Fast-money schemes as old as hills in Monroe County

LOOKING BACK
By Rose McIlveen

Contemporary "quick-buck artists" may think they are particularly ingenious when they think up a scheme involving insurance. Actually, their great grandfathers already tried it with mixed success. Under an unusually large headline, the *Bloomington Star Courier* of March 10, 1883, provided a little financial education for its readers.

The headline read, "Ghastly! Waiting for the Death Rattle! Traffic in the Lives of Those For Whom Graveyards Yawn!" Surely that got the attention of the readers in an otherwise ordinary edition of the newspaper.

The way the scheme worked was this: "When some of our citizens see an old man tottering toward the grave, the first thing they do is to hunt the goods box office of a mushroom insurance company and take out a policy on his life. If he happens to get well and is likely to live several years, they let the policy drop and hunt some other old person not quite so healthy."

Sound unethical? Apparently, it was. Explained the *Star Courier*, "A company of men with capital enough to have the necessary printing done, can start on their tour of robbery unchecked by law, and woe betide the poor sucker who once becomes entangled in their schemes. He will come out with some experience which may be worth something some day."

The newspaper went on to relate to its readers that the fly-by-night insurance companies do not require a medical examination for the 75- or 80-year-old candidate for insurance. Any reputable company would have insisted upon some assurance that the insured was in good health and then charge a high premium for the policy.

Not so the companies that had no real business history. Continued the newspaper, "But with these graveyard institutions it is a very different matter. Anything that is able to breathe is insured, and if the subject dies before the expiration of 30 days after the policy is issued, the policy holder is allowed to try another crack on some other old person for the same price."

The fact that this ghoulish practice was going on under the noses of the more ethical citizens of Bloomington is interesting of itself. Perhaps it was simpler to look the other way.

According to the *Star Courier*, some of the insured did die. "When the day of reckoning comes and the old man or woman is gathered to his fathers, the certificate of death is sent in, and the company send out its assessments and whatever said company sees fit and proper to pay, it will pay, and no more, and no amount of law can make them, for they have neither a body to be kicked or a soul to be a damned, and when a charge is made on their stronghold, will scatter like so many fleas."

Well, the unethical insurance men didn't get to rake in the money for long. The newspaper explained that the Indiana General Assembly looked into the questionable practice and had come up with some new regulations.

For example, "The law provides first, that all insurance companies doing business on the assessment plan shall execute a bond payable to the State of Indiana conditioned for the faithful performance of their contracts with their policy holders."

Then the legislature got even more specific, making it a felony for any insurance company inside Indiana to insure any aged, infirm or crippled person. To tighten things up even more, the new law stipulated that the insurance companies had to turn in a yearly report to the State Auditor. If the report didn't show up on time, the company's charter was at risk.

Concluded the newspaper, "There is hardly a man in Monroe County over 70 years of age but what is covered by insurance in one of these companies. In the end, something will drop, and somebody will be the loser."

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