Elizur Wright must be counted among the most famous actuaries of all times.

Here is his entry from The Columbia Encyclopedia, Sixth Edition, 2001.

Elizur Wright, 1804–85, American actuary and antislavery leader, born near Canaan, Connecticut, graduated Yale, 1826. He taught (1829–33) mathematics at Western Reserve College. In 1833 he became corresponding secretary of the American Anti-Slavery Society, a post he left (1839) to assume editorship of the Massachusetts Abolitionist. While editing (1846–52) the Boston Weekly Chronotype he became interested in life insurance reform and began lobbying in the Massachusetts legislature. Through his efforts an act was passed (1858) compelling insurance companies to hold reserve funds to be applied against policies. Two later rulings—the nonforfeiture law of 1861 forbidding a company to appropriate the reserve funds and the legislation (1880) that requires companies to pay in cash the value of lapsed policies—were also directly due to Wright. He served (1858–66) as state supervisor for insurance legislation before taking positions as a private actuary. His vigorous campaigning in this field as well as his development of actuarial tabulations earned him the title "father of life insurance."

This little piece falls far short of doing justice to Wright's contributions. The work of Halley (1600s) and Price (1700s) set up the mathematical basis for insurance, but those ideas did not extend to the notion of managing a large insurance firm. The concept of a *reserve* was not obvious, and it took people like Elizur Wright to force the ideas on insurance firms.

Wright was pained by the large number of policies that lapsed, meaning that the insured simply stopped paying and thus let the policy's protection stop. In the context of the late 19th century, this was perceived as a form of theft on those of the poor underclass who purchased insurance but were unable to keep the payments coming. Thanks to Wright, companies were forced to have a *cash surrender value* so that a policy could always be converted to cash. This is, of course, the fundamental concept of *whole life*.

Current 21st century thinking is that most people are better served by term life insurance, and some people even think that the companies are being unethical by pushing whole life policies. But this point of view was not always thought to be correct!

There is an interesting description of Wright, from *Cambridge Sketches* by Frank Preston Stearns. (This is presented by Authorama, Public Domain Books, for sale at Amazon.com.) Here are some selections:

In December of 1833 the first national anti-slavery convention met in Philadelphia, and Elizur Wright was unanimously chosen secretary of it. After that he went to New York to edit a newspaper, the Anti-Slavery Reporter, remaining until 1839.

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While in England he had taken notice of the life-insurance companies there, which were in a more advanced stage than those in America. They interested him as a mathematical study, and also from the humanitarian point of view. He purchased "David Jones on Annuities," and the best works on life insurance. These he read with the same ardor with which young ladies devour an exciting novel, and without the least expectation that they might ever bring dollars and cents to him; until one day in the spring of 1852 an insurance solicitor placed an advertising booklet in his hand as he was entering the office of the *Chronotype*. [This was Wright's anti-slavery paper.]

Elizur Wright looked it over and perceived quickly enough that no company could undertake to do what this one pretended to and remain solvent. The booklet served him for an editorial, and before one o'clock the next day agents from every life company in Boston were collected in his office. They supposed at first that it was an attempt at blackmail, but soon discovered that Elizur Wright knew more about the subject than any of them. Neither threats nor persuasions had any effect on this uncompromising backwoodsman. Only on one condition would Mr. Wright retract his statements,—that the companies should reform their circulars and place their affairs in a more sound condition. The consequence of this was an invitation from the presidents of several of the companies for Mr. Wright to call at their offices and discuss the subject with them.

In those days there was a prejudice against college graduates which prevented their obtaining the highest mercantile positions, and it is doubtful if there was any person connected with the life-insurance companies who could solve a problem in the higher mathematics. The consequence of this was that it placed the presidents quite at the mercy of their own accountants. Recent events have proved with what facility the teller of a bank can abstract twenty or thirty thousand dollars without its appearing in the accounts. Temptations and opportunities of this sort must have been much greater in life-insurance companies, as they were formerly conducted, than it is now in banks. Money may have been stolen without its having been discovered.

In 1852 he resigned the editorship of the *Chronotype*, and from that time till 1858 he was occupied with life-insurance work, the editing of a paper called the Railroad Times, and making a number of mechanical inventions, most important of which was a calculating machine, enough in itself to give a man distinction.

This machine was simply a Gunther rule thirty feet in length wrapped on a cylinder and turned by a crank. Gunther's rule is a measure on which logarithms are represented by spaces, so that by adding and subtracting spaces on this cylinder Mr. Wright could perform the longest sums in multiplication and division in two or three minutes of time.

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In 1858 he was appointed Insurance Commissioner for Massachusetts, a position which he held until 1866. As Commissioner he formulated the principal legislation on life insurance; and his reports, which have been published in a volume, are the best treatise in English on the practical application of life-insurance principles.

Mr. Wright's insurance reports brought him such celebrity that all the companies wished to have his name connected with them. His son, Walter C. Wright, became actuary of the New England Life, and his daughter, Miss Jane Wright, was made actuary of the Mutual Union Company. Mr. Wright and his eldest son, John, set up a business for calculating the value of insurance policies, in which the logarithm machine helped them to obtain a large income. With his first ten thousand dollars Mr. Wright purchased a large house and a tract of land in Middlesex Fells, where his family still resides.

Elizur Wright's most conspicuous trait was generosity. He lived for the world and not for himself. He was a man of broad views and great designs; a daring, original thinker. He respected Emerson, but preferred the philosophy of John Stuart Mill, from the study of which he became an advocate of free trade and woman suffrage.

He died November 21, 1885, in the midst of a rain-storm which lasted six days and nights. He lies interred at Mt. Hope Cemetery.



Richard Shulman, *The Billion Dollar Bookies*, Harper's Magazine Press, New York, 1976, on pp 73-76, gives an interesting detail on Elizur Wright. In 1844 in England he witnessed the "selling" of life insurance contracts on old people who could no longer pay their premiums. Speculators paid the elderly, took over their premium stream, and became the beneficiaries. [This has some similarities with viatical policies of today.] This reminded Wright of slave auctions in the US. Here's the quotation (for which, alas, Shulman provides no reference):

I had seen slave auctions at home. I could hardly see more justice in this British practice. If I should ever become old myself, I thought, I should not like to have a policy on my life in the hands of a man with the slightest pecuniary motive to wish me dead. This then is what has disgusted the sweetest songwriter in England [referring to B.W. Proctor] with life insurance. I soon found there was a reasonable act of Parliament against the issue of a policy in the absence of insurable interest on the part of the policyholder in the life of the insured, but no law whatever against the continuance of one, after all insurable interest had ceased; on the contrary, a judge-made law allowing it. I resolved, if I ever returned to America, it should be otherwise here, if my voice could avail.

There is a biography by P. G. Wright and E. Q. Wright (1937).

A very thorough treatment is this:

Wright, Elizur, *The "Bible of Life Insurance,"* compiled and copyrighted by The American Conservation Company, press of Recording & Statistical Corporation, Chicago, 1932.

This has a subtitle "Being a complete photographic reprint of the original studies and official reports of Elizur Wright." It also claims to have a brief sketch of the life and works of Elizur Wright. Indeed, it seems that Wright himself wrote only the technical appendix. The book consists of a history by William Clendenin, copious reports, and an appendix by Wright.