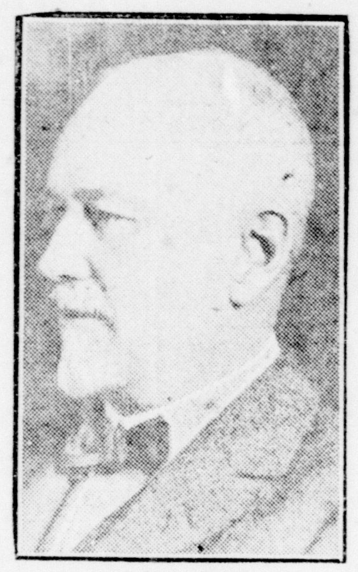
Men of Enterprise and Integrity Represent Success With Safety


WILLIAM M. SPENCER.

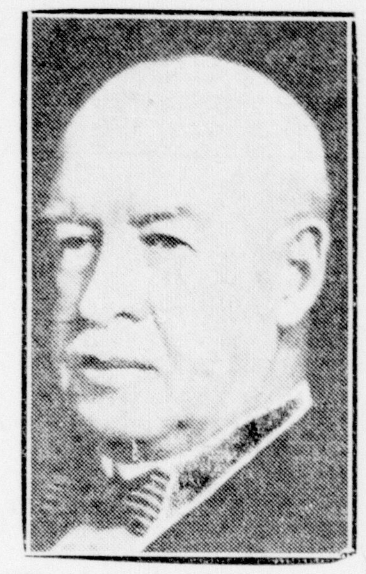

J. G. RICHTER, F.A.S.

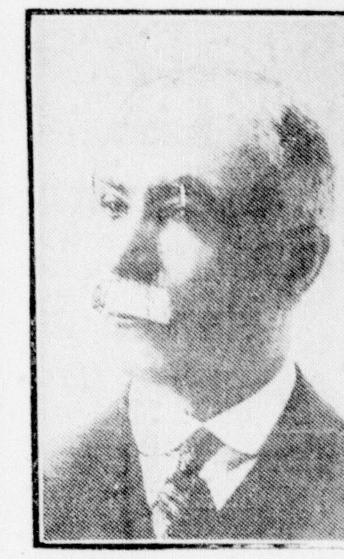

ARCHIE McPHERSON.


H. S. BLACKBURN.


A. M. SMART.


J. EDGAR JEFFERY.


THOMAS W. BAKER.


WILLIAM GORMAN.

Above are the eight directors of the London Life Insurance company. These eight men, with Albert O. Jeffery, president, and Edward E. Reid, general manager and secretary of the board, control the general course of the company.

FAIR DEALINGS BUILT UP SOLID BUSINESS

J. G. Richter, F. A. S., Tells of London Life Insurance Company's Early Struggle.

FIRST EXPERIENCES

Manager for 37 Years Adopted Methods That Led to Success.

"I don't believe that he'd sanction a first mortgage on the C. P. R. building in Toronto for $10,000 unless he'd been down to see that the building was there. That's how thorough he is with everything he does." That is what a leading financial man said of J. G. Richter, F.A.S., for 37 years general manager of the London Life, and since 1920 its second vice-president. "I don't know a man who is such an enthusiast for detail and exactitude. When he went into civic life in London the same thing was noticed, and the assessment department today operates on the Richter system. In all his business dealings it could always be said that he knew what he was going to do and why."

Mr. Richter was not born into the insurance business, nor did he come of an insurance family, for when he was a young man insurance in Canada was an infant. He was born in the little place called Mosboro, the first station west of Guelph, but with his parents moved near Hespeler. His first venture in business was in Platteville, where at the age of 18 he was bookkeeper for a firm that owned five different businesses in that village, among them being a general store, a foundry and machine shop and several others.

The bookkeeper had an inquisitive turn of mind, and between times learned many of the things about the business. It is a wonder he didn't turn out to be a good pattern maker, for he turned his hand to that many times in his spare moments.

Turned to Insurance.

