

## DOES MISREPRESENTATION PAY ?

We refer especially to misrepresentation by either the company or the agent in obtaining a life insurance application. That no reputable company will knowingly misrepresent either its financial condition or the intent of its policy provisions is cheerfully conceded, but that such companies do not sometimes misrepresent the conditions and the results of policy provisions of competing companies cannot be as truthfully affirmed. It has been, we regret to say, not uncommon for some companies to use figures in statements in themselves strictly correct, so as to prove a weakness in a rival when compared with their own apparent strength. Printer's ink is freely brought into requisition in attractive circulars and in company literature, to demonstrate that "Codlin's your friend, not Short," by the use of comparisons which, to the average uninitiated insurant, have all the force of proof, when they in reality are worthless and misleading. Comparisons, to be of any fairness or value, must be with like things under like conditions.

### USING FIGURES UNFAIRLY.

A similar use of figures, in themselves correct, has been made by various companies relating to ratio of assets to liabilities, management expenses, mortality rate, and the like, when the fact of entirely dissimilar conditions has been adroitly suppressed. This sort of thing illustrates forcibly the important truism that a half-truth may be, and generally is, an able-bodied untruth. Such methods are essentially misrepresentations. Does it pay to use such methods? We think not. Aside from the general proposition, affecting all legitimate transactions, that honesty is the best policy, it does not pay, for two distinct reasons: In the first place, no company can boast a monopoly of "smartness"; and however virile and shrewd may be its tactics, the "other fellow" is quite as wide-awake and enterprising, and is sure to expose the fallacy of the made-up case of an opponent, reaping thereby the benefit of a re-action against the attacking company in the mind of the would-be insurant. In the second place, great injury is done to life insurance as a whole, because public confidence is disastrously weakened, and in some cases destroyed, by an exposure of these unfair tactics. There is really no institution in the world so well calculated to deserve the confidence of the people as that of legitimate life insurance. In its fundamental principles and in the proper application of its methods it commends itself as the only absolutely reliable and easily available system by which men are enabled to provide for the future of their wives and children when the provider shall have fallen before the scythe of the grim reaper.

### UNPRINCIPLED AGENTS.

The most mischievous form of misrepresentation

in the business has come, however, and still comes, from a class of unprincipled agents in the field. We wish we might truthfully say that company managers are as alert to watch closely the methods of business-getting by agents and to get rid of the perverters as they are to promote a big new business boom. The sole aim of this class of agents is to deliver the policy and pocket their commissions, on a flat brokerage basis, without interest in renewals. If deception is necessary to the getting of their man, they use it without the least hesitation. We have in mind a case which will serve as a sample of not a few in other localities. An agent, working under the city manager of a good company—not in Montreal, however—soon developed into a great business getter, especially cultivating a quarter of the city largely peopled by well-to-do, but not very bright, foreigners. It was noticed that ten and twenty payment life policies were more called for than any others by this champion solicitor. The premiums were promptly paid, the commissions as promptly collected, and all went swimmingly, until a rival agent made the discovery that his competitor had all along been selling to these credulous foreigners ten and twenty payment policies as ten and twenty year endowments, pure and simple. Of course he was not slow to inform these dupes of the deception practiced upon them. Coming to the knowledge of the company, to its credit we are able to say that its managers promptly dismissed the smart agent. When the renewals became due, however, no amount of explanation or offers of equitable adjustment could induce these deluded people to remain in the company. Did it pay? We rather think, and the company is decidedly of the opinion, that it did not. For the credit of the business we hope that such cases are not numerous; but this is by no means an isolated instance.

There are, however, other forms of deception practiced, as bad in principle, though not so disastrous in immediate results. They all bear fruit sooner or later, and injure not only the company concerned but the entire business. We are glad to believe that, under the reforming influence of life underwriters' associations, company regulations, and provincial laws, misleading tactics are gradually being repudiated. They cannot be routed out entirely any too soon.

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The Bank of England yesterday continued its official rate of discount at the 5 per cent. level, which has now been in force some months.

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American life and accident companies, following the "Lusitania" disaster, are reported to have resolved to issue no insurance in future on persons who travel to Europe while the war lasts. Holders of policies already in force cannot be affected by this rule.