumptions as were made in the calculation of premiums, there was favourable mortality experience, a higher rate of interest was earned than assumed and less expenses were incurred than provided for, then, that company during the Valuation will disclose profits under all the three heads of Mortality, Interest and Loading. You will now see that the life fund of a company consists not only of accumulated policy reserves but also of all the savings and profits made by it. These are the facts which you have got to bear in mind when we discuss the question of the investment of life assurance funds.

I would invite your attention, by the way, to the provisions of Section 3 of the Insurance Act under which certification is necessary of the soundness and workability of the premium rates, among other things, published by an insurer.

Let us for a moment reflect on the significance of the life assurance fund. It represents the accumulated savings of thousands of policyholders the major portion of whom belong to the average-income group and several others to the poor category who can pride upon no other possession than their life insurance savings. Around the life funds, therefore, centre the hopes and aspirations of a nation, its economic progress and development, its educational and moral uplift, its industrial expansion and many other good things of life, all of us look for in a happy and contented world. These funds then constitute a vast economic reservoir, an inexhaustible source of credit to the nation, a veritable national asset. "You all know the nature of these—provision for the family in the event of death, provision for the liquidation of indebtedness, provision for ensuring the security of steady income in the later years of life, provision for the education of children, provision for preserving the continuity of business firms and many other vital uses of life insurance. The fulfilment of these economic benefits over the years of life insurance history has been of immeasurable value to community life and to countless individuals." says Mr. Arthur M. Collins.

It will be apparent to you from what I have said that life insurance companies are in the position of trustees for their policyholders charged with the legal and moral responsibility of husbanding their resources in a manner above

criticism. Yet, things in the matter of investment of life funds are not so rosy as they may suggest themselves to the casual thinker. No controversy over a matter in Insurance circles has raged so long or produced so much heat and smoke as this subject of investment of life funds. Opinions are so sharply divided as to the avenues of investment that one has to seriously doubt whether the last word would ever be said on the investment policy. There are nevertheless certain well-defined principles or canons appertaining to life fund investments which have been laid down by Mr. Bailey. The first and foremost consideration in this matter should be the security of capital. Consistent, of course, with safety of capital, as high a return on investments should be obtained as practicable. These two features are aimed at practically by all financial institutions. There are, however, certain peculiar characteristics present in life assurance finance which differentiate it from, for instance, a bank. For us, the question of liquidity is not of so much importance as to the bank on which a run can take place when a serious disturbance occurs in financial trends or public mind. Life insurance, on the other hand, is a long-term contract, the moneys becoming payable in the usual course either at death or at maturity. Yet, it is necessary for us, too, to anticipate excessive claim payments at certain periods due to calamities in nature or wide prevalence of epidemics which may take a heavy toll of human lives. We should also anticipate when the money market is excessively tight, abnormal loan calls or applications for payment of surrender values. Bailey, therefore, recognised that it was necessary for a life office to hold a small portion of its funds in convertible securities for payment of claims and loans etc. It should now be

obvious that the major portion of the funds are available for investment in long-term securities. There are other Actuarial investment-classifications into which I should very much like to have gone if we had a little more time at our disposal, because these questions of high finance are so fascinating a study. Bailey's canons are intrinsically sound but certain details as put forward by him have undergone considerable modification. As you know, certain economic principles are backed by the time-factor but with change of times and conditions they necessitate re-adaptation. So, the view widely prevails that with regard to details of investment, the position must be kept mobile and not hurried into water-tight compartments where the quantity of investment in each bears a fixed relation to the whole.

I will, however, refer briefly to the question of State control over investments which is again a controversial position. There are, of course, two distinct schools of thought, one favouring State control over investments of life offices and the other opposing legislative control. The advocates of the first school point out that Government being the most responsible body aiming at the greatest good of the greatest number, that body alone is competent to decide on so vital an issue as the investment of life fund formed out of the hard savings of millions. It is only that supremely responsible body which can guarantee, as in other matters of life, that safety with regard to capital which is essential for the very existence of the institution. The oppositionists hold that by legislative enactments we are seeking to raise limited experience to the status of permanent law and while the heavy Government machinery is slow to move in matters of agency, the posi-

tion with regard to investments must be kept mobile. It is a recognised canon that all investments should not be made in one class of securities however good and they put forward the argument that no law can prevent unwise investment. "If the investments are concentrated in one security or in one class of security, the investor runs the risk of depreciation in capital and loss of income at one and the same time. It is essential therefore that the investments be judiciously distributed in order that on the average, stability may be counted upon with certainty....." says Mr. W.A. Robertson, F.I.A. So, the latter school argue that by frequent publicity it is possible for the Government Department of Insurance to correct errors wherever they may occur and reduce unsound investments to a minimum. This was more or less what the Clauson Committee in England reported about the matter of publicity. But then, the critics held that publicity had its limitations and unless it could openly declare, for instance, like this, "This company has gone the way its foolish financial policy deserved to take it, and that company is the next to disappear" it could not 'save the lambs from the wolves'.

The fact cannot, however, be overlooked that even in the more advanced countries in the West, some measure of Government control still obtains in practice. So far as India is concerned, in view of the wide-spread illiteracy which prevails and the absence here of any considerable financial or investment experience to guide us, a larger measure of State control is called for in this direction and the provisions of Section 27 of our Insurance Act as they stand in their recently amended form, appear more or less satisfactorily to have reconciled the two views. Apart from Government or quasi-Government Securi-

ties and loans on policies within surrender values, a wide choice has been given in the matter of investments such as, debentures, mortgages, ordinary and preference shares, fixed deposits, life interests and immovable property etc., with necessary restrictions, of course, to ensure not only security of capital but also the interest yield. I now propose, for your benefit, to go briefly into the nature of some of the more important kinds of investments.

In the example of the premium I worked out for you at the beginning you will remember that an assumption of a 3 per cent interest rate was made in its calculation. You will now be able to understand why a loss under this head will result if a 2 per cent yield alone was realised in practice. Interest constitutes a principal contributor to the profits of a life office. Similarly it is an important element in the determination of the cost of life assurance to the public. Safety of principal, certainty of income and saleability are said to be the cardinal points of a good investment. All these features are present in Government Securities which should therefore necessarily find a place in the investment portfolio of a life assurance company. Here too a little discretion is required to be exercised by the investor specially in times of depression or international insecurity when returns from Gilt-edged Securities tend to go down. When such returns are below the assumed rate, alternative investments must be thought of. I was going through recently an interesting book-let by Messrs. Roy and Sunil Dutt on 'Government Securities and Life Funds' in which the editors go as far as places as to suggest that a life office must always prefer Government Securities to all other

the attainment of the objects for which they were originally started, there will definitely be an improvement all round. But, in the meantime, no amount of work of the Associations seriously will the decisions arrived at the meetings of the Associations and follow them scrupulously. The results of such an attitude can be easily imagined. The honest few who try to put into practice the mandates of the Associations find themselves in a most inconvenient position. It was only this kind of state of affairs in the past brought so much of trouble to the insurers by way of very rigorous provisions of the Insurance Act and Rules, Code of Conduct, etc., and about which almost every one now criticises. It would seem on calm deliberations that there is no way for the insurers out of the present inconvenient situation except to join together, understand each other better, find out common solutions for overcoming the existent hurdles and follow them up honourably. The whole business of Insurance rests on organisation. Every insurer would find plenty of quality business in India with nearly 400 millions of population and nearly 95% of them remaining uninsured, provided the problem of organisation is tackled successfully. This problem could not be solved by any insurer individually for many reasons. In the first place there are no trained field workers available for these Companies to choose. Practically, the entire business procured now are due to the efforts of agents who are mostly part timers and who do it through their mere influence and not by sale on merits. Unless Insurance Companies by their joint efforts take immediate steps to find suitable men for the job and train them in hundreds and thousands, one cannot expect a better state of affairs even after the lapse of many years from now. We hear so often of "Co-operation" from the lips of almost everyone, but that is yet to be seriously practised by managements of a business which is itself based on principles of Co-operation!

Employees' State Insurance

Excerpts from an Address delivered

By SHRI V. R. NATESAN, M.A., B.L., F.I.A. (Lond.),
at the V Annual State Conference of Social Work.

Measures of social security in India in the regular sense of the world have made a start only about 18 months ago. Dr. C. L. Kattial, the ex-Director General of the Employees' State Insurance Corporation submitted a paper on the subject of "Social security in India" to the International Conference of Social Work held in Madras during December last. He dealt broadly with the genesis of social insurance in India and the major points of principle embodied in the Scheme. There was an interesting discussion on those points at the Conference and now I have the privilege to place before you the salient features of the Employees' State Insurance Scheme, the administrative set-up therefor etc.,

As the term 'Social Security' itself suggests, any scheme of social security tries to minimise the sense of insecurity which atleast some members of any society generally have. The incidence of the sense of insecurity is comparatively all the more greater in the case of a person who is dependent on income earned by himself.

It is a matter of common observation and experience that every person who earns a livelihood for himself or his family i.e., every person who is engaged

in a gainful occupation, is exposed to certain risks, which makes his income unsteady. These risks include sickness, convalescence, old age, employment injury, maternity, unemployment and death. Some of these contingencies particularly sickness, injury and maternity come as a double inconvenience in that they involve loss of income on the one hand and increase in expenditure on the other. Some people may have a small saving to fall back upon in these contingencies; but seldom does this saving prove adequate and generally one has to resort to borrowing at exorbitant rates of interest. Others may not have had the prudence to save or the wherewithal for providing for such a contingency. For them there are various other ways of combating these risks e.g., joint family system, private charities and social assistance. Joint family is breaking. In these days of growing expenses, private charities are also not much in evidence.

In modern conditions, therefore, when prices are high and wages not high enough to support all the members of the family, the best method is by the collective effort of all members of the society to insure against these risks. This remedy is known as Social Insurance in its various aspects such as health insurance,

form of investment. That is perhaps an extreme view although many other facts and principles of investment discussed elsewhere are an interesting study of truth. But, to the critics at the other extreme, who argue that Government Securities are altogether unsuitable for investment on account of the very inconvenient fluctuations which occur in their value, it may be said that when the income is certain and bears a reasonable relation to the capital invested, depreciation is not of much consequence because out of the income it is possible to create a capital depreciation reserve fund.

It is a principle in Economics that the higher is the yield, the lower is the security and vice versa. Obviously mortgages do not promise as much security as the investment we have just been considering. First mortgages which have been well scrutinised, are, however, normally good investments and yield fair return on the capital invested although the risk here for evident reasons of depreciation and lower yield is more pronounced in abnormal times. This form of investment is not popular with Indian Insurers.

In spite of the inconvenience apparent in the management of a considerable number of petty advances, loans on policies within surrender values are first-rate investments because they are always well secured. Catering to a needy insured public on reasonable terms is a part of the social service we are rendering and as it also serves to popularise insurance among the masses policy loans are considered both safe and useful.

Debentures constitute the acknowledgment of a debt and because they are accompanied by some definite security pledg-

ed as guarantee, they have the first charge on a company's assets. In other words, they are a loan made to the company with a fixed rate of interest payable yearly or half-yearly as the case may be. Debenture holders have no voting rights and do not usually participate in the profits earned by the company although the interest promised to them must be paid irrespective of the trading results. In a winding up, the debentures must be repaid before holders of shares of any description can come in for their share. Obviously therefore, debentures offer good security and are always worth their nominal value provided, of course, the assets of the company fully cover them. Debentures are of various types such as, prior lien mortgage debentures, first debentures, second debentures, redeemable and irredeemable debentures, convertible debentures and so on. It is not possible for me to go into an explanation of each form of debenture on this occasion although I will just indicate the nature of each. As the very name suggests, the prior lien mortgage debentures carry with them the highest degree of security and are usually issued by a firm when it is badly in need of funds. The second debentures are not as well secured as the first debentures which have the prior claim on the assets of a company. The second debentures, therefore, usually carry a higher rate of interest and are issued at a lower premium than the first. Some debentures, again, are redeemable after a fixed date while others cannot at all be redeemed. A moment's reflection will reveal the relative advantages of the latter to the holders on the one hand and to the company on the other. If credit is cheaper than the rate at which the irredeemable debentures have been issued, they are naturally a burden

to the company because it has to continue payment of interest at the promised higher rate and cannot terminate the liability. The debenture holders then reap the benefit. When, on the other hand, such debentures yield less than the ruling rate they put the holders thereof at a disadvantage and the company reaps the benefit arising from the cheaper money in its possession. Neither can the holders terminate the debentures in such an eventuality. For these reasons, irredeemable debentures are not so popular as the redeemable ones.

With the increased activities of our Government becoming evident in the direction of industrial expansion we may naturally expect in the coming years a tendency for the investment figure under "Shares in Indian Companies" to swell to the maximum permissible under the provisions of the Act.

We will now study the investment position of life assurance companies in India. These particulars are tabulated in the Government of India Insurance Publication to which, I wish, one more column had been added giving the exact percentage of each investment category.

Incidentally this picture in the context of the views I have stated, tells you in how many different channels a company's funds flow and serve apparently to dispose of the popular misconception that the placing of all the insurance of a person with the same company is like putting all eggs in one basket.

As the Inspector pointed out to you in his last address, these are fast changing and successful salesmanship will very largely depend upon the efficiency of our

service to a public which is getting increasingly insurance-minded. Specialisation is becoming the order of the day and if there is still any one who has not read the sign of the times aright, a reference need only be made to Section 64 (I) of the recent Amendments Act which vests the power in the Life Insurance Council to hold examinations for individuals wishing to qualify themselves as insurance agents and to issue licences under Section 42 only to such of them as have passed any such examination. Salesmanship will indeed be severely tested if it does not slough off old-fashioned methods or fails to adequately respond to the changing needs of the insuring public in this country which is fast becoming enlightened on a matter so vitally concerning their welfare. Thinkers and moralists have stressed the necessity for adequate recognition of the importance of social service in planning schemes of post-war educational re-construction. And because life insurance is social service of a high order, it will not be long before it takes its rightful place in the new order of things. As the "Insurance Salesman" has pointed out, "life insurance cannot be separated from the social life of man. It is a development of his efforts to live among others—co-operate with them—and to discharge those obligations which this social situation has placed upon him. Whether the policy be for himself, for his business or for his family it is an effort to improve his relationships to others directly or indirectly. Life insurance would not exist—because it would not be wanted nor needed—unless man were socially situated".

keep up their obligations to the company. But who is responsible for this hurry? Why should the Branch Managers and the Inspectors be on a guaranteed basis? Why should not the insurers arrange for a distributed turnover? As far as agents are concerned the limitations of commission should not prompt them to rush for business towards year end. But companies do not give a flat rate of commission and the temptation of bonus may be responsible for the year end rush. In bigger companies, agents are started at 25 % and they are given 10 % more on completion of a minimum business of Rs. 25,000/-. In small companies they start either at 30 % or at 35 %. If they start at 30 % extra 5 % is given as soon as the agent completes Rs. 10,000/-. This rush can be avoided if the companies can provide a flat rate of 35 % atleast for agents who do Rs. 25,000/- every year. Atleast bigger companies having a total business of over 10 crores can afford to do away for this graded commission and start the agents at 35 % straightaway. If such big companies are not capable of selecting good agents producing atleast 25,000/- what then will be the lot of agents. Can anybody live on Life Insurance agency as a profession unless he gets atleast Rs. 25,000/- business? Why then should Insurers fail to impose the condition that the agency could be continued only if the minimum business of Rs. 25,000/- is done. Almost all foreign companies do not continue agents unless they do 40,000/- or 50,000/- every year. The treatment that is afforded to such foreign company agents can never be compared to that of agents in Indian Companies. Such limitations will enable the agent to start his activities from the beginning of the year itself and give a steady business. He

knows all about insurance and insurance canvassing and there will be no necessity for accusation of the insurers about the high percentage of lapses owing to forced business.

The defect of forced business could therefore be avoided by a proper choice of agents and by a proper system of remuneration.

Wrong choice of the prospect:— This defect is mainly due to the wrong choice of agents and defective system of canvassing. Insurers appoint agents at random without any principle of selection and after selection none of the agents are given any training. Generally companies would be prepared to spend Tens of thousands of Rupees on advertisement every year but will not bring in a complete instruction book giving out the entire details of insurance including servicing to the policyholders and choice of prospects. 90 % of the agents are all agents doing less than Rs. 10,000/- in a year. Well! for 10,000/- the remuneration, assuming that all the first year's premiums are collected will be Rs. 120/- (roughly about Rs. 10/- per month). Can any agent have sustained interest on this remuneration? Can he take the agency as a whole time job, devoting as much attention and as much interest as any other better paying profession?

The company should have on rolls only agents who do Rs. 25,000/- and more and before they are sent out for canvassing they must be asked to undergo an examination which can be conducted by any of the associations. The Insurer's Association themselves can organise a training course and all insurance companies who

are members of the Association can contribute to the training as well, a small amount, so that the agents whom the insurance companies have selected can undergo regular training and thus train themselves to select proper prospects. Now what do the agents do? Without any idea on the subject the agent meets some parties and begs for insurance. He is not able to point out the advantages of Insuring in his company, or to throw light on any doubts raised by the prospect. They are not even able to judge properly who will be good prospect and who will be bad. I therefore feel that even here the Insurance Companies alone are at fault in not having arranged for a proper choice of the agents and in not having provided for a complete training course.