"But what turned your attention to life insurance?" That is a fair question to ask of Mr. Richter. "Well, several things," would be his reply. "There used to be agents around in those days telling what could be done by insurance companies under the old methods, and it set me to thinking. Through an old friend of mine who was then connected with the Ontario Mutual Insurance Company, I secured the loan of a number of books on the question of actuarial practice, and being rather fond of mathematics and such things the calculations that were made there interested me, and I studied the matter very carefully, and kept on reading everything I could get on the subject. It seemed to me the business was a very fascinating one, and also that it had great room for growth, and expansion if certain principles that I became thoroughly convinced were right, were adhered to. I could also see that if these ideas were not followed there was bound to be trouble."

It was in this way, through the process of study and self-education, that Mr. Richter, although not in the insurance business, became known as a sound authority on the basic principles, and his advice was even then sought on matters of policy.

At this time the London Life had been in existence nine years, and it was not a healthy institution. The directors of that day had the good sense to recognize that what they needed was a man who could bring their business out of the hole and put it on a sound basis. The capital was being depleted; instead of earning money, it was being lost. Mr. Richter was approached to come to London, then a city of 20,000, but before coming he made certain stipulations. He had already bought out part of the business in Plattsville and prospects seemed fairly good there. His coming to London meant that the company had to get a dominion instead of a provincial charter, and make other changes that seemed radical at the time.

Stopped the Leaks.

To make a long story short, the first three years of Mr. Richter's terms can be summarized as follows:

First year: Stopped the leaks.

Second year: Made some money.

Third year: Declared a dividend.

At that time the staff in the "head office" of the company consisted of four; the amount of insurance in force in 1883 amounted to $1,000,000, representing the work of nine years, and an amount which is less than one week's production in the 1924 record. The total assets were $100,000, and the income for the year from all sources was $25,000, as compared to well over $7,000,000 for 1924.

Was it a problem to get a young and an unknown insurance company on its feet and make the public see that it was a safe place to do business? It was.

"In those early days," Mr. Richter will tell you, "we had to compete with older and larger insurance companies that were making far higher estimates on what they would do for their policyholders than we ever did, and it made it difficult for us to build up a good selling force. This way of doing business worked out its own cure. The agitation started in the United States several years before we got in here, and it did spread to Canada, resulting in a royal commission investigating the companies doing business in the dominion. It is a matter of record that the London Life came through that investigation with a clean sheet."

Newspaper comments kept on file show that the London Life did at that time receive a great deal of very favorable comment as being the one company with which no fault could be found. The Mail and Empire of June 9, 1906, referring to the examination of Mr. Richter, stated: "He was pronounced to have been one of the best and most willing witnesses which the commission has listened to. He brought his company through with flying colors."

The Ridgetown Dominion, following the issuance of the commission's report, stated: "At least one insurance company has come through the ordeal of the royal commission inquiry with full honors. It is worthy of mention, and we cheerfully give its name in full—The London Life Insurance Company, of London, Ontario. No big salaries; no loans to directors; no hiding; no manipulation of accounts; but the square deal every time."

Faced Stiff Competition.

"One other feature that made it difficult to sell insurance on a sound basis in those early days," explained Mr. Richter, "was the number of assessment societies that sprang up, or generally known as fraternal societies. The principle on which they operated was wrong in the first place. They tried to follow the same idea that is done in fire insurance, but a little thought will show where it cannot be done. You may assure a number of buildings, and they may never burn down, but when you are insuring human lives, you are doing so with the certain knowledge that the time will come when they will pass out. There was always that accumulating liability that could not be met after a number of the members started to reach the age where the death rate was higher.

"But through all these changes and competition, it was never the policy of this company to depart in the remotest detail from sound actuarial practice. We knew we could always pay the claims that would mature; our estimates were correct."

Mr. Richter believes that there is a great difference in the methods employed in selling insurance now as compared to a few years ago. "There is not the same kind of opposition, and there is a better feeling among the men in the business through meeting in associations. The war gave a great impetus to business, too. It was found at that time in winding up estates that insurance was the one asset that did not shrink in value. Bonds, stocks and investments generally were subject to market fluctuations and shrinkage, but in every case insurance policies were 100 per cent good. The result was that the public saw the thing in a new light, and it was not then, and is not now, an unusual thing for a man to call up an insurance agent and ask him to call. Such a thing was unknown in 1883," concluded Mr. Richter.

