

LIFE UNDERWRITERS' ASSOCIATIONS AS AN ELEMENT OF SOCIAL PROGRESS

By J. F. Belleau, Quebec.

It is now an acknowledged fact that the securing of new insurance business and even the maintaining and renewing of registered policies constitute the occupation of skilled professional experts presently called soliciting field agents. That important body of men is virtually one of the three essential organic factors of regular chartered companies operating harmoniously through guaranteed legal contracts, not as mere adjuncts that can be discarded at will as a useless old horse or old broom, but practically on the permanent co-operative principle. It is, therefore, no wonder that such an important class of the social community should seek to secure all the privileges of regular professional associations.

Everybody now looks favorably on this first move of creating a dignified professional sentiment, through the means of our underwriters' associations, positively a great social progress. I feel confident that every soliciting agent in Canada, seeing this great aim in view, will flock into the ranks of our associations, and all of them make themselves equal to the occasion.

Let me say a word of appreciation in favor of the insurance press, the devoted help of which, in publicity, can never be overestimated. I wonder why the daily press does not reproduce more often, for the benefit of the general public, at least a summary review of the interesting reading matter contained in the insurance periodicals, thereby benefiting the large popular mass of policyholders who never have the chance of being educated, with authority and impartiality, on the merits of their best interests in life insurance education. I would humbly suggest that this vital point of social progress should be taken up by all underwriters' associations, and carried out as a material help to the insurance field agents generally. By all means, let the people be generously educated, with impartiality through the press, helping greatly to discard vulgar fallacies, and remove mountains of prejudiced ideas. Our associations stand, furthermore, for various other accomplishments through a proper program of education.

Positively there is no room here for rebaters, twisters, sharpers, wreckers, and even for notorious so-called record-breakers against all principles of honor and loyalty towards their more moderate fellows of the same professional brotherhood.

It seems to me that too many over-ambitious men answer too freely to the frenzied pressure for record-breaking business. They look too much for grand things rather than for good things, they rush blindly to the great quantity regardless of the quality, they prefer being dazzled by the appearance of tallness against the safe principle of strength and soundness. Hence, as a logical consequence, so many accidents, domestic troubles and financial calamities.

Everyone will return home fully convinced that the organization of underwriters' professional associations is a sine qua non of: first, greater scientific knowledge, higher education and ethics; second, as being the royal road to fortune and lasting prosperity, and third, as the best medium for increased power and social influence.

WHAT METHOD OF TRAINING DEVELOPS THE HIGHEST EFFICIENCY AMONG SOLICITING AGENTS.

By R. M. Cushing, Montreal.

In any sale there are four factors: the salesman, the goods, the buyer, and the sale or meeting of the minds.

The agent may strengthen his personality by caring for his health, by intensifying his powers of observation, study, memory and imagination; by increasing his reliability through cultivation of the positive feelings; and by developing his power of will.

The agent must needs know well the contents of his manual, and the various policy contracts issued by his company. He should know both the general economic value of life assurance, and the particular conditions in life for which various policies are suitable. Some knowledge of the history of life assurance as a whole and of his own company in particular will be very useful. Finally, competition demands that he shall know competing policy contracts, and wherein his own company's are to be preferred. While it is quite unnecessary for an agent to be an actuary, yet an acquaintance with the first principles of actuarial science will be of great assistance, both in enabling him to answer difficult questions from prospects, and also in bringing him into closer sympathy with his superiors and his home office.

Knowledge of life assurance may be obtained through books and periodicals, manager's instruction, conversation with fellow-agents, and company or college courses. The last source is as yet in its infancy, but is growing steadily in importance. Many excellent books and periodicals are now obtainable, in many cases from agency managers; many of the latter also take great pains to impart knowledge whenever possible, notably at agency meetings; and underwriters' associations afford valuable opportunities to talk with other agents and to hear instructive speakers. It is advisable for an agent to read regularly at least one good insurance periodical, in order to obtain new ideas and to refresh his mind on half-forgotten points. Some men find indexed scrap-books of great help in preserving valuable clippings; others make good use of note-books.

Imagination and Industry

In finding prospects, imagination is the greatest aid, and industry the next. From a number of sources, the following may be mentioned: personal acquaintances, introductions, company records, newspaper items, public records, directories, advertising. In this connection the friends' reports called for in the applications of many companies form a splendid introduction to the applicant's friends. A company's records are a mine of information; old policyholders may be induced to increase their assurance, or to suggest the names of fresh prospects. In the newspapers, notices of births, marriages, promotions and so forth may afford valuable leads; lists of club members and other more or less public records deserve consideration. Briefly, the methods of finding prospects are limited only by the agent's ingenuity and energy. When the prospect has been found, however, it is of great importance that the agent should understand something of the science of character analysis.