Wrong choice of Tables: As already mentioned, because of lack of training agents are not conversant with a complete range of the goods that his particular company offers to the public. Naturally he must become a failure. If a salesman has no knowledge of what is available for sale how do you expect him to sell. The several schemes and their advantages to the prospect have not been taught to him. Moreover he is not trained to interview the party and ascertain the requirements of the needs of the prospect. Without knowing what the prospect wants, if he wants to sell a particular commodity how do you expect him to sell that commodity? For a man drawing Rs. 250/- per month, if a Car Agent knocks at his door daily for the sale of a car costing Rs. 8,000/- we must only pity him for his patient attempts to effect a sale. I must again say that Insurers must come forward not only to train agents but to print attractive

pamphlets, cataloguing the several types of policies that they have and the various uses to which they can be put to. Visual pamphlets, serve as a better sales Aid. So attractive pamphlets must be supplied to all the agents and the agents must also be trained to reproduce them with sufficient emphasis to convince the parties.

Wrong choice of mode of payment: This again is due only to lack of proper instructions. Agriculturists get their income twice in a year. If premiums are adjusted to suit the period of their income the policies will never lapse. Apart from the agents' knowledge of such a convenience, many companies are not prepared to adjust the mode of payment to suit such periods. Back-dating is effective upto three months in very many companies and beyond that they charge some interest. I do not know why they should charge any interest at all for a period during which they had not taken any risk and for which they have collected the risk premium. After all the interest may be only a few annas or Rupees. Can't the Insurance companies forego this so that they can have a satisfied policyholder who will not default the premium. Insurers' co-operation is largely necessary to obviate this difficulty.

No proper collection arrangements: Many companies have their Branches only in Provincial centres or Head quarters like Madras, Bombay, Calcutta and the like. Some of the companies have their branches in principal cities like Madras, Coimbatore, Poona, Dacca, Banares and the like. But these Branches have an organisation of agents in Taluk Head-quarters and such agents canvass policies

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Insurers Apathy Towards Lapses.

By S. VENKATAKRISHNAN,

City Branch Manager, Prithvi Insurance Co., Ltd., Madras.

JOURNAL after journal, writers after writers — why! even the Controller, in the Blue Book, wax eloquent over the causes for the lapses. All of them attribute the major fault only to the poor agents and field workers. Human tendency as all of us know is to find fault with others. If a person goes and hits himself against a door or a chair or any inanimate object, normally he will say that the door knocked him or chair hit him. How could an inanimate object run after him and do the damage, he will not think about it. And so it is normal to attribute faults to others.

That neither the policyholders nor the poor agents have thought fit to defend themselves — is perhaps the only reason for these journals and writers, why, even for the insurers cataloguing the faults and attributing the same to others and not to the companies or the management. Just as the Head Office and Management of Insurers attribute the fall in business to the field workers, they also attribute the lapsing of policies to their inattention. The field inclusive of the agent is immediately taxed for omissions. But no one has known as to who taxes the insurer or at any rate the management for their faults. They select bad or inefficient field workers and the business falls. Are they taxed for their wrong choice? No. Even in depression years, when the business falls short of the previous year—for

no fault of the field workers — the Head Office deny the increment and at times even cut the salary but have their own increment alright.

Before dealing with the subject in detail I would like to enunciate the much advertised causes for the lapses in the policies.

- (1) Forced Business:— Business effected through pressure or obligation.
- (2) Wrong choice of the prospect:—not studying the economic conditions of the prospect or his family inconvenience, the nature of his job and other relevant particulars.
- (3) Wrong choice of Tables
- (4) Wrong choice of Mode of Payment
- (5) No proper collection arrangement

The above is one side of the picture that are usually catalogued. I doubt very much whether the above are the only main reasons for many of the lapses. Nobody so far in the field has taken the pains to analyse the other side of the picture, viz. the difficulties of the agents as also the difficulties of the policyholders.

Let us take the first reason. The normal complaint is forced business. But why? Because the Inspectors, Branch Managers and the agents rush up for business towards the year end in their anxiety to

in villages. No Banking arrangement has been made in many of the companies and if the policyholder wants to remit the premium, he has got to remit it only by Money Order. Sometimes he forgets and occasionally he postpones, just to avoid the botheration of walking to the Post-office, writing out the Money Order and sending out details for his payment. Better collection facilities avoid these difficulties. With the popularity of the Co-operative Banking movement, it should

not be difficult for Insurance Companies to appoint these co-operative bankers as collection agents. At least for a group of villages you should have one Co-operative Bank as collection Agents so that such an arrangement may be helpful for the policyholders.

We have now dealt with the lapses due to the faults of the agents. We shall deal with the faults of the parties for lapses in the next issue.

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By S. SUNDARAM, B.A., F.C.I.I.

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You must have a cosy retreat with a handsome pension or Provident fund accumulations in the evening of your life when your limbs refuse to obey and your body becomes work "unworthy". But if your objective is this, Insurance agency is not the career for you. This is the 'Y' of the profession!

For valuable help or social service rendered, there must be at least respect and admiration, if not recognition. But if your 'ego' expects this, it is best you keep away from this business. This is the 'X' of the subject we are now re-learning!

Your income must advance with your age and there must be possibilities of promotion depending on service and experience. That is of course the forward direction. But if your mental automobile cannot move in the reverse gear, you may regret for having chosen Insurance Agency as your life line. This is the 'W' of this business.

If you have mastered all these four lessons, "Y" greets you for victory. You have passed the fitness test and a very useful and profitable career awaits you.

You can now turn over the A.B.C. of your work.

You may learn the principles of life assurance, understand the points from 'proposal to policy', and 'policy to claim settlement'. You can read as many books as possible in Taraporewala's self improvement series, and on salesmanship. But better begin with the prospectus of your Company first. Don't expect any books on your subject in your provincial language. You can't get them. We have books only in English, buttered the American way. It will all be impressive and entertaining reading but if you try those technics on our people, be prepared for disappointment. You may become another Moses at the fair! By all means, note the points & understand the principles or methods, or rather the 'Science' behind them. But you have got to formulate your own 'know-how' which is suited to Indian conditions, will please our people, and make them sign your proposals.

Do not stand before a mirror and measure the defects or ugliness of your personality. Leave that job to your uglier brothers. You have no time for it. Being tanned in the torrid sun, Indians as a class (I mean men only) do not have much of physical beauty to boast of. But a good personality is not so much of a necessity to your work, and blackness is no disqualification. Remember diamonds come

among yourselves. Companies are out to exploit their agency "freedom" by appointing any Mr. Mrs. or Miss as agents and spoil your field. They have betrayed you, and raped your profession. Unless you rise in rebellion to make your profession clean and free from public contempt, the damage will continue to be done. Your voice must be heard by the Government and the people and everyone should be made known who is guilty of the present state of affairs. You must carry on the agitation in a non-violent and constitutional way until your profession too like that of lawyers, doctors etc., is regularised and certified. Do not think that the Government or your Company will take the initiative in this direction. The latter definitely may not or rather cannot. But you can, if you want it. The big question is however, do you? It is for you to answer.

Lastly you must have a stable 'union'

among yourselves. Companies are out to exploit their agency "freedom" by appointing any Mr. Mrs. or Miss as agents and spoil your field. They have betrayed you, and raped your profession. Unless you rise in rebellion to make your profession clean and free from public contempt, the damage will continue to be done. Your voice must be heard by the Government and the people and everyone should be made known who is guilty of the present state of affairs. You must carry on the agitation in a non-violent and constitutional way until your profession too like that of lawyers, doctors etc., is regularised and certified. Do not think that the Government or your Company will take the initiative in this direction. The latter definitely may not or rather cannot. But you can, if you want it. The big question is however, do you? It is for you to answer.

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News

Madura Insurance Association, Madura.

At the fifth Annual General Body Meeting of the Madura Insurance Association, Madurai, held on the 15th Feb. 54, the under-mentioned office-bearers were elected for the current year;

President: Sri R. Balaraman, B.Sc., L.T.,
(Bombay Life)

Vice-Presidents: Sri A. Viswanatha Rao,
B.A., (Hindusthan Co-op.)
Sri Y. S. Newton (New India)

Secretary: Sri C. R. Santhanam (All
India General)

Jt. Secretary: Sri G. Parthasarathy
(Pioneer Fire & General)

Treasurer: Sri A. E. Arumukham
(Oriental)

Committee Members:

Messrs. N. Govindarajulu (British India)
E. Annamalai (Mother India); A. Ramachandra Iyer, (Bharat); A. N. Vaithinathan (Neptune); S. K. Rajagopal, B.A., B.L. (United India) and V. G. Renga Rao (National).

5th Annual Conference

The Fifth Annual Conference of the Madura Insurance Association, Madurai was held on Sunday the 14th Feb. 54 at the Bharat Buildings, Madurai when Sri S. D. Srinivasan, M.A., F.I.A., General Manager & Actuary of the National Insurance Co., Ltd., Calcutta, and President, Indian Life Offices Association, inaugurated the conference.

Before the conference was inaugurated, there was a group photo of the members

of the Association with the distinguished guest.

An address of welcome was presented to Sri S. D. Srinivasan by the President of the Association, Sri N. Govindarajulu of British India General Assurance Co., Ltd. Sri Srinivasan then delivered his inaugural address

The annual report of the Association was then read by Sri A. M. Sundaram (Metropolitan), Secretary of the Association.

Two interesting lectures were then delivered by Major P. Govinda Rao, F.R.C.S., and Dr. Warriar, Vice-Principal, Thiagaraja College, Madurai on "some medical aspects of life insurance" and "Life Insurance as social service" respectively.

After a vote of thanks by Sri R. Balaraman, B.Sc., L.T., (Bombay Life), Vice-President of the Association, the conference came to a close with the singing of national anthem.

The members of the Association and the distinguished guests were then entertained to lunch.

S. D. Srinivasan address.

It is indeed a pleasure for me to be in your midst to-day. I am conscious of the great honour you have conferred on me by inviting me to inaugurate the fifth annual conference of the Madura Insurance Association, and my sincere thanks are sure for this.

It used to be said that two of a trade cannot agree. But, I am sure, all of you will join me in saying that this does not apply at least to the trade we ply. We have our disagreements. But not only two of us, but many times more than two of us can and do agree. The successful functioning of the various insurance associations all over the country is a proof positive of it. The very fact that so many insurance men, representing so many insurance companies, are gathered on this platform shows that we are all equally concerned to find out common solutions to our common problems.

I am sure, this is the idealism behind the Madura Insurance Association as it also should be behind all associations of this kind. This should be the forum where common policies should be evolved through exchange of ideas. This is the place where we should learn to surrender our individualism for the greater benefit of collectivism. This is the place where we must co-operate so that we might better compete elsewhere. I am certain that the members of the Madura Insurance Association realise this. This indeed is the very basis of your existence.

Coming from the general to the particular, I may say that each one of you has your own problems. But those individual problems have collectively a common denominator. Your individual problems naturally are business and the means and method of getting it. These may vary from man to man. But, basically and collectively, all of you have one and the same problems. And that is organisation.

I take it for granted that all of you will be interested in a discussion of the problem of organisation. Being mostly

Branches, you are, for your principals, like arteries through which flows the vital life blood. You are their means of sustenance and you are the media to make them known to the wider public. A man — and being primarily interested in insurance I would prefer to say, an agent — may be known by the company he keeps. But a Company is certainly known by the Branches it keeps. I hope you know your importance in the scheme of things and realise your responsibility to that extent.

Your first and foremost task is to get business. Speaking almost at the beginning of the year, I wish you good hunting and I hope all of you will reach greater heights. Of late, you may be hearing a lot about the so-called senseless craze about new business. The 'pundits' may have their special reasons for sounding this note of warning. I am not an insurance 'pundit'. My preference is for being a practical man. It is one thing to cry "wolf" in fun. It is absolutely another to find a wolf at the door. As it is, business is none too plentiful. And, at this juncture, I for one would like all of us to be crazy, rather than lazy, about new business.

I submit in all modesty that the cry against new business is a false one. I need not parade statistics before you for arguing out the obvious. Call to your mind's eye the teeming population of India and consider the volume of our total new business against this background. It is insignificant; it is less than insignificant; Compared to the countries of the West, our insurance is nothing more than embryonic. Then, why should we cry a halt? You must be all proud to serve your country

through insurance. As yet that service has been confined mostly to the cities and the urban areas. There are millions and millions whom this service has yet to reach. Then, why should we cease to serve through selling more new business.

Besides, we have a legitimate pride in our profession. We must give it a stature to gain one ourselves. There is no reason why Indian insurance cannot attain the imposing heights of its counter-parts in England, Canada and U.S.A. If you do not stop laying bricks, the building can certainly grow to be a sky-scraper. It may be that it will take a long, long time for per capita insurance in India to reach the levels of per capita insurance in the more rich and industrialised countries of the West. Still, in my view, our volume of new business can reach the level of those countries. They can sell more insurance per head. But we certainly have more heads to sell insurance to. This is I say, better be crazy and not lazy about new business.

But new business cannot be obtained by merely asking for it. We must plan if we must progress. We must widen our horizon and carry the banner of insurance deeper into the heart of the country. As I have already mentioned, our service so far has been confined mostly to the cities and the urban areas. But the time has come for the insurance interest to realise that the real India lives in the villages. The message of insurance should be carried from village to village and from Taluq to Taluq. It will be profitable for you. It will pay you rich dividends in new business.

The Taluqs and villages should thus form the units for future insurance

organisation. But penetration into the heart of the country may very well affect the compactness of an organisation. That must be guarded against. Organisation cannot and should not be widened at the cost of its strength. The only way to do it effectively would be to get more and more full time workers who should be properly trained up so that they can make this particular social service to the villagers a paying proposition for themselves.

I acknowledge that this is not going to be an easy job. The difficulties, many in the trade feel, might have been more readily tackled if those were not made more difficult. The Branches are mostly in big cities and towns and distance between them and the Taluqs and villages under their jurisdiction is vast. It is not practicable to have too many Branches from the point of view of the expenses involved. The supply of service to be maintained effectively and efficiently must therefore require a very long chain.

But as you cannot make fire without heat, so you cannot forge a chain without the necessary links. The Code of Conduct, as you know, does not permit more than one intermediary between the Branch Manager and the Agent and many thinking men in our profession have begun to feel with increasing force that this does not take into account the practical difficulties of the trade. They certainly do not doubt the sincerity of the Executive Committee in its attempts to place Indian Insurance on a high level, but feel that it would be better for all concerned if some room was left for the imagination and initiative of the chief executives of the offices instead of trying to work out the minutest details connected with our business.

ressing the meeting, Mr. Srinivasan stressed the need for organising Clubs devoted to recreational activities for those engaged in different professions and hoped, the Clubs in other zones also will follow the lead given by the Insurance Club, Madras. He also opined that it was desirable to have more than one association and there need be no rivalry among the various associations pertaining to insurance profession, so long as their objects are different. All of them can have co-ordinated efforts and achieve splendid results.

Mr. L. S. Vaidyanathan and Mr. M. N. Seth also spoke. The distinguished visitors were entertained with a Dance Recital by Kumari Thangamani and Party.

The function came to a close with a vote of thanks by the Secretary.

A Tribute by the "Canara Mutual" to its Founder.

A Hall in the Mahatma Gandhi Memorial College, Udipi, which is a tribute by the Canara Mutual Assurance Company, Ltd., Udipi, to its Founder, Dr. T. M. A. Pai, M.B., B.S., was declared open by Sri S. D. Srinivasan, M.A., F.I.A., (Lond.), Manager & Actuary, National Insurance Company, Ltd., and President Indian Life Assurance Offices Association on 8th February, 1954 at 4-30 P. M. before a large and distinguished gathering. His Holiness Sri Vibhudesha Theertha Swamier of Sri Adamar Mutt presided.

A. L. Dutta, M.Sc., B.L.

To meet A. L. Dutta Esq., M.Sc., B.L., General Manager, The New Asiatic Insurance Co., Ltd., Mr. T. Rama Rao, B.Sc., Branch Manager arranged a party on 9th evening in the office premises. Besides

the field-workers, Doctors and prominent citizens of Bezvada were present at the function.

Mr. Rama Rao during his speech traced the progress of the Branch from year to year and appealed to his representatives to work more hard to make the Branch one of the topmost Branches of the Company. A decent volume of business was presented to him at the function.

Mr. Dutta, General Manager delivered a speech asking the field-workers to meet their policy-holders from time to time to give them regular service. He said that if a proper service is rendered to them the chances of lapse will be very much reduced and the agent may also be benefited by new introductions through a policy-holder who is satisfied with the Company. He also advised the young and educated field-workers to take this profession as their career. If they devote 7 to 8 hours a day regularly they are bound to come out successful and they will earn much more than what they expect in Government or any other services as assistants.

Mr. Rama Rao, Branch Manager was all attention to guests.

Insurance Club, Patna.

At Home to Shri M. C. Roy, Choudhury.