George M. Reid Is Sadly Missed

There is one familiar figure sadly missed at the board meetings of London Life, the late George M. Reid. His activities in London were numerous. A fine, public-spirted citizen, ever ready to invest his time and his means in any move that was going to help London. There are many places where he is missed.

His sound judgment in business matters earned for him a place as policyholders' director on the London Life in 1916, a place he occupied up to the time of his death.

London's Welfare Fund was a monument to the dream of Mr. Reid to see that all the worthy institutions in London should be relieved of the worry of financial shortage.

JUBILEE POLICY IS REAL SUCCESS

Big Protection With Small Premium Secret of London Life's New Plan.

"The jubilee year showed that the jubilee policy of the London Life was what the people wanted." That is the way one of the officials of the company summed up the situation in regard to the policy that had been brought out to feature the fiftieth year anniversary. It has had such a popular reception that there is no danger of it being discontinued.

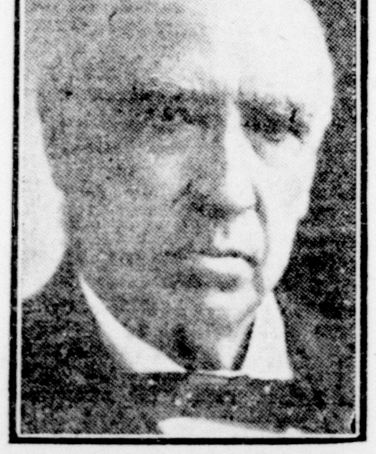
There had been a demand for years for a policy that was prepared on the basis of getting right down to rock-bottom in regard to premiums and security.

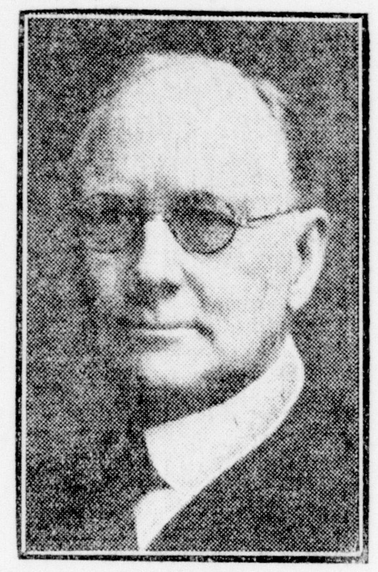
"We had found a number of cases," stated an official of the company, "where men did not want to put up a good sized premium with the promise that they would get a big dividend on it at the end of a five or ten-year period. They had other things to do with their money, and did not care to put so much into insurance, even if they would be given some of it back in the way of dividends. For that reason we brought out a policy, based on the most conservative estimates, that were gone over many times before being offered for sale, and in it we had a combination of participating insurance at a non-participating rate.

"That policy had not been out long when it started to show that it was what the people wanted, especially those who desired to secure the greatest amount of protection at the lowest possible figure. The year's business shows that we have sold in 1924 $15,000,000 worth of business on that one policy, or about 28 per cent of the total business in ordinary and industrial combined.

"The jubilee policy appeals particularly to the man with a family or to the businessman. The former wants all the protection he can get during the time before his family are able to take care of themselves. When that period has passed, and if he desires to change then to one of our other policies, a twenty-pay policy, endowment or income, he can do so without any medical examination. The businessman has found in it just the features he desires. He needs all the money he can secure as working capital in his office or factory; he does not want to spend a dollar more for insurance than he can help, yet he wants the protection. This policy solves his problem, because he finds the premiums lower, yet the protection the same, and the opportunity of participating in the declaration of dividends.

"Our agents find something that we think is excellent in a great many homes," continued the official, "and that is the family budget. The family knows just what it is spending for various things, so much for the house clothing, education, etc., and they know also what they can afford for insurance, and the natural thing is that they should desire to get just as much for their money as they can, and the jubilee policy has enabled many of these families to have more protection than they ever thought possible before. The idea of giving the greatest amount of insurance for the money, based on sound actuarial calculation, is the secret of the success that has followed in the wake of the jubilee policy."


