

THE CONSERVATION OF PUBLIC GOOD WILL.

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A marked advance has been made in the past decade in the efficiency and economy of life insurance management, both in the home office and in the field. During the past four years the advisability of extending these activities to the policyholders themselves has been very widely discussed, and it is to this movement that the word "conservation" has been generally applied.

In the broad sense "conservation" as used in life insurance means the education of the policyholder to the need of doing his full share in the prevention of waste.

This is important because the policyholder is himself responsible for the two greatest causes of waste in life insurance, namely, the needless lapsing of policies and premature mortality, each of which causes a loss to the insuring public of millions of dollars annually.

From this angle life insurance conservation activities may be divided as follows:

Conservation of insurance.

Conservation of health and life.

Conservation of public good will.

The conservation of good will is a matter of very great importance. The average policyholders may be described as satisfied and indifferent; that is, his interest in his company and in life insurance ends when he determines that his company is solvent and his contract secure.

The extraordinary growth of the institution of life insurance makes it almost imperative that an effort be made to change this attitude of indifference to one of active, friendly interest in the affairs of the companies, and of respect and good will for those who are managing them.

SUPPORT OF POLICYHOLDERS NEEDED.

The need for the intelligent support of the policyholders in guarding their life insurance interests is becoming more urgent every day. And it is also absolutely necessary to have their personal interest and good will if we are to expect them to heed our advice in the conservation of their insurance and their lives.

Policyholders have a right to look to their companies for education upon matters effecting their insurance interests. They are entitled to know how their companies are progressing, and the officers are entitled to have their plans and achievements laid before the people whom they are serving.

The failure of life insurance companies to maintain this close and friendly relation with their policyholders is responsible for the fact that a vast number of them scarcely know the name of the company in which they are insured, and there are doubtless millions of them who do not know the plan upon which their companies are organized.

Under these circumstances, it is not surprising that the average policyholder should make the mistake of placing life insurance companies in the same class as ordinary commercial profit-making enterprises.

For this unfortunate attitude toward life insurance the companies themselves are responsible. It is the old question of neglect. They show a keen interest in the "prospect," especially in his financial, physical and moral standing. They deluge him with information and argument to impress upon him the

value and need of life insurance.

But once insured he hears from his company only when it wants his premium, or some favor, such as assistance in securing business or in combating unjust legislation.

It is therefore only natural that some policyholders should conclude that the only interest their companies have in them is of a purely selfish nature. This neglect is well calculated to encourage a critical and an unfriendly mental attitude.

Nor is it to be wondered at—being thus left exposed to the influences of gossip and of such misinformation and prejudice as is constantly finding its way into the newspapers, that this adverse mental attitude should be strengthened and their allegiance to insurance and to their companies weakened.

CAUSES OF LAPSE.

Very few of the people who voluntarily lapsed nearly \$900,000,000 of insurance last year did so because of any doubt as to the security of their contracts. Fully 50 per cent. of this protection and this business, which cost an enormous sum to put on the books, is lost annually as a result of ignorance, neglect or needless extravagance.

If it is worth while to spend so much money to inform and to interest a man in life insurance and in a company, in order to get his insurance, is it not worth while to make a reasonable effort to keep him informed and interested after he is insured? If this insurance is worth getting it surely must be worth keeping.

How can we expect policyholders under these conditions to intelligently discuss public insurance problems? How can we expect them to be loyal to their companies and to have the knowledge and inclination to commend or defend them when opportunity offers?

It is clearly the duty of every company to keep in close touch with its policyholders and to make them understand that it is keenly interested in their welfare; that it appreciates their loyalty and support as an asset of great value. This can only be done by keeping the progress of the companies and the sentiments and purposes of those who are managing them before the insured.

The urgent need of thus conserving the good will of the policyholder—which exists when he is insured—has been strikingly demonstrated in the recent agitation resulting from the section of the Income Tax Bill which proposed to unjustly tax the funds of policyholders.

SITUATION DEMANDS HEROIC TREATMENT.

If the misunderstanding and the gross ignorance of the fundamentals of life insurance publicly displayed by some of our well-meaning national lawmakers is a sample of that still existing among the general public, the situation surely demands heroic treatment.

These are leaders of prominence in their own communities and in the nation, who are undertaking to legislate for the millions of policyholders and other citizens. And yet they have referred to policyholders' accumulations in a manner indicating that there is something criminal about these assets, and that they represent fabulous profits which should be taxed; being obviously ignorant of the fact that these accumulations are almost wholly required to cover liabilities; that 97 per cent. of the savings annually distributed by the life insurance companies of the country go to the policyholders and not the stock-