In endeavoring to effect a sale, the agent has for resources his personality, his specialized knowledge of life assurance, and his ability to read human nature. He must now consider how to

use his resources effectively; in other words, how to express himself to best advantage. The prospect will be influenced by the ideas expressed, the language conveying them, the voice, bearing, gestures and facial expression of the agent. Therefore all these points deserve attention in preparing for the final issue.

Now in every sale there are four steps: the buyer's attention must be won—his interest must be awakened—his desire aroused—the action of buying must take place. If, however, the sale is to be mutually satisfactory, the buyer must feel confidence in the salesman, and finally satisfaction with his purchase. The first four mental states are necessary in every sale, the last two if a permanent business is to be built up; and every life assurance company desires permanent business.

HABITS AND QUALIFICATIONS OF A GOOD AGENT.

By J. T. Lachance, Quebec.

Some agents seem to think it necessary to tell larger stories about dividends and surrender values than any other agent, and to give the most positive assurances that the company which they represent is far better in every respect than any other. In discussing the qualification of truthfulness I propose to speak on the subject with exceeding plainness, and not to leave unsaid anything necessary to purify the moral atmosphere of the agency business.

An agent should deal honestly with the applicant. By this I mean that he should not allow himself to recommend any plan of insurance which will not continue to be satisfactory to him. He should not let his greed of the first commissions urge upon him a five or ten year endowment with a costly annual premium, when a whole life policy, or life policy with fifteen or twenty annual payments, would do just as well, and be a great deal more appreciated by the policyholder, as soon as he learned the difference between them. A great part of the disfavor into which life insurance has fallen among a certain class of men, and the greatest part of the lapsed and paid-up policies, are traceable to the misrepresentations made by agents in procuring the application. An agent should never tell a man in moderate circumstances and with a growing family that he had better take a ten year endowment instead of a whole life policy, costing the same annual premium, for instance, unless he is convinced that this is the form of policy which upon trial will be found most satisfactory to the insured.

Agents have been greatly to blame in the past for thus recommending plans of insurance that were not adapted to the circumstances of the applicant, for the purpose of securing a larger commission. He should be frankly told what form of policy is best calculated to meet his needs. But the companies have been to blame as well as the agents, owing to the failure of the officers to properly grade the commissions, thus making it more lucrative for agents to insure on certain plans than on others. More information now prevails, however, than formerly on this subject. Applicants themselves exercise a more intelligent discrimination regarding their forms of contract in connection with their special requirements.

People Understand Business Better

They depend more on their own judgment and less on that of the agent. The whole business of life insurance is better understood by the people than formerly. In all cases when the applicant does not express any preference for some particular plan of insurance, after finding out what one is really best for him in his present condition, the agent should urge that which is the best adapted to his circumstances. Then the policy will not be so apt to lapse, the renewals will be more promptly paid, and the company will have a better reputation for the honorable dealing of its agents. In all these matters the agent is not working for himself alone, but for the company, which is interested in having a class of business which will stay on the books till the claims mature. By taking a manly, straightforward course, by consulting the real interests of the insured, and recommending only such forms of policies as will be really satisfactory when clearly understood, the agent is honoring his calling and laying a foundation for many future renewals.

A dissatisfied policyholder, one who believes that he has been misled by an agent, is capable of doing an immense deal of harm. Perhaps he rushes into print, showing how the agent promised one thing and the company perform another; how he does not get the expected dividends; how the company will not give him any surrender values; and all the neighborhood is excited about the swindle of life insurance. If the company does not fulfil all the promises which the agent made when soliciting, he is very apt to hear of it when he collects the renewals.

Policies Are Short Lived

It is a lamentable fact that the policies, as a class, are short-lived; in the best companies only nine or ten years is estimated the average, while in France and Great Britain the average age of a policy is upwards of twenty years, or about three times as great as ours. And this is largely owing to the dissatisfaction of the public and the misrepresentations which agents have made about future dividends, surrender values, liberality of the company, etc. Life insurance in this country has not been overdone, but a thorough reform in the class of soliciting agents is imperatively demanded.

But the fault is not wholly on the part of the agents; the officers of many companies are equally to blame. The agent is taught that his business is merely to get applications and to forward the premium, no matter what statements have been made to procure them. No attempt is made by such companies to elevate or purify the business. If the agent succeeds in bringing in a sufficient number of applications, he is honored with a front seat, if not, he is of no importance.

But in contrast to this there are some companies which take a noble stand against all kinds of misrepresentation and deception in soliciting. They are not so numerous as they should be, but I hope their number is annually increasing. Such companies will be the most prosperous when once the people learn that they are never deceived or disappointed by their agents. When Mr. A. T. Stewart, the wealthy merchant of New York, was once asked what was the greatest difficulty he had to overcome in his business, he replied, it was to make his clerks speak the truth. In his immense palatial stores, the largest on the continent, no misrepresentation of the quality of the goods was allowed. The same rule should be insisted upon in soliciting life insurance; the standard of veracity should be placed high, and then the business will be more honorable and more profitable.