

The Chronicle

Banking, Insurance & Finance.

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

Vol. XXXIII. No. 15

MONTREAL, APRIL 11, 1915.

Single Copy 10c.
Annual Subscription 55.00

Life Insurance Advertising.

Both in Canada and the United States considerable attention is being paid at the present time to the question of advertising by the life insurance companies. What is usually intended by the term advertising in this connection is publicity in the newspapers and magazines, outside those which are devoted primarily or in large part to insurance interests. This publicity, as usually advocated, would be co-operative in character, maintained by a number of life companies, that is, and not merely by one company. In the United States, a scheme of this kind is apparently on the eve of publication, it having been pushed along through the energy of the National Association of Life Underwriters, and in Canada also the subject is one of active debate. The matter was prominently placed before the Life Underwriters at their last annual conference, and consultations with the Life Officers' Association have since taken place, with a view presumably, if those interested agree, to making a start with a scheme of advertising at an early date.

In various quarters this idea is being pushed with a great deal of enthusiasm, and we rather incline to the view that this enthusiasm is apt to expect by way of results a good deal more from the inception of a scheme of this kind than time will show can actually be realised. Mr. Clifford Elvins, the advertising manager of the Imperial Life, in a sensible address on the subject which he delivered recently, pointed out quite truly that the results of a general publicity campaign in the newspapers are a doubtful quantity:—"What few experiments have been made along these lines have been very disappointing. There have been and are to-day, although not in Canada, companies that have endeavored to write life insurance entirely by mail, and the attempts have in no case proven successful in securing what could be considered a satisfactory volume of business."

To rely on advertising solely to sell life insurance is to trust a broken reed. But would a publicity campaign help agents to sell the insurance? Again, if direct results are expected, the answer is, in our view, a negative one. And for these reasons, that the public doesn't know anything about life insurance, doesn't want to know anything about it, and doesn't feel the need of it. It pays a cheap tailor to advertise his goods extensively, because the public is interested in cheap clothes, feels the need of them,

and wants to buy them from time to time. But life insurance is on an entirely different footing. The advertisements of the tailoring firms, no doubt, prove a direct inducement to many thousands of customers; it may be quite fairly doubted if the same amount of space occupied by an insurance company would draw a single direct application for life insurance without the intervention of an agent.

The only ground on which publicity of the kind now being advocated can be justified is that it is generally and broadly educative, not producing any direct results, but at least rendering the soil more responsive to the tillage of the agent, and giving the great big public some idea of what life insurance means and stands for. If the companies generally, or a number of them, were to agree that some form of co-operative publicity for these purposes would be desirable, we would suggest that they should themselves organise a bureau. The business of this bureau would be not only to prepare and give out from time to time suitable advertisements, but to use every legitimate means of securing publicity for matter which would direct attention to the positive benefits of life insurance, or inform the public with regard to questions affecting the life companies (e.g., the real incidence of the taxation upon the companies). At the same time it would keep a constant watch upon mis-statements regarding life insurance or the life companies made by public men, or appearing in the public press, and would make instant correction. Possibly, also, a library and information office might be maintained as an annex.

An organisation of this kind, working quietly and unostentatiously, would in time become an educative influence of importance. Probably enough though all its work would be only indirectly beneficial and no life official would be able to say "Well, so-and-so's application came through the bureau" or "That provincial tax proposal was knocked on the head by the bureau's lobbying." Whether the life companies of Canada would be prepared to get together and establish a publicity bureau, we do not know. But we do not think they are. The probability is, that not all of them would be prepared to come together in this way. But through a scheme of this kind, we believe, the life companies would obtain a good deal more for their money than they would ever get through the advertising campaign in the newspapers that is suggested in some quarters and which would, not improbably, be in part a sheer waste of money.