Dr. Solomon S. Huebner The father of life insurance and founder of The American College

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Solomon Stephen Huebner is considered by many to be the most important individual in the history of insurance in America in the last 100 years. He shaped the course of the life insurance/financial services industry and professional education for agents.

Huebner was born on March 6, 1882 in Manitowoc, WI, on the shores of Lake Michigan. Raised on a 200-acre farm, his parents (Frederick and Wilhelmina) were major landholders and members of educated Wisconsin families. They instilled in him a strong belief in freedom, religion and in the value and power of education. They taught him to work hard and to be committed to the highest standards of personal integrity.

Huebner graduated from Two Rivers High School at age 16 in 1898. After being elected class valedictorian, his education continued at the University of Wisconsin where he was awarded a Bachelor of Letters in 1902. In addition, he was elected to Phi Beta Kappa and earned the Master of Letters the following year. His thesis was entitled: “The Distribution of Stock Holdings in American Railways.” Published in Railway Age, it so impressed the University of Pennsylvania officials that Huebner was awarded a Harrison Fellowship in Economics. Because he was biking in Europe that summer with a friend, he did not receive the letter from American Express until one month after it had been sent from Philadelphia. Huebner eagerly rushed to Philadelphia via boat from Naples, Italy, and gladly accepted the scholarship offer.

So began a new chapter in his life at the University of Pennsylvania. He pursued his studies for the degree of Doctor of Philosophy, which included satisfying the University’s requirement of a two-year residency. When he received his Ph.D. in 1905, Huebner was highly acclaimed for receiving it in the shortest time possible and was among the youngest students to receive that honor in UP history. He was only 23 years old.

Huebner may be best known for his work in life insurance education, but he was also an expert in the fields of economics, property/casualty insurance and marine insurance. He began teaching the first organized courses in the world on the Stock Exchange and the “Economics of Insurance” at the University of Pennsylvania in the fall of 1904. At that time “Applied Economics” was viewed with some disdain by the classical economists at most universities.

Huebner’s research led him to the realization that no leading business school in the United States offered any type of insurance-related coursework. He applied and became the first
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instructor of Insurance at Wharton with an annual salary of $500. The life insurance field was getting much publicity at that time because of the Armstrong Investigation in New York State. This was an important event in insurance history with a comprehensive legislative investigation of life insurance operations led by Charles Evans Hughes (36th Governor of New York who eventually held the offices of Secretary of State and Chief Justice of the United States during his career).

Many years later, Huebner said that the Investigation and corrective legislation that followed was “one of the best things to ever happen to life insurance.” He felt it put the business on an upward curve.

Huebner rose quickly through the teaching ranks to assistant professorship (1906); professor of insurance and commerce (1908); and in 1913, head of the University of Pennsylvania Insurance Department. This was the first Insurance Department of its kind in any collegiate institution. Known today as the “Department of Insurance and Risk Management,” it remains a vital part of the Wharton School. Coursework and concentrations are available in undergraduate, doctoral and MBA programs.

Consider the life and times in the early 20th century. Life insurance was no more than a “burial fund” and the agent was considered a salesman not held in the highest regard. Besides his University activities, Huebner strongly believed in the need for a professional education program in life insurance. In major addresses in 1914 in Baltimore, MD, and Cincinnati, OH, he outlined his educational ideas for a designation that would be “comparable to a CPA.” Speaking at the 25th Annual Convention of the National Association of Life Underwriters (NALU, now the National Association of Insurance and Financial Advisors or NAIFA), Huebner described life insurance as, “a human agency so universally needed but so little understood. It will be conceded that it is high time that a proper public opinion should be developed and that much of the opinion now existing should be changed.” Thirteen years later, the founding of The American College made Huebner’s dream a reality. In his NALU speech, Huebner also highlighted the importance of education for women, stating, “Woman, after all, is the real cause of life insurance … She has certainly not yet become the dynamic force in Life Insurance that it is her duty to be. Like man, she must be set to thinking on this important subject and be educated to the point of having a definite habit of thought.” This was in 1914, six years before women won the right to vote!

Huebner was also a “pioneer author” in many areas of finance and insurance. He wrote the very first life insurance textbook in 1915, which became the standard text for future CLU® students. Other first textbooks were penned by Huebner on the stock market, stock exchange, bonds, bond market, organized commodity markets and property insurance. He also authored texts on the “economics of life insurance” and “life insurance as an investment.”

His strong work ethic led him into service for the US government. He was an adviser to a Congressional Committee from 1912 to 1923. He created the U.S. Shipping Board and helped to form the American Marine Insurance Syndicate. These agencies exist today as the U.S. Maritime Administration of the U.S. Department of Transportation and the American Hull Insurance Syndicate. Dr. Huebner also drafted the “Marine Insurance Act of 1922.” He assisted in the reorganization of the insurance division of the Department of Commerce. Secretary Herbert Hoover (later President Hoover) appointed him Chairman of the Insurance Committee of the National Conference on Street and Highway Safety in 1925.

His contemporaries viewed him as not only the teacher who changed an industry, but also as a great bridge builder. Despite never having sold a dollar’s worth of insurance himself, Huebner has left an indelible mark on the insurance/financial services profession.

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Virginia E. Webb is Manager of the Knowledge Center at The College. She and her team purchase and maintain the printed and electronic library for The College. They also do research for faculty, students, and graduates.

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