WANTS LIFE INSURANCE AGENTS LICENSED

By the Dominion Government, Rebaters Prosecuted and Amendments to Insurance Law—Address of Mr. John A. Tory.

The licensing of all life insurance agents by the Federal Government insurance department and the need for further amendments to the Dominion Insurance Act were but two of the many important suggestions in the address of Mr. John A. Tory, retiring president of the L.U.A.C.

Dealing with legislation past and future, Mr. Tory said:—

"During the past year different associations have been called upon to take action in connection with legislation in individual provinces, and we have been able to accomplish much good, but there is a further work for us to do. The bill proposed by the Ontario Government with reference to proof of age was one that would have meant a great hardship to the field men and would no doubt have reduced very materially the amount of their production, but your executive officers, working in connection with the Life Officers' Association, were able to show so conclusively that the bill was unfair that a splendid compromise, satisfactory I think to all concerned, was secured.

Watching the Legislatures.

"It is very essential that the Legislative Committee appointed by the Executive Committee this year keep in close touch with the different Legislatures as well as with the Federal Parliament. Always be prepared for any emergency that may arise. The local associations should back the Dominion officers to the very limit. The support given the Dominion Association in the province of Ontario last winter was magnificent.

"Now, as to the future, I believe the legislative committee should seek to have enacted an amendment to the Dominion Insurance Act which would make it compulsory on the part of the insurance department to prosecute cases of rebating where the facts are submitted to them by the local association and the fines should go to the insurance department to pay for the prosecution.

"Another thing that should receive immediate attention is an amendment that will prevent the switching of business by unscrupulous agents from one company to another. Rebating is practically a thing of the past, but a worse evil in my opinion is misrepresentation and the switching of business. When you switch a policy, in nine cases out of ten, you do an injury to the assured and he suffers a financial loss.

License the Agents.

"The misrepresenting of policies should be placed in the same class, and should be prohibited. You ask me how to overcome these two evils. I think it can be done in a very simple manner, and that is, allow no man to solicit life insurance in any manner unless he has a license issued by the federal government. This license should be issued free of cost to the different companies.

"Then when any local association or a committee of the Dominion Association submit proof to the insurance department that an agent has misrepresented or switched a policy, his license should be suspended or cancelled. Put that law on the statute books of Canada and you would do away at once with switching and misrepresentation. The Union Life incident also shows the necessity of amendments to the insurance law."

Business of Life Insurance.

Discussing the business of life insurance generally, Mr. Tory said:—

"I sometimes wonder whether we are fully alive to the possibilities of our business, whether we grasp the magnitude of it. At no time in the history of the world has the value of life insurance been so clearly shown as during the year 1913. This has been a strenuous year for many a business man.

"The close of 1912 showed signs of the coming financial storm. Men who thought they were worth a lot of money found it necessary to borrow. They applied to banks and other financial institutions and were unable to do so, and the life insurance policies that they had paid premiums on for years and in some cases thought little of, proved to be the means by which they were tided over.

How It Has Grown.

"No one can calculate what life insurance has been to many a man this year. So much so that the insurance business, the insurance companies, to-day stand in a class by themselves in the eyes of the people. In Canada, in 1912, there was insurance in force of $1,089,077,232. Divide this amongst a population of, say, eight millions, and you will at once see how the Canadian people value life insurance. During the same year there was paid to policyholders in Canada nearly $23,000,000.

"In 1902, just ten years ago, the amount of insurance written in Canada was slightly over $80,000,000. Ten years later, in 1912, we wrote $243,000,000 of insurance. In 1902 we had about $509,000,232 of insurance in force in Canada; in 1912, $1,089,077,232.

"The Canadian people appreciate as no other people the value of life insurance, but, gentlemen, if the Canadian people have shown such faith in our business as to place us in a class by ourselves, is it not true that a greater responsibility rests upon us as field men than rests upon any other class of people. Let us demonstrate to the insurance companies, to the people, that we realize our responsibilities, that our aim and object is to place our business on a higher plane than ever before, and, at the same time, to protect the public and their savings.

"Let us endeavor to convince the underwriters remaining outside of our association that we need them, that they can be of service to us, and that we can be of service to them. We have had to feel our way, in the past, as it were, but now we have reached full manhood let us become a more aggressive organization for the good of all mankind."

Mr. Tory also dealt at length with many routine and other matters. He suggested another year's trial to the plan of district vice-presidents of the Association, the appointment of a permanent paid secretary, great care in the selection of executive committee members, and the establishment of an official organ of the Association.

As to Educational Features.

"During the past year," said Mr. Tory, "steps have been taken to have insurance taught in several of the commercial high schools and we believe it is possible for a series of lectures to be given the coming winter in every commercial high school in the large cities of Canada. The superintendent of schools in one of the cities of the Dominion is thoroughly in favor of the plan and thinks that each province should have a series of lectures on life insurance given to all commercial scholars. If we had a permanent secretary this would be part of his work, the arranging of lectures in different provinces and the securing of members from the Life Officers' Association, the Insurance Institute, and also from our own Association as speakers."

Mr. Tory urged that every life insurance agent should become a member of the Association.

"If the executive officers of every life insurance company doing business in Canada," he said, "would make it compulsory for every field man in their employ to become a member of the Association, you would at once see an improvement in the general class of business, less lapses, better selection of risk, and a higher type of field man, and I believe the time is not far distant when every contract shall have a clause in it that the representative must become a member of some association. The closer and more friendly the relationship the better for the business."

Question of Taxation.

The question of taxation is becoming more acute every year, said the president. "We believe," he continued, "that every agency manager and his corps of agents should seriously consider if it should not be part of their canvass when discussing life insurance with their clients, not so much perhaps to reduce the present taxation, although we are absolutely convinced that the taxing of life insurance premiums is all wrong, but to prevent increases. We therefore recommend that we place ourselves on record as being opposed to the taxation of insurance premiums, and pledge our support to the Life Officers' Association in any campaign that they may undertake against taxation."

AWARDS OF CUPS AND PURSES

Mr. C. H. Armstrong, of the Imperial Life Assurance Company, Toronto, was the winner of the essay competition, "Life Insurance as a Factor in Social Economics." This was received by Mr. G. W. Hunt on behalf of Mr. Armstrong. Mr. A. N. Mitchell, in presenting the cup, stated there were not two parts in life insurance; there was no fence between the head office and the field force. When the field force did right, it benefited the head office. If the head office made a mistake, the field force felt it. Mr. Mitchell protested against government taxation in the insurance business, and thought the policyholders should be posted on the matter. They could stop this innovation with their votes.

The Winnipeg, Quebec, Peterborough and Kingston associations were presented with purses of gold in the membership competition.

The prize to the local association showing the largest percentage of increase in membership, presented by Mr. John R. Reid, was awarded to Winnipeg.

Mr. W. B. Campbell was given a cup as a mark of appreciation of his good work in connection with the meetings of the Toronto association.

The Quebec association won the cup presented to the association which held the six best meetings during the year, presented by Mr. A. H. Vipond.

The prize of fifty dollars in gold, presented by Mr. George H. Allen, general manager, Travellers' Life Insurance Company of Canada, for the best essay on how to close a risk, was awarded to Mr. Cushing, of the Sun Life Assurance Company. The winner has had four years' experience in actuarial spheres and two years in the field, he preferring the field work. Mr. Allen made a pleasing speech in presenting the prize, speaking of the good work of the association movement and the raising of the standard of the life insurance business.