

*History of Life Assurance in the United Kingdom. By*  
 CORNELIUS WALFORD, F.I.A.

(Continued from p. 133.)

The second life assurance project in 1710 to be noticed is the following.

2. This day (16th December 1710) are published from the Office, at the Wheat Sheaf, over against Tom's Coffee-House in Russell Street, Covent Garden, proposals for the benefit of the Clergy and Widows of Clergymen, by a Joint Contribution, whereby a Clergyman by a Contribution of 10s. (as in the proposals is at large expressed) may be entitled to the sum of £750 on his being instituted and inducted into a Rectory or Vicarage in England or Ireland, or sent as a Missionary by the Corporation of the Society for Propagating the Gospel in Foreign parts; or by a Contribution of 5s. may be entitled to the sum of £375, or by a Contribution of 2s. 6d. to the sum of £187. 10s., in the cases aforesaid, with other advantages for the Widows and Children of the Contributors.

A clergy mutual assurance society has been founded in England during the present century, and a life assurance bank in Germany, but each on a much more substantial basis than was here contemplated.

*First Work on Life Assurance.*

During this same year, which had produced two such undeveloped schemes, there was published in London, by John Ward, of Chester, a little book, written in a popular style: *Clavis Usure; or a Key to Interest, both simple and compound: containing practical rules, plainly expressed in words at length, whereby all the various cases of interest and annuities, or leases, either in Possession or Reversion and Purchasing Freehold Estates, may very easily be resolved, both by Pen and a small Table of Logarithms hereunto annexed. For all rates of Interest, and Times of Payment whatsoever; Illustrated by variety of Examples. To which is added Rules to be observed in Estimating the value of Annuities, or Leases, and Insurance for Lives, &c., &c.* This

book deserves special mention here, because it is the first which treats of life assurance as such. At page 110, after familiarizing the reader with the results of Halley's Table, the author remarks : " By what has been said, the *Price of Insurance upon Lives ought to be regulated*, and the difference discovered between the " price of insuring the life of a man of twenty and one of fifty " years old " ; a piece of knowledge which should have been of consequence just then.

The year 1711 is an important one in Life Assurance History : for then was enacted the first Act of Parliament specifically bearing upon Insurance Associations. The early projects of the year were :

1. " Notice is hereby given from the *Original Office for Insuring Officers and Seamen sums of money on their being lost or taken, and relieving their Widows and Orphans*, at the " Golden Key in East Smithfield, a Linen Drapers, near Tower " Hill. That there is actually and firmly settled 100 acres of land " of the Proposer's own real Estate, as security for performance of " what by him proposed, the value of which is £1,000; and better " and further security if required. The Conveyances of the Lands " are to be seen at this office aforesaid, to be kept at the hands of " 12 Trustees chosen from amongst the Contributors."

2. " For the Encouragement of Navigation for Masters, Mates, and other Sea-faring men that are burnt, sunk or Taken." This office was opened by Henry Wilson, Gent., in Jacob Street, Southwark.

3. " At the Insurance Office, the Great new House in Knowles " Court (the sign of the Crown being at the Gate) in Little Carter " Lane, near the East End of St. Paul's Church, this day subscrip- " tions are taken in at a certain charge upon *Births* at 6 and 8 " weeks, on payment of 12s. or 6s. or 4s. per week, or 2s. weekly " to divide if full, £3,600; and also upon *Marriages*, by payment " of Claims at 26 weeks; and also upon *Births* at 36 weeks. And " upon Shrove Tuesday next will be taken in Subscriptions upon " *Servants* at a certain charge, upon quarterly payments of 3s., 6s., " or 12s. Any person entering 6 shall have a 7th gratis. Pro- " posals delivered at the office." This was a new departure which soon assumed considerable proportions, and which I shall not follow up here; except where Life Assurance was carried on at the same office.

4. *The Nonsuch and most Advantageous Society on Marriage*, at the Blue Bell, without Newgate; Director, Augustine Woollaston.

