NEW INSURANCE PROMOTIONS NOT WANTED.

Attention is called by the American Exchange and Review to the fact that present-day circumstances in the States are distinctly unfavorable to the insurance promoter, particularly in the life insurance field. In a number of the States, the insurance laws have been so amended as to make organisation a difficult business, while departmental supervision of every stage of promotions has done away with a good deal of the practice of the old game of promotions for the sole benefit of the promoters. With fire insurance companies, the road of the promoter is a particularly thorny one, the conflagration hazard in various parts of the country being so dangerous that the new company is likely to be burned up over-night or before it can collect enough premiums to pay for losses expected in the first year. Again, the promotion of new casualty insurance companies has likewise been seriously curtailed, the operation of a single-line casualty company being almost impossible owing to the occupation of the field by the subsidiary organisations of the large fire companies.

SIMILAR CONDITIONS IN CANADA.

Conditions similar to those outlined by our contemporary as existing in the United States are present also in Canada. Certainly, under present circumstances, not even the hardiest of promoters would try to get busy with a new insurance company, and it is difficult to see that even when conditions improve after the war, that there will be any real necessity for new insurance promotions. There is not a single department of insurance in Canada, the field of which is not well occupied. In fire, in life, and in the various departments of casualty insurance there is exceedingly keen competition for business among the multitude of companies now in the field.

Further there are the peculiar circumstances of the Canadian field, which make it a particularly difficult one for the insurance promoter to operate in successfully even in times of reasonable prosperity. In fire insurance, there is the strong tendency towards centralisation to which we referred last week. The smaller fry of fire companies, except in a few instances, have no chance of contending successfully against the consequences of that tendency especially when even such an event as the war does not stop powerful fire organisations from abroad continuing to move over to occupy this field.

THE LIFE AND CASUALTY FIELD

Similarly, in life insurance, the ground is well occupied both by domestic and foreign corporations including many which have acquired all the advantages of prestige following upon long activity in business and known returns to policyholders. In any case, a new life insurance company, if it is to be placed upon a sound basis, cannot pay dividends to its shareholders until several years after its establishment and with interest rates on sound investments running as they are now, what incentive is there for the investment of capital under such conditions? In the casualty business, conditions here are very similar to those in the United States, the field being well occupied by long-established organisations devoted solely to this class of business and by subsidiaries of powerful fire organisations which while in some cases more recently established are yet in a very strong position through the wealth and resources of the parent organisations behind them.

The facts need not be regretted. Insurance is essentially a business in which "safety first" is a necessity, and it is better for the country as a whole that there should be a certain number of strong companies than a larger number including a batch of comparatively weak ones. In any case there are enough insurance corporations in Canada at present to keep things interesting from the standpoint of competition.

ADVERTISING LIFE INSURANCE.

Judging from reports of the proceedings of the National Association of Life Underwriters' recent convention, United States life insurance men are not, generally speaking, particularly keen in regard to the scheme of general advertising in the newspapers along "human interest" lines, which in some quarters has been pushed with ability and energy during the last year or two. At all events it was reported that financial support of the scheme both by many insurance companies and also by agents had been so poor that the programme of advertising has had to be discontinued for the time being, owing to inability to pay the bills. It is difficult to see good reasons why an agent should be expected to contribute to a general campaign of this kind. If an agent wants to do any advertising, he will certainly wish to do it himself in his own way and in his own district so that he can keep tab on the results. Wide general advertising is up to the insurance companies rather than the agents, and the companies apparently are not keen about it.

While the question of publicity for life insurance is obviously a matter upon which widely differing views may legitimately be held—and experience may differ—for ourselves we are unable to see that any adequate return for money expended is likely to be secured by such a campaign of general advertising as that proposed. The argument that because more or less "human interest" advertising has made a gramaphone or a pickle business, it will do the same for life insurance is beside the point. Life insurance is different, to such an extent that the wisdom of and necessity for it must be inculcated personally—by the agent.

It is the personal touch that counts in life insurance; a column "human interest" story in a casually read newspaper or magazine is a poor substitute for the quiet convincing talk by an agent who knows his business.