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EDITORIAL

QUESTIONS ABOUT LIFE INSURANCE

Observations in a full-page piece, "Answering Essential Questions About Life Insurance", in *The New York Times, January* 16, 1982:

"Americans spent $43 billion on life insurance premiums last year, and if consumer research is valid, a great number may not have known what they were buying."

"(Its) primary purpose is to cushion a family financially if the principal wage earner dies *before retirement* (emphasis added)."

"Essentially, cash-value policies combine decreasing term protection with increasing savings. . . The two elements are so intermingled that it is difficult for almost anyone but an actuary to determine what interest rate is being paid on the savings. Rarely do companies pay more than 6 or 8 percent return on the savings component of policies held for 20 years, based on the companies' current illustration of dividends . . . As a result, cash-value policies have become less popular as money market interest rates have soared. If market interest rates remain high, future returns on the cash component are likely to increase."

"Robert W. MacDonald, president of the I.T.T. Life Insurance Corporation, announced Thursday (January 14) that the company was withdrawing its cash-value policy because it 'was not a good consumer product'. The announcement was criticized as a self-serving promotion by industry trade groups which contend that cash-value policies can be good buys."

A statement sent by American Council of Life Insurance to those who asked for comment on Mr. MacDonald's announcement reads thus:

"There are many people in the life insurance business who believe that whole life insurance was designed for good times and bad, and who feel that it is a durable product. This is a volatile time in the life insurance business. As in other industries, many companies are looking at the same sets of facts and figures, and are coming to different conclusions."

Reflections On All This

First: It is disappointing that the fundamental difference in these volatile times between participating and non-participating cash-value policies was never mentioned. Not in *The New York Times* article. Not in the I.T.T. Life announcement. Not in A.C.L.I.'s statement.

Second: In describing whole life insurance, our industry and its agents are frightfully slow about changing emphasis from "the way to make sure your policy will still be in force when you die" to "a way to have life insurance protection while you need it and to have cash or a life income when you need them more than you need the protection."

Third: If actuaries are doing much to help see to it that the choices available to old policyholders at their retirement time are laid clearly before them, these efforts have escaped our attention. *E.J.M.*

LETTERS

Dashing

Sir:

Your editorial (Hy-phen-ing, November issue) is a matter of nominal concern to me.

For the definitive word, I recommend H. W. Fowler's dissertation in his *Modern English Usage.* He sets his tone by quoting Sir Winston Churchill's remark, "One must regard the hyphen as a blemish to be avoided wherever possible."

I do not go as far as Sir Winston in condemning hyphens, but I view the recent upsurge of interest in double-barrelled names as a mistake. It doesn't solve the problem of how to preserve each parent's family name unless you don't mind exponential increases in the lengths of the names of successive generations.

Alastair G. Longley-Cook

* * * *

Sir:

As your randomly selected Vice- or Vice President, I'm glad that the Year Book references to me were two to one against my having any connection with the underworld.

But I note with dismay a report in the same issue of the election of two unhyphenated Vice Presidents; I hope our new President-Elect will keep them out of trouble.

How do you hyphenate Lautzenheiser?

Daphne D. Bartlett

* * * *

Sir:

Our Constitution and By-Laws also appear to provide for a "past-President", "Past President" and "Past-Presidents."

As to vice-president vs. vice president, my 1977 Webster's allows either but implies that the latter is proper only for one exercising delegated authority vested in the president rather than directly assigned by directors, owners, membership, governors or like entities (although my employer feels differently). Personally, I prefer the distinction General Manager/Manager.

Charles M. Underwood, II

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