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## Book Reviews

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## BOOK REVIEWS

**LIFE INSURANCE: A CONSUMER'S HANDBOOK.** By Joseph M. Belth. Bloomington London: Indiana University Press, 1973. Pp. 248. \$6.95 cloth.

Ralph Nader, appearing before the Senate Antitrust subcommittee at the opening hearing of a congressional investigation into the \$23-billion-a-year life insurance industry, stated that "the life insurance industry, through deceptions and inadequate information, dupes husbands into short-changing their wives and children by buying too much of the wrong kind of insurance."<sup>1</sup> Appearing before the same subcommittee, Herbert S. Denenberg, the insurance commissioner of Pennsylvania, charged that "life insurance is one of the leading consumer frauds." He went on to say, "we know that the average buyer doesn't have the foggiest idea of whether he's getting a good buy or a fleecing when he buys life insurance."<sup>2</sup>

Belth, a professor of insurance in the School of Business at Indiana University has produced a timely life insurance guide for the consumer. His expressed purpose for compiling the guide was to assist the consumer to efficiently buy and own life insurance. In furthering this purpose he first presents three basic questions for consideration: How much life insurance should the consumer purchase? What kind should he buy? What companies offer the best deals?

According to Belth the essential step in determining the amount of life insurance one should purchase is an estimation of the family financial requirements in the event of the death of the family breadwinner. The amount of insurance to be carried is the difference between the family's financial requirements and the financial resources available to them.

In answer to the second question presented by Belth, the guide discusses two major forms of life insurance—straight life and five-year renewable term. Belth feels that these forms or some combination can meet the needs of virtually all buyers. Together with the two basic insurance forms, three important riders are also considered: Waiver of premium, accidental death and guaranteed insurability.

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1. Fargo Forum, Feb. 20, 1973, at 10, col. 2.

2. *Id.*

Another important consideration, particularly in the straight life policy, is the savings element of insurance. In describing the straight life policy, Professor Belth instructs the consumer who is contemplating a straight life purchase, to ask himself how much he would like to invest per year in the savings element of cash value life insurance. Secondly, and just as important, he should decide whether he is able to pay for the coverage.

Since there are so many companies with sound-alike names, Belth's third question resolves into an identification crisis. The handbook offers the consumer suggestions on how to be reasonably certain that the company with which he deals is financially solvent. Also, in attempting to distinguish between the various competing policies, the guide provides price information on forty-five major companies and explains how to identify relatively low-priced life insurance protection.

There are other sources and forms of life insurance noted in the handbook, some of which operate without agents and deliver low-priced coverage. Examples of these include Savings Bank Life Insurance, Teachers Insurance and Annuity Association, and the Ministers Life and Casualty Union. Additionally, it is important for proper insurance planning to consider the possibilities afforded through governmental sources such as Social Security and the Veterans Administration. Other forms of life insurance discussed in the handbook are limited-payment life, endowments, retirement income, level term, decreasing term, increasing term, specialty policies, family policies, joint life, split life and variable life.

A consumer soon learns that the important man in any insurance transaction is the agent. Belth justifies the need for agents by giving an in-depth description of their functions and by outlining the cost of dealing with one. Guidelines for selection are also included.

Although some agents are helpful to the potential policyholder, it is obvious that the fine print in life insurance contracts is generally difficult and confusing to read. Belth's handbook analyzes the fine print and explains various policy provisions common to both the straight life and five-year renewable term policies. Some of the provisions included in the small-type paragraphs found in most insurance policies can be variously identified as the insuring agreement, brief description of the policy, death benefit, and the beneficiary settlement options. Other provisions discussed are those peculiar to policies which include a savings accumulation or that provide pure life insurance protection.

In addition to the considerable detail about insurance contained in the handbook, Professor Belth includes a number of miscellaneous

subjects that a consumer should consider during and after the purchase of insurance. As an example, Belth discusses the payment of premiums with an analysis of the cost of paying premiums other than annually, and presents a detailed presentation of financed insurance.

Many of the suggestions contained in the handbook are illustrated by eight hypothetical family situations and their resulting life insurance decisions.

In the final chapter Belth criticizes the life insurance industry and characterizes its market with three words, "ignorance, complexity, and apathy." His most telling argument is in favor of price disclosure and related legislation for the insurance industry. In taking this position, Belth appears to align himself with the leading consumer advocates—Nader and Denenberg.

*Life Insurance: A Consumer Handbook* may be used as a reference book. It provides accurate and useful information to a consumer public that has been exposed to an insurance mythology promulgated by the life insurance industry. Belth gives the consumer good advice and a workable formula for combating the industry's complexity and secrecy.

Herbert S. Denenberg, who is rivaling Ralph Nader in achieving a national reputation as a consumer advocate, has stated that:

[T]he life-insurance industry—however pure its motives and morals—is inflicting confusion on the public, with policies the public cannot understand, with a pricing system that prevents intelligent shopping, with agents that are often incompetent and with many companies that are unsound financially.<sup>3</sup>

If Mr. Denenberg's statement is to be considered as seriously as it was intended, a consumer in the life insurance market place should read this handbook for an understanding of life insurance and the life insurance industry before making his purchase. However, once armed with this understanding, the consumer can still only hope to perhaps stumble upon the best life insurance buy.

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3. *Id.*

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THE SUPREME COURT AND RELIGION. By Richard E. Morgan. New York: The Free Press, 1972. Pp. 216. \$7.95 cloth.