On the eve of his transfer to Calcutta as Conservation Officer, Insurance Club, Patna, was at Home at a Tea party to Shri M. C. Roy Choudhury, Life Secretary of the Patna Branch of the New India Assurance Co., Ltd., on 3rd February last at 5-30 P. M. in the premises of the Aryasathan Insurance Co., Ltd.,

Shri S. L. Roy, in a short speech, said that he had known Shri Roy Choudhury since 1927 when the latter was a college student and had acted as a volunteer of the Congress Volunteer Corps of which Shri S. L. Roy was the Officer Commanding. Shri Roy found Shri M. C. Roy Choudhury conscientious and hard-working with a true military zeal for discipline. That background of his character has been well-proved by the way he has worked for the New India for the last twenty years and specially the inhuman energy he devoted to raise the business of the Patna Branch for the last five years. In Shri S. L. Roy's opinion Shri Roy Choudhury belonged to a family of insurance workers and referred to the organisational abilities and generous heartedness of the latter's brother the late Dr. S. C. Roy. On behalf of the Insurance Club Shri Roy expressed the sincerest regret of the Club in missing him because in the short period of his stay in Patna Shri Roy Choudhury had rendered such service to the Club that he had been elected Secretary, proving his capacity to win the hearts of co-workers. Shri Roy, however, congratulated Shri Roy Choudhury for the release he will now get from the annual guarantees of new business which is a peculiar feature of service condition for insurance field workers in India, confirmation notwithstanding.

After Shri S. L. Roy, Shri D. C. Chaturvedi, Branch Manager, United India Assurance Co., Ltd., and Vice-President of the Club expressed his personal loss at the transfer of Shri Roy Choudhury and hoped that even when away from Patna Shri Roy Choudhury will remember his friends of Patna who, he assured, will cherish his memory.

Shri Roy Choudhury very briefly replied to the sentiments expressed by the two speakers and in a voice choked with emotion said that the love and comradeship he had received from co-workers will ever remain green in his memory.

Indian Insurance Institute

With a view to make an extensive "Buy Indian Insurance" Propaganda, the Indian Insurance Institute opened a Stall at the Kalyani Congress Exhibition which was opened by Dr. B. C. Roy, Chief Minister West Bengal on the 16th January, 1954 and lasted for 3 weeks.

Informative Charts and Graphs showing:—

- (1) New Business (Life) (from 1928 to 1951)
- (2) Business in force (Life) from 1928 to 1951
- (3) Premium Income (Life) from 1928 to 1951
- (4) Life Fund (Life) from 1928 to 1951
- (5) Distribution of Assets from 1928 to 1951
- (6) Total Assets and Indian Govt. Securities from 1928 to 1951
- (7) Claims paid (from 1928 to 1951) have been exhibited at the Stall in a colourful style.

Two Show Cards in stands containing different slogans were kept in the Stall. Besides, Leaflets on various subjects were distributed on a large quantity daily.

The following Indian Insurance Companies have participated in the "Buy Indian Insurance" Propaganda of the

"It is argued by such critics that even these representatives of the trade who find their way into the Executive Committee sit there in their individual capacities. They can give only their personal views and not the view of the profession. They point out that there is always a 'rush rush' attitude about the deliberations of the Executive Committee and the trade as a whole is never taken into confidence and given a chance to express its opinion. As a matter of fact, the trade only knows about them when they come out in the shape of 'fatwas' from the Executive Committee. This they construe as meaning that the trade is not considered competent enough to think about its own good and they are surprised and shocked that the Executive Committee should take upon itself the task of fabricating the iron-frame of organisation and commission scale without giving an opportunity to the trade to express an opinion on it. They are emphatic that if such a statutory body does not stop with enunciating broad principles, but persists in going into the details, more difficulties will be created than solved.

They point out the unnecessary difficulties created, unwittingly perhaps, by forcing a rigid commission schedule for the agents. With the ceiling fixed by the Act, it is felt that the trade should have been left with some liberty within the limits. It really appears to be hard lines, particularly on the new agents, that they should be paid on a scale varying with their productivity within a calendar year. The agents join a company at all times of the year and it may not be always possible for them to earn the maximum within what is left of the calendar year. Some among them may be very potential and

deserve to be encouraged. But the Executive Committee, they say, permit payment only for productivity and not for potentiality.

But why lead us on strings, they ask. The trade only desires to charge as low a premium as possible and to declare as decent a bonus as is practicable and it wants to grow bigger and bigger on these two planks. It is not an easy passage, for the trade has to survive and then thrive against competition of the giants. This is true both of life and general business. In the latter sphere too, we have our difficulties and there are people who are never tired of pointing to the generally unhappy experience that there is a gorging of these giants at the cost of ourselves. Occasions are all too frequent when business which should otherwise have come to the Indian Companies go out of the field.

These are some of the difficulties you usually encounter in planning and executing your organisation. Sometimes you suffer another kind of a pin-prick. That comes when you find a worker changing company. You should not however allow this to upset you. It should be realised that these workers have as much right as the other workers in insurance to make a change for bettering their prospects. There cannot be much in this to make a fuss over it. These difficulties, however, are a challenge to your capabilities and you should try to overcome them in a collective way. This is where platforms like your Association come in.

I, therefore, hope that you should strengthen your Association in your own interest. You should make it the focal point of co-operation in spite of all the

competition you may have outside it. For this purpose it is essential that your Association should develop some extra-insurance interests which would offer you greater scopes for meeting on a man to man level. You may organise literary and social meets and you may arrange sports amongst yourself. The Association must be made to offer you scope for unfolding your real personality apart from the professional aspect of it. I hope you realise that the rivals in a trade can be good friends outside it. The Association should be your meeting place as friends.

I am happy to have observed an abundance of co-operation and camaraderie amongst the members of your association. This is as it should be and I am confident that with this spirit the Madras Insurance Association will grow from strength to strength and make its influence felt in Indian insurance.

I wish your Association success and again thank you for the cordial welcome you have been kind enough to extend to me.

Sri S. D. Srinivasan, M.A., F.I.A.,
at Udipi.

Sri Srinivasan had a busy programme during his brief stay at Udipi. On the very evening of his arrival on 7-2-1954 the Canara Industrial & Banking Syndicate, Ltd., had arranged a dinner party in his honour at their Head Office. On the forenoon of the 8th he visited the famous Sri Krishna Temple and offered his prayers. He also visited some of the Mutts and other places of importance.

The Canara Mutual Assurance Company, Ltd., got up a dinner party in honour of Sri Srinivasan at the Head Office

of the Company on the 8th Feb. 1954. The party was attended by the elite of the town. After dinner Sri Srinivasan in a suitable speech requested the audience to patronise Indian insurance. Sri B. Vaikunta Baliga, B.A., B.L., M.L.A., Chairman of the Company and Dr. T.M.A. Bai, M.A., B.S., Founder of the Company, also spoke about the importance of insurance and appreciated Sri Srinivasan for the yeoman service rendered by him to the cause of insurance.

Sri Srinivasan and Sri T. R. A. Pai, Managing Director of the Canara Mutual Assurance Company, Ltd., left for Madras to attend the Meeting of the Executive Committee of the Indian Life Assurance Offices Association to be held there on 12-2-1954.

Insurance Club, Madras.

There was a 'Dinner Meeting' of the Club on 11-2-54 at the Woodlands Hotel, Mylapore, Madras. Sri S. D. Srinivasan, Manager & Actuary, National Insurance Co., Ltd., Calcutta, and President, The Indian Life Offices' Association, was the guest of honour. Sri R. Parthasarathy, local Manager and Mr. M. Venkateswarlu, Secretary of the Club, welcomed the guests. There was a distinguished gathering of Insurance Executives. These present included Messrs. L. S. Vaidyanathan of Oriental, K. Balasubramaniam of Bombay Life, N. V. Nayudu of United India, M. N. Seth of Sterling General, L. P. Gokuldas of Jayabharat, Sohanle of Bombay Mutual, P. R. Gupta of Ruby General and T. R. A. Pai of Canara Mutual and others.

Sri K. S. Ramamurthi, President, explained the activities of the Club. Add-

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OBITUARY

M. Natesan, M.A.,

Manager, Indian Mutual Life Association Ltd., Madras.

We very much regret to report the death of M. Natesan, M.A., Manager, Indian Mutual Life Association, Ltd., Madras on the 10th February 1954, at his residence in Theogarayanagar, due to heart failure.

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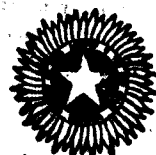
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NO. II

Indian Insurers' short-sighted policy

S TATISTICAL information and the report of the Controller of Insurance, Government of India, on Insurance Business carried on by Insurers and Provident Societies during the year, 1952, contained in the Indian Insurance Year Book, 1953, serve as a beacon light even to the man in the street to see the dark spots in the not too satisfactory a progress that Life Assurance Business has made during the recent years. No doubt, Indian Insurers procured an increasing volume of new business after the break out of the II world war, which reached the peak figure of 140.9 crores in the year 1946 (excluding the business relating to Pakistan) and since then, the new business trend continues to be almost stationary in the neighbourhood of Rs. 130 crores. The reasons attributed for this increase in the volume of new business are in main "inflation" and forced saving consequent on various forms of controls and rationing both on the necessities and luxuries of life. The controller is of the opinion that though the war money is now gone, the various schemes of the Planning Commission may help stabilise the new life insurance business and the recently introduced Estate Duty Act will also act as a stimulant. No one would wish to contradict such estimates and expectations and every Indian would feel proud to be told that Life Assurance Business in the Country is developing on a large scale as it would mean that correspondingly so many hundreds of families would stand protected economically. But, past records falsify any such expectations. Indian Insurers are yet to experience the result of "progress" in the proper sense of the term. No one with an understanding of the nature of the business would call the records of Indian Insurers during the past ten years and more as anything like "Progress". The Controller himself observes about the new business of Indian Insurers as follows:—

"The lapses have been fairly high during the past few years. This appears to indicate that much of the business done during the war and immediate post-war years was of poor quality and in some cases even

spurious." (Italics ours.) The Controller's remarks are fully justified by the following details. On January 1, 1944 the life assurance business of Indian Insurers that was in force amounted to Rs. 298 crores. The total of the new business introduced by Indian Insurers during the period from January 1, 1944 to 31st December, 1952 amounted to Rs. 1190.5 crores. If it is assumed that the new business introduced is of quality business and there has been no lapses at all, the total business that should have been in force on 31st December, 1952 would amount to roughly Rs. 1400 crores after making due allowance for claims, surrenders, etc., paid during the period by the Insurers. But the actual business that was in force at the close of the year, 1952, was only Rs. 790 crores. Indian Insurers' progress does not require any more comment. Particularly the progress relating to the year 1952 is still worse. At the beginning of the year a business of Rs. 755 crores was in force. During the year new business to the extent of Rs. 130 crores was introduced. But at the end of the year, the total business in force amounted to only Rs. 790 crores, i.e. an increase of Rs. 35 crores despite a new business of Rs. 130 crores. In the face of such a dismal picture of Indian Insurers' progress, the controller's remark of the business written by Indian Insurers as "spurious" is only a natural and logical conclusion. Our countrymen therefore need not delude themselves in the opinion that all is well with Indian Insurance. In fact, one cannot imagine a worse state of affairs. We have time and again pointed out in these columns the various contributory causes for such a malady and Insurers are also not unaware of the real position. But, still they persist in pursuing their own way and no concerted effort is being made by the insurers either jointly or independently. It must be also said to the credit of the conscientious managements of some of the Institutions that despite their feeling honestly that the business should not be allowed to drift in the way it does now, they could not effectively bring about an improvement, placed as they are in the present atmosphere. Some kind of joint action is absolutely necessary and the initiative must lie with the managements of Insurers themselves. Irrespective of the quality of the field organisation, much could be achieved only if the Insurers themselves do not aspire to increase the volume of new business every year. Elsewhere in this issue, we have given excerpts from the Controller's report for the benefit of our readers. It will be seen that the Controller has had something to remark on every aspect of the business. All this may not arise at all only if the Insurers bend their energies to do good quality business.

Indian Insurance Year Book, 1953

Progress of Insurance Business in India during 1952

THE Number of Insurers registered under the Insurance Act, 1938 (excluding those whose registrations have been cancelled) on the 30th November, 1953 was 322 as compared with 324 on the 7th October, 1952, of which 221 are constituted in the various Provinces and States of India and 101 outside India. Of the 221 Indian Insurers, 88 are in Bombay Presidency, 49 in West Bengal, 30 in Madras, 19 in Delhi, 8 in Sourashtra, 5 in Punjab, 4 in Uttar Pradesh, 3 each in Orissa and Hyderabad, 2 each in Andhra, Madhya Pradesh, Mysore, and Rajasthan, and 1 each in Ajmer Merwara, Assam, Bihar, and Madhya Bharat. Of the 101 non-Indian Insurers 65 are constituted in the United Kingdom, 9 in the United States, 4 each in Canada, Hong Kong, and Switzerland, 3 each in Australia, and New Zealand, 2 each in Pakistan and Straits Settlements and one each in Algiers, France, Indonesia, Italy, and Kenya.

Of the 221 Indian Insurers, 115 carry on Life Insurance business only, 46 carry on life insurance business along with other insurance business and 60 carry on insurance business other than life. Among these, 43 are either Mutual Insurance Companies or Co-operative Societies to whom part IV of the Act is applicable. About the few Pension Funds connected with Government Services and about the Postal Life Insurance Fund the report contains no particulars.

Non-Indian Insurers: Of the 101 Companies, 4 carry on Life Insurance business only, 13 carry on life insurance business along with other insurance business and 84 carry on insurance business other than life.

Life Insurance Business.

The total new life insurance business effected in India during the year 1952 amounted to 5,34,000 policies insuring a sum of Rs. 145.68 crores and yielding an annual premium of Rs. 7.89 crores of which the new business done by Indian Insurers amounted to 5,12,000 policies insuring a sum of Rs. 129.28 crores and having a premium income of Rs. 6.96 crores. The share of the non-Indian Insurers amounted to 22,000 policies insuring a sum of Rs. 16.40 crores and yielding a premium income of Rs. 93 lakhs. The average sum insured per policy under the new policies issued by Indian Insurers in India is less by Rs. 33 and under those issued by non-Indian Insurers is more by Rs. 92 when compared with the previous year.

The total life insurance business effected in India and remaining in force at the end of 1952 amounted to 39,25,000 policies insuring a total sum of Rs. 9,15.90 crores including bonus additions and having a premium income of Rs. 44.88 Crores. Of this, the share of Indian Insurers is represented by 36,78,000 policies insuring a sum of

Rs. 789.88 crores and having a premium income of Rs. 37.95 crores.

The total annuity business effected during the year 1952 was for the amount of Rs. 5,85,000 per annum of which the share of Indian Insurers was Rs. 2,23,000 per annum. The total annuity business remaining in force at the end of that year was for the amount of Rs. 74,19,000 per annum of which the amount payable by Indian Insurers was Rs. 30,78,000 per annum.

The total net amount of life insurance business effected outside India by Indian Insurers during 1952 amounted to 27,000 policies insuring Rs. 11.43 crores yielding an annual premium of Rs. 74 lakhs and the total business remaining in force at the end of 1952 amounted to 2,65,000 policies insuring Rs. 69.83 crores including bonus additions and having a premium income of Rs. 3.62 crores.

The total new business effected by Indian Life Offices in 1952 amounted to Rs. 140.71 crores, and the total business that was in force at the end of the year amounted to Rs. 859.71 crores.

The total revenue income for the year 1952 of Indian and non-Indian insurers in respect of their Life Insurance business in India was Rs. 50.10 crores and Rs. 8.77 crores respectively. The total out-go including amounts disbursed as claims, surrenders, etc., was Rs. 28.45 crores and Rs. 6.76 crores respectively, the balance of Rs. 21.65 crores and Rs. 2.01 crores representing the increase in the life funds of Indian and Non-Indian Insurers respectively.

Assets of Indian Insurers.

The assets of Indian insurers amounted to Rs. 2,92.92 lakhs on the 31st December 1952, which were held invested in:—

(In lakhs of rupees)	
Particulars.	Amount
Central Government Securities	1,22.09
Securities of Part A States	12.63
Securities of Part B States	3.80
British, Colonial and Foreign Government Securities	5.59
Municipal, Port Trust and Improvement Trust Securities	17.67
Mortgages on Property	13.27
Loans on Policies	19.74
Loans on Stocks and Shares	24
Other Loans	1.85
Debentures of Indian Co., etc....	13.15
Preference Shares of Indian Companies, etc.	10.90
Ordinary Shares of Indian Companies, etc.	17.74
Land and House Property	15.20
Agents' Balances, Outstanding premiums, Interest, etc.	14.62
Deposit, Cash and Stamps	17.39
Miscellaneous	7.04

Interest Earnings: The net rate of interest realised on mean life insurance funds by the Indian Insurers, during the year 1952 after deductions of income-tax at source was 3.43 per cent. as compared with 3.33 per cent. in the previous year. Non-Indian insurers realised 3.35 per cent. as compared with 3.19 per cent. in 1951.

The total expenses of management of Indian Insurers expressed as a percentage of the premium income during the year worked out to 27.1 per cent. as compared with 27.2 per cent. in the previous year; that of the non-Indian insurers 22.4 per

cent. as compared with 23 per cent. in the previous year.