“And at the same Office is two Societies on the Lives of men, women and children, and upon a good foundation.”

5. “Notice is hereby given that a Mutual Contribution is established and carried on at the office in Ironmonger Lane, for securing against Losses happening by death, which does effectually do the business of Insurance, and that upon such easy terms that not the least trouble is given to the Insurer, or to the person whose Life is insured; but each party choosing what degree of charge he thinks fit, payable only once a quarter, nominates any persons whatsoever (whether sick or in health) under 60 years of age, and receives his share of the Contributions on the death of the party Insured on: provided such party lives six months from the time of nomination.” This was a fitting climax to what had preceded this invitation to nominate sick persons, provided they could only be kept alive six months.

*Earliest Insurance Legislation.*

In March 1711 (new style) there was enacted the 9th Anne, Chapter 6, for the purpose, *inter alia*, of “Suppressing such unlawful Lotteries and such Insurance as are therein mentioned.”

In section 57 it was recited: “And whereas several ill disposed persons with design to defraud Her Majesty’s subjects have of late presumed to erect and set up offices and places for making Insurances on Marriages, Births, Christenings or Service; which practices are also prejudicial to the public, and tend to defraud Her Majesty’s subjects.” It was therefore declared that every person or persons who after 8 March 1711 “shall erect or set up an office or place for making Assurances on Marriages, Births, Christenings, or Service, shall forfeit for every offence £500.” And every person who had before that date erected and set up Insurance Offices for such purposes, “should make or suffer to be made therein any new Insurances, or contracts for new Insurances on Marriages, Births, Christenings and Service, or on any of them, shall forfeit for every such offence the sum of £100.” The Offices previously erected were to be continued for making good their former Insurances only.

It is seen that this Act did not mention the Life Offices. It is not easy to divine why. Perhaps the business was looked upon as more legitimate, in consequence of the Charter which had been granted by the Queen to the *Amicable*. We may now resume our enumeration of the Life Assurance projects of this year.

6. “In regard, the Act of Parliament did not intend wholly

“ to exclude the Benefits that were reaped by many Offices in “Town, tho’ others were not regularly carried on; *and not excepting of it the offices upon Death.* This is to give notice that there is “ a new and advantageous method settled upon Lives, and safety “ of women in *Child-bed*, to the great benefit of their families, “ next door to Pools’ Coffee-house, without Bishopsgate; where “ proposals may be seen, and the money returned at the months “ end if satisfaction is not given.”—*Vide* Advertisement in *Postboy*, 5 April 1711.

7. On the 30th March was advertised a scheme of “ Assurance in Lives by Claims, and also by monthly and quarterly dividends,” said to have been founded on 1st March at the Mitre in St. James’ Market. The Treasurer had given £3,000 and security. The “ Assurance of Life by Claims” seems to mean payment of specific sums on death.

8. “ Annual proposals to Parents for the Provision of themselves and their Children, &c.,” at Bournes Coffee-house in Finch Lane, Cornhill. “ Calculated for the Ease and Benefit of all persons concerned therein; being founded on such a basis as cannot fail of procuring their increase and render them lasting and beneficial.”

9. “ From the several offices of Insurance at the Carved Porter “ in King Street, Guildhall, and at the Sword Cutters, the corner “ of St. Paul’s Church Yard, near Cheapside Conduit, where will “ this day be opened Books of Subscription for three Societies on “ Lives, for £1,000, £500, and £250, or in proportion to the “ number of subscribers.”

“ NOTE.—All who enter the first week are to make two “ payments, and that all Subscribers, on Marriages, Births, “ and Services, in either of these offices who have not made any “ claims may enter into these Societies, paying, &c.—*Post Boy*, “ April 10.”

10. “ The *London Charitable Society* is removed to the Crown, “ Paternoster Row, where Subscriptions are taken daily upon Lives “ of men, women and children, paying an Entrance for Policy “ Stamps but 1s.”

