

INCORPORATION OF INSURANCE AGENTS.**Interesting Suggestion from Quebec Subscriber to
Raise Status of Profession—Outline of
Suggested Act.**

We have received from Mr. Joseph T. Chénard, the general agent at Quebec of the Confederation Life Association, the following letter, to which we have pleasure in giving publicity. The subject which Mr. Chénard discusses is an extremely important one, and his far reaching suggestions for raising effectively the status of the profession of the insurance agent will, no doubt, be read with interest.

To the Editor of THE CHRONICLE:—

Sir:—Is it necessary to prove that public interest requires competent and honest agents who will canvass and sell policies in such a manner as to assure satisfaction to clients? No, for it is evident.

But what steps are we to take in order to exclude untrustworthy agents from the insurance field? These, in my opinion: Do not give insurance agencies to any one who is not capable of rightly informing the public regarding the business he is canvassing. Insurance agents should be acquainted with the science of insurance and should honestly sell their policies. And the time has come when we should make of insurance business a profession. Let us give the control of agencies to competent men—men who are experts in this business and we will attain our aim. These men, selected amongst the representatives of insurance companies and amongst competent insurance agents, should obtain incorporation from the Legislature and, hereafter, insurance agents should be appointed after an examination which will prove their capability, and a serious investigation to ascertain the honesty of the applicants.

As to capacity and competence, an agent ought to be well enough informed to understand thoroughly and correctly explain the policies of his company. In order to do this a classical course is not necessary, an ordinary business course is sufficient. Honesty is of the utmost importance.

Agents now giving satisfaction to their companies and to their clients should not be examined by the suggested incorporated society.

When applicants had sufficiently proved their ability and honesty, a certificate would be issued to them, and they would then be authorized to do business for insurance companies.

Some people may ridicule this idea, saying that things are now worked on a satisfactory basis. Perhaps so, but do you not think that my suggestions will improve the actual situation?

Allow me to cite a fact from amongst a hundred similar ones. Last winter a representative of a life insurance company wrote an application and at the time received a note for the amount of \$200 towards the payment of the premium. He immediately discounted the note, but the policy has never been issued and the applicant has not yet been refunded the money paid out by him. The agent is without means to refund. Agents have been known to sell ordinary life policies for endowment policies. A few days ago, I saw a case where a working-woman had been insured on the Endowment plan for \$3,000. She had to pay about \$150 per year. The last policy sold to her must have been to replace one of the two she al-

ready had at that time. You see, the agent recognized that \$100 annually was enough for her to pay, but he wanted to draw a new commission. Do you consider this honest work?

Have you not heard companies complain that they are unable to secure good, responsible and honest agents?

Who pays the penalty for the frauds of an agent, who will canvass for a few months whilst awaiting some other position, or that of any unworthy agent, if not the trustworthy agent and those who consent to do business with him?

I believe that the interests of the public, of companies and of agents require control of insurance underwriting. Companies will, by this means, increase their business, the public will trust the agents and will not be deceived by them; and agents will make money enough to live comfortably with the remuneration which this occupation affords them and will not be compelled to give up this line of business, as happens so very often at the present time.

OUTLINE OF ACT OF INCORPORATION.

The following are the Clauses I would suggest for an Act to incorporate Insurance Agents:—

1. The representatives of Insurance Companies and the representatives of Insurance Agents, (here giving their names and addresses), and all other persons who may, from time to time, be admitted to the membership of the corporation, are hereby constituted a body politic and corporate by the name "Insurance Underwriters' Association of the Province of Quebec"—L'Association des Agents d'Assurances de la Province de Québec."

2. The principal place of business of the Association shall be in the City of Montreal, but the Association will have branch offices in the principal cities of the Province of Quebec, to make the admission of insurance agents in to the Association easier and less expensive).

3. The object of the Association shall be to promote, by all lawful means, the best interests and practice of insurance underwriting.

4. All present Insurance Agents who, before the passing of this Act, shall have satisfied their employers and their clients, will be, without examination, admitted as members of the Association.

5. All men being lawfully responsible for their acts, and being British subjects, who desire to become members of this Association, must apply for admission, and at the same time forward to the Association an extract of their baptismal record. They must also give to the Association their present address and that of the last two years, their present occupation and that of the last two years, the name and address of the person in whose employ they now are, and the names and addresses of those who have employed them during the last two years.

6. A Council composed of the members of the Association, which members shall be taken one half from amongst the representatives of the Insurance Companies and the other half from amongst the representatives of the Insurance Agents, shall examine the applicants in order to ascertain their competency. If the Council, after examination and investigation, is of the opinion that the applicants are competent, fit and proper persons to become members of the Association, they shall be admitted. If the Council is of contrary opinion, their applications shall be declined.

7. An appeal in regard to the rejection of applications, made by the interested, shall be laid before a tribunal composed as follows:

1. The Quebec Superintendent of Insurance.
2. The President of the Insurance Companies' Representatives.

3. The President of the Insurance Agents' Representatives.

If the application is again rejected by this tribunal, another last appeal can be made to the Superior Court, provided the declined applicant makes a deposit at the Prothonotary's office sufficient to cover the cost of this suit, should the appeal be again rejected.