

Effect of Falling Prices on Life Insurance

By R. W. STEVENS.

We have had many inquiries during the past month as to our opinion of the effect the tendency toward reduced prices of food stuffs, clothing, merchandise, etc., would have on our new business; and now that the long predicted decline in prices seems to have substantially begun it seems advisable to set forth our views as to the probable effect on new life insurance writings.

The manufacturer, wholesaler and retailer are the ones who will be adversely affected by the decline in prices and they only until stocks on hand produced or bought at higher costs than they can now be duplicated have been liquidated. So long as the public was willing to buy extravagantly, the manufacturer was not deeply concerned about his cost of production; the wholesaler and the retailer did not worry about overhead and were liberal in applying the "expense loading," because they knew that "Jones would pay the freight," and because of Jones' come easy, go easy willingness to pay, prices kept on climbing.

But—Jones is rapidly sobering up. He not only refuses to pay the freight, but he is not buying anything that he can possibly get along without. Result—stagnant stocks in the hands of the manufacturer, wholesaler and retailer, which have got to be moved and they won't be moved until Jones is satisfied that the price at which they are offered is fair and reasonable.

We are now beginning to see the difference between Jones drunk and Jones sober; and his sober condition augurs well for Jones as well as for all engaged in legitimate lines of business.

Jones is earning as much money now as he was six months ago when he started his spending spree, but he is not buying "wine for the boys" who are more accustomed to beer. He has thoroughly

learned that the higher the percentage the greater the headache and if, as we sincerely hope and believe, Jones is going to stay sober, this country of ours will soon make a safe landing on the Shore of Sound Finance where everybody will have a full day's pay for a full day's work. There will be no wage reduction in the case of those who are efficient; the worker, the producer and the retailer will all save more money than they have ever saved before, and the Joneses will surely put a large part of their savings into life insurance.

So our opinion is that while the easy days of life insurance selling are almost over; the days of real prosperity for the real life insurance writer are just about to begin.

MR. ROSEN'S BANNER YEAR

Harry B. Rosen told Manhattan Life agents recently that he wrote \$30,000,000 of new insurance in the first 6 months of 1920, all personal business. This included 11 individual million dollar policies. March was Mr. Rosen's best month, with \$11,000,000 written in 31 days. The life insurance companies with which Mr. Rosen does business paid him \$560,000 in commissions and renewals in the first 6 months of this year.

In speaking of aids to salesmanship, Mr. Rosen said, "I have not carried a rate book in 10 years and I never carried literature. My business is done on personality and knowledge of human nature. A prospect becomes confused by too much talk about reserves and dividends. It isn't necessary. You can't sell life insurance if you don't believe in it."

The speaker went on to say that "more men fail through ignorance of their own strength than through knowledge of their weakness. An agent must be successful or he becomes a poison in the business."

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