

Large Volume of Life Insurance Written for First Six Months of 1920

From reports received at The Chronicle Office, the volume of life insurance written during the first six months of the present year, indicate that many Companies operating in Canada show an increase, eclipsing the marvelous record of 1919, and some companies expect that the latter half of the year, will be even better than the first half. One cause for the present demand for life insurance is due to the prosperity of farmers, and the favourable outlook for an abundant crop. Some companies comment upon the factor of agency training in connection with maintaining an increased volume of business. There is a considerable volume of group insurance being written in Canada during 1920 whereas in 1919 there was practically none. In calculating the 1920 figures, allowance must be made for this fact. The prosperity reported concerning the business of life insurance is somewhat to be wondered at in view of the fact that the population is extravagant, frivolous and pleasure-seeking, to a degree never before noticeable. There is also an unscrupulous profiteering prevalent, and a tendency to do as little genuine work as possible, among some classes of the population.

SALESMAN OR AGENT Which is Correct Title?

Mr. A. Callaway, Editor of *The Southland* has written an article in which he asserts that "life insurance is neither bought nor sold," and endeavors to demonstrate that the life insurance agent is not a salesman. He takes exception to the use of such words as "selling" and salesmanship" in connection with the solicitation of applications for insurance. As to the policyholder, Mr. Callaway contends that he has not bought insurance, but has been admitted to membership in the company.

Upon this general topic, William Alexander, secretary of the Equitable Life Assurance Society and Author of "How to Sell Insurance," says:

What then should be the title of the man who makes insurance field work his vocation. I prefer the old and well established title "agent." I agree with a prominent field man who once said to me, "I like to be called an agent. It suggests the diplomatic representation of the Government. To be referred to as an agent of the great institution with which I am connected gives me pride and satisfaction." But this title is less popular than it used to be, and we have begun to call the agent a "salesman." And while that title is not in all respects appropriate, it is very convenient, and has come to stay.

SERVICE IN INSURANCE BUSINESS MUST BE COMPLETE

Service to be satisfactory must be prompt, circumspect, and complete in all its links. It is the first consideration the agent owes his company and his policyholders. Where the interests of both sides of a contract are placed unreservedly in his hands the utmost care is needed to meet the requirements. But the company also owes service and so does the policyholder and if either fails the agent, his position is rendered very precarious. For these reasons life insurance must be practiced with the accuracy of a profession.

A case reported from the Arkansas Supreme Court in *The Insurance Field* last week is full of curious interest. An agent with general powers sold a policy to a young man under draft for army service in 1917. It contained a war clause invalidating it for any sum except the reserve if the insured went out of the country to fight unless he had a permit from the company and paid an additional premium for it. It was all well understood by the parties and the brothers of the insured made due provision for the payment of any premiums as they fell due out of money left in the agent's hands for that purpose.

The insured was ordered abroad, notice that he must get the permit and pay the extra premium was sent him with a form for it that the agent devised. This seems to have not been received by the insured, or if he did receive it he did not return it signed. But he had before notified the agent of receiving orders to go abroad and wanted his insurance kept up. His brothers called to see the agent to have the permit issued and the extra premium paid. The agent told him he would look after it and "make it all right." But, for one reason or another, not involving anybody's good faith, the permit was not formally issued, an extra premium was not paid and in the midst of the delay the insured was killed. The company contested the claim but the Arkansas courts have held it liable on the ground that when the agent said he "would make it all right," he bound the company.

One point in the case received no attention in the opinion. When the company inserted its war clause in the policy it did not have printed forms for the application for permits and extra premium payments printed. When the agent wrote in for such blanks to be used in the case at bar the company still did not have any and did not send any until later, so that the agent was without formal blanks for the purpose.

It is quite apparent that all parties were in good faith and that in the exigencies of war time activity one link in service failed and produced litigation.