Valuations: Of the 74 new valuations of Indian Insurers published in the Year Book 55 disclosed a surplus, in 35 of which the surplus was allocated to policyholders and or shareholders and in the case of the remaining 20 the surplus was carried unappropriated. 19 disclosed a deficit, in 7 of which the deficit was covered by free paid up capital and in the remaining 12 (including 3 mutual companies having no share capital,) the deficit was not so covered.

Non-Life Business

The net total premium income of Indian

Insurers in India under business other than life insurance, was Rs. 14.47 crores comprising Rs. 7.65 crores from Fire insurance, Rs. 2.72 crores from Marine insurance and Rs. 4.10 crores from Miscellaneous insurance, showing an increase of Rs. 0.52 crore in the case of Fire insurance 0.24 crore in the case of Marine insurance and Rs. 0.61 crore in the case of Miscellaneous insurance. The corresponding figures for Non-Indian insurers were: Fire Insurance, Rs. 2.79 crores, Marine insurance, Rs. 2.00 crores and Miscellaneous insurance Rs. 1.96 crores, registering an increase over the previous year of Rs. 1.48 crores in the total premium income from non-Life business in India.

Some important remarks made by the Controller of Insurance in his report published in the Insurance Year Book, 1953

Submission of Returns: Section 28(1) of the Insurance Act requires that a return giving particulars of Assets held invested as at 31st December of each year should be submitted by the 31st January of the succeeding calendar year. It is regrettable to note that even by this time some Indian Insurers and a good number of provident societies have not submitted the return as at 31st December, 1952.

Investments: The number of insurers in default in complying with the provisions of Sec. 27 (investments) though it shows a small decrease is still unduly large.

It will be observed that the total investments in Govt. and other approved securities were considerably in excess of the

statutory requirement of 50 per cent. This feature was not confined to those who had complied with the provisions of Sec. 27(i) of the Act. Even those who were in default had, as a group, investments in those securities much in excess of the statutory requirement. This will serve to demonstrate that the provisions of Sec. 27(1) have not caused any hardship as is often made out.

Investments of the "Controlled Fund"—Sec. 27(A). It is a matter for regret that though the provisions of 27A of the Act have been in force for nearly 4 years, there are still many insurers whose investments contravene those provisions. Cases of contravention of sub-section(1) of Sec. 27A are relatively few, but those of sub-sections (3) and (4) are more. The

main object of these latter provisions is to prevent insurers from putting too many eggs in one basket. It is unfortunate that many insurers instead of bringing down their individual investments to the prescribed limits repeatedly come up for exemptions. Often the ground put forward is that the sale of the excess holdings would result in a loss. This argument can have validity only where there is reason to believe that the market prices are less than what the investments are really worth, but where the fall in prices is in sympathy with the general downward movement in prices caused by the increase in the interest rates or is due to a deterioration in the investments, there is no ground for exemption. In such cases it is not the sale that would cause a loss; the loss has already occurred and the sale is only a formal recognition of that fact.

Transfers and Windings up

Transfers—Since the publication of the last Year Book the following transfers were effected:—

(i) The life insurance business of the Anand Insurance Company, Limited and of the Central Mercantile Insurance Company, Limited were transferred to the Devkaran Nanjee Insurance Company, Limited, Bombay.

(ii) The life insurance business of the National Mercantile Insurance Company, Limited was transferred to the National Insurance Company Limited, Calcutta.

(iii) The insurance business of the Calcutta Provident Company, Limited was transferred to the East End Provident Society, Limited, Calcutta.

(iv) The insurance business of the India Mutual Provident Society, Limited was transferred to the Eastern Mutual Insurance Company, Limited, Calcutta.

(v) The insurance business of the Provident Insurance Company, Limited was transferred to the Oriental Government Security Life Assurance Company, Limited, Bombay.

Windings Up.—The Indian Insurance Company, Limited Delhi, the Famous Life Insurance Company, Limited, Bombay, the Trinity Mutual Assurance Company, Limited, Bombay and the Chandragupta Mutual Life Assurance Company, Limited, Bombay were ordered to be wound up by Courts. The Chandragupta Mutual Life Assurance Company, Limited has filed an appeal against the winding up order. The Sushil Life and General Insurance Company, Limited has been ordered to be wound up provisionally by Court.

The Maharashtra Provident Society has been ordered to be wound up by Court.

Convictions under the Insurance Act
As a result of prosecutions launched by the Controller of Insurance, one insurer and his directors were convicted and fined for default under sections 13 and 15 of the Insurance Act, 1938 and a provident society and its directors were convicted and fined for default under the provisions of section 81 and 82 of the Act.

Management by Administrator
Section 52A of the Insurance Act, 1938 was inserted by the Insurance (Amendment) Act, 1950. This section enables the Central Government to appoint an Administrator to manage the affairs of an insurer

(Continued on page 49)

Unemployment Insurance

Problem of unemployment, causes and remedial measures.

By P. S. RAMACHANDRA RAO, M.Sc., A.I.A.

THE contingencies which threaten the workers' life are numerous indeed—Sickness, accident, old age and death, but none of these reacts so strongly as unemployment. General unemployment is due to the society's failure to adjust itself to the changing conditions. If the supply of labour is equal to the demand, then this problem will not arise. But with the increase of the population, the employment may not increase to such an extent as to equal the supply. The shortage will result in a number of people keeping idle for want of suitable work.

The important factors which contribute to the unemployment are:

1. Seasonal fluctuation of particular trade, building trade and agricultural are instances of the seasonal fluctuation.
2. Permanent changes in the industrial structure or method. The introduction of new machinery or processes may result in throwing overboard some workers. It may be that they cannot be fitted into the new scheme of organisation.
3. Reserve of labour from which the industries will draw upon in case of emergency. This consists purely of unskilled labour, and the amount of such unemployment even in Great Britain is between 2½% to 7½% depending on the trade being good or otherwise.

4. Cyclical fluctuation of industry. This is a very important factor affecting the economic activity.
5. Existence of a class of men who are, on account of deficiency in intelligence, physique, etc., are unemployable.
6. Immobility of labour. This is due to the difficulties experienced in transferring persons from depressed to prosperous industries.

Several measures have been and are being adopted to reduce the unemployment. The establishment of employment exchange is a step taken in the direction of bringing together the employer who wants to recruit and the unemployed who is seeking employment. The undertaking of big schemes of development either on private account or sponsored by the Government is intended to create employment on a large scale. The reduction of hours is likewise favoured not because the industry has the capacity to pay for a greater number of people. Tariff policy protects the home market from the onslaughts of competition from foreigners and the industries benefited by such a policy will have to increase the production for consumption at home. This itself increases the scope of employment.

Unemployment Insurance in Great Britain

In spite of what has been said in the above paragraphs, the unemployment is there, and it is the responsibility of the

Government to provide employment. The unemployed must be given at least some assistance to carry on. It was the recognition of this fact and the fact that the economic system is responsible for unemployment which led to the introduction of the National Insurance Act in 1911 in Great Britain. The Unemployment Insurance Scheme was introduced in 1912, but was confined to certain industries subject to severe and recurrent unemployment. In 1920 the scheme was extended to all manual labour class and non-manual workers earning upto £ 250/- per annum with the exception of civil servants and local authorities employees where the risk of unemployment was very little. The benefits were £ 0-13-0 per week for males and 0-12-0 for females and were administered through the local employment exchange. Occupations such as domestic service and agriculture where the need for insurance appeared to be less were excluded. The wide variation in the rate of unemployment from year to year did not favour the adoption of the "accumulation" system for the calculation of the contribution. The assessment system by which the calculation was made, is based on the principle of equality of the income and outgo. A fixed proportion was paid by the Exchequer and the balance shared equally between the insured and employer. Unlike sickness, the unemployment cannot be determined by well defined tests. To prevent excessive claims, the unemployed worker had to call personally at the Exchange at frequent intervals. The years that followed saw the extension of the benefit and the adult dependent and the first child were also paid. A separate scheme was set up for the agricultural industry giving lower rates of benefits. By 1944, the benefit had been increased

to 24 shillings a week for adult man together with 16 shillings for an adult dependent, 5 shilling for the first child. For this, he had to pay 10d per week by way of contribution. A like amount had to be paid by the employer and the Exchequer.

The National Insurance Act of 1946, which came into force on 5th July 1948 is based on "Beveridge Report" and covers all insurance benefits granted in Great Britain. It covers all persons over school leaving age and the contributions have to be paid till the attainment of age 65 in the case of men and 60 for women. Only the "Employed" class is entitled to receive the unemployment benefit. He must pay contribution for at least 26 weeks before he can claim.

Benefit: 26 shillings both men and women other than gainfully occupied women who receive 20 shillings only plus 16 shillings for an adult dependent and 7 shilling 6d for the first or only child (i.e. of less than 16 years).

Conditions governing the payment of benefit:

A day of unemployment is not counted unless followed by another such day within 6 days. Any two such days of interruption are treated as a period of interruption and if 2 such spells are not separated by more than 13 weeks, they are linked together and treated as one. The first three days of each period of interruption are waiting days and no benefit is given unless it is followed by another nine days, when the payment is made retrospectively. The period during which the benefit is given is 180 days or 30 weeks with the additional days depending on the past contribution and benefit record.

It may extend upto one year for which the waiting period is five years. The person is not entitled to receive the benefit, if he refuses the offer of a suitable employment or the stoppage of work is due to trade dispute.

Administration:

The Labour Employment Exchange pays the claims. Contributions are collected in the form of special stamps affixed to the cards.

The annual cost of benefits depends on the following:

1. Number of persons employed.
2. Rate of unemployment.
3. Proportion of the unemployed to benefit.
4. Average rate of benefit allowing for dependents.

The source of information for the first one was the 1931 census occupational tabulations for England, Wales and Scotland combined. The proportion of gainfully occupied persons who are self-employed was assumed to be 14% in the case of men, and 9% in the case of women. These proportions were applied to 1931 census.

The rate of unemployment was taken as 8½% of employed persons or 10% for the occupation covered by the scheme and the proportion entitled to benefit 72½%. This is somewhat speculative. Of the balance of 27½%, 20% are granted assistance and the other 7½% nothing. They have either exhausted the benefit or are still in the waiting period. The average rate of benefit is the average of the benefit drawn by all unemployed persons taking into account the additions

for dependents. It must be borne in mind that 4/5 of the women give up service on marriage and only 50% of the married women who are gainfully occupied continue insurance.

Contribution:

It is shared equally by the Exchequer, Employer and Employee, and they pay 10-7d each in the case of men and 7-0d per week for women.

Unemployment Insurance in U.S.A.:

The Social Security Act of 1935 provided for the enactment of unemployment compensation laws by the States. A Federal unemployment tax was levied at the rate of 3% of the Pay Roll payable by the employer and the employers are authorised to offset those payments against the Federal Tax. Tax is not levied on that part of the worker's wage which exceeds \$3,000 per year. The cost of administration is borne by the Treasury and the administrative machinery is set up by the States. Agriculture, Domestic service, Casual Labour, public service whether governmental or proprietary are excluded.

There are differences or variations in the laws enacted by the States which hinders development of a unified, nationwide programme to achieve maximum employment and productivity, changes cannot be made quickly, state system discourages economic and geographical mobility of labour, satisfactory reciprocal arrangements have not been achieved among the States. Many of the complications can be overcome by Nationalisation.

Nearly all the states require one week of waiting in the benefit year, although a

few require two weeks. New York's requirement is four "effective" days in the benefit year. The employee does not contribute anything for the unemployment benefit. Thus, the burden is thrown on the employer.

The weekly benefit is based on the wages earned and the maximum is designed to approximate one half of the amount that would be earned by a person employed full time at low wages. In some of the states, the rate is 1/20th of the highest wage earned by him in a quarter during the preceding one year. Say, if his highest quarterly earnings are \$400 then the weekly benefit is $1/20 \times 400 = \$20$. 1/30th is used by some other States. But the maximum weekly benefit are specified in all laws. The most common maximum specified is \$20/- and the minimum is \$10/-. The total amount of minimum benefit in a year is \$50/-.

Benefits are limited in terms of time or total amount or both during any one benefit year. It is usually 20 to 26 weeks and not to exceed a maximum amount of $\frac{1}{4}$ or $\frac{1}{2}$ of the yearly wages (or base period wages). Before he becomes eligible, he must have been in the covered employment and earned 20 to 30 times the weekly benefit. In some states it is \$100/-

Unemployment Compensation.

Year	No. of beneficiaries (millions)	No. of weeks compensated (millions)	Average weekly benefit (\$)	Average duration of benefit (weeks)
1941	3.4	32.3	11.06	9.4
1942	2.8	28.2	12.66	10.0
1943	.7	6.0	13.84	9.0
1944	.5	3.7	15.90	7.7
1945	2.8	23.0	18.77	8.2
1946	4.5	58.2	18.50	12.6
1947	4.0	42.0	17.83	11.3

The upward trend in the average weekly benefit is partly due to the increase in the maximum and minimum benefits payable, higher wage rates and overtime wages. The year 1944 was the best year and there has been a marked increase thereafter.

The following table shows the occupational distribution by industry division of all workers in covered employment and the total earnings in 1945.

Divisions :	In Thousands			
	Employment:		Earnings:	
	Average:	Percent:	Total:	Percent.
Mining ..	806	2.8	2,132,165	3.2
Contract Construction ..	992	3.5	2,692,563	4.0
Manufacturing ...	15,029	52.9	37,950,037	56.9
Transportation, communication and public utilities ...	1,944	6.8	4,601,616	6.9
Whole Sale and Retail Trade	6,183	21.8	12,196,804	18.3
Finance, Insce. & Real Estates	1,127	4.0	2,686,807	4.0
Service Industries ...	2,271	8.0	4,269,604	6.4
Miscellaneous ...	58	.2	113,227	.2
Total	30,026	100.0	\$69,121,077	100.0

Unemployment Insurance in India

The question now is, whether we can introduce the Unemployment Insurance Scheme in India. We have before us the experience of the other countries, which have been successfully working the Social Insurance Scheme. The entire adult population has been classified under three heads, viz., Employed, Self employed and Unemployed. It is only the first of these that is covered by the Unemployment Insurance Scheme. This class can further be subdivided into the following groups.

- (1) Occupation where the risk of unemployment is not appreciable. Under this, we can have Government, Municipal and Corporation employees, and employees of commercial establishments non-manual.
- (2) Occupations such as agricultural subject to seasonal fluctuations. The employees do not have work throughout the year.
- (3) Industrial concerns, which are very sensitive to the fortunes of the trade and where a high degree of efficiency is required.

The need for insurance is least for the first group and greatest for the last. We can follow the foot-steps of Great Britain in this case and exclude the non-manual and the manual labour class engaged in agriculture in the first instance and concern ourselves with the question of giving the Insurance Cover to the third group immediately. This may later be extended to the other categories also.

We have fortunately an organisation which is gradually extending its activities throughout India. In the fullness of time, we will have a net work of regional and local offices, Boards or Committees

attached to those offices to administer the benefits given by the Employees' State Insurance Corporation. The scheme sponsored by the Corporation, as it stands to-day, applies to all persons, working in factories using power and employing 20 or more persons, other than seasonal factories provided their monthly remuneration does not exceed Rs. 400/- per month. A beginning may be made by giving the cover to the same persons. We will then have to establish an Employment Bureau to keep in touch with the factories and other establishments and provide suitable jobs for those thrown-out of employment and receiving insurance benefits. Sufficient care will have to be exercised in order to avoid frivolous and fraudulent claims by insisting on the identity card given to the employee being completed by the employer giving the date of cessation of employment and the unemployed must call at the office frequently.

Now the need of the hour is to increase the scope of employment. There has been a marked increase in the number unemployed. The registration in the Employment Exchange rose from 13.75 lakhs in 1951 to 14.77 lakhs in 1952. In the first four months of 1953, the registration amounted to 4.5 lakhs. The average rate of placings in 1952 was 30,000 per month, but in 1953 it was 18,000 only. These figures are given by 135 employment exchanges and relate to urban employment. Statistics for rural employment are not available. The Five Year Plan has been enlarged and the Union and State Governments are expected to take effective measures to alleviate the growing unemployment at a cost of about Rs. 150-175 crores. The amount will be

utilised to raise and develop new industries, small power scheme, etc. The Five Year Plan itself has provided for the improvement of water resources and special facilities are offered for agriculture and other purposes with a view to ward off the evil effects of freaks of nature. This will increase the duration of employment. In addition to this, we must have other means of employment to keep the agriculturists engaged during the off season.

Without increasing the scope of employment, it may be difficult for the

Exchange to provide the persons thrown out of employment with a job and if the Insurance Benefits are to be given to him, the duration will necessarily be longer and the cost of such benefit will be higher. Any way, we have in the Employees' State Insurance Corporation and the Employment Exchanges the necessary machinery through which we can administer the unemployment benefit. We can implement the Scheme covering only those entitled to benefit under the Corporation Scheme initially, and extend to other sections of the population later.

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Expectation of Life — Census Report

EXPECTATION of life in India has risen to 32.45 for males and 31.66 for females from 26.91 and 26.56 years respectively—an increase of practically one-third over the 1941 figures, according to the actuarial report published in the Census of India Paper No. II of 1954 released on 8th March, 1954.

