

untried field, has become the business success of the present age. When Mr. Dryden's article on "The Inception and Early Problems of Industrial Insurance" was published in the *Insurance Monitor* in 1903 the number of industrial policies in force in the United States as of December 31, 1904, had reached 15,674,384, insuring \$2,135,000,000 of industrial life insurance protection.

During the intervening eight years the further progress of industrial insurance has been remarkable. The business of the American industrial companies has been extended to practically all the States of the United States and the several provinces of Canada. The utility of this form of insurance is being recognized to an increasing extent by wage-earners and their families throughout the land, and it is to-day the most universal form of voluntary thrift in America.

GROWTH OF INDUSTRIAL COMPANIES.

Many industrial companies have come into existence during the intervening period, and while some have discontinued the business and others have been amalgamated, not a single industrial company organized on legal reserve principles has failed. On December 31, 1912, there were twenty-eight companies transacting industrial life insurance, with 26,363,546 policies in force, insuring \$3,661,880,982 of industrial insurance protection.

In addition thereto twenty-six of these companies also transacted an ordinary insurance business, and largely with industrial policy-holders, as a natural consequence of the effective development of the thrift function in the direction of systematic savings habits, fostered through the periodical payment of premiums on the weekly plan. The number of ordinary policies in force with industrial companies on December 31, 1912, was 1,993,679, insuring \$2,151,011,420.

The industrial premium income of twenty-five companies, for which the information could be secured for the year 1912, was \$124,930,315, but, in addition thereto, nineteen of these companies had an ordinary premium income of \$76,019,593, or a combined total of \$200,949,908. Including interest and income from other sources than premiums, the total income of the industrial companies in 1912 was \$237,039,599. The companies paid \$81,677,591 to their policyholders during the year 1912, of which \$41,179,544 was on account of industrial claim payments, including mortuary dividends, and \$7,771,782 was paid in dividends on other accounts.

The total payments to industrial policyholders during 1912 amounted to \$52,535,010, and, in addition thereto, the companies held in reserve for the benefit of industrial policyholders the large sum of \$349,987,191.

Mr. A. R. Howell, manager for Canada of the Gresham Life, is at present in the West.

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The Hudson Bay Insurance Company, Vancouver, has made arrangements by which the Northwestern National Insurance Company of Milwaukee, will re-insure all its non-tariff business in eastern Canada. The Company will conduct its business west of Port Arthur as hitherto. The Hudson Bay may write tariff business in the east if it so desires.

AGENCY ORGANIZATION.

(By Edward A. Woods, Pittsburgh.)

Obviously the purpose of an agency manager or general agent is to build up a general agency. If the main purpose of the general agent is to get personal business, either directly or to use his agents to increase his personal business, that man is departing from the main purpose of his general agency. Consequently a general agent must make up his mind that in building up a general agency his personal time and his personal business must be subordinated to that of his agency. Everything that can be done, must be done, to inspire the confidence of his agents that their interest is being honestly considered and furthered by their general agent, even in preference to his own. Many general agencies have failed because of a shortsighted policy in this very regard. For example, an agent is canvassing a case in which the general agent feels entitled to consideration. The agent naturally feels, inasmuch as the general agent is interested in his business and has a margin on it, and as he is in authority, that he is unfairly treated in having his general agent "butt in" on the case. The result is that his confidence in his general agent is more or less impaired and the general agent's usefulness to him is therefore largely decreased. It might pay the general agent much better to give up even his fair interest in such a case and so encourage his subordinate and win his confidence that he will come freely to his chief and discuss cases with the utmost frankness, and feel willing on his part to do many things that would gradually help to build up the entire agency. Team work is necessary in a general agency or a base-ball team, and the active loyalty and co-operation of all members is absolutely essential to success. These must be had even if a good price has to be paid for them. Without these qualities, men will not be efficient, contented, satisfied or permanent. Without them, the members of an agency will not bring in others and not seek to hold the discontented and the discouraged. The general agent who has not this capacity for leadership and for commanding the loyalty, goodwill and absolute confidence of subordinates is not fitted for his position.

There never will be an agency whose members will not at times be discouraged, disgruntled, and sometimes in conflict with each other, and it is therefore absolutely necessary that the head of such an agency should command the respect and confidence of all.

COST OF AN AGENT.

Some one has estimated that an agent is worth \$1,000. That is to say, this is the cost of securing and developing a successful, permanent agent, who must, of course, bear the cost expended in securing and developing the failures, just as any other business must bear the burden of loss. If this is even approximately correct, the damage from losing a successful agent is obviously not only considerable in money but in its effect upon the others. Therefore the successful general agent must not only get but must keep his agents; and there are two things essential in keeping an agent: First, the business must be made profitable to him; and second, his goodwill and loyalty must be retained. Good men, even if making money, do not have to stay with any particular agency and are not likely to if not fairly treated. They will naturally feel that they can make