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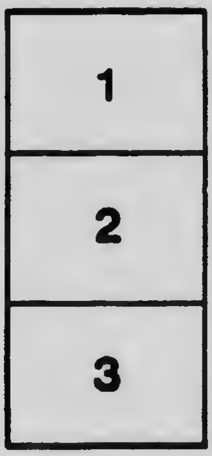
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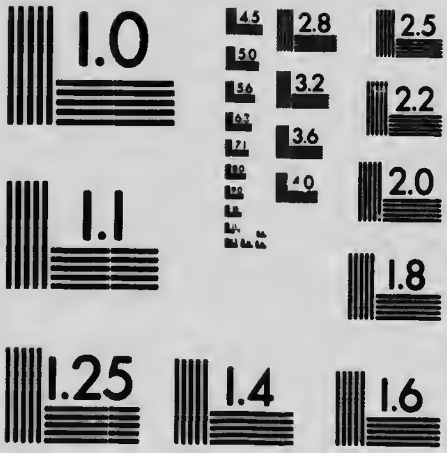

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By

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INTRODUCTORY

LIFE INSURANCE AS A PROFESSION

"I believe that any man of average ability, industry and strength of character can attain, in the insurance business, an entirely satisfactory position in life. The calling is one, above all others, that has the latchstring out for young men who are beginning life without special advantages, who are entering the battle, not in automobiles or carriages, or in pushcarts with relatives or friends behind, but afoot. They need not have money or a higher education. They need not sit in offices waiting for business, while expenses are running on. They need not drift. There is plenty for them to do. The older professions are undoubtedly overcrowded. We are overburdened with lawyers, doctors and clergymen. There are not enough fees to go around, and an undue proportion suffer the pangs of failure. In the other professions it is said there is plenty of room at the top. In life insurance, there is plenty of room at the bottom."

The words above quoted were uttered by a man of wide experience in life insurance agency work, and they are true. The life agent has a business which is unique in the splendid opportunities that it offers to men of ability and perseverance. It demands no special training, no long and costly college course. It requires no capital except industry and honesty. Most other professions are overcrowded, but the life companies have always room for agents who are willing to work. The life insurance worker has no wires to pull, no combines to fight—his success depends absolutely and only on himself. Of him it is true, if it is true of any man, that he is the architect of his own fortune. His success is bounded only by his energy, ability and perseverance. The humblest local agent may rise—yes, has often risen—to district manager, superintendent or even general manager or president of the company that he represents.

Compare the position of a man entering upon the life insurance field with that of a doctor or lawyer who has just started to practice his profession. The professional man has paid out a small fortune in college fees, besides having spent six or seven of the best years of his life in studying for his profession. He is now qualified to earn money for himself, but must look forward to an uphill fight for many years yet, before he can hope to obtain any worthy return for the time and money spent upon his education. The life insurance man, on the other hand, wastes not a cent on preliminary training. He studies his profession while he practices it. He gets his education while he is raking in the dollars. The professional man must wait for clients to come to him—the insurance agent goes after his clients.

And what can be said of the life agent's field of work? It is simply boundless. Consider the present population of the United States and Canada, numbering some 95 millions. Consider the rapid augmentation of that number by immigration and natural increase. Consider further that every few years a new generation is springing up to take the place of the old. Consider the ceaseless accumulation of wealth upon this continent which requires to be protected and perpetuated by life insurance.

Not only is the field widening from year to year owing to the causes mentioned, but also by reason of the gradual education of public sentiment in favor of life insurance. The day is coming when a life policy will be regarded as indispensable, not optional; when every man with a family to protect or a business to secure will consider life insurance just as necessary as boots or collar-buttons; when people will meet their premiums as a matter of course, just as they now pay their butcher bills and grocer bills. That day has not yet arrived, but it is steadily approaching. Life insurance is becoming popular. Any veteran agent will tell you that the public takes a far deeper and more intelligent interest in insurance than it did twenty years ago. Even the great upheavals and investigations of recent date have served the purpose of advertising the business and attracting public attention to its benefits as well as its abuses.

The future of the business was never so bright as at the present time; in no other calling are there greater and more numerous opportunities for men who are willing to work and persevere.

THE INSURANCE AGENT AND HIS WORK

It is a source of consolation in ill success and of satisfaction at all times to the insurance agent to be able to reflect that he is filling a useful niche in society. There are few other professions whose members have accomplished so much for their fellow men, or who can point to such tangible results of their labors. Scarcely a community can be found which does not witness instances day after day of families saved from difficulty or worse by means of life insurance. And in not one out of a hundred of these cases, probably, would there have existed any life insurance had it not been for the efforts of some insurance agent.

The insurance solicitor does not pretend to carry on his business from purely philanthropic motives. He has his living to make, as have other men, and that is presumably his main reason for being in the business. But the fact is not altered that his occupation is a highly honourable and useful one from the public standpoint, and there are few other men that actually accomplish one-half the amount of good in the world without making ten times as much noise about it. If thousands of families and individuals are being daily helped by means of life insurance provision, the agents who wrote the applications are to be thanked for it; if insurance has taught thrifty and prudent habits to multitudes of others, the field workers are again responsible; if the public have been educated to a far wide appreciation of the benefits of insurance, that also is due to long years of persevering work on the part of the men who represent the life insurance companies. We venture to aver that many an honest worker in the insurance field solaces himself in the midst of rebuffs and disappointments by considerations like these, and derives some inward satisfaction, even if no commission, from the thought that his efforts are not induced by purely selfish motives, and that the objects he has in view are in every respect worthy, useful and beneficent.

THE FUTURE OF LIFE INSURANCE

It would be difficult to exaggerate the scope of the field which lies open before life insurance workers on this continent, and still more difficult to overestimate the yet greater prospects which lie before the business of life insurance in years to come. Consider a few of the factors upon which the growth of the business will depend.

POPULATION. Rapid as has been the growth of the population of this continent during the last century, it seems probable that the same rate of increase will be maintained for many years to come. Especially is this likely to be the case in Canada. Lord Strathcona has prophesied that, at the close of the present century, Canada will possess a population of eighty millions. Hon. Sir Geo. W. Ross predicts that a not far distant census will record a population of twenty millions. Mr. Byron E. Walker avers that Canada is bound to become the industrial storehouse of the world. These are daring prophecies, but their fulfilment will appear neither impossible nor improbable to the person who reflects how richly this country is endowed with fisheries, timber, minerals, agricultural products and water powers. The next twenty years will undoubtedly see great progress made in the building up of a wealthy and populous Canadian nation, and the life agents who are on the spot during that period will reap the harvest.

EDUCATION. Not only is the increase of population to be considered, but we must also reflect that life insurance is becoming more popular from day to day. Not many years ago comparatively few people understood the principles underlying the business or were familiar with its many benefits. Nowadays, most men —certainly most business men—have a fairly good grasp of the essential features of life insurance as a business proposition. Many of them will admit without argument the value and importance of life insurance. Old time prejudices and suspicions are dying out. Life insurance has "made good." The life insurance company is as firmly established in our economic system as the savings bank or the departmental store. And there cannot be the slightest doubt that the future will see a still greater and more general appreciation on the part of the public for the many benefits which life insurance bestows.

WEALTH. Not only do increased population and wider popularity tend to the growth of the insurance business, but we must also consider the rapid growth in wealth upon the continent. The two nations, Canada and the United States, are steadily growing in wealth from year to year. The rapid development of natural resources of every description is bound to produce this result. And this greater accumulation of wealth upon this continent is certain to have its effect in extending the life insurance business.

And finally, we may say, with reference to the future of life insurance, that the field will never be exhausted. Each successive generation offers new opportunities. Old policyholders may die off, but others are growing up to take their places. The life insurance agent, unlike Alexander, need never weep because there are no other worlds to conquer.

Character of the Successful Agent

PERSEVERANCE

Perhaps there is no quality that is more necessary to the life insurance solicitor than perseverance. Life insurance applications never come to an agent, they have to be *won,* and then often at the expense of rebuffs, discouragements and hard knocks. Further, the returns vary from month to month, so that the results of the most systematic work are often irregular and almost spasmodic. When we add to this the fact that there is no business which falls away to such an extent at slack seasons or in times of commercial depression, it must be admitted that there is some excuse for the agent (especially the new agent) who becomes perplexed and discouraged at the ups and downs which he encounters.

It is well for the man who enters the life insurance business to make up his mind beforehand that he must expect these ups and downs, and then when he meets these conditions later on there is less danger of his being discouraged. The great thing for him to guard against is lest his discouragement should rob him of any of his energy. The effect which difficulties and discouragements have upon so many young agents is to make them lose their zeal for the work; they are disappointed at the results, they lose heart, and then it's all over but the funeral. They might as well write the epitaph over their life insurance careers at once, for if there's one thing that is past revivifying, it is the agent who has lost faith in the efficacy of hard work.

How differently the experienced solicitor conducts himself in the midst of discouraging conditions. He has realized long ago that in this business one must take the bitter with the sweet, the ups with the downs, the defeats with the successes. He has met and overcome similar temporary reverses before, and has faith enough to believe that he can win out again. In the meantime he makes his present lack of success a reason for redoubling his efforts. Perseverance in well-doing will bring a man through any difficulty he can meet in the life insurance business. Without perseverance, the first temporary reverse is a rock upon which the agent is liable to make shipwreck.

ENTHUSIASM

In all our undertakings, in all our plans, and in all our battles of life, there is one quality which, more than any other, is requisite to success. It is enthusiasm. Without it, we are like sailing ships without wind—engines without steam. It is the motive power which impels us to greater efforts, and directs us into new and unexplored channels.

The successful men and the great men at every period of the world's history have been men of enthusiasm. They recognized their work, they were full of their work, they were enthusiastic about their work. They put their whole heart and mind into their undertakings. Small wonder that their undertakings prospered.

It is important to every man to feel enthusiastic about his work, but to the insurance solicitor it is doubly important. For the insurance solicitor's business is to influence other men, and how shall he influence other men if he be not charged with enthusiasm? For enthusiasm is contagious—you can catch it quicker than the smallpox. You are interviewed by an insurance agent who carries with him this infectious germ of enthusiasm—a man full of his subject, sure of his ground, bubbling over with energy and confidence—and, before you know it, you have been infected by his enthusiasm. Another man makes the attempt, uses the same arguments, quotes the same figures, and totally fails to move you. The first agent succeeds because the current of his enthusiasm sweeps others along with him, the second fails because of his own sluggish and phlegmatic disposition.

