

THE NECESSITY OF THE LIFE AGENT.

Why does a life insurance company employ agents? For precisely the same reasons that the manufacturer, the wholesaler and the retailer employ travelling salesmen—to extend the business.

It is generally agreed that the expenses and remuneration of travelling salesmen are a legitimate charge against the business with which they are connected. We have not heard up to the present any case in which a man refused to purchase an automobile on the ground that its price was unduly swollen by reason of the fact that the salesman who sold him the car was paid a salary, commission and expenses by his firm, whether manufacturers or retailers. Yet it is common enough to hear lamentations on the subject of the expensiveness of the agent in life insurance; hints that he is a "parasite" on the business; and the assertion that insurance is such a valuable commodity that men should seek it with avidity without the agent's intervention.

We agree that they should—but they don't. And it is because they don't that the necessity of the insurance agent arises. Consider the case of the automobile again. Suppose a manufacturer were to take this attitude:—"My 1913 model is such a beauty that I am quite certain the public will want it with avidity, so I shan't trouble to advertise or have any salesmen this year. I'll just sit down quietly and wait for the rush." The small public keenly interested in cars might indeed know that the 1913 model was a beauty, but unless people generally were told so and persistently told so, the manufacturer would have a long time to wait before the rush came.

It is the same with life insurance. A man may cordially agree as to the necessity of it, but in nine cases out of ten, he won't take any out unless approached by a salesman. And how is the great big public which cares nothing about insurance *per se* to be reached if not by means of the agent.

Possibly in the distant future, when we are all automatically insured at birth by a beneficent government which pays our premiums and takes them out (and something over), later on in taxation, the life agent's occupation will have gone. But that is not a prospect that need worry unduly the present generation of agents. Meantime, universal usage in the sale of commodities is a sufficient reason why for the life agent's existence. The fact that the few insurance organisations which have done without salesmen have made but little headway or, as in the well-known case of the "old Equitable" of London, have their great merits entirely overlooked by the public is practical evidence of the necessity for the agent.

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THE MEDLEY OF INSURANCE LEGISLATION.

Canadian insurance men have been sometimes congratulated upon the comparative simplicity of the supervising regulations under which their business is carried on. These congratulations have usually originated with those who have been accustomed to the extraordinary complexity of legislation affecting the business of insurance in the United States where, as Mr. Robert Lynn Cox pointed out a short time ago, life insurance alone is affected by about 4,500 statutory requirements, exclusive of the requirements affecting domestic companies only, with the exception of New York State. It is natural that officials wrestling with such an amazing quantity of legislation should consider that the lot of their Canadian brethren has in this respect been cast in pleasant places. But they will find, if they look a little more closely into the Canadian situation, that its apparent simplicity is somewhat superficial, and that we are worried here in much the same manner—though not of course to the same extent—as are insurance men in the United States. The conflict between the Dominion and the Provincial Governments with regard to legislative jurisdiction—a matter upon which the opinion of the Privy Council is now being sought—and the various vexatious requirements of the Provinces in regard to companies who having obtained a Dominion license, proceed to enter upon business within their jurisdiction, are sufficient to have impressed upon underwriters the desirability of a further simplification of Canadian insurance legislation before it attains the ideal.

Workmen's compensation furnishes a good example of the way in which the Canadian laws by which insurance interests are affected are becoming complicated. In recent years seven of the Provinces have legislated in regard to workmen's compensation, and in Ontario a commission has been engaged for some time with a view to the framing of a new Act to meet present-day requirements, Ontario's existing act dating from 1880. In the remaining province, Prince Edward Island, there is no legislation of this character, claims for damages being brought under the common law only. Thus, there has been a good deal of almost simultaneous legislation and yet the Act of each of the seven Provinces differs in some or other respect from the Acts of the others. Mr. E. Willans, the general manager of the Imperial Guarantee and Accident Assurance Company of Toronto, effectively summarised these differences a short time ago when he said:—"While all the Acts, with the exception of that of Ontario, are based on the principle that a workman is entitled to compensation for disablement resulting from injuries incident to his occupation, without respect to the negligence of his employer or the servants of the employer, still there is a marked difference in the Acts of the several Provinces, both in the schedule of indemnities granted by each and