11. *Grand Contribution Office*, Crone Court, Fleet Street. “ The Books of the said office are opened and Subscriptions taken “ on the Lives of apprentices, children, &c. Abstracts of the “ Articles of Settlement may be had at the office gratis.”

12. *Mutual Contribution Office* “ for securing against Losses happening by the death of Friends or others,” Ironmonger Lane.

There can be no doubt that several of these offices had been projected previous to the passing of the Act, as offices for marriages, &c. After it, they took up the business of Life Assurance.

The year 1712 opened with a new combination of Lottery-Life Assurance projects, of which mention of a few of the chief will be sufficient.

1. *Equitable Society*: "A sure provision for posterity founded upon the Exchequer." A Subscription of 2,000 lives was to be taken and no more, of any age or sex, which might be on their own lives for the benefit of their children, relations, executors, administrators or assigns, or on the lives of any other persons, for the benefit of themselves, without their knowledge. The Subscribers were each to pay £10, in four fortnightly instalments, by means of which £20,000 was to be raised, which should be "laid out as fast as it came in, in blank and benefit-pay Lottery Tickets, which at something under 9½ years' purchase (the price they are now to be bought at) will lay about £2,200 per annum for the residue of 32 years, reckoning 31 years to come; and if they should be to be bought still more under 9½ years' purchase, the £20,000 will buy more than £2,200 per annum." These proceeds to be divided quarterly amongst the death claims. An elaborate scheme was drawn up to work out the details.

2. In April, there was announced from the Blue Ball, near Newgate, the *United and most Beneficial Society for a Perpetual Assurance on the Lives of Men, Women, and Children*. "The great extremity to which Widows and Orphans are reduced by the death of the persons on whose lives their maintenance did depend, shows the merit of some settled provision to be made for the preventing such misfortunes, which is the full intent and design of this Company's undertaking." Mr. Augustine Woollaston was the moving spirit here, and it was intended to apply for a Charter of Incorporation.

3. On the 21st July were issued: "Articles for the Establishment of a Company intended to be Incorporated by the name of the *Most Advantageous Insurers*, upon the Lives of Men, Women, and Children, for the benefit of themselves and posterity for ever; and for the advancing the Credit of Lottery Tickets in the year 1712." Here again an elaborate scheme was prepared. The Subscribers were to make a contribution of £100 to the funds, viz., £20 the first year, and £10 in each of the succeeding eight years. The proceeds of the invested funds were to be divided annually on a graduated scale amongst the

Subscribers on the death of their nominees, viz., £1,500 in the year 1714, increasing up to £16,000 in the sixteenth year—1729. Hence a Tontine was established from the accumulating funds in favour of the longer survivors. The ultimate ending of the scheme is by no means clear, and it probably never became matured. The following appears to relate to the same undertaking:

“This day is published a *short account of some approved method already settled to make provision for posterity; with an essay towards establishing a Company for that purpose more advantageous than any before invented. The members of which by contributing small sums of money for a few years only, will secure a good Estate to themselves and their families for ever.* The said account, etc., to be had gratis at Mr. D. Brownes, at the Black Swan without Temple Bar; Mr. George Strahons, at the Golden Ball, against the Royal Exchange in Cornhill; Mr. Timothy Childs, at the White Hart, the West End of St. Paul’s Church Yard; Mr. Arthur Bettesworths, at the Red Lion on London Bridge; Mr. Charles King’s, at the Judges Head in Westminster Hall; Mr. John Smiths, at the Post House in Russell Street, Covent Garden, Bookseller.”

The project was set out in much detail, but I shall only cite one passage.