CONCILIATION

The life insurance solicitor who wants to succeed cannot afford to make enemies or arouse antagonism against himself. This does not mean that he ought to "crawl," or swallow insults tamely, or wear a demeanor of meek obsequiousness. We do not mean that he should sacrifice his own self-respect for the sake of keeping on friendly terms with all men. What we do mean is that the agent should cultivate a manly spirit of friendliness and conciliation because it is essential to his business success.

The agent who is quick to take offence, whose temper runs away with him, who walks around with a chip on his shoulder, who is too thin-skinned to stand the most trifling affront, will never be successful. He must put a curb upon his temper, and be big enough to overlook petty slights upon his dignity. An angry man never closed an application yet, but the feat has often been accomplished by a friendly-faced man who is too good-humored to get angry and too busy to regard trifling rebuffs.

The agent who is morose in disposition and finds it difficult to smile will never be successful. Everybody would rather do business with a genial, friendly person than with a gloomy pessimist who looks as though he had just lost a near relative.

The agent who stands aloof, who is reserved in his manner, who will not go three fourths of the way to meet the other fellow, will never be successful. He must come out of his shell, and make advances to other men and cultivate a friendly feeling towards all who come his way.

An insurance solicitor's success depends upon the number of friends he possesses, and he ought to be willing in his own interests to take a little trouble to conciliate people whom he meets.

THE BEST KIND OF "ISM"—OPTIMISM

Is there a life insurance man anywhere who hasn't run up against an occasional streak of the blues? We think not, or at least we haven't met him. We all have our spells of discouragement and discontent, when all things look gloomy and "hard luck" seems to dog us with disconcerting persistence. And yet even in the midst of our disconsolate thoughts we realize that this state of mind spells failure, that it paralyzes all our efforts, and that our only hope of success lies in shaking off the fit of despondency.

Nobody can accomplish very much who is out of sorts and out of harmony with life and his surroundings; when he is grumpy; when he goes about his work in a half-hearted way and mopes. People don't like to deal with a man of that kind. They have troubles enough of their own and have no time (most of them) to devote sympathy to their fellow-unfortunates. They would rather do business with an optimist—a man who has risen above his own troubles and has sufficient cheerfulness left to look pleasant.

Men often discuss the question as to what qualities are most essential to success in the life insurance business, but it is impossible t[illegible] ne a quality more essential than the one ment[illegible]ed at the head of this article—*Optimism.* One of [illegible]e greatest requisites in life insurance is to cultivate—for it can be cultivated —an enthusiastic and cheerful spirit, a disposition that rebounds like a rubber ball when it goes against anything hard, that takes with a smile the hard knocks of the world, that is able to throw off temporary discouragements. The man who possesses this spirit may be cast down but he cannot be broken; he may suffer a reverse but he cannot be defeated. In the end he rises superior to all his discouragements, and, years after, when he looks back on the past, he sees clearly how well this resolute optimism has served him, not only in enabling him to live down his disappointments but in winning him friends and adherents who have been attracted to him chiefly by his spirit of cheerful enthusiasm.

CONCENTRATION

Mr. Gladstone, when once asked to what he attributed his marvellous success in so many departments of work, replied, "Concentration."

What is concentration?

Did you ever, on a day when the sun's strength was scarcely sufficient to warm your cheek, take a magnifying glass in your hand and by its aid focus the sun's rays upon a piece of wood until it burst into flame? That is an example of concentration. The sun's beams contained just as much warmth before you produced the glass as after. But at first its heat was diffused; afterwards it was concentrated.

Did you ever, on a day when all your faculties were restless and wandering, sit down at your desk and vainly try to do some work, baffled in all your endeavours to control your aimlessly flitting thoughts, and unable to bend your energies to any purpose, until at last, by virtue of a great resolve, you fixed your mind upon your task and found it easy? That was a victory won by concentration. Your mind was just as strong, your thoughts just as active, when you first sat down as afterwards. But your energies required to be centred on one thing instead of fluttering, without aim, from one object to another.

Concentration wins the day in all the avenues of life. None can stand before the concentrated man. He forgets all except the aim immediately before him, and centres all his mind upon that and that alone. "One thing at a time, and that with all my might!" is his motto. He throws himself with all his mind into each task that he undertakes. No wonder that other men who lack this power of concentration, this fixity of purpose, are outdistanced by the concentrated man.

Concentration wins the day in all the departments of the world's business—life insurance as well as the rest. The agent who will cultivate this faculty of concentration cannot fail of success. You will approach a client your whole mind bent upon securing the application which you want—and will gain your purpose invariably, unless the other man's will is very much the stronger: and even then you will triumph if the client does not earnestly oppose his will to yours.

Cultivate this power, then, on every possible occasion. It is a hard thing to do to subordinate all minor considerations to the one aim immediately before your eyes, to curb your wandering faculties when they find it irksome to be controlled. But, because it is hard, for that very reason it is worth seeking. It is so hard to attain that the ordinary man never attains it. So much the greater will your triumph be if you secure that which is the secret of all success—the power of concentration.

SYSTEM

Probably you have noticed that successful men are usually systematic men. More than that, system men are usually successful. This is true in almost every business, and especially true in life insurance canvassing.

There is no other business or profession which is so apt to generate idleness as that of the agent. The agent is his own master; he has no fixed hours of work; his time is his own. Unless he is a man of unusual force and energy of character there is a great temptation before him to fall into loose habits of work.

The remedy against this insidious tendency can be summed up in one little sentence, "Have a system." Map out your time, determine at the beginning of each day what men you will interview, and let nothing less important than the securing of an application cause you to deviate from your programme. It will be a hard thing to do. It will call for much self-denial and will-power on your part. But in the end you will have your reward. For the results of your diligent and methodical work will appear not merely in the shape of largely increased commissions but in the greater power and efficiency that you will have acquired in your chosen profession.

Be systematic. In urging this advice we are simply repeating what is the unanimous counsel of practically every agent who has made a success of the work. We advocate no particular system. Select the one that best suits your own circumstances. Someone has very wisely said: "Almost any system will work if the agent does."

LUCK

There is no luck in life. Luck is of our own making. Luck means rising at six in the morning, living on one dollar a day if you make two, minding your own business and not meddling with other people's; luck means the hardships and privations which you have not hesitated to endure, the long nights that you have devoted to work; luck means the appointments you have never failed to keep; the trains you have never failed to catch; luck means trusting in God and in your own resources, a religion whose motto is "Help yourself and Heaven will help you."

If you are successful all the social failures will howl at the top of their voices that you have always been lucky. You may certainly be lucky for a short time, but you cannot always be lucky any more than you can always be unlucky. The man who plays cards every day of his life will tell you at the end of the year that he has been lucky as many times as he has been unlucky.

The same in life: the only way to be lucky—that is to say, successful—is to leave nothing to chance, but to work and work again: to inspire confidence in others by the strength and uprightness of your character: to make yourself indispensable by your reliability and your devotion to your calling pleasant by your cheerfulness, respected for your honesty and sincerity; and always to bear in mind that what can be obtained once by tricky means can, as a rule, be obtained forever and ever by honest ones.—Max O'Rell.

HUSTLE OR RETIRE

It is well worth while to devote an entire article to the emphasizing of a fact, old as the everlasting hills, obvious as the A B C, and yet, alas, how seldom realized! That fact is simply this: WORK COUNTS.

When a lady once asked Turner, the celebrated artist, what the secret of his achievements was, he replied: "I have no secret, madam, but hard work."

When Thomas A. Edison was asked to define the inspiration to which he owed his scientific discoveries he said: "Inspiration is perspiration."

In every department of human activity the same word is true: WORK COUNTS. It is particularly true in life insurance, where the returns are directly proportionate to the energy and time expended. Consciously or unconsciously, every agent is a living example of the truth of the saying. Some agents exemplify it in a manner highly satisfactory both to themselves and to the companies with which they are connected. The steady stream of applications flowing head-office-ward is proof positive of their belief in the efficacy of hard work. Other agents furnish a negative proof of the maxim's truth. They apparently believe that hard work does *not* count, and their utter failure in their chosen calling is the best evidence of the marvellous consistency with which they live up to that belief.

There is no royal road to success in the life insurance business. In that business, as in every other, "the hand of the diligent maketh rich, but idleness shall clothe a man in rags." Brilliant talent, a good education, extensive connections, a "pull"—any of these things come in handy if the life agent possesses them —but all of them put together will not bring success if energy and industry are lacking. More than that, the agent who possesses energy and industry *will succeed* whether he has these other advantages or not. Energy enables a man to force his way onward and upward through irksome drudgery and dry details

—in spite of defeat and rebuff. It accomplishes more than genius, with not one-half the disappointment and peril.

In every branch of insurance there is plenty of business to get and the "plums" will be captured by the live men who know how to "hustle" early and late. But competition is now so keen that the man who sits down and waits for business to come to him might as well put up his shutters and retire to a sanitarium. The man who works half-heartedly might as well do the same. The conditions under which life insurance soliciting is carried on at the present day necessitate a survival of the fittest—and only the fittest. The solicitor who does not possess sufficient energy and purpose to enable him to cope with present-day conditions in the insurance field will be pushed to the wall.

There are big demands made nowadays on the insurance solicitor who would succeed. There is necessary the hardest of hard work, and heaps of patience, perseverance and purpose behind the work. That is one side of the story. And the other side of it is this: There never was an age in the history of the world when there were such magnificent opportunities for the worker as now. The world is wealthier than it ever was before. Society is better organized. [illegible]e insurance is better known and more popular tha[illegible]r. In fact, the only possible outcome hard work, wisely and energetically directed and applied, can have in this age is *success*.

Agents, be workers! In no other way can you make a living in life insurance or any other honest business; in no other way can you expect to gain recognition for whatever ability you possess. You will advance in your earning capacity, in the confidence of your company, in your own self-respect, just in proportion as you realize the truth of the maxim that WORK COUNTS.

