

## Insurance Reform: Consumer Action in the Progressive Era

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in the process and consequently lost the senatorial election the same year to Joseph R. McCarthy.

This book, although not differing strikingly from previous interpretations, is stimulating, cogently presented, well-documented, and informative. Maney utilizes a wide variety of sources, employing the La Follette and other manuscript collections, interviews, government publications, newspapers, periodicals, and pertinent secondary sources. This reviewer particularly found it interesting that La Follette confronted repeated illnesses, enjoyed politics very little, opposed the red menace in the 1946 campaign more than did McCarty, and had such strained relations with his brother Phil.

Maney might have devoted more attention to La Follette's years before and after he served in the Senate and to his significant role on foreign policy before the outbreak of World War II. Other major senatorial collections, such as the vast Hiram W. Johnson Papers at the University of California, Berkeley may have furnished additional insight on La Follette's role in the isolationist bloc.

This book, however, is a very fine biography and should be read by those interested in American political, economic, and social history from 1925 to 1946 and particularly by those studying either the United States Senate or Wisconsin politics. Scholars will find the bibliographical note especially valuable.

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*Insurance Reform: Consumer Action in the Progressive Era*, by H. Roger Grant. Ames: Iowa State University Press, 1979. pp. xi, 202. Cartoons, photographs, endnotes, index. \$14.95.

H. Roger Grant, associate professor of history at the University of Akron, coeditor of *Years of Struggle: The Farm Diary of Elmer G. Powers, 1931-1936* (Iowa State University Press, 1976), coauthor of *The Country Railroad Station in America* (Pruett Publishing Company, 1978), and author of more than fifty other scholarly articles and book chapters, now presents a carefully detailed study of a subject which historians have heretofore given little consideration. Grant's *Insurance Reform* is the first work of any kind to give an in-depth analysis of the effects of American consumerism on the nation's insur-

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ance industry during the era of Sinclair Lewis, John D. Rockefeller, and Theodore Roosevelt.

Grant draws much from the writings of Progressive era historians Gabriel Kolko, Robert H. Wiebe, and David P. Thelen in arriving at the conclusion that the roots of today's Ralph Nader-motivated society can be traced to the Progressive era, roughly 1890 to 1920, and that insurance reform was an important part of that early day consumer-oriented era. Grant points to parallels between the insurance reform movement of the Progressive era and that of the 1960s and 1970s as reason for studying consumer action near the turn of the twentieth century. Consumers rose up against the inequities of the insurance industry during both periods, explains Grant, and individuals, such as Webb McNall, Kansas' Progressive era superintendent of insurance, and Herbert S. Denenberg, head of Pennsylvania's insurance department from 1971 to 1974, came to the fore in the fight for policyowner rights. McNall is most famous for refusing to relicense three eastern insurance conglomerates in 1897, charging that they had failed to settle an eighteen-year-old death claim. Denenberg is well-known for writing the *Shopper's Guide to Life Insurance* (Acropolis Books, 1972), a comparison of rates for the fifty largest life insurance companies in America.

*Insurance Reform* examines the changes in life and fire insurance between 1885 and 1915 in five select states: New York, Wisconsin, Missouri, Kansas, and Texas. Grant limits the scope of his study to life and fire insurance because reformers tended to concentrate their efforts in these fields; the five states mentioned were selected for this study because these were areas where trend-setting reform most often originated. The book opens with a brief description of life insurance reform prior to 1905 and then explores the famed Armstrong investigation. This investigation, headed by New York senator William W. Armstrong and well-known attorney Charles Evans Hughes, uncovered the "inequitable" practices of New York-based insurance concerns. The Armstrong investigation subsequently served as a catalyst for a massive nationwide wave of life insurance reform. Policyowners joined with consumer-sensitive lawmakers and insurance commissioners and even conservative, well-managed insurance companies in the aftermath of the investigation in an attack on such life insurance irregularities as rebating, "twisting," and payoffs. Grant ends his look at life insurance reform by discussing the years 1907 to 1915, which he terms a period of adjustment.

In the area of fire insurance change, Grant briefly discusses the history of reform before 1897, enumerating the many parallels between

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life and fire insurance reform, before examining the anti-trust phase of fire insurance reform, 1897 to 1909. Grant notes that the most prolonged dispute between the fire enterprise and its policyowners centered on rates. Consumers pleaded with state lawmakers during this period to regulate the insurance rating bureaus, which had instigated outrageous increases in fire insurance rates. By 1909 consumer-oriented regulation of fire insurance companies became a reality through state-made fire rates. Kansas and Texas were the first states to enact state rate measures. This reform, Grant points out, successfully decreased fire rates, much to the satisfaction of the consumer.

In addition to studying specific life and fire insurance reforms, this book also looks at two other important aspects of the Progressive era insurance reform movement. First, the author discusses the importance of what he terms the "new-breed" insurance commissioner to the reform movement as a whole. Second, *Insurance Reform* explores the movement advocating the federal, and not state, regulation of the insurance industry. Insurance companies contended that the system of state regulation was chaotic and disrupted the smooth operation of the insurance business. President Theodore Roosevelt, led to believe that continued state control of insurance might jeopardize the financial stability of the industry, backed federal control legislation in 1904. Congress, however, failed to act upon the president's recommendation. Today insurance supervision is still a duty of the individual states.

H. Roger Grant's *Insurance Reform: Consumer Action in the Progressive Era* is well written and well documented. Grant has done a commendable job in researching previously unused primary material and organizing this material into a coherent, descriptive work. This book is sure to become a useful tool for the professional historian and the concerned consumer, as well as the individual involved in insurance regulation.

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