

BANKS AND LIFE INSURANCE

By Edwin H. George.

This article by Mr. George, reprinted from the "Northwestern Bankers," is written from the banker's standpoint but it is of particular interest to life insurance men and is particularly illustrative of the growing cooperative spirit between insurance companies and banking institutions.

It is not the usual thing to expand your business and profit through boosting another fellow's game. History has taught the doctrine of being a little faster than the other man and beating him to it, rather than take your competitor by the hand and pulling him along with you, that you may share the benefits with him.

Banks and insurance companies are often looked upon as rival interests in the business of holding the savings of the public. Nevertheless, in the following example is shown how a bank has considerably increased its deposits and good will by advertising the insurance companies; the latter, of course, reaping a profit from the bank's expenditure also.

The idea was worked out from the theory that if the bank would publish advertisements suggesting that a young man who had no insurance might save the amount necessary for the first premium by making a regular weekly or monthly deposit in the savings department, it would have a double effect—it would secure the bank a few savings accounts, but through the bank's indirect indorsement it would assist some of the agents in that district to sell more insurance.

This enterprising bank went further into the matter and the deeper they went the better the proposition looked to them until finally four advertisements were prepared, which brought out the following seven points:

1. Save systematically to pay the first premium.
2. Save systematically to meet subsequent premiums.
3. This savings plan will enable many people to buy life insurance who otherwise could not meet the first premium.
4. It will help the sale of life insurance to people who are afraid they will fall down on subsequent annual premiums.
5. The case of meeting the annual premiums will further the purchase of additional insurance by those already insured.
7. The bank flatly and openly endorses the life insurance men.

It will be noticed that the first two points only are for the benefit of the bank, and the last five are for the benefit of the insurance men. It appears to be even more than a fifty-fifty proposition, and naturally when the bank advanced the idea to the

insurance men of the city, they were astounded but anxious to have the bank put it to test. From the start the bank had the indorsement and hearty cooperation of the insurance men. And herein lies the success of the plan as far as the bank is concerned. To further show the benefits derived and the desire of the insurance companies, a part of a letter from Forrest F. Dryden, president of the Prudential Insurance Co. is reproduced:

"I believe the attitude of your bank to be absolutely correct, and think that if you will look up the subject you will find that since industrial insurance was introduced into this country by the Prudential Insurance Company of America the deposits in the savings banks of the country have steadily increased."

This is evidence enough that the insurance-bank advertisements are of material benefit to the insurance men. But many bankers want to know what the bank gets out of this expenditure of money.

The first result to them has been increased confidence in the institution. It was impressed upon the bank officials daily while the campaign was going on. Friends, patrons and press praised the bank which had taken so broad a view to serve the public, and it was strongly indicated that the bank had raised its already high standing in the estimation of the people.

The second benefit, while also intangible, was no less valuable and positive. It was good will. And the growth of any bank is largely a matter of good will. So when this bank spends money to advertise insurance what is more natural than that every insurance man who feels the beneficial effect of the campaign should reciprocate in every way possible to increase the business of the bank?

The tangible results were equally gratifying. During the months of the campaign, the checking deposits of the bank increased over one million dollars, the savings deposits over \$400,000, and both checking and saving deposit totals reached the highest point in the history of the bank.

The bank has kept a record of the number and amount of checks drawn by insurance companies that were used as initial deposits in opening savings accounts. In one week nine of the accounts opened in the savings department were started by beneficiaries of insurance policies, some endowments and some death claims. The aggregate of these nine accounts was \$30,000 and more than half of these new depositors were escorted to the bank by insurance men who kept their own accounts, and whose agencies kept their agency accounts, in other institutions.

These results have convinced the officials of the bank that it has paid and will pay to boost the other fellow's game through such a medium.