The report is based on the investigations conducted by Mr. S. P. Jain, Statistician, Labour Bureau, Government of India, who was appointed the Census Actuary on the 1951 census data.

The last official estimate, made by Mr. Vaidyanathan on the basis of 1931 Census, was 26.91 for males and 26.56 for females.

No official estimate of the expectation of life based on 1941 Census was made, but Prof. Kingsley Davis in his book 'Population of India and Pakistan' has estimated the expectation at 32.09 for males and 31.37 for females.

A significant departure in the 1951 Census was the single year age tabulation of a 10 per cent. systematic sample of the entire population. It enabled a detailed study of the peculiarities of the Indian age returns and the adoption of methods appropriate to the features shown. This could not be done on the previous occasions as the information on age was compiled in predetermined age groups for the entire population and the Actuary had to make the best use of it in conjunction with the single year age distribution

shown by the population of small representative tracts.

The Paper gives the latest Indian Life tables. The rates of mortality in the tables are compared with those obtained by Kingsley Davis from 1931 and 1941 Census data and Vaidyanathan in his Oriental Ultimate Experience (1925-35) based on carefully recorded data relating to insured lives. After taking into account the relevant factors it is seen that the rates obtained by Mr. Jain can be taken to reflect the true position reasonably well. The present results show that in spite of the increased expectation of life, the position of India is still the lowest in the list of countries, when arranged according to their latest available figures of expectation of life at different ages. Even Egypt, our nearest neighbour in this respect, is considerably better off at all ages.

Survival rate still low

The percentage of Indian males surviving to age 20 is now 58 as against nearly 45 in the beginning of the present century, but the figure compares very unfavourably with the level of over 80 for the better developed countries. The same idea may be otherwise expressed by saying that now 50 per cent. of the Indian males survive to the age of 32 as against 14 previously, whereas this age is 65 to 70 for other important countries.

These figures show that there has been a reduction in the Indian mortality in the early years but the position is very un-

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Rupees Nine Hundred crores — that indeed is the value of the current foreign trade of India. On this the shippers and importers in India are paying directly or indirectly a marine insurance premium of not less than 15 crores of rupees. Yet the gross earning from marine premium by the Indian and non-Indian underwriters in India is no more than 2 and 1 crores of rupees a year.

President: LALA LAKSHMIPAT SINGHANIA

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Insurers Apathy Towards Lapses.

By S. VENKATAKRISHNAN,

City Branch Manager, Prithvi Insurance Co., Ltd., Madras.

(Continued from February Issue 1954)

WE had discussed about lapses due to the faults of agents. We shall now deal with the lapses due to the faults of the parties.

Lapses due to the faults of Policy-holders: A policy lapses, as all of us know, when the premium is not paid within the grace days. Unless it has acquired a surrender value and unless that surrender value is sufficient to cover at least one instalment of premium, a policy becomes lapsed. Of course, policies which have acquired surrender values can be kept in force in virtue of the benefit of the Automatic Non-forfeiture; or the automatic Paid-up advantage can be availed of as per provisions under Section..... of the Insurance Act. We will take up this type of policies later on. Policies which lapse before they acquire a surrender value, the conditions for their revival, are as follows:

- (1) Due premium plus a minimum of as. 8/- upto 10 days if the payment is made within 10 days from the expiry of the day of grace.
- (2) Revival application before a particular period say, 3 months (each company has got its own limitation of time), arrears of premium plus interest at 6% or more, subject to a minimum of as. 8/-.

(3) Simple Medical Report if the policy is to be revived before a particular period (each company has got its own limit of period), arrears of premium plus interest at the fixed rate.

(4) Full Medical Report after a particular period, arrears of premium plus interest.

(5) A few of the Indian companies have the special Revival Scheme whereby the party is exempted from payments of arrears of premium. The policy period is extended to the extent for which the policy had remained under lapse. In view of this extension a small extra premium may be necessary.

1. Premium Notices and other Correspondence: Very often insurance companies are not regular in sending reminders. There are some companies which are very prompt in sending the 1st reminder before the days of grace expire; another reminder after the expiry of the days of grace and before the extended period of 15 days, where the policy could be revived with a minimum fine of as. 8/-; a third reminder after the lapse of this period and fourth reminder before the next premium falls due and a final reminder setting out all the conditions for revival of the policy as also the consequences in case the policy is not revived. Many of the companies do

not send such reminders. Of course, it is not obligatory on the part of the companies to send such reminders, but these advantages are adduced as arguments by many of the agents while canvassing proposals, specially when the party prefers a recurring deposit or a Savings Deposit in lieu of Insurance. While so, is it not obligatory on the part of the company to keep up the promises given by the representatives, by sending the reminders and upholding the argument of the agent that in Insurance alone the parties are reminded so often.

Secondly even in case where companies send these notices, they are printed in a language which is not at all understandable by the parties. The company is not going to lose very much by having a translation of the implications of the lapsing of a policy, in the language in which the party is conversant. They can also list out the Collection Agents or the Collection Bankers so that it may enable the party to pay the premium conveniently. While the agents canvass they do not take into consideration the possibilities or the difficulties of payments of the parties. Backdating is being allowed by the companies at the time of the proposal. But agents do not communicate the same to the parties and policies are issued. Very often it happens that some of the parties are regularly paying the premium late, for the main reason that the premium payment comes at a time when his financial condition is not sound.

Take the case of Agriculturists. We have already mentioned about their difficulties. They are normally expected to get amounts during the period of harvest. If the premium paying period is not adjusted suitably, parties have no other

option but to lapse the policy and pay the premium with fine on dates when they realise the yield. A little careful thought bestowed by the agent regarding the dates of payments of premium will enable the party to pay the premium at a time when he has some extra money with him. Some of the parties realise their difficulties at least later and write to the company. I doubt very much whether all companies are prepared to alter the dates subsequently. My own feeling is they can do so without in any way, jeopardising their interest. Take the case of Government employees. If the risk dates or the premium due dates fall on the 28th of a month, he is being given only one opportunity as the days of grace have no effect on him because he receives the salary only on the 3rd or second of every month. If, instead, the premium due date could be adjusted to 3rd or 4th, he is being given two opportunities so that even if he is not in a position to pay the premium on the due date he can pay the premium at least before the days of grace expire. Such adjustments or alterations in dates will avoid number of lapses. The companies do not stand to lose by altering the dates to suit the convenience of the policyholders, provided such alterations fall in the same financial year.

2. There are occasions where policyholders remit their premium amounts either a few annas less or somewhat delayed, say, a week or so, later than the grace period and many companies for want of the few annas or the immediate payment of the minimum fine of as. 8/- towards interest do not revive the policy. Such companies are prepared to spend an equal amount by way of postage in sending reminders calling for as. 8/-. Either

they could waive that interest or can send the premium Receipt with a covering letter to the effect that the fine of as. 8/- is debited to his account and that while remitting the next premium the party may include the same. Such letters will be better appreciated by the parties.

The common objection for waiving the interest may be that the company stands to lose the interest on the premium amount, should the same be not paid before the expiry of the days of grace. Such an objection may require consideration at greater length only in cases of the longer duration of lapses. In the case cited above, where the delay is only a few days or at any rate if the limit does not exceed 15 days, the maximum fine is only as. 8/- and the company will stand to benefit by the suggestion in the previous paragraph and so such a concession may be given to avoid further delay.

Deposit Receipts are being sent to the party in cases of short payments. Many of the parties do not know the implications of it, specially in case of deposit receipts where the full premium paid but by a few days' delay. They think, that these receipts are the regular ones as the amount they have paid and the premium amount tallies with one another. They do not bother to read the rest of the contents even if companies are prompt in intimating the requirements. It would therefore be advantageous if the condition of minimum fine is not so strictly enforced. Or even if the company enforces it, it can do so by debiting the party with as. 8/- with a note along with the receipt to add as. 8/- when they pay the next premium, being the fine for the delayed payment. Such a procedure will minimise

lapses. Otherwise the party keeps quiet. The concessional period of 15 days lapses. The company wants additional fine as also a revival application. Party gets annoyed and sometimes discontinues for a longer time if not once for all.

3. Coming to the 2nd category of lapses listed above, (where fine as also a revival application are necessary) some of the companies do not waive the revival application even while parties present themselves during payment of premium along with fine. This can be avoided wherever possible.

4. Category 3 requires Revival Application as also a Simple Medical Report. With the introduction of Non-Medical Insurance (most of the insurance companies have started this type of business for the last two or three years with some conditions, though the limitation of the amount of insurance varies from Rs. 1,000/- to Rs. 2,500/-) many of the companies can decide either to do away with the Revival Application or at least with the Simple Medical Report. Even Companies which deal with only Medical Insurance need not insist on a Simple Medical Report at the 1st instance itself. Instead, they can take a Revival Application and if on going through the Revival Application they find the necessity for Medical Examination they can call for the same. Parties in general are not so conversant with all the Rules and Regulations, the company imposes when once a payment is not made in time. It is therefore advantageous if all the processes are simplified so that the revival of the policy could be done without difficulty.

In the case of revival of policies where full Medical Report becomes necessary

(category 4) some companies insist on Medical Report by their own authorised Doctors. It may be that the party will be in a position to produce a certificate either free of cost or at a lesser cost from his Doctor or a Doctor known to him on his friend. But the company would not accept it. Not only that, if there is any discrepancy between what was stated in the First Medical Examination some years ago and in the present Medical Report, companies question the discrepancy and sometimes even penalise the party. It would be advantageous in all these cases to get a Revival Application with as much particulars as possible and on going through that revival application if it is found that a Medical Examination is necessary they may do so. Such a procedure will avoid inconvenience and will enable policyholders to revive policies early. There are very many cases where nothing untoward has happened but companies called for Medical Report. In such cases, it would be advantageous, if the company charges only fine and leave the policyholder from all the trouble of Medical Examination.

In the case of ladies, the revival application is called for by some companies even in case the policy has acquired a Surrender Value and if then, the lady were to be pregnant, immediately the revival is stopped. In the case of ladies, the company charges an Extra of Rs. 5/- mainly for covering risks consequent on pregnancy or delivery. While so, if the pregnant lady has the normal health and free from any disease, why should the company postpone? What then is the meaning of charging sex extra premium? Insurance Companies, if they are to avoid such contingencies, they are not justified

in taking an extra premium for such ladies. Similarly the Medical Examination as often as the company wants takes away the advantages of insurance in case of lapsed policies. It then reduces itself to a recurring deposit. Companies collect some amount for risk but at every available opportunity they like to safeguard themselves from payment and find out excuses when such opportunity arises. I do not think they are justified in assessing the risk every now and then and charging extra premiums wherever necessary. A level premium has been charged which naturally compensates for the extra risks in higher ages; while so, the penalty of a second and third Medical Examination charging extra premiums or rejecting the revival application is not proper, as the original premium is expected to cover all such contingencies had the party paid the premium till the end of his life or premium paying term originally contracted.

5. Many of the companies have Special Revival Scheme where the policyholder allows the policy to lapse within the 1st three years of the commencement of the policy. If this period is extended, this will facilitate the revival of policies to a larger extent.

We had till now discussed about policies which have not acquired Surrender Value. Policies which have acquired Surrender Value also have all the disadvantages and conditions as those which have not acquired Surrender Value. In the case of policies of over 3 years' standing all companies should give an Automatic Extension, along with the option of a Paid up policy. In view of the fact that the policies have remained in force for a particularly long period, these

policyholders may be exempted from undergoing Medical Examination; they can be revived with fines. A revival application form may of course be taken if companies want to avoid reviving defunct risks. All the concessions that are suggested for the policies which have not acquired surrender value may also be extended to the policies which have acquired surrender value as well.

In very many cases where the policies have been in force for 2/3 or 3/4 of the original contract period, companies start nagging the parties with several queries asking them to offer explanation for the discrepancy in statements made several years ago, and ultimately trying to charge some extra premium or alter the terms and conditions of the policy very much to the detriment of the policyholder. For late payment the party has paid penalty and especially when a major portion of the period has been covered the company should be graceful enough to do away with many of the formalities so long as the discrepancies or explanations do not affect the company financially. For instance, a party takes a Whole Life Policy, payments being limited to 5 years, and pays 4½ years premium. You know, in a Whole Life Policy, the surrender value is very limited, specially at younger ages and as the total number of payments is only 5, the policy gets lapsed at a shorter period than what the party normally expects. When 4½ years' payments have been made only ½ years' payment is necessary and the party pays it with a fine from the date of lapse. The company insists on a Medical Report and the party submits himself for Medical Examination. It is found that the party omitted to mention the exact cause of death at the time

of proposal. But subsequently during Medical Examination he mentions the cause as "mother died of Diabetes or Blood Pressure". Probably he might not have known it then, at the time of proposal. Later he would have ascertained from elders the exact cause. The company should not penalise him as this is a clear case where the company could have more liberally and could have even done away with the formality of a Medical Examination. The party has paid practically all the 5 years premium and the company is not going to lose very much by his death later as all the premiums have been paid. There are many such instances where a more sympathetic consideration can be given in favour of the party without much loss to the company. Insurance can thus be popularised and the burden of lapse can be minimised. There is no point in accusing parties only. If the companies are more liberal, many of the policies may not lapse. They need not on that account decide favourably to the parties on issues which are detrimental to them. Where, leniency combined with care can be exercised, the lapses could be minimised.

Apart from the question of Medical Examination one other question which should engage the attention of the companies is the waiving of the interest for the period during which the company has not taken risk. There have been letters to the Editor to various journals and many of the writers justified the action of the companies in charging interest, for the reason that the premium if paid in time would have benefitted the company by way of interest. But then does the premium consist only of interest plus amounts that are returnable? The premium includes

some amount for taking risk on the individual as well. Where the company had not taken risk for a particular period, is not the risk premium which forms a portion of the normal premium a saving to the company? The interest on premium is likely to be small when compared to risk premium. To quote an example, for a Rs. 1,000/- the risk premium is likely to be Rs. 9-12-0 or Rs. 10/- per year at age 30. Normally on an Endowment 20 years policy for a party aged 30 years, the premium will work out at about Rs. 54/- or 55/-. If the party had failed to pay the premium for a period of one year the interest that he should have to pay will only be Rs. 3/- and odd; whereas by not having taken risk on the individual for one year the company gains Rs. 10/-. While so why should not the company waive the interest and be satisfied with the risk premium, for a period for which they have not taken risk. Such concessions will greatly accelerate the revival of lapses.

Lastly, I would like to suggest the idea of appointment of *Collection Agents* which will solve very many of the problems listed above. Big companies like the *Oriental, New India* and the like having renewal premium running to crores can experiment the idea of *Collection Agents*. In America they have the *Collection Agents* and the *Debit or Due List*. Each agent is allotted a particular area and all policyholders residing in the area are under his jurisdiction. Every month a list of premiums due is given to the collection agent and the *Collection Agent* arranges for the collection of the premium. Instead of the *Renewal Commission* he is paid the *Collection Commission*. His interest is, therefore to see that as large an amount of renewal premium as possible is collected

so that he may earn the maximum collection commission. In their own interest they will see that the policyholders do not lapse the policies. It would therefore be advantageous for the Insurance companies to have such collection agents at least in areas where the policyholders are thickly populated. By such an arrangement, Insurance Companies can avoid expenses on the Premium Notices, on the several reminders that we have mentioned above and lastly on the Receipt. The company can thus save by way of postage and correspondence, say, 2 to 3 per cent. The Insurance Amendment Act has provided 15% on the Renewal Premiums. 5% is allowed by way of Agents commission assuming that the company is going to pay on all premiums this renewal commission. The company is then left with 10% for their expenses. The Notice and the Receipt listed above may involve the company in an expense of 3%. Does the company then need 7% for clerical and other incidental expenses? I do not think so much of expense is necessary at least in the case of big companies. They can very well appoint these *Collection Agents* and thus assist the policyholders in prompt payment and avoid lapses.

There are a number of Insurance Companies having Branches distributed all over India to do this job of Collection of Renewal Premiums. No Insurance Company has so far allowed at least 50% of the total renewal expenses allowed under the Act viz. 7½%, for such collection work. Why should not the Head Office retain only 5% for their expenses and employ *Collection Agents* distributing 3% as salary and pay Branches another 2% for arranging Collection through these

Collection Agents or through other agencies.

Look at the Postal Insurance Department. Their conditions of revival are so good; but if the Government are to have a regular system of agents like us and collect premiums through them or through arrangements like ours even 50% of their present turnover will not be done.

Many of the foreign companies have the advantage of Extended Insurance benefit. Indian Companies can also offer the Automatic Extension scheme.

Let me conclude by saying that Insurance Companies can help a lot by analysing the above facts and introducing alterations both in the conditions of appointment of agents and in the conditions of revival, instead of accusing the agents and the field workers as also the parties. Agencies should not be renewed unless the Premium Income in the first two years of their Agency period is at least Rs. 1,000/- (Renewal and First year's combined). Will the Insurance Companies do it? Even Big Companies permit continuance of the agency if a minimum turnover of Rs. 3,000/- Sum Assured is done, whether the premium realised on all these 3,000/- is on a Quarterly or even a monthly basis. How can you expect from this agent who does only Rs. 3,000/-, sufficient information on the subject or sufficient interest in the working of the agency. The continuity of his interest cannot be expected. Foreign companies, therefore, insist on a minimum turnover of Rs. 40,000/- or Rs. 50,000/- Sum Assured for the continuance of the agency. There are a number of such measures which can help the furthering of the minimising of lapses.