“By the foregoing Articles and scheme, it appears plainly how the Joint Stock will arise and increase, so as in  $9\frac{1}{2}$  years to give upwards of £5,000 interest per annum for ever, to be divided yearly amongst the claimants of the deceased persons insured upon in this Society, who cannot be supposed (according to the best computations that can be made) to increase 20 in number each year; for by Sir Wm. Petty’s calculations in his Political Arithmetic, of the number of people inhabiting within the Bills of mortality, and the computation of several others, very curious and exact that way, being compared with the weekly bills, it appears that of all this people in turn, calculating, young children, decrepit, aged and distempered persons, not 1 in 50 dies in a year; therefore it may be modestly supposed that not above 1 in 100 (if so many) will die in a year out of those insured upon in this Company: because they must be persons in the vigour of age, neither young nor old, nor labouring under any manifest distemper; and 1 in 100 amounts to 20 in 2,000 (the number of members proposed), amongst whose claimants the sum of £5,000 being divided will be £250 each; will fully make good what was advanced in the former part of these papers, viz.: That every member of such a Company, their lives, etc., would receive £50 for the first £5 they pay to the Joint Stock, and £25 for every other £5 they pay, or within a trifle of it, whenever the person they insure upon die.”

4. On the 18th December was issued: “*Articles for Establishing an Hereditary Company for the Benefit of the Present and Succeeding Generations.*” It was to consist of 2,000 persons “more or less of either sex.” The following indicates that the two Societies of 1699—the first Life Assurance Associations

formed in this country—had run their career:—"2. That all such "persons and no others as were Subscribers of the late Societies "of Assurance for Widows and Orphans kept in Racquet Court, "in Fleet Street, may or shall be admitted into this *Hereditary* "Company, without any limitation in respect of age and time of "probation only, in as full a manner as if the said Societies of "Assurance were now standing and on foot, provided as such enter "within three months from the date hereof; but subject never- "theless to all the rest of these Articles following." Each subscriber was to pay up the sum of £25, by certain specified instalments, the aggregate of which Contributions were to be invested in Parliamentary Funds, "or other public or private securities," and the interest resulting, not exceeding 7 per-cent, was to be equally divided among the claimants under nominee policies, whose claims had been proved during the year.

The year 1714 showed a healthy falling off in Life Assurance projects. There were one or two which require particular mention here.

1. *London Insurers on the Lives of Men, Women and Children*, for the benefit of themselves, their executors, administrators and assigns, for ever. The proposals were stated to have been approved by Sir Robert Raymond, Her Majesty's Solicitor-General, and Richard Richardson, Serjeant-at-Law. They were to be obtained at the Company's office "in Fountain Court, over against Gutter Lane, in Cheapside, and from most Booksellers in London and Westminster." The proposer of the scheme was Mr. William Adams. The project was most confused in its details, but the leading idea was that each of its 2,000 members should contribute £4 per annum for ten years, making in all £80,000. The interest resulting from this stock to be divided every two years amongst claimants, and the sum expected to be realized was £200. "That "person which claimeth from one policy twice in sixteen years "will clear, besides all charges, the sum of £350; those that "claim thrice, £500; and so up to those who claim eight times "in sixteen years, who will gain £1,250. . . . So in this, you "see, a person has an opportunity of gaining every two years a "considerable sum of money; and so it will continue for ever". How all this was to be accomplished remained a mystery.

2. There was something of a rupture among the members of the *Amicable Society* (1706) this year, in consequence of the proposal for reducing the future annual contribution. As a result, it was proposed to found a new association, with a like number of

members but a smaller contribution, "at Owens' Coffee-house, at Simmond's Inn, Chancery Lane"; but what became of the project does not appear.

3. "At Lorimers' Hall (commonly call'd Loriners' Hall), in "London Wall in the Postern, near Basinghall Street, over against "the Green Yard, this day subscriptions are taken in for erecting "the *British Society* for granting policies on the lives of 650 "persons, for £300 each policy, which is contrived in a method "entirely new, where the profits are much greater, the payments "or claims three times as large, more secure, and sooner paid "than in any other society. The subscribers will have money "lent 'em to pay contributions, after five years, &c., &c."—*Vide Postboy*, 6 March 1714. This looks like an early instance of applying the office value to keep up the policy.

4. "Proposals for an Annual Dividend on the lives of men, "women and children, by quarterly contribution, whereby each "contributor (having a lawful claim according to the Articles contained in the proposal) shall certainly receive the principal "money by them paid, with interest and other considerable advantages, once a year. Proposals are given gratis at the 'Black "Key and Anchor,' in Cannon Street. *Note*.—This is the first "undertaking of this nature that was ever published, as may "appear by the said proposals."

