

## LIFE INSURANCE AND THE AGENT

## The Importance of Field Men—Selection of Agency Superintendents—Condemn Unsatisfactory Methods

BY R. W. BARTON, A.I.A.

It is hard to say which is the most important functionary connected with a life office. Just as each member of the body must fulfil its function to make a healthy human being, so must the "field" men and the "inside" men work, each in his own turn and in unison, to obtain a good result. It cannot be denied, however, that the responsibility of the agent is a heavy one. His is the channel through which new blood flows to sustain and build up the corporation he represents. And the quality of this blood is of vital importance.

The class of lives he introduces is the quality of this blood. The question of moral hazard—the possibility of unclean and intemperate habits or other unseen disability being hidden by an applicant from the company—must be left to a great extent to the agent on the spot to determine.

## The Subject of Life Assurance is a Difficult One to Crasp.

To detect and point this out at the loss of his own remuneration owing to the consequent refusal of the applicant is the stern duty of the agent. The agent must, therefore, be a man of integrity.

An intelligent appreciation of the different classes of policies issued, not only by his own company, but also by his competitors, the various methods of allotting profits or dividends adopted by the companies, and some knowledge of the law as it affects life policy owners are some of the elementary needs of a good agent.

## What an Agent Must Be.

The agent must, therefore, be a man of some education. A good mixer, of good address with patience, tact and determination added to the qualities already stated give us the necessary qualifications for this work. Judged by this standard, too large a proportion of the agents to-day soliciting ordinary life assurance must be condemned. It is largely for this reason that all agents find the public hard to approach.

A succession of ignorant and untrained agents brought the profession to a low ebb. Any man was good enough for the job. To those failing at many other occupations it became not the refuge, but the resort of the destitute.

The position is recognized by the companies and is being remedied, but the fact remains that too often the good agent is repulsed at times, even insulted by the public, because of incompetents permitted by the companies to represent them. The companies have on their side some excuse.

In common with all other enterprises in a young and rapidly developing country they have suffered from the lack of skilled labor in the market, and have consequently had to do the best they could with what they had.

The unskilled workers have spoiled a lot of valuable raw material.

## Qualifications of an Agency Superintendent.

The public want to understand insurance, but the agency superintendent too often tells his agents you do not go out to teach insurance, you go out to sell it. This is the mistake for which good agents pay to-day in unmerited rebuffs from an irritated public.

Success in the field is not the only qualification that should lead to the position of agency manager or superintendent. Different men have different temperaments. And the methods employed by the superintendent when in the field himself may, if forced on an agent and unsuited to his own methods, not only be ineffectual, but altogether paralyze his abilities. In the interests of the public, the agents, and the companies, the suitable selection of an agency superintendent is of supreme importance. The maxim of the too many superintendents and agents is "get business decently if you can, but anyway get business." The insurance journals also seem at times to encourage this view. As witness the following stories taken from recent editions.

"I want your signature here, George." "What for?" answers George. "Never you mind," says the agent. "See how nicely you can write here." In many cases George obliges, and then wants to know what the blankety blank it all means. "That form, George," says the agent, "is an application for life assurance." "But I don't want life assurance," yells George. "Oh yes you do," says the agent, "only you don't know it."

## Sympathy Instead of Condemnation.

On another occasion an agent canvassing for a large policy was told by his prospect that another company offered better terms. His answer was said to have been, "good heavens! if you think a blankety blank office like that is fit to be associated with mine, take your d— business to them." And the paper goes on to say, "I ought to say that his language in the good city of Toronto cost him the business. But as I

am talking only facts, I, alas, have to record that the client came running after him and begged him to take the proposal. And the agent adds, "that is keeping up the tone of the business."

Other instances as crude as these are printed until one feels that the paper is in sympathy with agents of this type, instead of sternly condemning them to the pillory of public exposure.

Bacon's striking words are applicable to all professions, but to none more so than that of the life insurance agent. "I hold every man a debtor to his profession, from the which as men, of course, do seek to receive countenance and profit, so ought they of duty to endeavor themselves by way of amends to be a help and ornament thereunto."

## VALUE OF LIFE INSURANCE

## XI.

## The Policy for Professional Men

By C. A. Hastings

There is just as much variety in domestic assurance as in business assurance. In my foregoing articles I have endeavored to point out the several different uses of assurance in business, and that a first-class office offers up-to-date policies which will meet all needs. For some professional men a known sum at a given age is desirable, for others a provision for their families. The reply is endowment assurance, but it has one disadvantage, and that is, hardly a man will carry a policy that is adequately large. At all events, there are several persons to whom a few thousand dollars at a given age would not mean much.

## What is Wanted.

They really want two things:—

- (1) Provision for the wife;
- (2) No anxiety and no risk of investment.

Professional men, like solicitors, doctors, accountants and so on, cannot invest their money in their businesses (an excuse which is so often given) which only require sufficient capital to establish themselves. Therefore, they must invest their surplus in property and so on, and whether it is done on a large or a small scale, it must prove a source of anxiety, though they may or may not know it, and, lastly, but not least, it means valuable time and consideration which could be more profitably employed in other pursuits. A small investor cannot afford to lose one cent of his savings, and a large investor has so many securities that he must be continually on the "qui vive" watching the market fluctuations.

## Whole of Life Policy.

Therefore, in some way or other, the surplus of a professional man may clash with:—

- (1) His health;
- (2) The time he devotes to his profession;
- (3) His leisure.

The plan of assurance which I can strongly recommend to the attention of these men is a whole of life policy, with profits, with a limited number of payments, for example, twenty years. Though the premiums are in the neighborhood of \$9 per \$1,000 higher than a whole life policy with continuous premiums, in reality they are low, for the assured is paying his premiums when he is in the prime of life and when his income is at its highest. I would advise that the beneficiary (for example, the widow) be directed to purchase an annuity with the capital, thus relieving the widow from all anxiety, which her late husband avoided; in this way neither have any anxiety as to investments, nor is there any possibility of loss of capital—and, after all, are not these the benefits above all others that in truth man longs for, and who has a dire horror of foolish investments by his executors?

The following articles in this series have already appeared:—

- (1) March 1st—How to become one's own master.
- (2) March 8th—How depreciation of assets can be met.
- (3) March 15th—How to borrow at a profit.
- (4) March 22nd—The automatic production of capital.
- (5) March 29—How to redeem debentures.
- (6) April 5th—Value of goodwill and how to preserve it.
- (7) April 12th—How to protect capital in land, etc.
- (8) April 19th—Short term policies.
- (9) April 26th—Endowment policies.
- (10) May 3rd—Single premium policies.

Mr. H. H. Hamblin, general manager, and Mr. J. Caulcutt, foreign manager of the London and Southwestern Bank, are expected in Vancouver this month. They will investigate the question of securities in the United States as well as Canada as investments for British banks.