

BUSINESS INSURANCE.

POINTS FROM AN EXPERIENCED MANAGER ON A TYPE OF LIFE INSURANCE WITH GREAT POSSIBILITIES, AND HINTS ON TACTICS.

An illuminating address on the subject of business insurance was recently given in New York by Mr. W. J. Graham, manager of the group insurance department of the Equitable Life.

Mr. Graham has had a wide experience in business insurance and in group insurance which is sold as a business insurance proposition. Mr. Graham eliminated from his discussion all group insurances and all forms of insurance taken for a man's personal beneficiaries, and limited discussion to insurance written upon lives for the benefit of businesses, business associates and credits. These were catalogued into three subdivisions:

- Co-partnership Insurance.
- Corporation Insurance.
- Credit Insurance.

The need for insurance was established by reference to many cases and also by reference to letters addressed to Mr. Graham from the leading bankers of New York City on the subject. He also produced a form of schedule advocated by the Federal Reserve Bank in New York in which life insurance and the beneficiary were called for as part of the schedule. The forms of insurance advocated were individual policies and not joint policies, also ordinary life forms instead of term insurance and use of endowment insurance where a sinking fund was needed as well as indemnity. On the legal side of the question Mr. Graham discussed at length the questions of ownership of policy, insurable interest and assignment. It was not sufficient, according to Mr. Graham, to write business insurance upon the ordinary form and depend upon the vitality of the assignment or upon presumptive reasons in insurability. Separate corporation policies and separate corporation applications, naming the corporation as "applicant-beneficiary," specifically stating and carrying the written approval of the life insured, were all features of up-to-date business contracts.

SELLING THE POLICY.

On the subject of selling the policy, Mr. Graham said: "Now as to canvassing for business insurance: There are big businesses and small businesses, just as there are big men and smaller men, all needed in our public life, and all serving avenues of great usefulness. The selling of business insurance should follow the same classification as the selling of individual insurance, namely, the \$5,000 man should stick to the \$5,000 business policy, and the writer of the \$100,000 individual insurance is the logical man to write the \$100,000 business insurance policy. And the process of writing the million dollar policy is identical to the process of writing the \$100,000 policy or even the \$50,000 policy. Unfortunately, business insurance is confused in many agents' minds with that of huge volume of single transactions. It is my observation that it is fatal to many agents achieving success by writing the smaller policies to attempt to write a large business insurance. It is also my observation that such agents are neglecting the legitimate field that is open to them in the corner grocery, the drug store, the laundry and in general the establishments of all kinds the proprietors of which they are writing

for small and moderate sized individual insurance. The small business insurance can be written with much the same tactics as personal insurance because the small business is often a personal affair with one or two men. The larger policies are written of necessity as pure business matters in which associates, officers or partners are called in or in which boards of directors are called upon to consider the insurance.

FIRST INTERVIEW.

"The successful canvass of a corporation insurance means, therefore, creating the interest by showing intelligently the usefulness of life insurance in event of unexpected death of the life solicited or by showing clearly the value of life insurance as a supporter of credits and as a dissolver of debt in event of death. While an agent might make some casual reference to a large insurance, such as the Shevlin case, as an introductory to the fact that he had a proposition to present later on, or possibly might use the same in an intelligently worded letter or telephone call in asking for an engagement to discuss the subject, it is usually essential to the success of the case to present the same in an interview arranged for such purpose and absolutely controlled by the agent in order to make the most satisfactory progress. I will go further and say that it is necessary to do this in order to impress the man with the distinctive character of the proposition which you have to offer. This first interview should outline the subjects intelligently, completely and get definite facts from the man as to the amount of insurance that might be considered, his age, and when and how he would take this up with either his associates or the board. I am assuming, of course, that before any such visit had been made that the need for such insurance had been carefully thought out and that inquiry had been made to give the soliciting agent the basis on which to lay the foundations of his case.

"Where the business control is in the one hand it may be possible for the agent to complete the application on the first interview, arrange for the medical examination and practically complete the case. Where the agent can arrange to do this by force of the individual solicited being practically the owner of the business, he should endeavour to make it a one interview case. These cases, however, are rare. The agent should then ask himself, what is the most I can get out of this first interview? The answer will probably be—interest the man, get from him the further information that will enable you to make the most intelligent proposition for insurance, organize his mind for the next step by finding out when he will have the next meeting of the board or call a meeting of his associates to consider the proposition and then finally leaving the case where you are to prepare a proposition to be submitted to him as the basis for discussion with those who must further consider it with him. The preparation of this proposition in a businesslike, intelligent and attractive form is but another way to establish that confidence without which no large deal of this character is likely to be quickly consummated.

SECOND INTERVIEW.

"At the second interview which we have known in life insurance as the fatal interview, because most of us are one-interview men, the sense of having