PRESIDENT FOR 26 YEARS.
The late John McClary was intimately connected with the progress of the London Life and served as president of the company from 1894 to 1920.



THEY HANDLE THINGS IN LONDON.
On the right is R. P. Pearce, manager of the London Life's industrial branch in London, and on the left is W. H. Robinson, manager of the ordinary branch.

Delicate Machines Used In Handling of Day's Mail

Thousands of Letters Received and Answered Daily at London Life Insurance Head Office—Modern Methods Facilitate Handling of Mass of Business Correspondence.

Getting the day's mail is a world-wide occupation. There are many institutions that mark the start of the day's work with the arrival of the morning mail. Time was when a man in business in a small way used to handle all his own mail. In the morning as he passed the post-office he would go in, unlock his box, take out the contents and put them in his pocket. Arrived at his office he would use his thumb to open the envelopes, until science and appearance advanced to the stage where he used one of those fumbling things called an envelope opener.

But it's a different thing when they bring your mail over in bags, and where the first one in the morning may run 700 letters, the next one 800, and so on through the day, until by quitting time in the evening the day's incoming mail had piled up to 3,500 letters. The old thumb nail would be worn down to the bone and the fancy envelope opener would be throwing splinters before the first bag was attended to.

Machine Opens Letters.

That's the size of the mail that arrives daily at the head office of the London Life on Wellington street, and it does not create any very great commotion either. In a very short time after one of those bags comes in the envelopes are opened and distributed to the various departments. Machinery—modern, up-to-the-minute equipment—is the answer. The girl in charge of the mailing-room takes the letters, runs them through a machine that cuts the edges off the envelope by such a small margin that the contents are never disturbed or injured. An office postal delivery system does the rest, and everything is cleared out, waiting for his majesty's mail to function with the bringing in of another load.

A letter received means a letter to be answered, and with mail piling up at this rate the answers must keep pace with the original letters—and they do. As a matter of record the London Life actually send out five hundred more letters per day than they receive, making a total of 4,000 going out and 3,500 coming in, or 7,500, in all in a day's work.

All Are Answered.

Did you ever sit down and stick the flaps on a hundred envelopes in the good old-fashioned way? If you have, your tongue will be dry and your mouth full of mucilage. No, it's not possible to lick 4,000 letters in the good old-fashioned way, no matter what may be said in praise of the old way of doing things. Even working the staff in relays as lickers it would be out of the question. So machinery once more comes to the rescue, and one little piece of equipment does the licking for the entire 200 or more people working at the head office of the London Life, and it makes very little fuss about it either. It's the greatest little licker in the district, and it has an appetite for work that would satisfy Legree or any other slave driver.

Once more the young lady in the mailing-room takes the letters, coaxes them gently but firmly into the jaws of the machine and away they go at the rate of 9,000 per hour; so really with the 4,000 letters per day going out the machine only has one good robust half-hour's work per day. The rest of the time it loafs, wondering when the business of the company will grow to the point where it will have a steady job.

310 Times

When the London Life Insurance Company started business fifty years ago it occupied one small room in a building on Market Lane, with about 200 square feet of floor space.

Today the company has 49 offices, covering all Canada, with a total floor space of approximately 62,000 square feet—310 times the office of half a century ago.

WORK TO BE STARTED ON CANADA'S BIRTHDAY

London Life Officials Pick July 1, 1926, to Turn First Sod on New Home.

The first sod for the new home office building of the London Life will be turned on the first day of July, 1926. This all-Canadian company considers that the dominion's national birthday should be a fitting time to make a start on the company's new home.

Architects have been at work for some time on plans, but these are not yet completed to the satisfaction of the directors.

"We can tell you this much," remarked E. E. Reid, "the building will be a credit to the surroundings and quite in keeping with the fine old district around the park, where it will be situated."