What men want is not talent, it is purpose; in other words, not the power to achieve but will to labour. I believe that labour judiciously and continuously applied becomes genius.--BULWER.

Energy will do anything that can be done in this world; and no talents, no circumstance, no opportunities will make a two-legged animal a man without it.—GOETHE.

THE VALUE OF TIME

People have a saying that time is money, although not many men act as though they believed it to be true. We fear that insurance agents are particularly prone to forget the importance of making good use of the time at their disposal; for, not being bound down to any fixed hours of work, or governed by any settled routine, they find it easy to let the time slip through their fingers. And yet it is literally true that "time is money" to the insurance agent, for his income generally depends directly on the amount of time he spends upon his work. We venture to assert that the average agent could easily increase his earnings by 50 per cent. if he could only be awakened to the full importance of making every minute count. The best evidence of the truth of this assertion is the tremendous increase in the volume of any company's business during the closing weeks of the December campaign, when all the field staff are fully awakened to a realization of the very brief time remaining in which to round out the year's business.

What a pity it is that men so seldom comprehend the full value of the passing hours until some emergency arises which awakes them to an appreciation of that priceless possession, "Time," priceless indeed to those who realize its worth but valueless to those who prize it lightly; one of the few gifts bestowed in equal portions on all mankind, and, like all other free gifts of Providence, regarded with carelessness by the multitude. Only those few who rightly estimate its worth and use it to the full can say how much the wise investment of this one asset, "Time," will yield. What makes the difference between one man and another, between the leaders and the led? Out of all the host of reasons and excuses which men advance there stands forth one explanation which more than any other affords the key to the successes and failures of life—"*These* prized their time and used it; *those* neglected theirs." Time, diligently and constantly employed, will more than compensate for all defects of education, opportunity or even ability; while the most brilliant talents, assisted by every favourable circumstance, will not avail to lift a man beyond mediocrity if time is lightly thrown away. The oft-quoted words of Gladstone are worthy of being repeated once more: "Believe me when I tell you that the thrift of time will repay you in after life with an usury of profit above your most sanguine dreams; and that the waste of it will make you dwindle alike in intellectual and moral stature beyond your darkest reckoning."

PERSONAL APPEARANCE

It is poor policy for an insurance solicitor to disregard his personal appearance. In his business he has to make himself somewhat agreeable to people, and he interferes with his chances when he goes about with unshaven face, unkempt linen and dirty hands. Even a mechanic or teamster, whose occupation prevents him from giving much attention to his own appearance, would rather do business with the clean, well-dressed, successful-looking agent than with his slovenly competitor. An agent who is careless of his personal appearance can't expect to command the attention or respect of his clients, no matter to what station in life they belong.

Nothing succeeds like success. People are apt to take a man at his face value. If they see a person whose words, bearing and *dress* all speak of success they are impressed and attracted. But it requires a vivid imagination, or a large share of credulity, to believe a slovenly, down-at-the-heel canvasser when he says he is the district agent of the most successful life insurance company on the continent, and that men are tumbling over one another to get a chance to insure in his company.

As our friend Gorgon Graham remarks: "Appearances are deceitful I know, but, so long as they are, there's nothing like having them deceive for us instead of against us. If you look as if you had slept in your clothes most men will jump to the conclusion that you have, and you will never get to know them well enough to explain that your head is so full of noble thoughts that you haven't time to bother with the dandruff on your shoulders."

The commission on one $1,000 application will buy you a suit of clothes. Get the suit of clothes now and it will assist you in closing not one but a good many applications.

BE IN EARNEST

You can scarcely expect your client to treat the subject seriously unless you set him an example. A little fun now and then does no harm and enlivens the conversation. But there is a danger of going too far in this direction. Don't let your prospect get the idea that you are not perfectly in earnest. Don't encourage any levity when dealing with business matters. If you start the interview in a spirit of foolery you can place yourself at a disadvantage from the outset. Your client, if he finds himself hard pressed by your arguments, will generally adopt the obvious expedient of taking refuge in evasive jesting. The only safe demeanor is that of serious earnestness. You need not assume an aspect of owl-like gravity or supernatural wisdom. But let your manner and countenance betoken business of importance. Give your client to understand that you are in dead earnest, and he will treat you and your arguments with all the more attention.

DON'T WORRY—WORK

We all spend too much time in *worrying* over our troubles instead of *working* against them. So many people have a wishbone where they ought to possess backbone. Nothing in the world was ever accomplished by merely wishing—that remark is so trite as to be almost superfluous, and would be superfluous but for the fact that a great many people have apparently never heard, thought or realized it.

The profession of the life insurance solicitor is sometimes a disappointing one. His good luck, as well as his bad luck, comes in streaks. There is probably no business that requires a larger supply of patience, perseverence and resolution. This fact explains why so many men fail as life insurance solicitors. The men who succeed must be "stayers." They must have sufficient energy to resist the temptation to dream about past successes or, worse still, to worry about past failures. The men who succeed in this business are not the theorists nor dreamers—they are the workers.

READY, AYE READY!

Always be ready for business. Be always on the lookout for prospects. Have an application, a rate-book and a fountain-pen always in your pocket. Improve every opportunity for business, and *make opportunities.* View every man that you meet as a potential client. You can often close business when you least expect it.

The explanation of the success of many life agents lies right here. You may have wondered sometimes how certain insurance solicitors seem to have the knack of always finding business to be written. They have a kind of instinct which tells them where to look for business. They know intuitively when they meet a man who will prove a client. While others are twiddling their thumbs, wondering why business is so slack, the alert agents are as successful as ever, for they have the gift of knowing and seizing the opportunities that present themselves.

What an insurance salesman the Ancient Mariner would have made:

> "I pass like night from land to land,
> I have strange powers of speech.
> The moment that his face I see,
> I know that man must hear me;
> To him my tale I teach."

BE FULL OF YOUR SUBJECT

To become a successful life insurance solicitor a man must know his subject. No one who possesses merely a superficial acquaintance with the business can achieve permanent success. He is constantly displaying his ignorance to his clients, and never knows when he is likely to run up against a prospect of an inquiring turn of mind whose pointed interrogatories will make the so-called "insurance man" look like a novice.

The person whose aim is to influence others in the matter of insurance must be an expert—full of his subject, able to talk confidently and authoritatively on matters pertaining to his own particular line of business. Most insurance policies are taken out largely on trust, the applicant relying on the agent's representations and being influenced by his evident familiarity with the intricacies of his business. If this is so, how important it must be that the agent should possess this familiarity with his business and be able to impress the fact on his client! That familiarity with insurance matters can only be gained by study, and along the three following lines:

First—The agent must study his own company. He must know its age, history, officers, directors, the most prominent policyholders; he must know the details of its annual report, its assets, income, surplus, interest rate, etc.; he must know where its assets are principally invested, its basis of reserves; he must know all about its various forms of policies and their conditions as to cash and loan values, days of grace, non-forfeiture, indisputability, etc.

Second—He must study other companies. He should know how they compare in financial standing with his own company; whether it can compete with them in premium rates, surplus returns, guarantees, policy conditions, etc. He should know who are his most dangerous rivals and what their strong and weak points are, and how he can meet them in competition.

Third—He must study insurance matters in general, in order to know the current topics of the insurance world, something of the insurance laws of his province or state, the history of the business, its statistics, etc. For this purpose subscription to some good insurance magazine is almost indispensable.

DO IT NOW

There is an inherent tendency in all men to postpone work whenever possible, particularly if the work happens to be unusually hard or disagreeable. We are all prone to select the easy task for performance first, in preference to the difficult one. And when this occurs more than once, and when the difficult or disagreeable duty has been several times postponed, we are sometimes brought face to face with the fact that the process of proscrastination has been too often repeated, and that we have missed a valuable opportunity.

The simple and obvious remedy is given at the head of the last paragraph: "DO IT NOW." Get rid of that "streak of laziness" which handicaps you even as it handicaps nearly every man. Tone up your moral fibre by doing some things you should do but don't like to do. If there are several things to be done and one of them particularly hard or uncongenial select that one first. Do the hard things first and do them now;

'TIS THE SECRET OF SUCCESS.

CHARACTER IN THE LIFE INSURANCE AGENT

It is absolutely essential that the life insurance agent should be one whose character wins the respect of other men. It is not too much to say that the majority of applications are signed largely on trust; we mean that the applicant in most cases has neither the time nor the knowledge necessary to verify the statements made by the agent concerning the policy, the company, other companies and insurance matters in general. He accepts the representations of the agent because he believes him to be an expert on the subject and an honest man, or if the client does not believe him to be such the influence of that agent's statements is nil.

We hear a great deal in these days about the power of personality. It is undoubtedly a great force and a valuable asset, especially to those, like the life insurance agent, whose business brings them constantly in contact with other men whom it is their object to influence and sway. But what is personality? It is the combination of ability, energy and character, with emphasis on Character.

Personality corresponds to what is termed momentum in the physical world; it is the man with the greatest momentum that can best lead, influence and control others. In physics, momentum is the power of overcoming resistance by means of motion, and is the product of two elements, mass and velocity. The heavier the mass and the greater the velocity the greater will be the momentum. A trolley car moving at the rate of a few miles an hour has more momentum than a swallow flying a mile a minute; for the latter weighs only a few ounces while the former weighs twenty tons. So it is with men. Some possess greater momentum than others. He who combines ability and energy with character becomes an irresistible force in influencing others to his way of thinking, and when in pursuit of an object he carries everything before him. But the man who lacks character lacks weight; and, however swift his mental processes may be, no matter what velocity he may attain by extraordinary energy, yet because he lacks character he fails to acquire the momentum which other men possess, and by means of which they are able to brush aside like straws the obstacles in their way.

There is no room in the insurance field for the dishonest agent. For a time he may win trifling successes by his dishonest methods, but in the end he is crowded out by other men who have more influence and weight with the public, because they are more honest. The insurance companies are on the warpath against the unscrupulous agent. They recognize that most of the lapses, the suspicious death-claims and other unprofitable business are attributable to operations of such men. The companies keep and exchange lists of these undesirable agents, and as a result the man with the shady reputation finds it more and more difficult every day to make a living in the insurance business.