We hope Insurance Companies will take greater interest in the conservation of business and not lay the blame on others.

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A symposium on the minimum, Average and Maximum Blood Pressure in Bengalee Adults

By B. B. DOTTO,

Chief Medical Officer of the Police Co-operative Life Insurance Society, Ltd., Calcutta.

"A man's life may be said to be a gift of his Blood Pressure, just as Egypt is a gift of the Nile".

Sir William Osler, Bart, M.D.,
F.R.C.P., F.R.S.

THIS paper presents the result of an investigation on the Blood Pressure* of 10,500 Bengalee Adults, aged from 18 to 60 years and over. This investigation embraces the period of 11 years from 1942 to 1952 both inclusive. The writer is not aware of any investigation on the Blood Pressures in Bengalee Adults, made by any worker prior to the present undertaking. Although the largest amount of life assurance business is secured yearly from Bengal, it is a matter of regret that no attempt has been made to prepare a Blood Pressure Table based on Bengalee experience.

Mr. Douglas Forrest, F.F.A., Actuary of the Oriental Life Assurance Company of Bombay has earned the encomium of medical and actuarial professions by preparing the first Blood Pressure Table based on Indian experience. This involved only 561 persons, aged from 18 to 57 years. From this Table the writer has worked out the average Systolic, Diastolic and Pulse Pressures in Indians,

which were 128.0, 86.5 and 41.5 mm. Hg. respectively. The second Blood Pressure Table for Indians was also compiled by the same Mr. Forrest, assisted by Mr. L. S. Vaidyanathan, M.A., F.I.A., the present Manager of the Oriental Life Assurance Co. This table was deduced from 1,372 entrants aged from 20 to 60 years. According to this table the average Systolic, Diastolic and Pulse Pressures in Indians worked out by the writer were 126.5, 85.0 and 41.5 mm. Hg. respectively. Both these tables were prepared nearly three decades back, when only a few medical men possessed Sphygmomanometers and the perfect Blood Pressure recording technique was not widely known or practised. During that period many medical men had difficulties in recording accurately the Diastolic Pressure, even in England, and as a result greater importance was attached to Systolic Pressure only. Many popular Blood Pressure Tables have been prepared in Europe with Systolic Pressures only. Gradually with the increase of knowledge on Sphygmomanometry gained at the school of experience, it was established that Diastolic Pressure was more stable and important than the Systolic Pressure.

Colonel Sir Ramnath Chopra, Kt. C.I.E., M.A., SC.D., M.D., M.R.C.S., F.R.C.P., V.H.S., I.M.S. in 1942 published the third

Blood Pressure Table based on Indian experience comprising of 10,000 lives, aged from 15 to 80 years. Sir Ramnath has in his table included the Blood Pressure of 3,572 inhabitants of Bengal, Behar and Orissa all combined together. According to Sir Ramnath the average Systolic, Diastolic and Pulse Pressures in Indians as a whole were 115.3, 76.0 and 39.2 mm. Hg. respectively. Unfortunately the figures recorded by Sir Ramnath are extremely low when compared with the writer's or Oriental Life Office experience. Many Medical men and Actuaries have questioned the writer as to the cause of lower pressures experienced by Sir Ramnath. He has on his previous writings on Blood Pressures suggested that perhaps: (1) inclusion of 1,895 female Blood Pressures, (2) Blood Pressures of youngsters and (3) Blood Pressures of Hospital patients, account for the lower figures arrived at by Sir Ramnath. Due to the lower figures contained, the Blood Pressure Table of Sir Ramnath has not attained any popularity and is not used by any medical examiner or life assurance company.

Many of the medical practitioners are under the wrong impression that the Blood Pressures of Indian and Pakistanis are considerably lower than that of Europeans and Americans. From the Blood Pressure Table of Dr. J. F. Halls Dally, M.A., M.D., B. Chir., M. R. C. P. the writer has calculated the average Systolic, Diastolic and Pulse Pressures of Britishers, which were 128.5, 84.0 and 44.5 mm. Hg. respectively. As per Blood Pressure Table prepared by the American Institute of Medicine of New York, based on 5,00,000 life assurance auscultatory readings, the average Systolic, Diastolic and Pulse

Pressures of the Americans calculated by the writer are 125.7, 83.0 and 42.7 mm. Hg. respectively. Dr. Jehangir J. Cursetji, L.M. & S., F.C.P.S., M.D.L.R.C.P., L.R.C.S., F.R.S.M., J.P., Chief Medical Officer of the Oriental Life Assurance Company and one of the best known authorities on medical life assurance has very aptly said, "The average Blood Pressure of Indians are not lower than that of the Europeans or Americans, as has been hitherto supposed, but that is quite up to the average standard for the latter". The extensive experience of the writer extending over two decades and based on over 35,000 personal recordings, justifies the views expressed by Dr. Cursetji.

In 1947, the writer published the results of the first investigation on the normal Blood Pressure in Indian females, aged from 18 to 50 years, and based on 1,664 readings. This was also the first attempt in India to prepare a Blood Pressure Table for Indian Females. The average Systolic, Diastolic and Pulse Pressures were 119.2, 78.2 and 41.0 mm. Hg. respectively. In the second investigation based on 8,000 Female recordings and published in 1950, the average Systolic, Diastolic and Pulse Pressures were 118.5, 78.0 and 40.5 mm. Hg. respectively. These figures have been accepted as the standard for Indian females and published in all the leading books of reference on Insurance.

In 1948, the writer made the first investigation as to the normal Blood Pressures in Indian Males, based on 2,500 recordings on persons aged 18 to 50 years. The Systolic, and Pulse Pressures were found to be 123.4, 80.2 and 43.2 mm Hg respectively. The second investigation was made in 1949, based on 6,000 readings

*"Blood Pressure" by common use signifies "Arterial Pressure", and for that reason it is so used throughout the article

(entrants aged 18 to 50 years) and the average Systolic, Diastolic and Pulse Pressures were found to be 122.8, 79.2 and 43.5 mm. Hg. respectively. The third investigation was made in 1950, based on 10,000 recordings on persons aged between 18 to 60 years. As per this investigation the average Systolic, Diastolic and Pulse Pressures in Indians were 122.6, and 43.0 mm. Hg. respectively. These figures have been acknowledged as the standards for Indian Males and incorporated in all the authoritative books of reference on Insurance. Incidentally it may be mentioned that the investigation covered the largest Male entrants ever studied in India. The Blood Pressure Table of Sir Ramnath embraced 10,000 entrants no doubt, but there were 8,105 Males and 1,895 Females. With pardonable pride it may be stated that the Male and Female Blood Pressure Tables of the writer have attained unique popularity and are extensively used by all the medical examiners and a vast majority of the Life Offices.

Out of the 10,500 gentlemen, involved in this investigation, 6,500 or 62% are members of the Police Forces of undivided Bengal, Bengal Fire Services, Calcutta Fire Brigade, West Bengal Police, West Bengal Fire Services and Calcutta Police Forces who proposed to insure their lives with the Police Co-operative Life Insurance Society Limited. The number comprises of the Commissioner of Police, Deputy Inspectors General of Police, Director of Fire Services, Deputy Commissioners of Police, Superintendents of Police, Divisional Fire Officers, Deputy Superintendents of Police, Assistant Commissioners of Police, Fire Station Officers, Inspectors of Police, Sub-Inspectors of Police, Fire Station Sub-Officers, Leading Firemen, Head Constables, Jamadars,

Constables, Sepoys, Watcher Constables, Drivers, Cleaners, Mistries, Police Boatmen, Police and Fire Brigade Office Clerks, Stenographers, Typists, Orderlies, Police Hospital Doctors, Compounders, Laboratory Assistants, Ward Masters, Clerks, etc. The remaining 4,000 gentlemen were from outside the jurisdiction of the Police and Fire Services, whose Blood Pressures have been recorded by the writer either for arterial Hypertension or Hypotension or from academic point of view, and composed of I.C.S., I.M.S., I.P., I.A.S., I.P.S., I.S.E., I.A.A.S., I.E.S., I.F.S. and I.A. Officers, District Magistrates, District Judges, Barristers-at-law, Advocates, Attorneys-at-law, Sub-Judges, Munsifs, Civil Surgeons, Executive Engineers, Assistant Surgeons, Deputy and Sub-Deputy Magistrates, Sub-Divisional Officers, Medical Practitioners, Dentists, Veterinary Surgeons, University and College students, Mercantile Officers and Clerks, Insurance Executives and workers, Newspaper executives and Clerks, Railway Officers and employees, Stock and Share Brokers, Corporation and Municipal Officers and employees, Insurance Office Clerks, Businessmen, Postal Employees, Bank Executives and Employees, etc. etc. and are fully representative.

Out of the total 10,500 subjects involved in this investigation, there were 8,800 Hindus, 812 Christians, 780 Muslims, and 58 Buddhists. 91 per cent. of the subjects smoke tobacco in some shape or form, 18 per cent. indulge in alcoholic drinks daily, weekly or on festive occasions only. 63 per cent. were married or widowers and only 6 per cent vegetarians. The percentage of alcoholics is comparatively more. This is due to the fact that Christians and Santhals have been included in this investigation. Over 40 per cent. of the Christians are alcoholics and

Santhals almost 100 per cent. are addicted to alcoholic drinks. Among the Bengalee Hindus the drinking habit is generally less and that too is mostly confined to the executives and the rich.

In 1949, the writer made the first investigation as to the normal Blood Pressures in Bengalee adults, based on 1,150 persons, aged from 18 to 50 years and the Systolic, Diastolic and Pulse Pressures were found to be 123.8, 80.1 and 43.7 mm. Hg. respectively. In 1950, the second investigation was made involving 3,000 subjects aged from 18 to 60 years and the Systolic, Diastolic and Pulse Pressures were 123.6, 78.8 and 43.8 mm. Hg. respectively. The third or the present investigation embracing 10,500 persons aged from 18 to 60 years and over gives the Systolic, Diastolic and Pulse Pressures as 125.1, 81.7 and 41.1 mm. Hg. respectively. These figures are comparatively higher than the figures of the two previous investigations due to the fact that Blood Pressures of persons aged 55 and 60 years and over have been included. If the Systolic, Diastolic and Pulse Pressures of persons aged 18 to 50 years are taken out of the present investigation, the figures will be 123.6, 80.1 and 43.5 mm. Hg. respectively and the number of subjects involved will be 9,790. Sir Ramnath has given the average Systolic, Diastolic and Pulse Pressures in Bengalees, Beharis and Oriyas combined together as 114.7, 76.2 and 38.5 mm. Hg. respectively. The figures are extremely low and compares favorably with the minimum Systolic, Diastolic and Pulse Pressures of the Bengalee Adults obtained by the writer, which are 113.5, 74.7 and 38.8 mm. Hg. respectively.

In recording the Blood Pressure the writer has used world-famous life-time

Baumanometers (Wall-type, 300 mm. and 260 mm. Models) generously presented by the Manufacturers Messrs. W. A. Baum Co., Inc. of New York, in recognition of his original researches on Blood Pressure in life assurance practice. Five Aneroid and three Mercurial Sphygmomanometers were placed at the writer's disposal for trials by some well-established Manufacturers from America, England and the Continent. The Aneroid Manometers were given fair trials, but the results were far from satisfactory. A manometer whose accuracy depends upon the elasticity of metal cannot be used with utmost confidence. Aneroid instruments were far less accurate than the mercurial manometers and more liable to get out of order and as such the writer discarded them. It is worthy of note that the Committee of the Cardiac Society of Great Britain and Ireland for the standardization of Blood Pressure Reading preferred Mercurial manometers for accurate results.

As experienced on many previous investigations, life-time Baumanometers have given very satisfactory services and proved their extreme superiority over other makes of mercurial Sphygmomanometers, whose number is legion. The writer, as already mentioned, had at his disposal other mercurial manometers of different makes but they were not as accurate and handy as life-time Baumanometers.

Following the publication of his previous articles on Blood Pressure, the writer has been requested to give a pen picture of the life-time Baumanometers for many prospective buyers. In brief it may be said that every life-time Baumanometer is individually calibrated, scientifically accurate and guaranteed to remain so—precisely interchangeable glass cartridge tube and standardized steel reservoir—

stabilised mercury column—no oscillations—no mercury spilling—minimum oxidation—readily cleanable tube and reservoir—calibrations directly on the tube and a full unobstructed scale reading from 0 to 200 mm—no parallax errors. Entire manometer encased in metal—no cemented joints, no friction points—nothing to get out of order.

Life-time Baumanometer is the most portable, compact, meticulously accurate instrument ever invented and has earned the reputation of being the handiest of all Sphygmomanometers. The new metal used in case of both 260 mm and 300 mm Models is cast Duralumin, a copper-aluminium alloy possessing the strength of steel coupled with the lightness of aluminium. Being a solid cast metal it possesses mechanical advantages of strength, toughness and durability that cannot be duplicated in wood or any composition material. The case is therefore made smaller in every dimension, lighter and many times stronger—will not warp, crack or chip. The handsome cast Duralumin case with its carefully rounded edges and corners are artistically finished. A superlative achievement in Blood Pressure instrument design, pleasing streamline in appearance. The instrument is so designed that there is generous space for packing armlet and rubber ball in case.

It is well-known that the life-time Baumanometer has been the choice of thousands all the world over, first because it is a master instrument and then because it is small enough and light enough to be easily carried in the bag. Its rich black and silver finish is not only attractive, but easily withstands the hard usage ordinarily given to Blood Pressure instru-

ments in tropical countries—like India and Pakistan.

The writer used standard arm-bands supplied with life-time Baumanometers, but in 1950, Messrs. W. A. Baum Co., Inc. presented an "AIR-LOK" cuff in advance for his practical work and it has since been used exclusively. This new cuff incorporates vast improvement upon the old types of arm-bands offering simplicity and effectiveness and more satisfactory than the long, tapering cuff end. This cuff is equally accurate and practical to use on both right and left arms as well as on large and small arms. This cuff is now a standard equipment on all life-time Baumanometers.

The writer was greatly honoured in March, 1952 when the same Manufacturers sent him in advance by air a "SANI-GENIC" cuff, which was then in experimental stage, for his trials and comments. He has used this remarkable cuff in over 4,000 readings with utmost satisfaction and ease. This new cuff is made on the same principle as "AIR-LOK" cuff but it is more hygienic and made of inextensible plastic coated fabric that is impervious to perspiration and that may be easily wiped clean or washed with soap and water before and after use and even sterilized if necessary. Therefore this is an ideal cuff for tropical countries like India and Pakistan. It is the first cuff containing a built-in inflation bag. The cuff retains the fully conforming "wrapped" cuff principle—and is effectively restrained from slipping or "ballooning" by its high friction surface reserve wrap. The more pressure applied, the tighter it holds. In March, 1953, the same Manufacturers placed at the disposal of the writer two finished "The new cleanable

Air-lok cuffs" which is the new trade-name for "SANI-GENIC" cuff, for his use. These new cuffs have recently been placed in American market and will be available in India and Pakistan soon. They will revolutionize the Blood Pressure recording technique and medical practitioners will be greatly benefited by possessing these new cuffs, which can be used with any make or type of Sphygmomanometers, with unquestioned accuracy.

The Blood Pressures have been recorded at least two hours after the meal, and it was ascertained that none of the subjects were under the influence of alcohol or tobacco at the time of examination. It is well recognized that full belly, alcohol or nicotine gives rise to systolic pressure considerably. Only auscultatory method of recording was employed and more than two additional readings were taken in case of any doubt or suspicion. Palpatory method of recording was adopted under exceptional circumstances in a small

number of subjects, in whom the arterial sounds were not distinctly audible due to smallness of the brachial artery. Nervous individuals were examined 3 to 7 days after the original examination to eliminate the effects of nervousness or emotion, which elevates the Systolic Pressure by 30 to 40 mm. Hg. in the first one or two recordings and this yielded excellent results. A large number of examinations have demonstrated that nervousness has but negligible effect on Diastolic Pressure, say a maximum of 10 per cent. Hence even slight variations in Diastolic Pressure from the normal are of greater import.

The writer has prepared a Table of average Blood Pressure in Bengalee Adults, which is reproduced below. This Table embraces the largest number of entrants ever worked out in India and should remove a long felt want of the general practitioners and medical examiners.

(To be Continued)

The South India Co-operative Insurance Society Ltd.,

82-B Mount Road, Teynampet, MADRAS - 18.

President: Sri V. Parthasarathy, B.A., B.L.,

** An Ideal Co-operative Life Office serving the insurance needs of rural population as well by issuing policies even for sums below Rs. 1,000.

Life Assurance Fund ... Rs. 1.25 Crores

** 1952 Valuation Results:

BONUS Rs. 12 - Whole Life } Per 1,000 per annum.
10 - Endowment.

V. Venkatachalam, M.A., B.L.,
Secretary.

News

Actuarial Society of India

Madras Branch inaugurated by Minister.