The company wants to make certain that when the building is completed nothing will be left out that will make for the comfort of the staff, the handling of business and the appearance of the structure. It takes time to make plans for such a place, and the chances are that the architects may be sent back several times with instructions to try again before they evolve the final plans that will be in line with the requirements of the company.

INSURANCE SOLVES BEQUEST PROBLEM

London Life Offers Plan Whereby Safeguarding of Estate Is Certain.

A case that occurred in Toronto recently shows how a man may almost ruin his family by making bequests to charitable institutions, and ordering that they shall be paid out of his estate, which may consist of real estate, business interests and stocks.

In this particular case, the death of the husband and father, who had been successful in business, brought about the probating of the will, which showed that the deceased in a spirit of generosity had made several large bequests to worthy institutions. He had estimated that his estate could stand it and still leave plenty to provide for his wife and children and the upkeep of their home.

The bequests were paid in cash, and the family found that it had to begin at once to part with some of the holdings in order to secure ready money to carry on with. The business in which the husband had been engaged for a number of years was passing through one of the periodical depressions that come to the best institutions. Times were slack in his particular line, and the business needed all the cash it could get to keep going, but the family had to live, and the widow had no desire to run in debt.

The upshot was that the dead husband's share in the business, which he had counted on to provide an income for his family, had to be disposed of, and as it was not paying dividends at the time, a sacrifice sale was the result. That represented at once the breaking down of the whole estate, and a radical departure from the course that the husband had thought would be pursued.

There were stocks also that were let go with the idea of keeping the house in order and the children at school. These were also sold in a market that was not favorable, and they did not bring the figure that was estimated when the man who made his will was computing their worth. There were several years of worry and disappointment, and each event seemed to force the family toward the place where the old home would have to go, which eventually took place.

The man who wants to make a bequest today can do so safely in only one way—by an insurance policy covering that point. There is no danger of the bequest coming in and impoverishing his estate, because the amount has already been provided for.

The history of estates and their final chapters can furnish many cases similar to the one quoted above, and bequest insurance, as sold by the London Life, points the sure way out. A man can provide exactly the amount he desires for the worthy objects he desires to assist, and at the same time know that by so doing his estate will not be diminished by one cent, and those dear to him will not be embarrassed by having to meet payments to which he committed them without making adequate provision for their discharge.

"HIS ONLY COMFORT"

Here is the most remarkable letter ever written as a testimony to insurance—the famous "Howard" farewell to "Bill."

The most unusual insurance letter ever written! Of the hundreds of thousands of letters that have passed between agents and their clients, between companies and those to whom they have paid claims, the famuos "Howard" letter stands out as the most human document in the business. Its bona fides has been attacked several times, but it was so thoroughly substantial and certified to that there is now no doubt about the matter. It was written to an agent who had suggested to a friend of his that he increase the amount of life insurance he was carrying. The famous "Howard" letter is as follows:

"Dear Bill:

"Acknowledging your letter of yesterday, I would gladly increase my life insurance to $50,000 if you could place it. But you couldn't. For tomorrow I am to be operated on for cancer, and the doctors tell me that my chance for survival is one in twenty.

"This news will surprise you, since it is less than a year ago that your examiner passed me—the fourth time in ten years. I am trying to be hopeful, but there is an oppressive solemnity in the thought that this may be my last day on earth.

ASSETS AND LIABILITIES.

"I have been putting my house in order. It did not require an expert accountant. My assets are: (1) Cash in bank, $341; (2) Household and personal effects, not worth selling; (3) life insurance, $30,240.

"Liabilities as follows: (1) Mortgage on house, $4,500; (2) household monthly bills, $195.

"This is my financial exhibit after sixteen years in business. Not a strong showing for a man of 37! But I began on nothing and had to work my way up. Just as things are beginning to come my way I find myself on the brink of the unknown.

INSURANCE "MY ONLY COMFORT."

"My only comfort in this crisis is life insurance, and I honestly thank you, Bill, for your counsel and persistence. Sometimes I have almost hated you for loading me with such a burden. On a yearly income never higher than $3,800, it has been a big strain to carry $30,240. Last year, out of every dollar I earned 16 cents went into life insurance.