HAVE A SYSTEM

We remarked in a former article that, so long as an agent followed a system of some kind, he should be allowed to adopt one which suited his own circumstances best. Still, there are a number of matters which should be included in every agent's plan of work, and we venture to suggest briefly a few things which should not be omitted by the agent who is formulating a system:—

1. Make it a rule to canvass *at least three* new prospects every day.

2. Systematically plan each day's business. Before you start out in the morning, prepare a written programme of the day's work—and stick to it.

3. Plan to see a few of your old policyholders every day, so that during the course of the year you come into touch with every one of your former clients two or three times. It is a vexatious thing for an agent to discover that a policyholder whom he has not seen for months has placed additional insurance with some other company. Avoid this by keeping tab on your policyholders, and making certain, so far as you are able to do so, that they place their additional insurance with you.

4. Every day, mail some selected pamphlet or folder to two or three of your policyholders. Do it systematically, so that you cover the whole list two or three times a year. It will cost a little in postage, but you will be well repaid if you can thus establish a closer connection between yourself and your policyholders. prevent lapses and retain their confidence.

5. Work the "Friend's Report" plan systematically. Whenever you insure a man, get him to name as references two or more friends who would be likely to insure. If your company does not use a "Friend's Report" form, get them to print some for your own use.

6. Keep yourself plentifully supplied with prospects, by drawing on your own list of acquaintances, by watching the newspapers for suggestions, by working the "Friend's Report" system, and especially by active personal canvass.

7. Have a "prospect book," in which you enter the names of all your prospects. Make copious notes of everything relating to each prospect that might possibly prove of use in your canvass either now or in future: *e.g.*, age, occupation, married or single, number of children, ages, etc.

8. Keep similar notes of all interviews with prospects, recording dates, plans of insurance discussed, objections raised, the arguments which made a favourable impression upon them, etc. These notes will often prove of value years afterwards. You may be tempted to try to keep these things in your head, but among the hundreds of men you meet and solicit from year to year you are hardly likely to remember all of them, and a complete written memorandum will often serve to recall names and circumstances to your memory which would otherwise have passed completely out of mind.

9. Go through your prospect book regularly, so that none of your clients may be overlooked. Pick out those who are to be interviewed, those who are to be circularized, and *interview* them or *write* them, as the case requires.

10. Keep careful notes of future interviews to be attended to. If a client has his application postponed by the medical committee for six months, make a note of an interview to be made before the six months expire. If you are told by a prospect that he will be taking out additional insurance at a certain date, make a note of that date. If you learn that your client has an endowment maturing or a dividend payable at such and such a time, make a note of that also.

11. Similarly keep track of renewable term policies expiring in your own agency, endowments maturing, policies becoming paid-up, payments of surplus accruing due. These are the times when your old clients are likely to take fresh insurance. N.B.—See them before the other agent does.

12. It is a good plan to keep track of the date of birth of each of your policyholders, and, if possible, time your visits so as to coincide pretty closely with the date when he passes from one age—next birthday or nearest—to the next. You have an additional argument to use at such a time, because if he delays taking a policy, he will have to pay for it at an age one year older.

13. Keep track of the children of your policyholders and others. Watch them as they grow up and reach insurable age or enter employment. The agent who has his eyes open for such opportunities generally gets the business.

14. When you read the announcement of the birth of children to any of your policyholders, take the

opportunity to see the father and urge the importance of additional insurance.

15. If a client has his application rejected or postponed, see if you can get an application from the wife or son or some other member of the family instead.

16. Make notes of any incidents that occur in your own experience illustrating the importance of insurance protection. An agent does not need to be very many years in the business before he comes across numerous cases, *e.g.*, where life insurance has p[illegible] of inestimable value to a family, or where a [illegible] delayed too long in taking out a policy and found himself uninsurable when he did apply, or where a policyholder allowed his policy to lapse with disastrous results to those dependent upon him, etc. The daily newspapers are full of just such incidents—the very best arguments for insurance—and it is a very good plan to make a collection of such newspaper clippings for use in soliciting.

17. We knew one very successful agent who kept a pocket scrap-book in which he pasted items of this kind, as well as insurance facts, statistics, etc., collected from the daily papers and insurance journals, and he claimed that his book was of great assistance to him in his work.

18. Try to make the influence and example of each policyholder you secure count for as much as possible. For example, when you have secured a foothold in a large establishment by insuring the life of one employer or official, endeavour through him to reach his employees in the same business. When you corral one member of a graduating class in law or medicine or divinity, make him the means of getting a good introduction to other students of his year. And similarly in other cases.

19. Develop a system that will enable you to look after the collection of renewal premiums well and promptly. It will pay you in three ways. *First*—It prevents lapses, maintains the record of your agency and swells your renewal income. *Second*—The collection of a renewal premium furnishes you with a good excuse for calling on old policyholders and a good opportunity to place additional insurance. *Third*—There is no other way in which you can more successfully or easily win the confidence and favour of the powers at head office. Your prospects of promotion depend very largely on your record in regard to lapses.

20. When you have fixed upon a programme that is workable and successful—stick to it. At the same time, keep your mind open and unbiassed, and be willing, if improvements upon your plan are suggested, to adopt them. Reconsider your system from time to time. Ask yourself whether it is fulfilling all the purposes that it ought to fulfil. If you are growing in experience and efficiency as you ought to grow, the system that you base your efforts upon will undergo a corresponding development, and you will think of improvements from time to time.

21. Finally, in following out each day's programme, let there be no shirking or side-stepping of difficult or distasteful duties. Follow the order you have fixed upon. And in fixing the order in which the duties of the day are to be undertaken, adopt the plan of putting the hard things first. It is an excellent self-discipline to develop the habit of thus tackling difficult things resolutely and unhesitatingly; and besides, the best time to tackle the hard things is with the fresh energies of the early day.

Some Good Rules To Follow

CANVASS ONLY INSURABLE RISKS

It is a wise plan to ascertain whether your client is an insurable risk before you proceed too far in your canvass. In fact, whenever possible, this is one of the preliminary enquiries that should be made before the canvass is commenced. An agent makes no money out of declined applications, and he loses the time and energy expended upon the case, which might have yielded him good returns if he had been employing them elsewhere. In addition, the man who has been declined often takes his rejection to heart and is sometimes so unreasonable as to think that he has a grievance against the agent who induced him to apply. It is worth the agent's while, therefore, to take a little pains in enquiring about his client's family and personal history, his habits (temperate or otherwise) and his present physical condition (overweight or underweight, healthy appearance, etc.).

Then, aside from the agent's own interests, he ought to look at the matter from his company's standpoint. The head office is generally anxious to have the co-operation of the field staff in reducing the number of applications from questionable risks, not only on account of the expense connected with declined applications, but also on account of the danger of some of these under-average lives slipping through by mistake. The selection should not be entirely by the medical committee at head office. Every application forwarded to the company should be a selected one, as it is "approved and recommended" by the agent and the agent should recommend none that are unsuitable.

Of course, an agent is not expected to exhibit the trained judgment of a physician in choosing a risk. He cannot detect a heart murmur or albuminuria. But he *is* expected to subject an application to a general scrutiny, and this can generally be done without interfering in the slightest with the progress of his canvass.

Reference was made above to the importance of ascertaining whether the applicant's habits are temperate. Special responsibility rests on the agent in this matter. It is impossible for the medical committee to see an applicant personally; they must depend entirely on the recommendation of the local medical examiner and the recommendation of the agent. The medical examiner may be relied upon to detect any flaw in the subject's physical condition, but in many cases he is not acquainted with the applicant, and therefore knows nothing of his habits. Accordingly the medical committee, in this regard, confides almost wholly in the agent. If the agent violates that confidence and recommends men for insurance before previously ascertaining that their habits are correct and temperate, then the utmost vigilance on the part of the head office will not prevent an undesirable risk occasionally slipping through.

HOOK THE BIG FISH

Hook the big fish instead of wasting your time in angling after the minnows. The little fellows nibble and nibble but seldom bite; even when you think you have one hooked, he often slips back into the water and takes the bait with him. But when a big fellow bites he means business.

Ask any experienced agent, and he will tell you that the little fellows, the men who insure for $500 or $1,000, are the ones who give him the most trouble. They are the hardest to insure, they require the most explaining, they are the first to lapse, they furnish the "cranks." On the other hand, the men who insure for the larger amounts make less fuss, pay more promptly and in all respects are easier to handle. The reasons for this are easily seen. The man who applies for a small policy is not wealthy; consequently he grudges the investment of even a few dollars in insurance. He is often uneducated and must have everything explained to him in detail over and over again. He is not familiar with the idea of insurance, and is therefore more or less suspicious. On the other hand, the large policyholder is well off, and does not quibble over a matter of a few dollars more or less. He is well posted in business matters and has no difficulty in following the agent's explanations. He probably carries life insurance already and appreciates its advantages.

Indeed, it seems impossible to dispute the proposition that the big applications are the ones that the canvasser should pursue. The point, however, that many agents will be inclined to raise is, "But, I don't know where to get the big applications." Oh, yes you do. There is not an agency in the United States or Canada that does not include dozens of wealthy men, nine-tenths of whom have only a fraction of the insurance that they should carry. Manufacturers, bankers, merchants, business men of all sorts, professional men, wealthy farmers, government officials—get after them all. Sit down and write a list of all the rich men you know, and then set to work to gain introductions to them. Don't blush or grow pale when ushered into a "big" man's presence. Your mission is to talk life insurance, and so long as you stick to your subject, you can teach something to your client, no matter how learned or successful or famous he may be. And, we may add, you will find the really "big" men—distinguished for brains, character or culture—to be, generally speaking, the most affable, approachable and reasonable of all those whom you number among your clients.

And, in conclusion, don't forget that one wealthy policyholder will bring you others. Many an agent owes his success largely to having made good use of his first application, in securing introductions, influence, etc.

How many agents grasp the fact that one $10,000 application will yield them just as much commission at ten $1,000 risks, to say nothing of the saving in time and trouble?

GET CASH SETTLEMENT WITH APPLICATION

It is important to get at least part settlement in cash when you close the application. Make it a rule to do this, and tell your prospect that it is your rule. You, of course, give a receipt for the money, agreeing to return it in case the application is not accepted and the policy issued within a stated time. Some companies allow their agents to give interim receipts in such cases, so that the applicant is insured and the company on the risk from the moment cash settlement is given. These interim receipts, of course, are good only for a short period, and are worthless after that period, unless a policy is issued.

