Many are trying to meet the situation by raising the interest rate from 5 to 6 per cent. and by allowing the companies a leeway of sixty or ninety days in making loans. If the companies are allowed and will take advantage of these remedies they will help the situation. Yet the real causes are more fundamental and we need to go deeper to meet the situation.

We must impress upon the insuring public the necessity of keeping its insurance inviolate, that the reserves accumulated against the contracts are a part of this insurance protection and should, therefore, be kept intact, used only for the protection for which they were originally pledged.

How then are we to thus educate the public?

In the first place we can do this by making the loan a real loan, a promise to pay at a definite time. Such an obligation will impress upon the borrower the necessity of repaying his loan.

The experience in my company with premium notes, which are personal obligations, has been very satisfactory, and I feel that we can get the same result by making policy loans personal obligations.

In the second place, these personal obligations should be made with a promise to pay at a definite time and thus take their place in the financial world with other personal obligations adequately secured. Let the rate charged depend upon the price of money in the particular locality and for the definite time the loan has to run. The ever-present economic play of money finding its level will prevent such a method from working any hardship upon the borrowing policyholders.

IMPROVEMENT OF CHARACTER OF SERVICE.

In the third place we should improve the character of the service which we are furnishing the public through our agents.

Companies in the past have exerted their greatest efforts to place new business upon the books. The greater part of the expense of conducting the business has been in this direction. We have all been so intent upon the pursuit of obtaining new business that we have lost sight of the duty we owe to our present policyholders.

We have all recognized the necessity of converting the public to life insurance through personal solicitation, but we have forgotten that this same personal solicitation is quite as necessary to keep the insured with us. Somehow or other we have felt that we have done our duty when we have sent the policyholder a pamphlet telling him how much he is losing in parting company with us.

We are in need of agents who stay with us long enough to clearly understand our aims—a representative man in his town, in whom the townspeople have confidence.

The agent should be taught to sell insurance and not policy provisions. We are in the business of furnishing indemnity against the loss of an earning