There was a judge in a certain town who neither feared God nor respected men. And there was a widow in that same town who kept coming to him and pleading for her rights: "Help me against my opponent!" For a long time the judge was not willing, but at last he said to himself, 'Even though I don't fear God or respect men, yet because of all the trouble this widow is giving me, I will see to it that she gets her rights; or else she will keep on coming and finally wear me out!'<sup>1</sup>

The recent decision of the Supreme Court to review a Pennsylvania statute under which parents with children in non-public schools receive tuition payments and a New York law providing financial assistance to pressed parochial schools through tax credits, tuition grants and maintenance payments are just two instances that illustrate that *The Supreme Court and Religion* is timely and informative reading.<sup>2</sup> This book is designed to be a general history of an area of constitutional law that creates emotional reactions throughout the general populace every time the Court is called upon to make a decision involving religious freedom. The author examines the political and social factors which have motivated the Court and caused it to realize, like the biblical judge, that precedent is not the only relevant consideration in the resolution of constitutional disputes involving religion.

Supreme Court justices are human beings with their own views, sympathies and prejudices. They are also subject to conflicting interests which must be reconciled and rationalized in order to arrive at a viable conclusion. In the area of religion they have not always been consistent, thereby causing great difficulty for anyone trying to understand various decisions and predict future results. A reading of *The Supreme Court and Religion* will set the perspective for understanding the decisions concerning the economic plight of our parochial schools as well as the recent change in the conscientious objector status brought about during the unpopular Vietnam War.

Morgan begins his historical analysis with a discussion of the fears, prejudices and practices of the pre-colonial past, highlighted by the Protestant ethic, which viewed the State and the Catholic

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1. *Luke* 18:1-5 (King James). The parable of the widow and the judge continues as follows: "And the Lord continued, 'Listen to what that corrupt judge said. Now, will God not judge in favor of his own people who cry to him for help day and night? Will he be slow to help them? I tell you, he will judge in their favor, and do it quickly. But will the Son of Man find faith on earth when he comes?'" *Luke* 18:6-8 (King James).

2. *Wall Street Journal*, January 23, 1973, at 3, col. 2 (Midwestern Ed.).

Church as potentially dangerous institutions. This feeling was reflected in the various colonies and by Jefferson and Madison in their early interpretations of the Constitution, which took the hard-line view of no governmental interference.

The Supreme Court was first called upon to interpret the First Amendment Free Exercise Clause during the nineteenth century in relation to claims for protection of unorthodox practices and ownership of church property. Because the British view of ownership presumed an intimacy between Church and State and gave rise to an implied trust theory to govern use of the property, the Court was called upon to establish a rule that would lessen the likelihood of its being drawn into theological controversies. The guidelines of that rule were predicated on the ability of the internal workings of the Church to settle religious matters, although the Court was sometimes reluctant to defer to obviously deviant conduct. For example, the Court did feel that Congress had authority to force the Mormon Church to change its policy of polygamy or lose its property.<sup>3</sup>

In the present century, the Jehovah's Witnesses have been prominent in developing the Free Exercise Clause. The Court held the Witnesses' door to door solicitation and passing out of leaflets protected under the Free Speech Clause while endeavoring to justify the opinions expressed by including references to freedom of religion.<sup>4</sup> When the Witnesses asked the Court to exempt their children from saluting the flag or pledging allegiance, the justices were somewhat reluctant in light of the patriotic atmosphere of the 1940's when the country was preparing for war. The Court, like the judge of the parable, was finally worn down by the persistence of the oppressed and again found a free speech basis to hold the requirement unconstitutional. The secular regulation rule was upset and the way was opened for further changes in the law based upon religious convictions.<sup>5</sup>

In addition to the free exercise issue, the Court has been faced with variations of the public support question and the rituals that could be allowed under the establishment clause. The tendency has been toward striking down public supports, although the Court has decided on due process grounds that all children cannot be required to attend public schools.<sup>6</sup> It can be argued that monetary grants for tuition, buildings or texts should be allowed because schools (like hospitals run by religious orders) provide a public service or

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3. *Reynolds v. United States*, 98 U.S. (8 Otto) 145 (1878).

4. *West Virginia State Bd. of Ed. v. Barnette*, 319 U.S. 624 (1943).

5. It is interesting to note that the Witnesses are currently being persecuted in South Africa for some of the same acts.

6. *Wisconsin v. Yoder*, 406 U.S. 205 (1972).

serve a public purpose. In like manner, transportation of students to private schools becomes public safety.

Politicians refuse to risk becoming unpopular by repealing tax exemptions, thus, never facing squarely the question of the exemption's benefit and the resultant government support of religion. The current Court feels that exemption is a lesser evil inasmuch as taxation requires greater involvement—and involvement of government is to be avoided. The way has been open to invalidate grants based on an analysis of involvement and a distinction between higher, elementary or secondary education. The increase of private schools in the South since the integration decisions could help the Court decide against public support below the college level.<sup>7</sup>

A strict view limiting certain religious practices such as prayer in school and release time arrangements, raises questions regarding the propriety of allowing Christmas programs, the motto "In God We Trust" on our coins, invocations in the Senate or prayers prior to the inauguration of a President. Perhaps it is as the author suggests, that these acts are not important enough to bother with or that they do not force a choice between one's religion and a prohibited activity.

While *The Supreme Court and Religion* is timely and interesting reading, it was not intended to be a legal treatise or profound analysis of constitutional law. Indeed, it is just this factor which makes it a desirable and informative source for both the lay and professional reader. Undoubtedly, those with an interest in the subject will find this book to be a valuable summary of decisions, with recommendations that deserve consideration.

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7. The reader should bear in mind, however, that President Nixon has expressed a desire to help relieve the parochial plight.

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