This was probably the beginning of the system of "Little Goes" in Life Assurance, which soon became very general; but which I do not propose to enter upon further, for they had no legitimate connection with the business.

In 1715 there was founded the *Perpetual Insurance on Lives*, at the "Blew Leg," in Bow Lane, near Watling Street. The scheme was this:—"A person may subscribe on the life or lives "of any person or persons, of any age, sex, condition, or constitution, with or without their knowledge or consent, paying 1s. "entrance and 6d. per month, and upon the death of their "nominee will receive the benefit, which early or later will be "very considerable. And for the further benefit of the subscribers, this insurance is divided into 24 classes; so that one "life may be insured upon in one or more class, and dividends "received accordingly. A subscriber may contribute from 6d. "per month to 1s., 2s., 3s., 5s., 10s. or 12s. per month on one "life; but for the ease of the contributors who shall subscribe "through the classes, they may have three entries on interest to "one on principal, which reduces the charge on each life, though "insured through the 24 classes, to 3s. 9d. per month; for which



“ the insurer will receive (computing 5 claims in 100 yearly), if  
 “ the life drop, in the first year, £50 ; in the second year, £100 ;  
 “ in the third year, £150 ; in the fourth year, £200. The divi-  
 “ dends were paid monthly, and land security given for performance  
 “ of the Articles.” This was a scheme of Tontine classes.

The managers advertised in November 1715, that “ the number  
 “ subscribed since midsummer last is betwixt 3,000 and 4,000 ” ;  
 and it was added, “ all persons, unless entered before 1st January  
 “ next, must live nine months before they can claim.”

In 1716 the only scheme advanced which calls for any notice here is the *Generous Society of Insurance on Lives of Men, Women, and Children, by a Monthly Dividend* ; “ with provision  
 “ for persons that shall fall sick or lame, and for putting out  
 “ several hundred children apprentices, which for the better  
 “ regulation and greater security of the subscribers, are agreed to  
 “ be inroll’d in the High Court of Chancery.” “ The Articles ” of this project were published in a pamphlet bearing the title : *Youths’ Way to Heaven, or Breathings of Pious Souls ; with the Lives of the Apostles of Jesus Christ ; and the Primitive State of Christianity, &c. Collected for the use of Religious Families, and given gratis to all Subscribers’ Children.* “ London : Printed  
 “ for and sold by the Society, at Mr. A. Goldsmith, at the ‘ Black  
 “ Moor’s Head,’ against Mr. D’Oiley’s, near Exeter Exchange, in  
 “ the Strand ; and at Mr. Isted’s, a Bookseller, against St. Dun-  
 “ stan’s Church, Fleet Street, 1716.” The tract is dedicated  
 “ to Their Graces, William, Lord Arch-Bishop of Canterbury,  
 “ William, Lord Arch-Bishop of York, and also to the Bishops and  
 “ Clergy of England, &c.,” followed by a fulsome address. The nature of the scheme may be judged by the following specimen :  
 “ 6. The sum of £125 per month shall be deposited by the  
 “ registrar, to be an improving stock, to be apply’d to advance  
 “ subscribers’ claims, though the life should be of forty years’  
 “ continuance, if full or proportionable.” I will not quote more of this brazen scheme. It is only introduced here as a necessary part of the history of Life Assurance. One can only describe such projects by following the language of their promoters. There were to be 4,400 subscribers. We hear no more of it.

The events of 1717 call for at least a passing notice.

1. *Mr. Hartley again.*—I have noticed the circumstances under which the founder of the *Amicable* (1706) left that office in 1713. He now issued “ Proposals for erecting and Establishing a new Society for Insuring Lives by the name of *Great Britain’s Royal*

*Society* “for securing to any person or persons or their assigns  
“for ever several great sums of money out of the Annual Dividends  
“among the Contributors on the death of their Nominees. By  
“John Hartley, Registrar and Sole Inventor of the Amicable  
“Society for a perpetual Assurance established by Charter.” The  
new scheme was framed much on the same lines as the *Amicable*.