"But it has been worth the sacrifice! What else would I be leaving behind today? Had I banked the amount of my premiums the savings would have amounted to less than $4,000. And I doubt if I would have saved even that much, for sometimes it was a terrific struggle to pay the premium, and only the fear of forfeiture forced me to do it.

"But now I thank heaven that I took the insurance and kept it, for it enables me to go into the operating room with anxiety only for myself, and none for Nell and Buster.

"If I do not come out alive, the funeral expenses will be paid by that weekly premium policy of $240 which I have carried just for that purpose; and the $5,000 policy which I took when I built my house will wipe off the mortgage, leaving $25,000 clear. This, even at 4 per cent, will yield an income of $1,000, which with no house rent to pay, should make Nell and her boy fairly comfortable.

FACES UNCERTAINTY WITH PEACE.

"I face the uncertainty of tomorrow with neither remorse nor worry, and I owe this peace of mind largely to you. You helped me choose the wiser course. Ten years ago I confidently looked forward to riches and old age. Tomorrow life and its opportunities may be cut off. My air castles will have tumbled, and my cherished hopes as dead as my flesh.

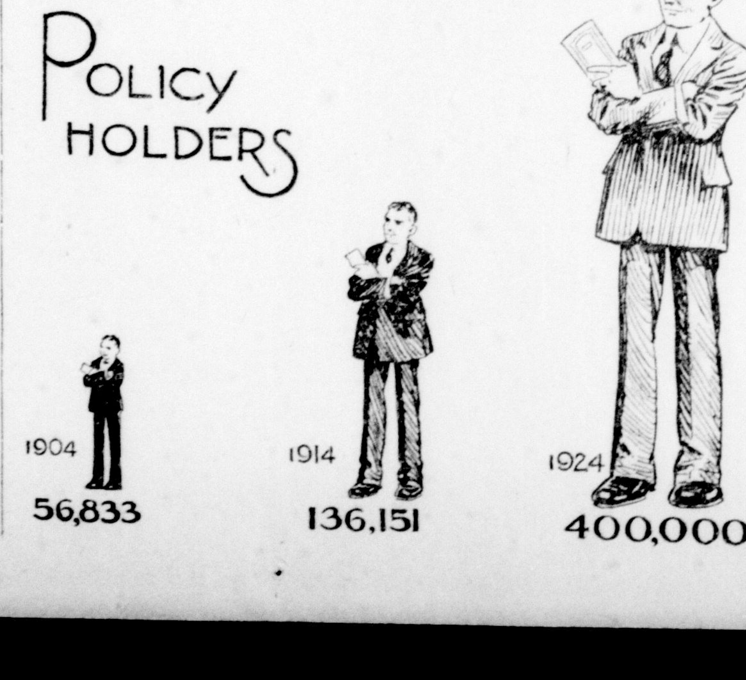
"However, through life insurance my family will receive some of the money I did not live long enough to earn. They will have a home and a sure income for life—things, which even had I lived, I could not have guaranteed to them on account of the uncertainties of life and business. Life insurance has done for my family what I could not do myself. My own experience is a conclusive demonstration of its blessed service to humanity.

"It may seem strange for me to write you thus from the graveside, as it were, but I wanted you to know of my heartfelt gratitude to you and the great cause you represent.

"Yours sincerely,

"HOWARD."

These Three Men Show the Way London Life Business Grows



INSURANCE MEETS EDUCATION COSTS

If 50 years ago a man had come into the office of the London Life and stated that he wished to insure the education of his son and daughter, there would have been a meeting of the directors and the answer would have been that it could hardly be done.

Today it is done in so many cases that it will soon be a common way of doing business. For instance if a father has a son and desires him to be educated for law or medicine, he knows about how long it will take for him to get through. He goes to the London Life and states his case, and the policy is prepared to meet his particular case. In the event of his death the plans for the education of the boy are not disturbed at all. He goes to school, and the policy takes care of his education. It follows him just as surely as though his father were alive and working to provide the means for his schooling. When he graduates he finds that he is not in debt for loans as is often the case. He is mentally equipped to start out on the very career his father had in mind for him when he took the precaution to place a policy for his education.