

# Life Insurance Men of Canada at Hamilton

*FIELD Men and Agency Managers Will Meet to Discuss the Problems of the Business—Economic Value of Life Insurance in Relation to the Individual, the Family and the State—Minimizing the Evil of Loans on Insurance Policies—Life Insurance From the Business Man's Standpoint—Does the Rate Book Contain too Many Plans?*

THE men who are selling life insurance in Canada are meeting in annual convention at Hamilton on July 19th-22nd. This is a parliament of the field men of the life insurance business, a business which swings hundreds of millions of dollars in investments, a livelihood for thousands of families, and protection for all except those who have been blind to the value of a life insurance policy. The convention will discuss a large number of topics, including the minimizing of the evil of loans on insurance policies, the economic value of life insurance and the question of cutting rates.

The gathering is of great importance, not only to the insurance men getting the business, but also to the head office staff, to the chief executives of insurance companies,

and to the public. That this fact is recognized has been indicated by a number of the big powers of the insurance world dropping in at past conventions to hear the discussions and to offer a few suggestions. These meetings are bringing head office and field staff into close touch, each with the other's problems.

There are too many who still have an insufficiently intimate acquaintance with the life insurance agent and his policies. It might prove an interesting and instructive innovation were the life insurance men to arrange their programme so as to give an afternoon session for the benefit of the general public. Special talks and topics could be chosen for that session and free discussion allowed.

## SUICIDE AND LIFE INSURANCE

The contesting by several life insurance companies doing business in Canada, of the payment of policies on the life of W. R. Arnold, Vancouver, has aroused considerable interest. Only those policies taken out just prior to his death, are being contested, and on the ground that Arnold committed suicide. It is very seldom that Canadian companies contest the payment of policies. Indeed, only when the gravest doubts arise is such an event likely. In the first judgment handed out in this case, Chief Justice Hunter said:—

"I think the companies were quite justified in resisting this claim for payment of these policies; that there was reasonable ground for defending the case, upon the theory of suicide, for there are a great many circumstances which until fully investigated would naturally suggest that that is what happened. And for this reason, I think the companies were justified, out of regard to other policyholders, in requiring that a judicial investigation should be had before they paid these claims. They not only were justified because they are trustees for the other policyholders, but also in the public interest. It certainly cannot be in the public interest that bogus insurance claims shall be paid without contest and without the matter being thoroughly thrashed out. It certainly is in the public interest to keep down the rates for insurance, and if large claims for insurance are obtained fraudulently with a view to ultimate suicide, and have to be paid by the companies, it is easy to see that the insurance rates would have to rise in order to allow the companies to do business. So that I say that both out of the fact that they are trustees for other policyholders, and from the public interest, I think the companies are justified in this case in resisting the claim until it was made the subject of judicial investigation."

This clearly indicates that the policies were contested chiefly in the interests of policyholders. Life insurance companies have learned that the absolute protection of their policyholders' interests is one of the best recommendations of their wares.

## BANKS AS LIFE INSURANCE SALESMEN

The recommendation of comptroller of the currency Williams, of the United States, that congress amend the federal reserve act so as to permit national banks in villages of less than 3,000 inhabitants to act as agents for fire and life insurance, and for loans on real estate, has aroused considerable interest among life insurance agents in Canada and the United States. Some of the insurance journals have sarcastic references to the proposal, one of them suggesting that the comptroller of currency "should permit the banks to sell fish, delicatessen and musical instruments, and also to do watch repairing and plain sewing," adding "If comptroller Williams wants to make a country bank a public utility, he should extend its usefulness not only to insuring lives and selling real estate, but to supplying milk, morning papers and servant girls."

Much insurance is placed through bank managers in Canada and this has been the subject of some complaint by life insurance agents. During the discussion at their Toronto convention last year of the part-time agent problem, this point was raised several times and some strong criticism was heard. "How can a bank manager truly and faithfully serve his bank if he is at the same time dicker with an insurance agency?" asked one of the agents. "He either degenerates into a second-rate banker or an indifferent insurance agent, or both, and time and again irregularities have occurred in consequence. In fact, in some parts of the United States, special laws have been passed forbidding the practice." The agents were inclined to think, as one said, that "it is a poor state of affairs when a banker is able to say to a client seeking a perfectly legitimate business accommodation, 'Yes, we can swing that thing, if you allow me to have the placing of the insurance you propose putting on.'" There will probably always be a certain amount of insurance business done through the medium of the banker. As to whether the volume of such business has reached a debatable point and whether such business needs regulation, there is doubt.