2. From the Office belonging to the “*Most Generous, Most  
“Beneficial and consequently Most Friendly Society*, Insuring  
“on Lives, held near the King’s Head in Broad Street, almost  
“against the Pay Office”, was issued the following announce-  
ment: “Having observed an utter dislike to all Proceedings by  
“Dividends occasioned by the many opportunities their Articles  
“usually give of Favour and Fraud, whereby several Gentlemen  
“and others may and have been very much imposed on to the  
“great Dishonor of all Insuring on lives which in itself is very  
“Honest and Innocent; now to redress the aforesaid grievance,  
“this Author hath most carefully taken away the cause and  
“Invented a new Perfect, and Secure Method of Proceeding,  
“whereby to acquire any single certain sum for claim from £10  
“to £100 at the death of each Nominee, having lived 6 calender  
“months after Entrance, that you please to contribute for, without  
“being out of pocket, even for Insuring on 6 persons lives in any  
“Section, so much as one claim of that section amounts to in 9  
“years. At which time all monthly Contributions will cease by  
“such as have so long contributed, and you and your posterity  
“have gained an inheritance in this Society. You’ll have bank  
“security for the first year, and the money will circulate ever  
“afterwards at 5 per-cent per annum amongst the members of  
“the Society. Subscriptions are taken in and abstracts delivered  
“out Gratis at the Office aforesaid.” No further details are  
given.

In the 3rd Edition of Blount’s *Law Dictionary*, published this  
year there is the following incoherent account of Life Assurance  
as then practised, under the title, “Policy.”

“And ’tis of late become a Custom to insure mens lives in  
“Offices who have paid great sums of money for the purchase  
“thereof, and are insured for that adventure by a certain Company  
“of Merchants or Citizens, for three or four per cent. Subscribing  
“or underwriting the agreement, policy or Insurance, who do  
“among them share the money given by the party insured, and  
“run the hazard of it. Such Assurance or policies being not  
“seldom also used in other matters when loss or damage is  
“feared.”

The year 1718 presented several new projects :

1. "An Office for a perpetual Insurance of Lives of Men, Women and Children will be erected in a few days whereby such as subscribe thereto (at an inconsiderable expense) will secure a certain Provision to themselves their heirs and assigns for ever. The charge for Insurance at most exceeds not £5 per-cent. The advantages great and certain, and the security undeniable. Proposals of this Insurance and Abstracts thereof will be given Gratis as soon as the Articles of Settlement can be executed, which are now drawing up in form by advice of Council. The office will be kept in Red Lion Court, Fleet St., of which further notice shall be given. There will be good encouragement for early Entrances. Persons may gain from £5 to £40 on each life before they have paid 20s."

2. A new office at the "Blue Leg, in Bow Lane, Cheapside," namely: "A proposition for raising perpetual advantages to all persons and their Assigns, who shall subscribe thereto, whereby at as small expense as they please they may obtain perpetual benefit proper for all persons in general and founded upon such approved methods as cannot fail to answer the ends proposed" &c., &c.

The year 1719 witnessed the first of a series of attempts to obtain Charters for carrying on the business of Life Assurance by indirect means, namely, by the purchase of Charters which had been previously granted for other purposes. Thus in 1690 (2nd Will. & Mary), there had been granted an Act to Incorporate the proprietors of the Water Works in York Buildings in the Strand, and for encouraging, carrying on, and settling the said Water Works. Whereupon that Company had become Incorporated by the name of "*The Governor and Company of the Undertakers for raising House Water in York Buildings*," with power to purchase lands, &c. This power to purchase land was employed to purchase forfeited Estates in Scotland; and Parliament had declared that any Corporation purchasing such Estates might grant Annuities. With the power of granting Annuities, the purchasers of the defunct Charter had associated the granting of Life Assurances. The *Amicable Society*, as the only Chartered Life Office then existing, drew the attention of the law officers of the Crown to the new movement. The matter, with various other Insurance projects, came before the Privy Council. The purchasers of the Charter petitioned to be granted Incorporation as "*The Governor and Company for purchasing and improving Forfeited and other*