Mr. C. Subrahmaniam, Minister for Finance, inaugurated on 13th February 1954 at the United India Life Buildings, Esplanade, the Madras branch of the Actuarial Society of India.

Welcoming Mr. Subrahmaniam, Mr. N. V. Nayudu, Chairman, said that six years ago the Actuaries Club was inaugurated and that it has now become the Madras branch of the Actuarial Society of India. Explaining the scope of actuarial work, Mr. Nayudu observed that actuaries might be regarded as scientific financiers who were indispensable to industry, demography and bodies interested in long-term planning or formulation of policy for high-level administration. They estimated the demands that were likely to arise in the future. In any scheme of social security, which a welfare State was bound to take up, actuaries would have to play a very important part. In this connection it was worthwhile recalling the motto of the American Institute of Actuaries, which was, that the work of scientists was to substitute facts for appearances and demonstrations for impressions. Actuaries had to analyse and present facts and demonstrate how those facts could be harnessed for the benefit of society.

Mr. Subrahmaniam said, it did not surprise him to find that Madras led the rest of India in this profession, because it required a certain amount of keen intellect and general proficiency. But for the fact

that actuaries were able to assess the facts and present probabilities for the future, it would not have been possible for so many insurance companies to function without incurring loss. Insurance companies got into trouble only when they failed to follow the advice tendered by actuaries and indulged in speculation. Because here and there this happened, the Government had to interfere and put the insurance business on very sound footing. It would not be necessary for legislators to come into the picture if the actuary's part in the business became effective.

Social Security

The Minister agreed with Mr. Nayudu that a Welfare State would have to undertake social insurance and other social security measures. That was because the welfare of the country now depended on the activities of the State. In the past, though the State was not a Welfare State, the community was a welfare community. Duties were laid down and rights were prescribed, with the result that everybody was protected and there was social security within the community itself. That community was the simple rural community. Now that the community had become complicated and life had also become complicated, the State had to step in and provide social security measures, especially in a poor country like India, in order that a minimum standard could be ensured to all people. In such a scheme of things insurance had a part to play and Mr. Subrahmaniam hoped that

insurance organisations would rise to the occasion.

Expressing the confidence that the Actuarial Society of India would set and maintain high standards for its members, Mr. Subrahmaniam said that in a complicated society, administrators required the assistance of statistics to decide policies. That was what they were very much lacking now. When they tried to impose a tax, they did not know what would be its incidence and after-effects. Especially Finance Ministers required guidance in matters of taxation as well as controls, in order to arrive at correct judgment. He hoped in future such guidance would come in an abundant measure and that it would be possible to proceed with a certain amount of certainty on the basis of the scientific data provided by them.

Determination of Priorities

In the matter of industrialisation also, the Minister said, they were likely to err if they did not proceed on the basis of sufficient data and statistics. They were likely to fix false priorities and to have false values, unless they knew the background of production and correct priorities required for the development of the nation. Mr. Subrahmaniam, therefore, hoped that the administration would get the help of the Society. Quality control had become an important factor in the development of industries. Here again actuaries had a part to play. "You have a great part in the various national activities we have undertaken. I hope you will realise your responsibilities and realising that, you will act nobly and well so that all your knowledge, equipment and learning will be available for the benefit of the community as a whole".

Mr. L. S. Vaidyanathan, first President of the Actuarial Society of India, who spoke a few words said that the scope for actuarial work was increasing day by day after the attainment of independence by the country. The field of insurance was widening and in course of time they would have to tackle social insurance, sickness insurance and things like that. The Estate Duty Bill had brought in its wake problems connected with "reversions". Recently the problem of "contingent insurance" had also arisen. In future, therefore, an actuary would have to pay attention to various aspects of the actuarial science and keep himself thoroughly efficient.

Mr. A. S. Mani, Secretary, proposed a vote of thanks.

Mr. S. D. Srinivasan entertained.

Mr. S. D. Srinivasan, General Manager and Actuary, National Insurance Co., Ltd. and President, Indian Life Assurance Offices' Association, was entertained to Tea by the members of the Office and Field Staff of the Bangalore Branch of the Company on Thursday the 25th February 1954 in the Hall of the Mysore Chamber of Commerce, Bangalore. There was a large and distinguished gathering including Dharmaprakasha Rao Bahadur K. Kuppeswamy Naidu, a Director of the company.

Mr. Bhatia, the local Branch Secretary in his welcome address presented to Mr. Srinivasan, rightly pointed out the exemplary manner in which the "National" is managed always maintaining its great ideals and reputation for service, security and stability. He also referred to Mr. Srinivasan's dynamic personality and his masterly knowledge that have won recognition in high quarters.

said that to-day they wanted to have insurance and, where it was not possible, other security measures for the benefit of labour. But the provision of such facilities for workers might involve a heavy burden which might be more than what business in India could bear. "Let us only hope that the Governments of this country, State and Central, will play a reasonable part in bringing a real adjustment between the needs of workers and the capacity of the industrialists," he said.

Shri M. A. Muthiah Chettiar said that half the money garnered by insurance companies had to be held in Government stock. He urged the Central Finance Ministry to give greater allowance for income-tax exemption so far as insurance firms were concerned. Pointing out how insurance companies helped to tap the savings of the people with small means he said that the Government should go all out to help insurance companies. Insurance companies were now taking more and more of money-lending business in the old conventional way. They were taking a risk, he warned, and maybe, if they did more business on that pattern, the Government of India might step in and require even 75 per cent of the money collected by them to be held in Government stock. If they wanted to avoid that, insurance concerns should not lend on securities which were not safe. For example, on a security worth Rs 5 lakhs, one lakh could be lent at five per cent, he said. He then declared the building open.

Patna Insurance Club gives Farewell to its Ex-Genl. Secretary

In the cosy lawn of the New Pinta Hotel, at Nayatola, the Insurance Club

of Patna gave a farewell party on 2-3-54 to bid farewell to Shri Pravat Kumar Mukherjee, late Branch Manager of the Jupiter General Insurance Co., Ltd., and General Secretary of the Club for the year 1952-53. Almost all the members assembled at the function proving the popularity of Shri Mukherjee among his conferees.

The President of the Club Shri K. N. Ganguly (Metropolitan) expressed his sorrow at the parting and his pleasure because Shri Mukherjee's new job was a nation-building one under the All India Khadi and Cottage Industries Board. After his speech he garlanded the guest of the evening.

Shri Mrityunjay Prasad (Oriental) congratulated Shri Mukherjee that he was going from one social service sphere to another and hoped he will bring into this work the same zeal and integrity which he devoted to life insurance work.

Shri Madhusudan Prasad, A.C.I.I., (Ex-New Astor) re-counted his personal experience of the large-heartedness of Shri Mukherjee who forgot his own interest and pleasure in nursing the sick or helping friends in distress.

Shri S. L. Roy (Bengal Insurance) pointed out how unfortunate it was that in the insurance profession the intrinsic qualities of man, his loyalty, devotion to duty and integrity, were not taken into account by the employers who put value on a man only by the amount of premium he could collect. That was the reason why a young man of Shri Mukherjee's type is going to be lost to the profession.

The guests enjoyed the excellent catering of the New Pinta. Shri N. G. Sengupta, the Hony. Genl. Secretary (National Indian) and Shri Banwari Singh, Hony. Treasurer, (Aryasabha) supervised the catering.

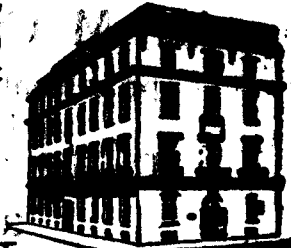
New India Assurance Company, Ltd.

It is reported that the New India Assurance Co., Ltd., Bombay, have announced a reduction in their premium rates for life assurance policies with effect from March 1. The reduction amounts to a cut of 7 per cent. on the premiums in respect of Endowment Assurances and about 23 per cent. in respect of whole life assurances.

It is expected that the company's premium rates were raised in 1951 on account of the progressive fall in interest rates. During the last few years, conditions have radically changed. The mortality experience for 1946-52 was only 60 per cent. of what was expected. Expenses of management have stabilised within the limits fixed by the Insurance Act. The gross yield on the Life Assurance Fund has gone up by about 3 1/2 per cent, the yield in 1952 being 4.46 per cent. There has been a further improvement in 1953. New investments in industrial securities yield about 6 per cent. gross. Since 1950, taxation of insurance companies has been reduced. The improvement in the net yield on new investment works out to about 1 per cent. compared to 1947.

In view of these factors, the company has been encouraged to offer lower rates of premium to the public.

The Company you'll be happy to insure with or represent



ASIAN ASSURANCE CO., LTD.
ESTD. 1910

ASSETS EXCEED Rs. 3,60,000.00	CLAIMS PAID Rs. 2,25,000.00
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HEAD OFFICE:
ASIAN BUILDING, BALLARD ESTATE, BOMBAY 1.
GENERAL MANAGER P. U. PATEL, B.A. B.COM. (LOND.)
Branches in South India :- Alleppy, Bangalore, Hyderabad, (Dn), Madras, Mangalore, Madurai, Vijayawada.

A man is known by the Company he seeks

"Hindusthan Ideal's" Agents are proud of the Company they represent.

They are proud of the reputation "Hindusthan Ideal" has earned with its Policyholders for the wide range of progressive policies it offers, for the record of prompt, fair settlement of claims, and for the Bonuses it pays to its Policyholders. Above all, for the perpetual Renewal Commissions it offers to them.

THE HINDUSTHAN IDEAL Insurance Co., Ltd.,
(Incorporated in India in 1935)
Masulipatam.

Central Office: Post Box No- 1601,
32/33, Linghi Chetty Street,
Madras. 1.

General Manager: S. RAMACHAR

OBITUARY

The Singapore Plane Crash

Mr. M. Ct. M. Chidambaram Chettiar,

prominent Banker and industrialist of South India
and Chairman and Managing Director,
The United India Life Assurance Co., Ltd., Madras.

among the 33 victims.

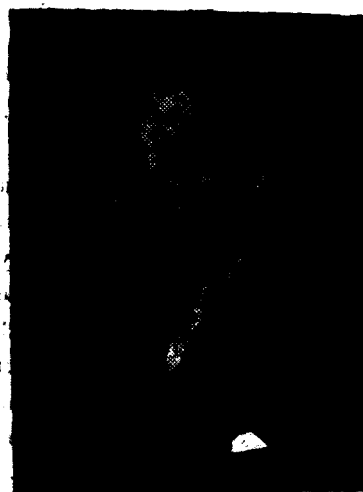
Our deeply regret to record the death of Mr. M. Ct. M. Chidambaram Chettiar, who was one of the 33 victims in the Singapore Plane Crash on the 13th of March, 1954.

The plane involved was a British Overseas Airways Constellation which burst into flames while landing at Singapore airport. Bound for London from Sydney, the plane had touched down at Darwin and Jakarta and was due to fly on to London from Singapore via Calcutta. Eight members of the crew of the Constellation who miraculously escaped the flaming wreckage of the plane fought in a vain bid to save the 31 passengers. The crew escaped through a gap in the shattered fuselage.

Mr. M. Ct. M. Chidambaram Chettiar, was on a tour of the Far East in connection with his Banking and Insurance business. He left Madras on February 21, and after visiting Rangoon, Singapore and Jakarta was on his way back to Madras when the plane crashed.

Mr. Chidambaram Chettiar who was a leading member of the Nagarathar community, was a well-known businessman and industrialist of South India. He was the Chairman of the United India Life

Assurance Co., Ltd., The United India Fire & General Insurance Co., Ltd., The United India Provident Insurance Company, Indian Overseas Bank and the Travancore Rayons. His business activities



Mr. M. Ct. M. Chidambaram Chettiar

extended to various other fields also — as the Director of the Ajax Products, Ltd., East India Distilleries and Sugar Factories Ltd., Mysore Paper Mills, Ltd., EMCET and Sons, Ltd., and Madras Industrial Investment Corporation, Limited.

Mr. Chettiar was very much interested in education and two of the well-known high schools in Madras were founded by him in the name of his father and himself, one for boys and the other for girls. We convey our heart-felt sympathies to the bereaved family.

Insurance Club, Patna

Mr. Chettiar was 46 and is survived by his wife and two sons besides a younger brother and two sisters.

He was a member of the Council of State under the pre-Independence Constitution and was a Councillor of the Madras Corporation. He was also a Steward of the Madras Race Club, President of the Southern India Chamber of Commerce for some years, member of the

National Liberal Club, London, and of the Madras Flying Club. Under the auspices of The Insurance Club, Patna, the Thirtieth Annual Insurance Conference is being held on Sunday, the 28th March, 1954, at the Sinha Library Hall. Lt. Col. Shyam-nandan Sahay, Vice-Chancellor, Bihar University, is inaugurating the function. Sri K. L. Gupta, M.A., A.C.I.L., F.I.A., F.P.A., will grace the occasion as Chief Guest and deliver an address.

THE ANDHRA INSURANCE CO., LTD.

Head Office: **MASULIPATAM.**

(Estd. 1925)

ANDHRA marches forward with a sound and steady record.

Total Business in force about	Rs. Ten Crores
Total Assets exceed	" Two "
Total Annual Income about	" Sixty Lacs

Transacts LIFE, FIRE, MOTOR, MARINE and all other Classes of Insurance.

Our Madras Office:

"Andhra Insurance Buildings"
337, Thambu Chetti Street,
G. T. MADRAS.

ALSO OFFICES AT:— Bombay, Nagpur, Delhi, Bangalore, Belgaum, Anantapur, Secunderabad (Dn.), Berhampur, Kanyakulam, Berwada, Rajahmundry, Guntur, Jamshedpur, Calcutta, Visakhapatnam, Dibrugarh, Musafirpur, Allahabad, Etc.

THE STERLING GENERAL INSURANCE CO., LTD.,

(Head Office: NEW DELHI.)

Controlling Office for South India & Ceylon:
No. 10 Light Street, C. T. Madras 1.

Paid-up Capital: Rs. 12,50,000

Transacts:

LIFE, FIRE, MARINE, MOTOR, WORKMEN'S COMPENSATION, AVIATION, FIDELITY GUARANTEE, ALL RISKS ETC

Branches in South India at:

COCHIN, COIMBATORE, BANGALORE, MANGALORE, MADURA, KUMBakonam, MADRAS, VIJAYAWADA, AND COLOMBO.

The Leading Aviation Insurance Company of India.

Apply for particulars to:

K. S. RAMAMURTHI, M.A.,
Deputy General Manager.

The Asiatic Govt. Security Life & General Assurance Co., Ltd.,

The Prithvi Insurance Company, Ltd., Madras.

1954 Convention

Message of Sri S. Parthasarathy,
Managing Director, "Prithvi"

I am being asked to give a Message for inclusion in the Souvenir to be issued on the eve of our Eighth Convention. I prefer to content myself with an exposure of the thoughts that come to me as I look back to my stewardship of the Prithvi group of companies during the past decade. I do not want to feel elated at the success that has matched our efforts in business getting. I do not want to feel elated at the imposing buildings we have put up or, acquired

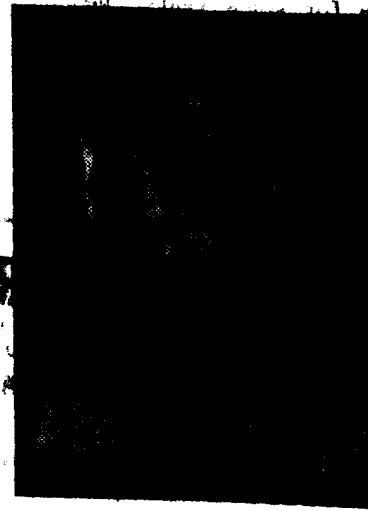
and weaknesses. Have we built up an organisation whose ideals and traditions will endure irrespective of the men in charge of its affairs? Have we got round together a personnel whose desires for self-advancement are subordinated to the desire to advance the interests of the Company? Do we stand the danger of losing our humanity which has been our chief merit so far? Are we always keeping in the forefront of our thoughts, that



Late Sri N. Gopalaswami Ayyangar,
Founder & Chairman, "Prithvi" — 1943-47.

