

THE NEEDS AND PROSPECTS OF AN EDUCATIONAL
PROGRAM IN INSURANCE LAW

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When students are preparing for the examinations of this Society and consult the examination requirements, they find that a knowledge of insurance law, including the more important statutes of the United States and Canada relative to casualty insurance is required under the syllabus for Part II of the Associateship examination. Thereupon they refer to the Recommendations for Study which have been recently issued by the Society, in order to determine the scope of the readings which are suggested by the Educational Committee in preparation for this topic. The list of these readings is so formidable as to suggest that a very large amount of time will be required to meet the requirements of this item of the syllabus.

Analyzing rather more closely, however, the nature of the readings suggested, we find that the preparatory texts recommended include some volumes which are purely academic and others which were prepared primarily for students in law schools. The first text book mentioned in the syllabus was published over twenty years ago, the next fifteen years ago and the last eleven years ago. It is quite apparent, as to those texts that deal specially with insurance law, that they are more or less obsolete due to the rapidly changing nature of insurance law and of casualty insurance law in particular. As respects current decisions to which the student is referred these are, as their name implies, recent declarations of the courts with respect to litigations currently determined. The texts suggested for workmen's compensation insurance law have both been published within the last ten years and are fairly recent, but each of these is over a thousand pages and it is rather difficult for the student to determine for himself the most important portions of the text. Furthermore, workmen's compensation is only one out of the thirteen casualty lines mentioned in the syllabus; the student is expected to be familiar with the policy forms and underwriting practice of all these thirteen lines.

From the above brief outline of the large extent of the reading which the student is expected to cover, it is evident that no texts exist which accurately meet the needs of our students. Turning to the two life actuarial societies, we find that almost a similar situation exists, except that the problem there is narrowed down to life, accident and disability insurance. In the Recommendations of the Actuarial Society of America the statement is made that since there is no good text book of reasonable size, the work of the student in preparing upon life insurance law is rendered more difficult. The American Institute of Actuaries recommends most of the text books given in the Recommendations of the Actuarial Society of America.

In the leading law schools, the subject of insurance is taught by assigning a case book which consists of a compilation of leading cases selected to illustrate the principles and development of the law. These case books generally attempt to cover the entire field of insurance and as such do not meet the requirements for special preparation in any one of the insurance lines. The case books refer the student to citations of a large number of additional cases which he is expected to read. Case books are published at infrequent intervals and presently become obsolete through reversal of important decisions.

A review of the situation leads one to conclude that if a student in this Society is to be well grounded in the subject of casualty insurance law, he should have available a volume that is both a text book and a case book. Such a volume will follow the modern methods of teaching law in university law schools, while also preserving the text method of presentation. The course should consist of the following:

1. Some recent standard text on the elements of law should be selected as the basic text book.
2. The Society should prepare a text entitled "Casualty Insurance Law" with a section dealing with each casualty line. Each section should comprise
 - (a) The policy form and standard riders
 - (b) A digest of the decisions as respects the various policy provisions
 - (c) The opinions in full on a few of the leading cases.

The volume should be sub-divided somewhat as follows:

Part I—Relation between insurance companies and the public.

Insurance law of the various states.

- (a) Digest of the more important sections of the insurance laws of several of the principal states.
- (b) Selected cases and text covering organization and licensing of companies, reserve requirements, state taxation, Federal income tax and reinsurance upon liquidation.

Part II—Relation between insurance companies and their policyholders: Selected cases and text arising out of litigation as to the coverage and other underwriting questions raised, particularly in the settlement of claims.

Part III—Relation between insurance companies and their agents

- (a) Specimen contracts for general agents and sub-agents in the various casualty lines.
- (b) Cases decided between companies and their agents.

In general, only cases should be included that have been decided in the United States Supreme Court and in the courts of last resort in the various states, during the last fifteen years.

In addition to such a volume the student would do well to read the legal notes published by the actuarial societies, the digests of insurance publishing houses and of national organizations which give abstracts of current decisions, in order to keep in touch with the trend of current decisions.

There appears to be no doubt of the great need of such a volume which, if it could be prepared under the auspices of this Society, would indeed be a contribution of great value not merely to students and members of this Society, but to others.