*Estates in Great Britain, for granting Annuities for Life, and for Assuring Lives."* The Attorney-General reported that the first part of the proceedings constituted a misuse of the powers of the original Corporation; and that it was not desirable to grant any new Charters for the purposes last stated. This was known in Change Alley as "Billingsley's Scheme." It was supported by the Earl of Westmorland, Earl of Uxbridge, Earl Delarane, Lord Percival, The Lord Bishops of Bristol, Bangor, &c., and "several hundreds more of your Majesty's faithful and loyal subjects."

There was also set on foot this year, 1719, a rival scheme known as "Hallett's," concerning which there is excellent evidence at hand, namely, a Copy of the Petition lodged by the Promoters with the Privy Council.

"The Humble petition of Sir James Hallet, Knight, together with the underwritten Merchants and others (to the No. of about 113), your Majesty's Loyal and dutiful subjects, in behalf of themselves and the rest of the Subscribers to fund of £1,200,000 for granting Annuities, securing fortunes, to Widows, Orphans, and others, settling Jointures on Marriages, and Insuring of Lives, &c., humbly sheweth:

"That it will be of very great advantage to the Widows, Orphans and other subjects of these your Majesty's Dominions in general, could they have a safe and satisfactory security to resort to for purchasing Annuities, whereby to improve their small fortunes, and enable them to live comfortably without ever becoming burdensome to their friends, or by time to waste their Capital and be thereby reduced to poverty and want.

"That it would also be of great advantage to the Subjects of these His Majesty's Realms, especially such of them as are in trade, to use in such their trade the greatest part of the fortunes they may receive with their wives; and which they might much the better do could they, by laying out some part of the said fortunes, secure a sufficient competency for their wives to live and subsist upon, in case they should by the chance and hazard of Trade either fail or die, without a capacity to make any other provision for them.

"That it would also be serviceable to his Majesty's Subjects *could they safely and securely insure upon their lives*; which would encourage merchants to be more bold in their undertakings, because in case of the death before their Schemes in trade succeeded, their widows and families might thereby receive a benefit in a great measure to recompense the failure of such their undertakings. That persons in good offices and employments for life may for the same reason be induced to make provision for their families, who during their lives have an opportunity of maintaining them in good credit, but at their death very often leave them in slender circumstances.

"That your petitioners do not desire to exclude private persons from purchasing and improving Estates, Granting Annuities, or assuring lives, nor to intermeddle with the business of any other Corporation. . . . Hence they pray for Incorporation."

It would be very difficult to find any modern prospectus which sets forth the uses and advantages of Life Assurance in more terse and understandable words than does this petition, dating back to the reign of the first George. The Law Officers decided and advised His Majesty that it would not be advisable to erect any such incorporation.

*A Review of the preceding Twenty Years.*

The year 1720 is a memorable one in English History. It is hardly less so in Life Assurance History. An atmosphere of speculation had pervaded the Metropolis from the commencement of the Century. In the crude Life Assurance project of 1699, a new mode of aggregating wealth had been propounded. The notion, having taken hold of the public mind, was skilfully but unscrupulously worked by projectors of new schemes. Each year more attractive projects were put forward. The very unsoundness of the schemes enabled unscrupulous persons to realize promptly by putting forward for assurance unhealthy lives. In a Mutual Contribution Society, the Managers have no special reason (apart from motives of honour) to object to the introduction of lives of the worst class. They receive the entrance fees and the percentage deduction from the claims; the more that enter, the more the Managers make personally, as the Subscribers themselves pay the claims; the more claims that are paid, the more rapidly contributors come in. Time alone can dispel the illusion.

