

mutual protection, so must we. If we are to be efficient laborers, the master mechanics, the heads of the companies, must unite with us. If we are to rise above the position of the unskilled, it must be all together. The company makes and unmakes the agent.

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"The last agency is the public, 'that many-headed monster thing.' Help from it we cannot expect until we have established our right to its respect; until we, ourselves, have raised the occupation of writing insurance from the position it holds at present to that of a profession. Then public opinion, ever ready to follow in the wake of success, will fawn upon the insurance agent and aid in the establishment of the new profession. Chairs will be established in colleges and lectures on underwriting and all that pertains to the insurance business will be given. Men will strive to have their sons educated to follow it, as they now do other professions. Positions will be sought in the agency office by young men, who will look forward to it as a life occupation. Every company and every agent may help or hinder the great work. If you, as an agent, believe that the insurance business has a future, it is your duty to aid with your personal efforts to raise it to a profession. If you do not, then we who do will press on to the front and claim the honors of a work well done."

Such an admirable essay as the above must tend to elevate the business of insurance, and we trust Mr. Day's aspirations may not prove to be a vain fancy, a reverie, an unfounded hope, a day-dream. We would like to reproduce Mr. Day's paper in its entirety.

ANOTHER FORM OF UNFAIR DISCRIMINATION.

The subject considered in our last issue, as to whether the extreme liberality extended to the holders of limited payment life policies in respect of the paid-up life policy provision in the event of lapse, as against the exacting conditions applying to the holders of ordinary life policies, constitutes a "discrimination," such as is forbidden by most of the anti-rebate laws, opens up a further consideration of whether it is expedient to continue this system.

If a surrender charge be justifiable, it should be imposed upon all classes of policies alike, but of course it would be equitable and fair to value it according as the policy-holder had repaid the company for the original cost of placing his business by maintaining his insurance for a satisfactory period of duration.

As between policy-holders of different plans who have paid, say, three years premiums only, there would seem to be no good reason why one man should have everything that the full reserve under his policy could purchase, while another man should be scaled down 25 per cent. or more; and the continuance of this system after this fact is thoroughly known and recognized, does not plead very strongly for the morale of life insurance; and to say that it is one of those practices that has been sanctioned by long usage is not to plead a full justification. Because an abuse has been so long practiced that people are quite used to it is no reason why it should be continued indefinitely.

Perhaps reasons of pure expediency may be pleaded in behalf of this system; but expediency which has not a basis in moral justice should be promptly challenged. Undoubtedly many of the companies object strenuously to the provision inserted in ten, fifteen and twenty payment life policies, whereby surrender values in paid-up insurance are based upon so many tenths, fifteenths, or twentieths of the original amount of insurance; but the objection does not count for very much unless it takes practical effect in the abolishment of this system. It may be said that one company discontinuing it would be under an extreme disadvantage unless all the others did the same thing. That is quite true; but if we advance a reason of this kind in justification of a wrong, we must necessarily condemn the executive officers of life insurance companies for not getting together and agreeing upon some basis upon which this and similar abuses may be avoided or rectified.

The policy-holder taking out a 20-payment life policy would not clamor for a paid-up policy provision of so many twentieths if no company offered him that inducement; and, therefore, it is quite clear that the maintenance of this vicious principle, so clearly against the interests of the companies as it is, is really unnecessary.

Nor can it be properly argued that it is fair because so many companies on deferred dividend policies grant, at the end of 15 or 20 years, surrender values equal to the purchasing power of the full reserve; because in that respect it is quite possible to regard such policies as having reimbursed the companies for their original cost of issue, and to maintain that in consequence thereof no surrender charge is needed. Furthermore, the dividend period of ordinary deferred dividend policies being so much greater than the average duration of policies in general, the liberal treatment thus held out is a valuable inducement to persistency; and we may be quite justified in saying that the man who has only paid for three years, and has then barely reimbursed us for the large outlay incurred at the issuance of his policy, should be taxed a definite surrender charge; while the man who has proved his persistency for 15 or 20 years may reasonably expect that no such charge shall be imposed against him, because of the very fact of his long persistency in premium payment.

Year by year, as the high cost of securing new business is maintained, and as no relief seems to be in sight to save the companies from having to incur that excessive cost, it becomes more and more important to shield all legitimate sources of profit from unnecessary encroachment. That the companies recognize the fact that their surplus earning capacity is very much curtailed, is proven by the most casual inspection of their present estimates of surplus upon deferred dividend policies, compared with the estimates that they were sanguine enough to issue five, ten, fifteen and twenty years ago. That being the case, no perfectly legitimate source of reasonable profit