

## Industry

### The miracle of life insurance

Nowadays Life Insurance policies have become true financial tools, since they provide security and comfort in cases of premature death of heads of family. If a husband and father dies suddenly leaving the family without income, Life Insurance policies will take care that the wife and family will not suffer want.

They are the guarantee that his children will always be provided for, including with the right education, even in the event the father should pass away before watching his dreams come true, since those dreams are his obligation for having brought them into the world.

Life Insurance policies are a mechanism whereby a head of a family guarantees that he will have the necessary economic aid to live without working after his productive days are left behind, allowing him and his wife to lead a peaceful old age.

By means of the powerful Insurance Industry, Life Insurance Policies allow us to participate in the best bonds, investments and bank accounts. They are a type of property that may be bought on installments and that constitutes the most secure economic plan ever conceived. They are savings accounts; not only are they solid with respect to security, but they create a guaranteed capital, far from temptations and always available for real emergencies.

Life Insurance Policies probably represent the most extraordinary and peculiar agreement ever contemplated by the laws of our civilized world, because they deal with a unilateral agreement, where all obligations fall on just one of the parties. In virtue of this contract, a great financial institution is irrevocably obliged to provide all of the previously mentioned issues in the future. Instead, the head of the family assumes no obligation whatsoever, except his responsibility to save money systematically, retaining at all times the right to end the agreement, while the other party may only do so with his consent.

Besides it is established that if the head of the family's income cease due to disability, all benefits will be his anyway, just as if he would have been able to continue with his deposits.

All those reasons make it even more imperative to consolidate our present and our future by means of a Life Insurance Policy.

### A bit of history

Basically, insurance is a protection against unexpected loss through the principle of risk sharing. It is quite an old concept.

In ancient China, people worked all year round with their backs bent over their fields. Afterwards, they would expose their crops on weak junks floating on the turbulent waters of the Yangtze River downstream to the markets. Whenever one of those boats wrecked in the rapids, a whole year's work would be lost leaving the farmer ruined. This happened until several farmers got together and decided to divide their goods on different junks. Thus, if one or two of the small boats disappeared in the yellow waters, most of their crop remained safe. This is the Insurance principle: protection against catastrophic losses based on sharing risk.

The first Insurance policy of which there is evidence dates back to 1583 in England. The business started at Lloyd's in London in 1680, when Mr. Edward Lloyd used to run a coffeehouse near the wharfs of the British capital. As a service to his clients, generally ship captains, importers and exporters, ship owners and traders, he would place a bulletin board announcing the ship's departure dates, names of captains, destinies, cargo description and other pertinent information. Those interested who accepted the risk sharing that each trip implied wrote their names on the board, indicating the percentage they were willing to assume. Risk in those days was determined by the character and ability of the captain, as well as by a reasonable expectation of the utility that the shipment could bring. Nowadays, the evaluation at an Insurance company relies much more on scientific studies based on statistics. Mr. Lloyd from London eventually left the coffee shop to work in insurance, and the corporation is today the world renown Lloyd's of London.

Insurance in America is relatively recent; they began in the United States in 1759. Shortly after 1860 it actually began to grow, and by 1865 it was already a quadrillion-dollar business.

If you decide to join this line of work, you will be entering a fascinating world of enormous proportions, benefit from the effort and work of all those who decided to dedicate their life to Insurance. Large part of the responsibility of continuous protection of thousands of families, their assets and estates, will rest on your shoulders, helping them overcome the economic catastrophe that arises as a consequence of accidents. Insurance is a miracle as an economic concept, but it must be sold; that is were you come in.