The movement, now inaugurated, of founding Joint-Stock Insurance Companies, shows that the earlier system was becoming exploded. The merits of Life Assurance were growing increasingly apparent. The people now said,—Give us solid Institutions to insure in. Hence the two projects of 1719; hence also several other attempts in the early months of this year: for instance,

1. A Copartnership for Insuring and Increasing Children's Fortunes, held at the Fountain Tavern.
2. Symond's Assurance on Lives.
3. Baker's Second Edition of Assurance on Lives. (The first was a scheme of Annuities.)
4. Le Brun's Marriage and Widows' Assurance Company.

Simultaneously with the Life Assurance projects here already enumerated, there had been projected hundreds of other Insurance Schemes and of Joint Stock enterprises, altogether apart from

Assurance, almost from the commencement of the Century. One of these outside projects—outside Insurance I mean—was The *South Sea Company*, founded in 1710, for the assumed purposes of Trade and Emigration. The Stock in this Company became a favourite one with Speculators, and had gradually risen to an enormous degree of inflation from par (£100) to over £800. Many circumstances seem to point to the fact that money made in Insurance projects passed into South Sea Stocks, certainly some of the young Assurance Offices invested their members' money in these Stocks, and advertised that they had done so. I am disposed to think that the promises of some of the later Assurance Societies enumerated were founded upon the results of past operations, and a belief that such opportunities would be continued. To what precise extent the various projects of this eventful period were interlaced, it is now impossible fully to unravel. Certain it is that with the bursting of the South Sea bubble *every one of the Life Assurance projects of which I have already given a record, with the single exception of the Amicable (1706), passed into thin air and were heard of no more.*

By way of adding to the confusion of the period (although not so intended) there came the passing of the "Bubble Act"—6 George I., Chapter 18:—"An Act for the suppression of Bubble Companies," which recited (Section 18), "Whereas it is notorious that several undertakings or projects of different kinds have at some time or times since 24 June 1718 been publicly contrived and practised, or attempted to be practised within the City of London and other parts of the kingdom and also in Ireland, and other His Majesty's Dominions, which manifestly lend to the common grievance, prejudice, and inconvenience of great Nos. of your Majesty's Subjects, in their trade or commerce and other their affairs; and the persons who contrive or attempt such dangerous and mischievous undertakings or projects under pretence of the public good, do presume according to their own devices to open books for public subscriptions, and draw in many unwary persons to subscribe therein, towards raising great sums of money; . . . and whereas in many cases the said undertakers or subscribers have since the said 24 June 1718 presumed to act as if they were corporate bodies, and have pretended to make their shares or stocks transferable or assignable, without any legal authority either by Act of Parliament, or by any Charter from the Crown for so doing."

. . . . It was therefore enacted, that all such undertakings

and all subscriptions thereto should from and after 24 June 1720 be deemed illegal and void. The effect of this measure was to kill the more solid of the later Insurance Associations—those that had a capital at their back—in favour of other weaker associations which had no legal status to support them, and which would almost necessarily succumb in the panic which prevailed.

I have tried to estimate the extent of the dealings of the many Mutual Contribution Life Assurance Offices which passed out of sight in the year 1720. It is not possible to define the amount of Assurances they had in force. That in the nature of the case was always an unknown quantity. We can only estimate the aggregate of the Contributions, as against the aggregate returns made by the Offices to their Subscribers; the balance constitutes the loss to the public. There had probably been some fifty Life Assurance schemes set on foot between 1699 and 1720. Of about forty of these I have already given a more or less detailed account. Some “entered lives” by thousands, and others by hundreds only. Some lived for many years, others for very few. If we estimate the average duration to have been five years, and the average receipts in the way of Entrance payments, Contributions towards Claims and to the Management, at £5,000 each (a very small estimate in view of scattered facts learned during my investigations), we have a total of £250,000—which, at the current rate of £5 per £100, would have insured *five millions* sterling. Probably two-fifths, £100,000, of the Contributions had been returned in the way of Claims, &c., leaving the loss to the public at £150,000.

---