The advantages of taking cash settlement are principally these: You get the payment from your client when he is in the mood, and accordingly need not fear lest when you deliver the policy some days or weeks later his enthusiasm may have cooled. Even a comparatively small payment on account will be valuable as a forfeit, for your man will not be so likely to back down if he has to lose what he has already paid. The same consideration will also prevent the applicant from lending a listening ear to the blandishments of rival agents during the time that he is waiting for his policy.

Some companies impose a fine on the agent when a policy is "not taken." When this is the case, it becomes doubly important that the agent should get a cash deposit with each application, so that, if the applicant changes his mind for any reason and refuses to take the policy, the agent may not have to go down into his pockets to pay the fine.

STUDY THE POLICY CONTRACT

It is not always necessary or advisable for the agent in his canvass to enter into a minute explanation of the different provisions and privileges contained in his company's form of policy. You know that the policy your company sells is a straightforward, liberal contract, and there is ordinarily no need for you to becloud other and more important issues, or weaken the effect of your other arguments by opening up a lengthy discussion of all the clauses and provisoes in the policy contract.

Still there are cases where it may be advisable for the agent to make a thorough explanation of the terms of the policy, for example, in case of competition, or in a case where an unusually cautious client makes special inquiry as to the liberality of the policy conditions; or where you have failed in every other attempt to win your prospect's interest, you may sometimes gain his attention by pointing to some unique and attractive feature in your company's policy. In order that the agent may be able to use the policy conditions as an argument, it is necessary that he should make a thorough study of his own company's policy, so as to have every provision clear and definite in his mind, and the answer at his fingers' ends. To accomplish this requires some labour and careful study, but no agent is thoroughly equipped who is not thus familiar with the wares that he is selling, and before he has been in the business long he will find himself amply repaid for his trouble.

One never knows what particular feature of the policy is going to attract a client, and perhaps score a victory for the solicitor. Sometimes the Automatic Non-Forfeiture privilege appeals very strongly to certain clients. They may have known instances of peculiar hardship, as where a man has kept up his policy for years and then died after having let the premiums get in arrears during a period of temporary financial difficulty; or where the policyholder was stricken with a fatal illness about the time when his premium fell due, and no one thought of paying it until it was too late and the policy had been forfeited for non-payment. Your client, with these cases in his mind, may be disposed to make out of them an argument against life insurance. But you can silence and perhaps convince him by pointing out that the Automatic Non-Forfeiture provision guards against the danger of similar accidents recurring in connection with your company's policy, for the premium is automatically advanced and the policy does not lapse in case of temporary or accidental default.

Or the Instalment Privilege may be the provision that will appeal to your client. He may express a wish for a policy that will insure a guaranteed income to his wife as long as she lives. You point out that the Continuous Instalment privilege contained in your policy meets this requirement exactly.

There are innumerable ways in which an exact and intimate acquaintance with the terms of the policy will assist the life insurance solicitor. This necessitates study. But time and pains bestowed in this manner will be well worth while, and no matter how often the agent has read the policy, a fresh perusal of it will always shed fresh light upon his mind, suggest new arguments, and develop his power to present them. It is largely this attribute of exact knowledge that makes certain old and experienced solicitors so effective in their work. If you are present with them while they are engaged in a canvass, you are struck immediately with the completeness of their equipment, their absolute mastery of every phase of the subject, the grip they have of every detail of the business. These acquirements come only as the result of diligent perseverance and laborious self-training, and the men themselves are living examples of possibilities which lie before those who are willing to give themselves with a like earnestness to the scientific study of their profession.

SHOW THE POLICY

A travelling salesman in any other business carries his case of samples. He doesn't ask customers to buy until he has shown them exactly what he has to sell. Why should it be otherwise in the life insurance business?

Many veteran agents make it a rule to carry sample policies with them. It is something real which fixes the attention of the client. It helps to overcome the handicap under which life insurance solicitors labour as compared with other salesmen, in that they have no visible, tangible articles of merchandise to be seen, handled and examined. A sample policy will sometimes claim the interest of a client when everything else fails. It gives him confidence when he sees the guarantees set forth in black and white and is offered a chance to scrutinize them himself before he signs the application. It is surprising how many people have never seen an insurance policy, or have never had an opportunity to examine one closely. We venture to say that in many cases, where the prospect hangs back and the agent can't understand the reason for it, the true cause is that the prospect has a vague kind of a feeling (scarcely realized by himself) that it isn't wise to bind himself by signing the application before he has had a chance of *seeing* just what he is getting for his money.

Therefore, carry a sample policy. Or, if you have a policy for a substantial amount on your own life in the company you represent, use that.

DELIVER THE POLICY YOURSELF

Some of the most successful insurance agents make a practice of personally delivering all their policies. There is no doubt that there are advantages in connection with this course, which more than outweigh any little additional trouble that may be involved. When you send a man his policy by mail, his first thought as he breaks the envelope and glances over the unfamiliar looking contract is very likely: "Well, Blank got my application, and my money, and that was all he was after." On the other hand, when you take the trouble to visit your client, hand him the policy yourself, and have a chat with him, you show a friendly interest which he will not be likely to attribute simply to pecuniary considerations, and you cement a friendship which may mean a good deal to you at some future time.

It is a good idea, too, either to get him to read the policy when you hand it to him, or else to read it over to him, and obtain an admission from him that the policy is what he wanted and that he is satisfied with it. When your client has thus expressed his satisfaction with the policy, he is less likely to find a ground for complaint at some future time and make that an excuse for letting the contract lapse.

You can also use the occasion in order to obtain your client's suggestions or influence in helping you to secure other business. Say to him, "Here is your policy, Mr. ——. Will you look it through and tell me whether it meets your expectations? . . . . Ah, I'm glad you are satisfied with it. Now, I want to ask you to give me a little assistance with some other business," etc. He will likely give you his assistance, too, and you will find that your best business is obtained by the easy method of making use of the influence of the men whom you insure. It is an endless-chain system, which operates in such a way that the more business you close, the more business you see in sight.

IMPRESSIONS—FAVOURABLE ET AL.

Always endeavour to make a good impression. Even if it does not bear immediate fruit, it may prove of value at some future time. Even if your interview with a man has proved in other respects unsuccessful, it will not be an absolute failure, if you go away leaving him with a favourable opinion of your tact, courtesy, good humour and sound judgment. You never can tell what the ultimate effect of such an impression may be. You may think that your whole time has been wasted and your efforts fruitless, but if you have borne yourself tactfully and prudently so as to gain your prospect's good-will the effort will not go unrewarded. A future interview may serve to win over the man who is already favourably prepossessed and disposed. Or even if you never win him, his good-will will influence directly or indirectly other clients in your favour. Influence is like the ripple which the pebble starts on the surface of the lake. It has its origin often in some little thing, but once started, travels in widening circles farther than the eye can reach. The man who despises not these little things; who thinks it worth while to conciliate those among whom he does business and gain the assistance of their good-will; who takes applications where he can—but when he can't win applications, wins friends; that is the man who finds his influence and power steadily increasing from day to day.

And among all the impressions which operate in an agent's favour there are none like first impressions.

The man whom you meet for the first time is unprejudiced so far as you are concerned; you are a stranger to him—he has no bias for or against you. But when you leave that man he has formed a certain impression of you—your manner, ability, character—and when you meet him again you have that first impression in your favour if it was a favourable one, or you have it to contend against, if it was an unfavourable one. Therefore, the importance of first impressions; and for that reason, the necessity when you first approach a man—

(1) Of doing so tactfully.

(2) Of doing so intelligently; that is, knowing something beforehand about his circumstances and requirements, instead of blundering in upon him aimlessly.

(3) Of being neatly and correctly dressed.

(4) Of having the right kind of introduction.

(5) Of tackling him at an opportune moment; not, for example, when he is up to his ears in work or is heading hot foot for the ball game.

(6) In short, of doing all that foresight and prudence can do in order to insure that the first impression your prospect forms concerning you will be in your favour and not to your disadvantage.

WIN CLIENT'S CONFIDENCE FIRST

There are some men who are unduly suspicious—especially of agents. Perhaps they have been "taken in" some time by an unscrupulous agent; or it may be due to the fact that they are conscious of their lack of familiarity with business matters and for that reason exhibit special caution whenever they are asked to consider a business proposition. This is especially the case in country districts where very little business is done, and that entirely of the simplest character.

Farmers and other rural folk are often timid, cautious and slow in matters which a city man—more accustomed to business—would deal with freely and unsuspiciously.

The object of this article is simply to point out the necessity for care and tact in dealing with a client who is disposed to be thus ultra-canny. Don't broach the subject of life insurance until you have secured his confidence. Even when you feel that you have won a certain degree of trust, and that it is safe to introduce *the topic,* be still on your guard lest you excite his silly suspicions by any appearance of undue haste, and so cause him to retreat into his shell of canny wariness whence it will be in vain to attempt to dislodge him. Don't let him fancy that you are trying to rush him into insurance. Be patient and tactful, and when you at last succeed in closing him you will have the additional satisfaction of having secured for the company a policyholder who will stay. This canny, cautious kind is hard to persuade, but once having made up his mind, he won't unmake it in a hurry.

DON'T ACT AS THOUGH YOU DIDN'T EXPECT SUCCESS

Don't approach your prospect as though you didn't expect to insure him. If you commence your interview in that frame of mind, he will probably fulfil your expectations by *not* insuring. We knew a salesman once who always approached his customers with the same formula: "I don't suppose you want anything in my line today." Needless to say, the customers were generally unwilling to disappoint Mr. "I don't suppose," and the usual reply to his question was in the negative.

If a salesman acts as though he had not sufficient faith in his own wares to expect them to sell, he won't sell them. On the other hand, if he is positive that he possesses the very article, and is convinced that everybody else ought to have that article, and if he proclaims that confidence in every word and every action—then he stands a chance of convincing others. The first and most essential part of a salesman's equipment is confidence—in himself and in the goods that he has to sell. Otherwise he will be a failure. How can a man who is not confident inspire confidence in others; how can a man who is not positive influence others; how can a man who is not enthusiastic create enthusiasm in others? An insurance solicitor and every other solicitor must be chuck full of positive certainty. His whole manner and bearing must bespeak confidence. Such confidence is contagious. It will communicate itself to his clients. It will command attention. It will win him a hearing and will silence doubts. It will bring conviction to those whom he seeks to persuade.

