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## Comment

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## Comment by the Editor

### *THE IMPLICATIONS OF INSURANCE*

When Frederick M. Hubbell conceived the idea of starting an Iowa life insurance company, his purpose was to provide a means of investing local capital. Where money is needed, there it can be loaned profitably. And in 1867 the natural resources of Iowa awaited only the magic application of labor and capital to transform potential wealth into actual riches. Here was a paradise of opportunity for the seekers of fortune. The value of land was bound to rise, farm mortgages were as secure as the soil itself, and interest rates were high. Founded upon faith in the future of this Commonwealth, the life insurance companies of Iowa have invested in local agriculture and industry. Their prosperity has been a barometer of State welfare.

While the primary purpose of life insurance companies is to make money, the method of operation is essentially social. In contrast to the individualistic ideal of the stockholders, the sharing of costs to alleviate the hardship of a common risk is obviously collectivistic. A community of interest is made the basis of a coöperative enterprise to

benefit the group. Although the purchase of a policy is entirely personal, the association of individuals in that undertaking is the element that makes insurance valuable. Underlying every insurance contract is confidence in the good faith of those who participate in the business, either as managers or as policyholders. Weaken that confidence and the whole structure will be shaken.

It is axiomatic that any scheme of social welfare can succeed only to the extent that people are willing to work together for mutual advantage. If people are predominantly selfish, efforts in the direction of general good will be nullified and advancement will be limited to the ability of the individual. But if people are disposed to use a portion of their energy for the assistance of others with similar aims, then progress in civilization will be hastened tremendously. Voluntary coöperative endeavor is indicative of an enlightened society. The complexity of modern social relations makes collectivism mandatory. Life insurance is one manifestation of that principle. But a people who employ the tools of civilization must be worthy of the trust.

J. E. B.