

GOVERNMENTAL INSURANCE

William B. Ellison, former corporation counsel of New York, does not agree with William Randolph Hearst as to the value of Governmental insurance as a panacea for public ills. Mr. Ellison is a lawyer specializing on insurance. In his professional practice he often is lined up against the insurance companies and often with them, so he has had opportunity to see both sides of the system of insurance by private companies. He knows its weak points as well as its strong ones. Fully aware that it is not perfect, he still holds that it is much to be preferred to any Governmental system. Asked for his views on the subject, Mr. Ellison said: "To turn over the vast interests now involved in insurance to the control of political organizations and to the vicious elements that ordinarily dominate them in their detailed operations would destroy the safety that our companies now furnish. We have had some recent experience with Governmental operations, and I do not believe that the exhibition furnished thereby, will ever seriously encourage the people of this country to extend them beyond their absolutely necessary requirements in cases of emergency.

"Every year we charge all kinds of hideous things to the political party in power, and perhaps some of us believe them. And now the suggestion is that we turn over the operation of vast business interests to those who yearly or less frequently we have striven to prove are venal or at least unbusiness like and extravagant.

"There are, no doubt, weaknesses that call for remedy in the present conduct of the insurance business, but they never will be remedied by people who know as little of the subject as the ordinary camp follower or suttler of a political party.

"The doors of our legislative bodies are open to reform abuses that really require reformation. And the superintendents of insurance throughout the country are reasonably quick to touch the public pulse in that regard, when slothful publicity is always available. In the meantime, however, leave this great business in the hands of great business men."

Technical Words and Phrases Relating to Life Insurance

You would think me very stupid if I should try to talk in English to a Frenchman who knew only his own language. Now, the technical words and phrases relating to life insurance, with which every agent is perfectly familiar, are a foreign tongue to most laymen. And, as no agent can expect people to understand what they can't comprehend, the successful agent must learn to use only familiar words in dealing with the uninitiated. Even the terms most constantly used and most

familiar to insurance men may be misunderstood by laymen unless they are explained. For example, the word "premium" is ambiguous, but the word "deposit" is not. The word "dividend" is even more ambiguous and misleads the layman until he is told that it is in the main a return premium, or refund. If you tell a man that he can sell his policy for so much to the company, he will understand you better than if you talk about its surrender value. You may be understood if you talk about the insured and the beneficiary, but your statement will be clearer to most people if you refer to the person on whose life the insurance depends and the person to whom the money will be paid on the maturity of the policy.

The agent must know all about paid-up values, standards, reserves, valuations, gross and net premiums, deferred premiums, loadings, additions, reductions, admitted assets, contingent liabilities, and adverse selection; but this client doesn't know, and doesn't care to know, anything about such matters. All he wants to know is that insurance is safe and sound; what it will do for him; how much he needs, and what he must pay for it. He depends upon the agent to select for him the policy that will best meet his requirements, and expects him to save him all trouble and annoyance in obtaining it. Usually anything more than this will bore and bewilder him.—William Alexander.

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