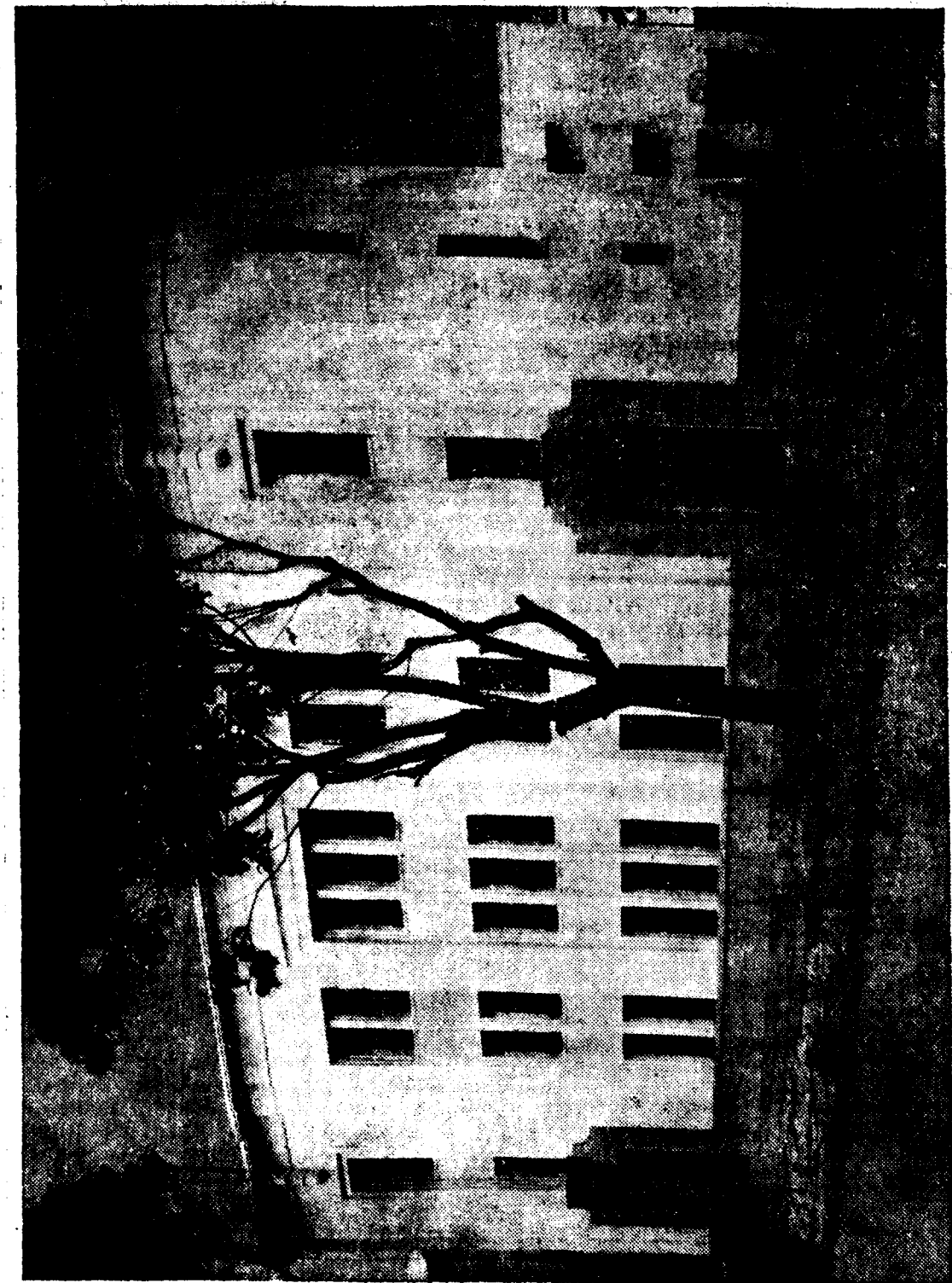
at Chidambaram, Madras, Bangalore and Calcutta. I do not want to feel elated at our unique contribution to the middle class housing problem by our Prithvi-pakkam scheme. I do not want to feel elated even at the successful restoration to solvency of the companies we took over. On the other hand, I feel it is an occasion when we should, in all humility, offer our thanksgiving to Providence, who, as I said, has matched our efforts with success.

Before I take a peep into the future, I would like to assess our present strength



Sri S. Parthasarathy,
Managing Director, "Prithvi"; Director, "Asiatic" & "Prithvi Mutual Provident"

there should never be an occasion when we falter in our service to our policy-holders? These thoughts come to me but they neither stay beyond a moment nor create any distress in my mind, because I feel confident that Providence which has guided us so far will continue to guide us hereafter. The danger of losing our Guide can only arise if we were to become arrogant and indifferent to our ideals and work. Let us call this year which marks the completion of a decade—the Year of assessment and thanksgiving.



New Buildings of the "Asiatic" & "Prithvi" in Bangalore.



"Asiatic Buildings" Calcutta.



'A' Type House in Prithvipakkam.

(Continued from page 42)

whose management is believed to be acting in a manner prejudicial to the policyholders. Administrators were appointed to manage the affairs of the following insurers:-

Name	Date
1. Bhagyashakti Insco. Co.	27-12-52
2. East and West Insco. Co.	18-11-52
3. Empire of India Life Assco. Co.	11-7-51
4. Famous Life Insurance Co.	29-10-52
5. Jupiter General Insco. Co.	11-7-51
6. Mysore Insurance. Co.	18-4-53
7. National Mercantile Insco. Co.	26-3-52
8. Servants of India Insco. Co.	1-5-53
9. Tropical Insurance Co.	16-7-51
10. Union Life and Gl. Insco.	21-8-50

Of these, only the Empire of India Life Assurance Company, Limited and the Jupiter General Insurance Company, Limited, have been allowed to transact new life insurance business on account of their sound financial position. The others discontinued new business and further steps envisaged in section 52B (1) of the Insurance Act, 1938 are being taken.

Since transfer of business is generally beneficial to policyholders efforts were made towards that end. The transfer of National Mercantile Insurance Company, Limited has already been completed, the transferee being the National Insurance Company, Limited, Calcutta. In a few other cases the preliminary negotiations have been completed and transfers may be expected to be completed soon. In a few others, transfers have been held up pending disposal of certain civil and criminal actions instituted by the Administrators.

The Famous Life Insurance Company, Limited was wound up on a creditor's petition which was supported by the Administrator. In this case, winding up was considered to be the better course.

During the year 1951, 53 Indian and 7 Non-Indian insurers contravened the pro-

visions of section 40B, which relates to life insurance business. However, as that was the first year, the Controller took a lenient view and warnings under section 44E(2) of the Act were issued to only 19 Indian insurers and one non-Indian insurer.

Similarly, though 32 Indian and 11 non-Indian insurers contravened the provisions of section 40C relating to general insurance business, warnings were issued to only 13 Indian and 6 non-Indian insurers.

The ratio of the total excess expenses of all insurers transacting life insurance business who spent in excess of the basic limits specified in Rule 17D of the Insurance Rules to the total renewal premium income of these insurers works out to 2.3%. For non-life business the ratio of the total excess expenses of all insurers who spent in excess of the limits specified in Rule 17E of the Insurance Rules to the total gross premium income written direct by these insurers in India is 20.5%.

The extent of excess expenses in the case of insurers whose duration of life insurance business is less than ten years or whose business in force is less than two crores of rupees is higher than that in the case of well-established insurers.

Disputes referred to the Controller of Insurance for settlement:

Section 47A of the Insurance Act has cast on the Controller of Insurance a new responsibility to decide disputes relating to settlement of claims, on life assurance policies assuring a sum not exceeding Rs. 2000/- which may be referred to him at the option of the claimants. Since the section came into force, the total number of applications filed with him was 72 upto September, 1953 of which 18 were not entertained for one or more of the following reasons:

1. The disputes did not come within the ambit of section 47A

2. An improper appreciation of facts

3. The concerned insurer had been ordered to be wound up by a Court.

4. The dispute involved legal issues which, it was felt, only a court of law would be competent to decide.

26 applications were withdrawn or allowed to be dropped and the Controller observes that it is likely that the reason was that the insurer concerned had met the claim.

13 applications were decided by the Controller in favour of the claimants and only 3 were decided in favour of the insurers.

12 applications are still pending with the Controller.

The small number of disputes referred to, the controller observes, may be due in part to the fact that the provisions of Section 47A are still not sufficiently well known. Even if allowance is made for this fact, it must still be said that the disputed claims are certainly few and to that extent a compliment to insurers. However it is disappointing to note that of the 16 disputes that had to be adjudicated, in as many as 13, the insurers were found to be in the wrong. Owing to limited space it is not possible to give a summary of all the cases, but some of the points arising out of the decisions arrived at by the Controller are given below:—

The small number of disputes referred to may be due in part to the fact that the provisions of section 47A are still not sufficiently well known. Even if allowance is made for this fact, it must still be said that the disputed claims are certainly few and to that extent a compliment to insurers. However, it is disappointing to note that of the 16 disputes that had to be adjudicated, in as many as 13, the insurers were found to be in the wrong. Owing to limited space it is not possible to give a summary of all the cases, but some of the points arising out of the decisions arrived at by the Controller are given below:—

(a) Generally if the amount of the first premium is already in deposit the risk on an assurance policy should be deemed to begin from the date (unless otherwise provided in the acceptance letter) of issue of acceptance letter; the date on which the premium receipt is actually issued is immaterial.

(b) Since the doctor who examines the proposer does so as the agent of the company and in the absence of any regulation of the company that no doctor should examine any of his relations, any plea that the medical practitioner was a party to a fraud must be supported by satisfactory evidence.

(c) The provisions of section 113 (4) (c) of the Insurance Act are deemed to have been properly applied in cases where the Automatic Non-forfeiture Clause in a policy contract provides for application of the whole of the available surrender value to maintain a policy in force except where the balance of surrender value is insufficient to pay one full instalment of premium.

(d) The death register is evidence only of the date of death of the assured and not of his age.

(e) Any defence that material facts were suppressed by the assured either in the proposal form, personal statement or declaration of health, must be supported by proper evidence.

Capital Reconstruction Schemes

Sub-section (1) of section 6A of the Insurance Act requires *inter alia* that the capital of an insurer carrying on life insurance business shall consist only of ordinary shares all having the same face value. Every insurer whose capital structure was not in conformity with this requirement on 1st June, 1950 had to alter it by 31st May, 1953 by following either the procedure laid down in section 6B (1) of the Insurance Act or the relevant provisions of the Indian Companies Act, 1913. This Department has so far received under the Insurance Act 25 schemes of capital reconstruction; 18 have already been sanctioned and the rest are under consideration.

THE PRITHVI INSURANCE COMPANY, LIMITED;

Head Office: "PRITHVI BUILDINGS"
364-366, Netaji Road,
MADRAS-1

Issued, Subscribed & Paid-up Capital	Rs. 15 Lakhs
Total Life New Business Completed in 1953 Exceeds	Rs. 113 Lakhs
Total Assets Exceed	Rs. 109 Lakhs

Transacts

LIFE, FIRE, MARINE, MOTOR
And

All other classes of Insurance Business.

BRANCHES AND AGENCIES ALL OVER INDIA.

PRITHVI PROVIDES PERFECT PROTECTION

THE ASIATIC GOVERNMENT SECURITY LIFE & GENERAL ASSURANCE COMPANY, LTD.,

Registered Office: "PRITHVI BUILDINGS"
Kempegowda Road,
BANGALORE.

Paid-up Capital	...	Rs. 5 Lakhs
Total Assets Exceed	...	Rs. 84 Lakhs

Transacts

LIFE, FIRE, MARINE, MOTOR
and

All other classes of Insurance Business.

Central Office: "PRITHVI BUILDINGS"
364-366, Netaji Road, Madras-1

Divisional Offices:

No. 7, Chittaranjan Avenue,
No. 8, Agarwal Buildings, Connaught Place,
T. B. Road,

CALCUTTA 13.
NEW DELHI,
KOTTAYAM.

Mr. Srinivasan, in a short, beautiful speech, thanked Mr. Muthiah Chettiar for the honour done to him. He said that the Firm Staff and the agents by honoring him have really honored themselves because whatever glory they find is only the glory of their own achievements reflected in his person. He particularly referred to Mr. Chettiar's efforts to strengthen the Branch Office of the Company in Bangalore.

He also stressed the need for more authority being delegated to the Branch Offices, for by so doing the Insurance Companies can make the constituents feel that their needs are met on the spot and promptly. "National" can claim the distinction of moving in this direction earlier than others.

He pointed out the regrettable fact that the volume of Insurance business done by Indian Companies is small considering the size of India's population and comparing the business done in India with that done in countries like Canada or the United States. Insurance being a form of national wealth, he believed our countrymen to make their Indian Insurance was an appropriate aim and that it grew by leaps and bounds.

Mr. Srinivasan announced the Company's intention to purchase shortly a nice plot in Bangalore and make a building of its own which will add to the beauty of the City.

Mr. P. V. Natarajan, Chief Assistant, was all attention to the guests.

Mr. B. B. Dotto honored in Pakistan.

We have pleasure to announce that the Blood Pressure, Height, Weight, Chest

and Abdominal measurement tables based on Muslim Adults, compiled by Mr. B. B. Dotto, Chief Medical Officer of the Police Co-operative Life Insurance Society Ltd. of Calcutta as published in the well-known medical journal "The Lancet" of Ambala Cantonments (Volume III, No. 8, November 1953), have been accepted as the standards for Muslim Risks by most of the Life Assurance Companies and Provident Insurance Societies in Pakistan.

Recently the Pakistan General Insurance Company Limited of Lahore has also adopted these tables as standards being advised by its learned Chief Medical Officer, Khan Sahib Dr. A. A. Khan, M.B., B.S., F.R.C.S., who has remarked as under.

"So far as I know this is the first original work on the Blood Pressure, Height, Weight, Chest and Abdominal measurements of Muslim Adults recorded on sound statistical basis. In the absence of anything better I will advise that these figures should be adopted as our standards in insurance work".

Mr. Dotto needs no introduction to our readers. He has been an esteemed contributor to this paper as is widely recognized for his deep erudition. His Blood Pressure, Height, Weight, Chest and Abdominal measurement tables based on 10,000 Indian Adults & female blood pressure table based on 3,000 Indian females have been accepted as the standards for India and published in all the leading books of reference on Insurance. Mr. Dotto has enjoyed a quarter of a century of outstanding reputation in the field of medical life insurance. His writings have earned him international appreciation. His works have already been recognized by the Government of the Union of Burma.

1953 New Business Figures		
New India Assurance	19.9	Crores
Hindustan Co-operative	18.48	"
National Insurance	12	"
Shanti Insurance	4.48	"
Bombay Mutual Life	4.41	"
United India Life	3.80	"
Lakshmi Insurance	3.52	"
Empire of India	3.22	"
Industrial & Prudential	2.76	"
Western India Life	2.76	"
General Assurance	2.20	"
New Asiatic	3.05	"
Ruby General	2.64	"
National Indian	2.45	"
Andhra Insurance	1.72	"
Calcutta Insurance	84.31	Lakhs
New Guardian of India	52.5	"
Popular Insurance	31.86	"

Popular Insurance Company Ltd.

Mr. A. S. Aranha of the Jupiter General Insurance Co., Ltd., of Bombay, has joined the Popular Insurance Co., Ltd., of Mangalore as the Secretary of their Bombay Branch.

New Great Insurance Co. of India Ltd.

Sri C. G. Das, who was lately connected with the "Eastern Life" and the "Hyderabad United" earlier, has been appointed by the New Great Insurance Co. of India Ltd., as Life Secretary at the Madras Branch. Mr. Das has the advantage of good family and social connections and, it is hoped, he would do his best to advance the interests of the institution.

Midland Insurance Co., Ltd.

New Head Office Building Opened by Sir M. A. Muthiah Chettiar.

The new Head Office building, put up on a seven ground plot at Mount Road,

Teyampet, Madras, by the Midland Insurance Co., Ltd., was declared open by Raja Sir M. A. Muthiah Chettiar of Chettinad on the 10th March. The building has been constructed at a cost of Rs. 1,40,000. There was a large audience of prominent businessmen, Cabinet Ministers and others.

On the occasion was unveiled the portraits Sir M. A. Muthiah Chettiar, Mr. G. Subramanyam, Finance Minister of Madras, and Mr. K. Venkataswamy Naidu, Minister for Hindu Religious Endowments, by Dr. P. V. Chariar, Mr. K. Rajaram Naidu, Minister for Local Administration and Mr. M. A. Manickavelu Naicker, Revenue Minister respectively. Sir M. A. Muthiah Chettiar distributed prizes to the winners in business competitions.

Mr. A. V. Thyagaraja, General Manager and ex-officio Director, said in the 18 years since its inception in 1935, the company had made satisfactory progress and after the last valuation in 1953 for the biennial period 1951 and 1952, the company had declared a bonus of Rs. 12-8-0 a year for a thousand for whole life policies and Rs. 10 a year for a thousand for endowment policies. It was of particular significance to them that Sir M. A. Muthiah Chettiar had consented to open the new building, for, as Chairman for four years, he gave the company his valuable time and enabled it to gain much by his counsel and guidance.

The Raja of Chettinad, declaring the building open, paid a tribute to Mr. Thyagaraja for his "high integrity and managerial ability". Speaking of the importance of insurance in the life of the people, Sir M. A. Muthiah Chettiar



However, the company has grown big in size, business in force has now soared to the most spectacular growth of **Rs. 7,00,00,000**

—THE ATTAINMENT OF STRENGTH—

Business in Force	Rs. 7,00,00,000
Income	Rs. 40,00,000
Assets	Rs. 1,60,00,000
Claims Paid	Rs. 55,00,000

WARDEN'S FRIENDLY GROUP OF INSURANCE COMPANIES

1. London Guarantee & Accident Co., Ltd.
2. World Marine & General Insce. Co., Ltd.
3. Union Marine & General Insce. Co., Ltd.



HEAD OFFICE

WARDEN INSURANCE COMPANY, LTD.

“WARDEN HOUSE”

Sir Phirozshah Mehta Road, Fort, Bombay.

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