TACT

Tact is the knack of taking a man the right way. It is a knack which seems to come to some agents naturally, so that they can pursue their calling day after day, among men of the utmost diversity of character, taste, occupation and social position, and yet never handle one the wrong way. There are other agents, on the other hand, who are always getting themselves into hot water, and lose hundreds of dollars every year by their tactless behaviour.

Some men are born with tact, but there is no reason why other men, born without it, should not by patience and perseverance cultivate and develop that quality. Any man, blessed with average common sense and average amiability, who makes a point of studying other men, their characters, their peculiarities and idiosyncrasies, their likes and dislikes, can develop this quality of tact in him, and, if he is apt and diligent in his efforts, he will probably attain in the end a surer knowledge of and influence over his fellows than is possessed by the naturally tactful man who relies upon intuition to guide his actions.

But, however he gets it, whether it is natural or acquired, tact is something that the insurance agent must possess. His aim is to persuade other men. To do this, tact is essential—tact which enables him to be bold, without being obnoxious; to be courteous, without being fulsome; to argue without disputing; to plead without cringing; to instruct without patronizing; to be persistent but not tiresome; in short, to do everything that it is necessary to do without overdoing it.

These are large requirements, no doubt, but the best insurance solicitors in the field possess them. And, it may be added, that they possess these qualities (which are summed up in the one word "tact") generally as the result of years of painstaking and persistent self-training. These things come naturally to some people, but most of us have to work for them.

RECOGNIZING A PREFERENCE

If your client shows a preference for any particular plan of insurance, take the hint immediately. If you start off by feeling your way with a 20 Payment Life policy, and he says, "Yes, that's all right; but what I want is a policy that I can cash myself—something that I don't have to die to win," throw all your previous figuring into the waste-paper basket. Don't waste time trying to show him that a larger policy on the 20 Payment Life Plan would suit his requirements better. He has given you a clue to the argument that appeals to him.

Produce the figures for an Endowment Plan, and work that argument for all it is worth. The battle is half won when you know the particular plan and the features of that plan that attract your client.

Always keep this consideration in mind at the beginning of an interview, before you have been able to learn much about your client's views on the subject of insurance.

If he does not himself volunteer a remark as to the plan he likes best, try to draw him out, get him to talk and make comments on the figures that you submit to him. If you can induce him to express a preference for any particular plan, you know at once what way victory lies.

SECURE YOUR CLIENT'S CONFIDENCE AND FRIENDSHIP

Make a friend of every man you insure. Let him feel that you have done your best for him, have placed him in a good company, have given him the plan most adapted to his needs, have studied his convenience and wishes at every turn—in short, that you have acted throughout with a tact, friendliness and consideration which did not have their origin in a purely mercenary motive. Don't let the acquaintanceship fall to the ground after you have written him up and delivered the policy. Cultivate his friendship. When you meet him on the street, stop for a handshake and a brief conversation. Be interested in the welfare and success of his family, his business and himself. If you see a chance to do him a good turn, seize it, even at some inconvenience and trouble to yourself.

It helps in many ways to make your client your friend. He will keep up his insurance, because it is in the company that you represent. He will be a satisfied policyholder—your best advertisement. If he needs further insurance you will place it. Through him you may reach his relatives and friends. If he can put business in your way or give you other assistance, he will do it. These are some of the advantages you will derive, and what is perhaps the greatest advantage of all must not be overlooked, namely, the added pleasure and brightness that will belong to you in your profession through thus cultivating mutual feelings of friendship and good-will between yourself and your clients.

NEVER PESTER A MAN

until he considers you a bore. There are some thick-headed individuals posing as life insurance solicitors who are as devoid of tact as a grizzly bear of manners. They would talk insurance to a man at his wife's funeral, or interrupt him at family prayers. These are the men whose blundering stupidity and forwardness have made the name of "life insurance agent" synonymous in some men's minds with unmitigated gall. They are responsible for whatever prejudice exists in the minds of the public against insurance canvassers. They have doubled the difficulties in the way of other insurance men, who try to carry on their business in a decent way so as to retain the respect and good-will of their clients.

There is a time for everything. When you meet a man who is busy with important work, or in a hurry, or with his mind full of worry about something else—it is obviously no time then to talk insurance. To attempt to do so would only create an unfavourable impression which you would find it impossible to overcome. In such a case, postpone your conversation till a more suitable occasion. You cannot lose much by a short delay, and you stand to gain the god-will of your client by showing this consideration for his convenience. Most men are reasonable enough to give you a fair hearing if they make an appointment with you for the purpose; but if you try to force your proposition upon them when they are occupied with something else, you furnish them with an excuse for refusing to listen and perhaps for dismissing you with more brusqueness than they would otherwise feel justified in using. It is worth while for the agent to remember that if he always approaches his clients with the utmost courtesy, he will very seldom meet with anything but courteous treatment in return; while the solicitor who displays a lack of courtesy and tact is sure to get sharp rebuffs and plenty of them.

At the same time, the agent must not let his politeness lead him into a too ready acquiescence with all his prospect's wishes. Firmness and even a certain audacity are quite consistent with perfect courtesy and tact. The agent must never lose sight of his main object. It is possible for him to show every consideration for his client, and also be resolute, persistent and aggressive.

NOT ASKING A FAVOUR

No man can achieve a real success in his profession unless his heart is in it, unless he feels that he is doing his share of the world's work, unless he can carry with him in his labours a feeling of proper self-respect and independence.

Some insurance agents never succeed because they cannot rid themselves of a kind of subconscious feeling that they are asking a favour from the men whom they canvass for insurance. They approach their prospects in a deprecating semi-apologetic manner as though they were asking a benefit, not bestowing one; as though they were appealing to their client's good nature, when as a matter of fact they are presenting a plain, straightforward business proposition, the merits of which the other fellow, if he has any commonsense at all, cannot help admitting.

If you are conscious of any such feeling of diffidence that lurks hidden away back in some remote recess within your brain while you are engaged in your occupation of insurance solicitor, get rid of it right now—or else quit the business. The insurance solicitor has no right to feel ashamed of his work. He does not pretend to be purely a philanthropist—there must be an element of self-interest in every occupation—but he can honestly claim that he is an educator and a public benefactor to an extent that is true of very few others of the world's workers. He can point to the vast sums that are being paid out annually by insurance companies in support of families many of which would otherwise be destitute, and he can truthfully say that *that* is the work of himself and his predecessors. Or even if you put the matter on a purely commercial basis and ignore its altruistic aspect, is there any reason that the insurance merchant any more than the vendor of any other class of merchandise should be backward in pushing his sales. The commercial traveller is nowadays recognized as an essential adjunct of modern methods of trade and deems an apology unnecessary in approaching his customers with samples of his wares—why should the insurance solicitor feel any hesitation in presenting a business proposition to business men in this business age?

Let those insurance workers therefore who feel conscious of having lost opportunities in the past, through the causes referred to in this section, be guided by this resolve in their future labours:

"That, confidently believing all men to be free and equal, and myself as good as anybody else; knowing also that I represent a strong, successful and prosperous company; realizing it to be my duty and privilege to extend the benfits of life insurance as widely as possible, I shall not be prevented by any so-called distinctions of rank or wealth or by unmanly feelings of personal diffidence from introducing myself and my message whenever and wherever commonsense and courtesy warrant it."

TALK ONE PLAN

The agent who confuses his customer by a lengthy explanation of half a dozen plans is not likely to secure an application. If he is lucky enough to do so, the chances are that the customer has not a very clear conception of the contract he has chosen, and when the agent comes to deliver the policy, he may be confronted with the declaration, "This isn't the policy you described to me." The poor man has probably been so confused by the agent's talk that he has jumbled together in his mind the features of two or three different policies.

If at all possible secure beforehand such information about the age, circumstances, etc., of your prospect as will enable you to fix upon some particular plan in advance. Having once fixed upon that plan do not obscure your arguments by dragging any other policy into the discussion. The agent who offers only one plan is never confused in his own mind as to what he shall talk about. Not being confused in his own mind, he does not confuse his prospects. This is an important point.

Perhaps more sales of insurance have been spoiled by putting the prospective customer in doubt as to what policy he shall choose than by all other blunders agents have made. Indecision of any kind is fatal to action. Indecision ruins the agent's chances. He should endeavour to make it as easy as possible for his prospect to decide. Therefore, talk only one plan.

NOT TOO MUCH TALK

It is a common failing of agents (in other lines as well as in life insurance) to make glibness for persuasiveness. Nothing could be further from the fact. You may talk a man's head off without being any nearer convincing him than you were when you started. In fact, if there is anything the average man dislikes it is to be confronted in argument by an opponent who won't let him get a word in edgeways. Even if there is truth and logic in what you say, you spoil the effect of it all when you talk too much or too long, or too fast. Your prospect hasn't time to digest your arguments. You no sooner make one point than you spoil it by hammering down another point on top of it. Your client loses himself in the cloud of words you utter, and instead of distinctness, clearness and decisiveness, the impressions he gets from your talk are indistinct, vague and usually result in indecision.

1. Don't forget that you are an insurance expert but your client is not; and that while the facts, figures and arguments you quote are familiar and trite to you, yet they are probably new and unfamiliar to him, and he needs time to assimilate them. Take time to drive your arguments home; give him time to get his mental digestion working; your arguments will have thrice the influence upon him if he thoroughly understands and appreciates them.

2. Don't give your client the impression that you want to "rush" him into insuring. Give him ample time to look at what you are offering him, to ask questions, to state his objections if he has any. Make him feel that you have no intention of trying to stampede

him, and that you are willing to submit your proposition to the strictest scrutiny.

3. Don't be unwilling to stop talking occasionally and listen for a while. If you do all the talking, it is impossible for you to know whether he follows your arguments or is impressed by them. As a result you may make the mistake of trying to force him to a decision before he is ready for it; or (even more likely) in your flow of talk you may pass unawares the "psychological moment" when he might have yielded had you stopped and asked him. Many an agent has talked a man into insuring and out again without ever being aware of it or even stopping to take breath.

