

FIRST YEAR COMMISSIONS AND THE LAPSE PROBLEM.

To the Editor of The Chronicle.

Sir:—It is not possible to draw an indictment against a nation and, in a lesser degree, it is almost equally impossible to draw an indictment against any business class within the nation; but I confess it has often seemed to me inexplicable that the Life Insurance companies of Canada should not have taken advantage of their limited number and of the communion of mind which must have existed between their officials, to come together more than they have done upon vital principles affecting the welfare of the business in which they are engaged.

I will not dwell upon the many improvements that could be effected by mutual co-operation; but surely the question of commissions is one that cries aloud for settlement in a sensible, business-like and satisfactory manner. If anyone feels inclined to dispute this, I would ask him to consider the lapse ratio in the Dominion and beg him to tell me candidly what is the principal cause. I have not the faintest doubt (if he replies honestly and frankly) his response will be that the primary cause for the absurd lapse ratio is extravagant first year's commissions. These commissions do not at all inhere in the agent's bank account but are passed away from him in the way of rebate (we may shrewdly guess) and to "helpers," "middle-men," and so on.

Who values anything that costs him nothing? And, unfortunately, this is true in too many cases where a Life Insurance Policy is "purchased."

One can imagine such a condition existing, as it does exist, in the United States, where each separate State is a law unto itself; where Insurance Companies are formed, literally, by the hundreds; where some States have as many as fifty or sixty Old Line Life Insurance Companies created under their laws; but that it should obtain in a Country where the doctrine of States Rights has not been carried to such a ridiculous extreme, is lamentable.

How fortunate it would be if on the Northern half of the Continent were created a standard to which all sensible insurance men could repair—a standard that would in years to come be a veritable blessing not only to the Companies themselves, but also to those who make the selling of Life Insurance their life's vocation.

I am, &c.,

NOV: EBOR:

December 13th, 1916.

A LAFOR VIEW OF MONOPOLISTIC STATE INSURANCE.

A system of State monopoly is inimical to the best interests of the wage workers, and unjust to the insurance companies. It assails the personal liberty of the insurers; deprives business men of the right to compete with the State, and relegates the conduct of a most important business to ever-changing officials, more or less the creatures of political vicissitudes, who operate the law under the methods of a close monopoly. This is a serious phase of the general question, and, we think, concerns the wage workers even more than it does the insurance companies.—*Labor World, Pittsburgh.*

FIRE PROTECTION STAFF WANTED.

An interesting suggestion was made in a recent address at Ottawa by Mr. Franklin H. Wentworth, secretary of the National Fire Protection Association, before the Commission of Conservation, that that body should appoint an engineer whose specific duty should be to consider the fire waste problem and how to solve it. Do you know, remarked Mr. Wentworth, that there is not in Canada to-day anyone from whom a person interested in fire protection or fire waste can get information on the subject except the insurance companies. There is no fire protection engineering staff in the country to whom a municipality or an individual property-owner can appeal. In Canada and in the United States, this matter has been left entirely to the insurance companies, as presumably the only agency or financial interest concerned with fire waste.

NEED OF LOCAL INTEREST.

Mr. Wentworth also suggested that as a complement to this, in every city the appointment of a local commission should be made. Any board of trade or any commercial club throughout the Dominion, in any of the cities, might easily appoint a fire protection committee. But the Commission could definitely start such local committees by going into the towns and picking out in each a capable architect, a capable builder, a capable business man—a group of half a dozen leading men of the town, and appointing them a local fire prevention commission. The fire chief should be the executive officer, because the fire chief is the one most interested in checking fires. He is thinking about it all the time, and if, said Mr. Wentworth, he can call in this group of leading citizens to consult with him, and help him to do the things that need to be done for the safety of the city, there would be in every city a little group who will appreciate the dignity of appointment, and be willing to study the matter and work out improvements locally in their own cities. They could help to administer the details of a model building code, they could inaugurate regular inspection by the fire department, so that the housekeeping of the towns may be improved; they might do innumerable things to improve the character of the cities in respect to fire waste.

MISSED EVEN THE BANK CLERKS.

Life insurance agents have hardly begun to scratch the surface of their possibilities. This fact has long been understood as a general proposition, but the experience of one of the companies which is writing group insurance in a large way serves to emphasize it. In issuing these group policies on thousands of employees the company finds what other insurance is carried, and even its managers are surprised to learn how large a proportion of the group insurers have no other insurance protection. Even so obvious a class of prospects as the salaried employees of banks and trust companies has been sadly overlooked. The statistics on thousands of bank clerks insured under group policies showed that about 35 per cent. of them carried no other insurance. The life insurance agent who says he has no material to work on does not know what he is talking about.—*Insurance Post.*