

all the premiums of the first ten, fifteen or even twenty years; and

2nd. The sub-division of their agency fields, so as to bring a large proportion of the active workers under the direct influence of the home office, so that they may feel an absolute sense of responsibility and accountability to their companies, for the *quality* of the work they do for them.

The voice of the reformer is heard proclaiming in loud and unmistakable accents the condemnation of that crime of modern life insurance known as "rebating"; and feeling the stigma that this scandal has attached to them, the life companies have essayed absurdly inefficacious remedies. These have been principally in the line of officially forbidding the practice of this evil, by a combination of the companies themselves, without any effort to convict the agents of the inherent wrongfulness of the system, or to put it out of their power to perpetuate it. No such combination of the companies, *in such a direction*, can be really effectual or absolutely corrective of the evil. *Cut right down to the very root of the trouble, and thus exterminate it from the soil that it befools. Make it utterly impossible for the agent to persist in it, by insisting upon such a radical (but at the same time rational) reduction of the first year's commission as will not leave him one dollar that he can afford to give away in so foolish a manner, to such manifest detriment to the quality of your business.* At the same time, give him all the encouragement possible to branch out into a new and better line of work. Increase the commission paid to him on the renewal premiums, so that he may have constantly before him the hope of building up a large renewal interest that will bid fair to become a competency for his support in old age, and act as an incentive to him to strive for *good business alone*.

If the general agent pays the sub-agents who work for him more than he receives as a first year's commission, and is enabled to do so by reason of judicious and carefully considered "advances" made to him by his company, but charged rigidly against his renewal account, the inevitable effect of that charge will be to make him extremely careful as to the character of risks brought to him, because his common sense will cause him to recognize that it is *only upon persistent and long renewing business that he can make himself whole and free from loss*.

The remedies or reforms that I suggest are absolutely within the power of the companies to inaugurate, and I believe that they are the only means that can be surely relied upon to accomplish the desired reformation, and act as an antidote to the poison that is spreading in the system of life insurance more and more each passing year.

To the life insurance companies themselves, I dare to say fearlessly, that their lapses in business are so frightful that they cannot longer afford to continue systems and methods of which such a record is the result. To avoid this terrible drain, they can very well afford to pay fifteen, or even twenty per cent., if necessary, as a level commission on the future income pro-

ducing business, and I am sure that the adoption of this innovation will work for good in every direction.

In conclusion, permit me to emphasize the disability under which I have been laboring in endeavoring to draw proper attention to a most flagrantly wrong condition of things. It is not possible to give the requisite force to my arguments in a series of articles so long detached from one another in point of the time of their public appearance. I regret this exceedingly, because the matter is one that we cannot afford to ignore. We are face to face with the most serious problem that has ever yet confronted the beneficent institution of life insurance.

The official managers of the companies are capable and efficient, and they are perfectly able to deal with this question justly, fairly and equitably, if they will resolutely make up their minds that it is something that must be acted upon and decided *now*; and they cannot do anything more calculated to hand their own reputations over to unqualified condemnation than they will do if they indolently permit the present abominable condition of things to continue without protest or effort to effect its betterment.

#### MR. STANDEN'S ARTICLES.

In recent issues of the CHRONICLE, there have appeared special contributions from Mr. Wm. T. Standen, Actuary of the United States Life Insurance Co., upon the subject of the abuses that have so disastrously fastened themselves upon life insurance.

To many of our readers Mr. Standen is known personally, and to most of them through the mediumship of his contributions to life insurance literature. The Canadian life companies have more than once honored Mr. Standen with indisputable evidences of their confidence in his judgment and their appreciation of his merits as a life insurance expert.

In the articles referred to Mr. Standen has analyzed the causes and traced the most obvious effects of the abuses of which he so justly complains, in a studious and careful manner; and we have no doubt that those of our readers who have followed him in this study thank him for the time and attention that he has given to its consideration.

In his final contribution in this issue, Mr. Standen gives us his suggestions as to the remedies that ought to be adopted. We believe that he is correct in his conclusions, and most emphatically commend them to the conscientious consideration of our readers.

The subject is one of vital importance, as every life insurance man who examines the business record of the companies must freely admit; and it would indeed be a very wise course for the officials of the companies to arrange for a convention of representatives empowered to freely and fully investigate the entire matter.

Sooner or later this *must* be done, and it would be well to call it now. If the initiative in calling such a convention should be promptly taken by an official representative of one of the largest companies there would surely be a ready response thereto, and we should look for untold benefit to result therefrom.