WANTED! COURAGE, NERVE, SELF-RELIANCE, ETC.

That ancient jibe about the insurance agent's "nerve" rests on very slight foundation. For one agent who errs on the side of boldness, we venture to say that there are dozens who find themselves handicapped every day by undue timidity and backwardness.

How many are the defeats that agents encounter for lack of the proper audacity and self-confidence! What stories might be told! Of agents who have sought for weeks to secure an interview with a prospective client, and whose nerve failed them when the opportunity at last arrived. Of agents who have spent their abilities writing $1,000 applications all their lives, because they lacked the enterprise and confidence that might have induced them to solicit insurance from the great captains of industry and commerce. Of agents who have missed big opportunities because they were afraid to encounter a rebuff. Of agents who have repeatedly seen some audacious rival capture the prospect whom they have been timidly "keeping in view" for years.

There is not much chance of success, or at any rate no chance of much success, for the insurance agent who is thus under the tyranny of fear. There is no room for bashfulness in the insurance profession. As the homely proverb says: "A bashful pig never grows fat." The agent when he approaches a prospect must remember that he is not begging a favour or asking a loan. It is a straight business proposition that he is presenting. At the worst, his client can only refuse. And his refusal is far less likely to be uttered if the agent presents his business in a manly, straightforward way with no unnecessary diffidence or cringing. You are not nearly so apt to offend your client by assuming too aggressive an attitude, as you are to disgust him by undue humility or deference. All the world admires a fighter—even his opponent respects him: but nobody is ever much impressed by the person who betrays timidity in all he says and does.

> **Nothing sinks a man into low company, both of men and women, so surely as timidity and diffidence of himself. If he thinks he shall not please, he may depend upon it that he will not. But with proper endeavours to please, and a degree of persuasion that he shall, it is almost certain that he will.—Chesterfield.**

DWELL ON YOUR STRONG POINTS

You have almost always noticed in canvassing a "prospect" that there are certain features of the proposition which you have to offer that particularly impress him. They may not be the features that you consider the most attractive. They may be points which you did not expect to count for much. Nevertheless the fact remains that some of your arguments, from the "prospect's" standpoint, are more forcible than others—and your aim must be to discover what particular arguments these are that impress your client most. With this end in view, watch your client. You can generally tell when an argument has struck home. Sometimes by a word of assent, a comment, a pertinent question, even, your man will show that he is impressed and interested. Make a mental note of the fact then and there. Remember which of your arguments it was that apparently appealed to him, and work that argument for all it is worth. Do not allow yourself to be sidetracked by entering into discussion or explanation of minor features of the policy, but keep harping on your strong points.

Just here many an agent blunders. He gets his clients interested, he has an opportunity of ascertaining which of his arguments the client is most impressed by, he feels that he is gaining ground and yet—he fails to close the business. Why? In nine cases out of ten simply because, instead of sticking to his strong points and "rubbing them in," he allows the discussion to wander off along other lines. Then the newly awakened interest of the prospect dies away, and when the agent attempts to recover the lost ground he finds himself unable to do so.

Occasionally a "prospect" will put forward an objection that is hard to meet. For instance, he may say that his money would be "tied up" if he placed it in insurance. There are several ways in which you may combat this argument, but the chances are that your purposes will best be served by harking back to your strong points. There you are sure of your ground, and so long as you stay there, you have the "prospect" at your mercy.

DON'T LET HIM SAY NO

An agent can usually judge pretty accurately by the trend of the conversation whether he is carrying the prospect along with him in his argument or not. If the prospect is being convinced—well and good. The agent has only to await the psychological moment for producing the application form and securing the signature. But if the agent finds he is fighting a losing battle, if he perceives that the prospect for some reason or other is holding back, then it is wise to avoid forcing a decision too soon. If the agent presses the point at this stage of the argument, it is ten to one that the prospect says "No." When the prospect has thus declared definitely against the proposition, the agent is in a far worse predicament than he was before. In the earlier part of the conversation, the agent's task was to get the prospect to make up his mind (in favour of the proposition). But now that the prospect has committed himself against the proposition the agent must endeavour to induce him to change his mind—which is a far more difficult und[illegible]

Don't let your client say "No." [illegible] he is inclined to say "No," don't gi[illegible] Remove the pressure, go back to the [illegible] and try some new line of argument. [illegible] repeat the same arguments again if [illegible] prospect has not grasped them fully. [illegible] long as y[illegible] man does not make up his mind against your proposition, you have a first-rate chance. He may interpose objections, excuses—but these are indications that he is weighing and considering your argument; they are proofs that his mind is not made up and that he feels the force of your reasoning. Far better to bide your time, better even to arrange for another interview some other day, than to allow your man to put on record a decision which is not in your favour.

DON'T EXPLAIN TOO MINUTELY

Don't waste your time explaining minor points, unless your client inquires about them. Don't overwhelm your man with a flood of information about the policy, the company, and the insurance business. The main features of the plan which you are canvassing are all the "explaining" that is necessary in most cases. If your prospect inquires about your company, or if you are in competition with other companies, you may have to quote facts and figures to prove to him your company's standing; but the less superfluous information contributed to the discussion, the better. You are not interested in making your client an actuarial expert, and he, on his part, is not curious to know all these technical matters. If you are convinced that the company you represent is sound, and that the policy you are selling is adapted to the requirements of your client, why bother him with a lot of unasked, unnecessary knowledge? Spend your time and concentrate your mind on furnishing him with arguments for insuring, not with technical information which he can do without.

DON'T LET GO

When Rudyard Kipling was a youngster his father took him on a sea voyage. The qualms of seasickness never bothered young Rudyard, but the elder Kipling was a very poor sailor and early on the programme hied himself away to his cabin. A few hours later a passenger stuck his head into Mr. Kipling's stateroom and yelled, "Hi, there, Mr. Kipling, your son has crawled out to the end of the yard-arm and if he lets go he'll be drowned."

"He won't let go," returned the fond father, as he turned his wan face to the wall again.

Many a promising risk is lost because the agent "let go" too soon. Every life agent ought to possess a bulldog tenacity which will enable him to hang on like grim death so long as there remains the dimmest chance of success. There are too many agents who will "quit" if they meet with a rebuff or refusal. Don't let things like these discourage you. Let them rather put you on your mettle. There are men who have boasted that they were invulnerable, that the agent didn't exist who could insure them; and yet the same men have succumbed at last to the skillful persistence of some persevering agent. What other solicitors have done you can do if you refuse to "let go." You can be tenacious of purpose and yet not render yourself a bore. Your own good sense and tact will suggest plenty of ways of keeping after a prospect without making yourself obnoxious to him. In cases of doubt, it is better to err on the side of boldness, than to lose a risk through hesitation or diffidence.

STRIKE WHILE THE IRON IS HOT

Agents frequently have an opportunity to close a prospect at the first interview and fail to take advantage of the chance. They gain their client's interest and approval, they feel that they are carrying him with them, and then they allow themselves to be put off until another interview, through some slight excuse which they might easily overcome, if they understood how important it was to do so. The trou' often is that the agent, seeing his apparently su success, thinks to himself that his chances are secure, and when the client suggests a day or so of delay in order to think it over, the agent says, "Why, yes, no hurry, old man, I will call to-morrow and get your application." But when to-morrow comes the client's generous impulses have begun to cool, he has invented half-a-dozen excuses and the agent finds it difficult or impossible to close the application which only the previous day had seemed so easy.

Another reason why first interviews and their opportunities are not improved to the full is that agents don't prepare for the occasion as they should. They are like the blacksmith who, after he has brought his iron to a glow, withdraws it from the coals, only to discover that he has forgotten to get his hammer and chisel ready; and while he is off hunting for them, the metal cools. Just so an agent will call on a prospect for the first time, start his conversation, and just as he reaches what he considers the moving part of his appeal, he finds that something is missing; he has left at home an important set of figures, or he discovers some fact about his client's circumstances which upsets all his calculations. If he had planned the interview carefully beforehand, the hitch would not have occurred. As it is, the opportunity for closing the prospect on the spot fades away, and the agent, perhaps, never gets such a good chance at any subsequent interview.

An agent should never allow himself to contract the habit of interviewing clients without closing them. These oft-repeated, fruitless interviews waste one's time, but that's really a minor matter. Their most objectionable feature is that they gradually result in loss of power to the agent. He falls into the habit of letting himself be put off. His list of prospects grows and grows, he is interviewing people all the time, he thinks he is working hard—but all the time he is losing the ability to close applications, and the power to close applications is what really counts.

Get into the habit of carrying things before you. Put up a fight for the application every time you see an opportunity. When you commence a business interview, make up your mind that you mean business and don't allow your client to postpone his decision till another day, if there is a fighting chance to close him to-day. By cultivating this attitude you develop a strength of will and purpose which men you meet with will unconsciously recognize, and which will go far towards securing your success as a life insurance solicitor.

MIND READING

All mind readers are not fakers. On the contrary, many of them are successful and respectable insurance agents who have acquired much of their success and lost none of their respectability through an expert acquaintance with this very art of mind reading.

The life insurance agent's business offers abundant opportunities for the exercise of this knack of reading other men's minds. The agent who argues with his prospect must watch the effect of his arguments. If he perceives that one is producing but slight effect he must pass on to the next; if he observes that another has made a strong impression, let him emphasize it, dwell upon it, and, if necessary, return to it a second time when he sees his client wavering. Let him similarly watch when his client utters his objections. If he perceives some of them to be genuine, let him answer them fairly and fully; if he suspects others to be merely excuses, let him treat them lightly or ignore them as they deserve. Above all, the agent must watch for the "psychological moment" which we hear so much about—the fateful instant when conviction first reaches his client's mind and when the agent can obtain a favorable decision if he appeals for it at once.

Some men are naturally skillful in reading the thoughts and feelings of others—and these are the men who naturally make good agents. But others can acquire the same skill. The art of mind reading can be developed by constant practice in watching and following other men's thoughts. And the agent who purposely keeps this idea in his mind in dealing with every prospect—feeling his way, observant, watchful, anticipating objections, making mental notes of every word or look—will feel himself growing in proficiency day by day, and will soon realize what unlimited opportunities there are for making use of this faculty of "mind reading" in the life insurance business.

