BENEFITS OF GOOD LIFE INSURANCE.

Some True Stories Told by a Life Insurance Manager of Forty-five Years' Standing—Some Talking Points for the Agent.

By William H. Orr.

Thomas Wilson, one of my subsequently most successful writers, came in early one morning, at the beginning of his life insurance experience, slapped down his rate-book and exclaimed:—

"I cannot do anything with those people. They had a meeting last evening at which a special lecturer showed them some most captivating figures as to how much cheaper it would be for them to pay $8 entrance fee for a certificate in the Grand Order of Successful Relief, and 40 cents for monthly dues, and at age 37, a monthly assessment of $1.50, thus making the yearly cost after entry only $22. Our lowest is $23.72."

"And did they all conclude to go in like a flock of sheep, without looking at what you could do for them in our company?"

"Yes, most of them, to help start a new hive or court, but I am satisfied quite a number of them will be declined."

"Well, we don't want any left-overs. But what did he show them as an equivalent for the stability of a regular company, and the cash return in case of lapse, or the borrowing privilege?"

What Was Offered.

"Oh, well now, he did not dwell on those points except to say they could put the overplus which an old line company would charge, into a savings bank, and in that way have a good 'pocket reserve' to fall back upon in case the lodge, or the society, broke up. A savings bank would give them 3 per cent. interest on all the money the G.O.S.R. would save them, in comparison, and they would make their payments in easy monthly instalments. Several of them offered to take a twenty-year endowment with me if I would guarantee to return, at any time it was called for, 3 per cent. on the whole premiums that would have been paid."

"Of course you could not do that, either for yourself or the company; because, the carrying of the insurance in our company, though costing less, probably, than in any assessment association, would absorb a good part of any premium, whether life or endowment."

"But could we not give them life insurance, and guarantee them more than what 3 per cent. per annum on the difference in cost would be, and with better security thrown in, supposing a man should desire to withdraw from the one or the other society after five, ten, or more years?"

"Certainly. For instance: the difference on a straight life contract, age 37, as between $22 and $23.72, is only $1.72 per year, which is $8.60 in five years or $17.20 in ten years. Accumulate the $1.72 per year in a savings bank, and it becomes $9.40 and $20.30. But look at what our cheapest life policy guarantees, viz., $40 in five years, or $122 in ten years."

"Yes," said Wilson, delighted with that showing, "and I now see that in 15 years our policy guarantees $213, and in 20 years $312. An assessment society's pocket reserve of $1.72, improved in a savings bank, comes to only $33.00 and $47.60. The guaranteed $213 and $312 which would be over six times as good a result."

When Assessment is Unpaid.

"And then look what happens if an assessment is unpaid in any month; or a whole court gets suspended, as occasionally happens. There is then no insurance left—nothing but the $1.72 which may or may not have been laid aside, regularly, in a savings bank. But in a regular company, the insurance is non-forfeitable. It runs after five years, for about four years longer without any payment of premium; after ten years, it runs for about ten years more, free of any cost, and after 20 payments, will be held good for $1,000 to the family for about thirteen years more, or 33 years in all."

"These, certainly," said Wilson, "are great advantages, and no admission fee or medical fee is asked, nor waste of time attending lodge or committee meetings. And if a man wants to pay in smaller figures, he can take the quarterly premium plan from the beginning, or change to it at any time, can he not?"

"Well, yes," I replied, "but I do not recommend you to work the quarterly payment plan. All companies charge a higher rate for quarterlies, and the universal experience is that such policies lapse before the end of the first year in surprising numbers. The efforts of all companies and agents to help those who can only pay about five dollars at a time, have been very unsatisfactory. Hence the line of success in your work leads towards cultivating a class of people who are able to pay anywhere from $10 a year up to ten, twenty or forty times as much. As a matter of fact the premiums received by all the regular companies in Canada, average about $60 per member, apart from the industrial policies issued by three or four companies. The latter are very small policies, averaging a cost of only about $5 per year, by expensive weekly instalments."

Interested in Endowment Insurance.

The next day Wilson turned up with some figures he had made for a prospect whom he had interested in endowment insurance. He said: "That lecturer persuaded many of his hearers that it was wasteful to pay money to old liners for endowments, because they could themselves keep the money and use it to better advantage than anything a company could afford to give them. That is, keep the difference and perhaps pay off a 6 per cent. mortgage with it. But I find that any company can give a man far more than 6 per cent. per annum for all the overplus he pays."

"You are probably quite correct, Wilson," said I. "Let us see how it looks in black and white."

"Here is the statement I gave to a man who was about to join the Grand Order of Successful Relief, at a yearly cost of $22, but without knowing whether he might not have to pay extra relief assessments, such as all old members of some societies have already had to meet. I offered him a 20 Pay Life at $31.55, so the yearly difference was only $9.55, for which he would have a cash guaranteed value of $569, if he surrendered the policy at the 20 years' end. Or, instead, if then in poor health, could borrow $500 against it, and thus keep the policy in force to the end of life. He saw the advantage of this form of contract as a combined life insurance and savings bank, and though he also joined the society, to make up the number needed for a charter, he has promised to take an endowment before the month runs out, after which he would be a year older."

Misfortunes Never Come Singly.

A few weeks later Wilson was canvassing in a certain city street, and noticed a child's funeral procession forming in front of a house. Halting a few minutes, he noticed his prospective endowment as the chief mourner. Meeting him some days afterward, hoping to write him up, he was sorry to learn that the funeral expenses had consumed the money he had intended putting into the endowment. It is an old adage that "misfortunes never come singly." Of course there is no truth in that, any more than that "lightning never strikes twice in the same place." But Wilson had his labor for nothing, all the same. Shortly after the funeral of the child (one of six) the father met with a long siege of rheumatic fever, by which his savings were further depleted, and all chance of acceptance for insurance postponed for many a day, if not for good and all.

The experience here related is only one variety of what every life insurance agent of any lengthy experience has been up against, in his work. In one very recent case, my agent travelled some thirty miles to keep an appointment to the day, made by a man to take $5,000; and, on reaching the town, found the party had died somewhat suddenly and been buried that very day.

Took a "Five Thousand" Policy.

The late Hart A. Massey, in 1866, then doing a comparatively small but prosperous business at Newcastle, Ont., took a $5,000 policy on the life plan, and an agency. But instead of sending in any new business, he soon afterward moved to Cleveland. When he returned, and erected large premises in Parkdale (now part of Toronto), he had four insurable sons, three of whom subsequently died in early manhood. On their lives, as helpers in the rapidly-expanding business, not less than $50,000 each should have been placed. But though I canvassed several of them again and again, they were deterred from action by their father having once made the rather thoughtless statement, that if he had his life to live over, he would not pay out money for life insurance. He changed his mind, however, in two instances, to my knowledge. One was when he decided, but too late, to have another policy on his own life; and again, when he consented to his eldest son, Charles, taking $5,000 with me, though I strongly urged the young man to let me make it a much larger sum. I well remember taking up the new policy to the office, when issued, where the old gentleman and his son, Charles, his then chief business assistant, sat side by side at his desk.

Was Not Adequate.

I told my old friend that this $5,000 was not at all adequate to cover the financial loss to his business, should Charles, his right hand man, be called away from it by early death, and that five or ten times as much would more nearly suit the emergency. I strongly urged him to at least make the cheque for double that policy's cheap premium,

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