

# THE NATIONAL LIFE AND ACCIDENT INSURANCE CO., Inc.

NASHVILLE



TENNESSEE

BRANCH OFFICE  
1 HOOD BUILDING  
J. A. AUSBROOKS, MGR.

FLORENCE, ALABAMA

Jan. 23, 1935.

Honorable R. H. Walker,  
Speaker for the Senate,  
Montgomery, Ala.

Dear Sir:

I am sure that you are familiar with the Burial Associations that are operating in the state of Alabama. It is my understanding that these Associations sell some contracts that are paid up which are very similiar to life insurance contracts. In some states there is a law that prohibits selling merchandise for insurance and of course caskets, shrouds, etc., are merchandise.

Looking over the whole history of Burial Associations in the United States, and it is quite extensive, covering a period of perhaps half a century. I am reminded of the mushroom, which grows up quickly and expires in the same way. In the eastern states, particularly, laws are now in force forbidding Burial Associations as generally understood, from operating, and this perhaps true of a majority of the states in the union. Such laws were enacted because of an unfortunate experience with such Associations. In some of the Southern States the Associations have gotten so many members that the law-makers are not disposed to take drastic action. Perhaps it may be necessary for the public to have the disastrous experience which in my judgement is inevitable, to cause the enactment of proper laws.

Burial Associations, as far as I know them, do not provide adequate reserves and are therefore unable to carry out long-term life contracts. Of course, during a rather brief period of growth the situation seems easy and those who do not think or do not care will say these reserves are unnecessary. Any contract that terminates at the death of the person involved, whether issued by a life insurance company or Burial Association, projects itself in many cases, a half century or more into the future, and it is impossible of fulfillment without adequate reserves.

Why any normal person should wish to arrange in specific detail for coffin, shroud, hearse, etc., to be paid for in weekly installments, through some designated undertaker, is simply beyond me. This is emphasized by the fact that the contingency of death may be many years in the future. This is what I call a morbid proposition, not conducive to mental health at least. The natural thing is to leave at death enough cash to provide for the funeral and other necessary needs incidental to death, and surely Life Insurance Companies, which pay in cash, are the best means to accomplish this need. The beneficiary of the insured, is the one who has the greatest affection for and interest in the insured, and may be

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depended on at death to provide a proper burial or disposition of the remains of the insured. Who knows, say fifty years from now, what undertakers will then be in business, or really what means may then be in vogue for disposing of the dead. I am not among those who believe that when life goes out it makes no difference what becomes of the remains, hence I believe in a proper burial, in which love expresses itself in a fitting way, consistent with the means at hand for this purpose. Let those who are nearest to you bury you according to their wishes and try to leave them the wherewithal, in cash, is my doctrine on this subject.

The National could issue burial policies, but it will not, and some of the reasons are stated in this letter.

Yours very truly

*J. A. Ausbrooks*

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JA:CM