HOW HE FAILED TO MAKE A SALE

He lacked dignity in his bearing.
He wasn't neat in his appearance.
He used no tact in introducing himself.
He was late in keeping his appointment.
He had a conceited and arrogant manner.
He did not believe in his own proposition.
He disgusted his prospect with gross flattery.
He didn't know the fine points of his own goods.
He offended the prospect by undue familiarity.
He made a bitter attack upon his competitor's goods.

He openly ridiculed his prospect's ideas and methods.

He had made no preliminary study of the prospect's case.

He relied on bluff instead of solid argument based on facts.

He got lost in a forest of details, but couldn't stick to essentials.

He had been out with the boys the night before and showed the effects.

He talked too much; he gave his prospect no chance to explain his needs and position.

He couldn't answer questions and objections intelligently, concisely and convincingly.

He had tried to close his prospect before he had worked him up to a point of conviction.

He lost his nerve because the prospect presented such an unyielding front, forgetting that battles are won by hard rallies at the finish.

He didn't know his business when he made the approach; didn't talk clean-cut business after he got in; didn't make it his business to fight all the way through, and didn't do business before he left.

Hints for Obtaining Prospects.

READ THE PAPERS

Many valuable suggestions come (or ought to come) to a life insurance solicitor through the medium of his daily paper.

For example, the papers record most of the important promotions in business establishments; when you hear of a man being appointed to a lucrative position, you know that he is able to increase his life insurance and he is probably willing to do so.

The papers contain announcements of engagements or marriages—good opportunities, both of them, for the insurance agent to present his case.

The papers tell us when people come suddenly into wealth, through death of relative or lucky speculations.

They announce the establishment of new business firms and new companies—when men undertake heavy business responsibilities they should increase their insurance.

The papers tell us when wealthy or distinguished persons come to take up their residence in our city. Interview them before the other local insurance men have a chance to do so; the stranger may carry all the insurance he needs, *or he may not.*

The newspapers give the graduating lists in the schools of law, medicine, theology, etc. The young lawyer, doctor or clergyman then ceases to be solely a spender and becomes an earner for the first time—get his application.

These are only a few of the hints and suggestions that an insurance agent may obtain any day from perusing his daily paper with an eye to business.

GET NEW APPLICATIONS FROM OLD POLICYHOLDERS

One of the biggest fields of opportunity for agents, especially in an agency that has been established for some time, is among the old policyholders of the company. Just let us summarize a few of the most obvious reasons that occur to us for thinking that it is worth while to keep an eye on existing policyholders with a view to new applications.

1. They are men and women who know the value of life insurance, else they would not have taken it out in the first place; a person who has once held a policy of life insurance speedily learns to recognize its benefits and advantages, not only in the sense of security it gives but in the habit of saving which it encourages.

2. They are in all probability good risks, else they would not have been accepted previously by the company.

3. You have already gained their confidence, which gives you an advantage over other agents who may have designs upon them.

4. You are already acquainted with them and don't need any introduction.

5. They have confidence in the company otherwise they would not have taken out their first policy. They know something of the company's record, and have probably been receiving its annual report regularly. They are satisfied with the treatment they have received from the company otherwise they would not be keeping up their insurance.

6. An old policyholder knows something of the various plans of insurance, rates, etc., and does not require to have everything explained to him as a new client would.

7. In the case of an old policyholder whose name is entered on your register, you know his age, his

occupation, whether married or not, what plans of insurance he prefers—in short, you know everything about him necessary for making a canvass.

8. The payment of a premium on an old policy affords the agent an excellent opportunity to introduce the subject of additional insurance.

9. From the standpoint of the policyholder himself there are several advantages in placing any fresh insurance that he may require in the company in which he is already insured. For example, he need not put himself to the trouble of looking up again the company's record and its financial standing. He can, if he desires, have the premiums on his other policy and policies changed, and thus pay them all on the same date by the same cheque to the same company. He doesn't require to produce evidence of age a second time. In the event of his death matters will be much simplified for the beneficiary and expense saved if all his insurance is in one company instead of scattered among a number of companies, each of which requires completion of a separate set of claim papers, notarial copy of letters probate and will, etc.

There are other points that might be noted. But we have cited enough to make out a pretty good case for the agent who expends considerable time and pains in keeping tab on the men who have been already insured by himself or his predecessors in the agency. The agent who follows up the existing policyholders not only keeps the old business on the books (which in itself is worth a great deal) but he also picks up additional insurance in the easiest possible manner. Whenever you insure a man who has not yet reached the limit of his earning capacity or who does not carry his limit in life insurance there is a man to be watched so as to take advantage of every improvement in his financial position and every change which justifies increased insurance protection. This is particularly necessary in the case of young men who become insured. As a rule a young man doesn't take out a large amount of insurance, because his income is comparatively small, and he is perhaps not sufficiently convinced of the need for insurance owing to the fact that he has no one immediately dependent upon him. But as his income increases and he assumes additional personal responsibilities by marriage or business connections, further insurance becomes imperative, and if the agent has made a personal friend of him, as he should have done, little persuasion is necessary to induce him to increase his lines from time to time. The agent who placed the first policy will get the additional insurance if he is alert. If he is not alert the time and trouble he formerly spent in educating his client up to an appreciation of the benefits of insurance will make it all the easier for some rival agent to snap up the business.

A method that has been followed, in some cases very successfully, in canvassing old policyholders for further insurance is by means of a circular letter. The agent should go over his list carefully and, selecting such policyholders as he thinks might carry further insurance, address each one a letter something like the following, together with a neat piece of insurance literature. Enclose also a stamped and addressed postcard for reply:

"Dear Mr. Blank:

You may wish to increase your line of life insurance this year, as others are doing. If you are satisfied with the treatment you have received at the hands of the company, we would like to make you more satisfied by placing another policy on your life. Our experience is that our policyholders are our best customers. Many persons are now carrying a number of policies in the company, some as many as ten, all taken out at different times. If you are thinking of increasing your insurance, either now or at some future time, I should like to submit a number of reasons why it should be to your advantage to place such additional insurance in the same well-tried company.

"I am enclosing post-card for your reply.

Yours very truly,

"Agent."

EXTEND YOUR ACQUAINTANCESHIP

Personal acquaintanceship with men is your stock-in-trade. Just as a wholesale house strives to increase its connection or a lawyer his clientele or a newspaper its circulation, in like manner it is important for the insurance solicitor to widen the circle of his acquaintance. We may say the policy of expansion is even more important in life insurance than in other enterprises, for a wholesale house may maintain a profitable business among its old customers and a newspaper may subsist by the support of its present readers, but a life agent cannot expect always to go on insuring the same people over and over again. How many agents have failed through not realizing this very thing? How often have you seen a young agent enter on his career with a rush, insure all his friends and relatives in about two months and then come to the end of his tether with a jerk? The reason was that he didn't realize the importance of extending his acquaintanceship. If, during those two months, he had devoted a reasonable amount of time each day to a systematic endeavour to enlarge his scope of influence he would have found himself at the end of the period not with a barren prospect before him but with work in plenty ready to his hand.

The methods by which the circle of one's acquaintanceship may be increased are so numerous, various and obvious, that they are hardly worth discussing in detail. Every man should know best the means that can best be employed by himself. In these busy, stirring times, in this age of clubs, societies and organizations—social, political, religious, athletic, educational—no one should have much difficulty in extending his acquaintanceship to any desired extent if he really sets his mind upon that object.

When speaking upon this subject there are two words of warning that may be uttered. The first is against presuming too much on mere acquaintanceship. Don't be too anxious to broach the subject of insurance with a man whose acquaintance you have recently made. An agent must judge for himself as to how intimately he should know his prospect before he introduces the topic of insurance. Much depends, of course, on the man. With some people you could bring up the question of life insurance on your very first meeting and they would think all the more highly of you for the directness and audacity of your approach. Others, on the contrary (and this class includes the majority of men) are much more apt to be influenced by you if you will wait until a closer acquaintance has placed you on more intimate terms with them, and for that reason in a position more likely to command their influence.

The second warning is against the error of thinking more of the number than of the kind of your acquaintances. It is desirable to have many acquaintances but some are worth more than others, and the best are the kind you want. In planning a course of action which is designed to increase your clientele ask yourself, therefore, this question: "Are the men whom I am thus going to reach those whose means, business standing, character, etc., entitle them to be regarded as desirable insurance risks? Are they men whose acquaintance is going to add to my stock-in-trade as an insurance solicitor? If so, well! If not, will it not pay me rather to seek acquaintance in some other circle of society frequented by men who are more likely to be of assistance to me in my business?"

ADVERTISING

There is no doubt that the judicious expenditure of a few dollars weekly in printer's ink will yield returns. Advertising pays in other businesses; why should it not do so in insurance? Of course, an agent need not expect unsolicited applications as a result of advertising, but if the advertising is properly followed up by a systematic canvass, the agent will soon discover that the "ads" are proving an advantage. He soon begins to run across people who have been reading them. He finds that the sight of the company's name and his own in print day after day establishes in people's minds a confidence as to the company's stability and his own enterprise and up-to-dateness which is distinctly advantageous to him in his work. When he canvasses strangers he often finds that they know of him and his connection with the company. He learns that people have an instinctive respect for a man who has sufficient enterprise and confidence in himself to extend his business by up-to-date methods, and that successful men of affairs would rather do business with such a man than with one less aggressive and energetic. In this and many other ways the life insurance solicitor reaps advantage from systematic advertising.

Advertising, however, to be remunerative must be systematic. If you favour the spasmodic style of advertising— the advertise-to-day-and-to-morrow-and-another-next-month kind—you might as well drop your money down a hole in the ground. Then you would at least know where it went to, and wouldn't be anxious as to results that never come.

CANVASSING LITERATURE

Canvassing literature is supplied by almost all companies to their agents, and, if rightly used, is a valuable aid in writing insurance. The trouble is that very often it is not rightly used. The following suggestions seem to be pertinent:

1st. Remember that canvassing literature is only an aid, and that not one application in ten thousand is closed by this means alone. Nothing can take the place of the personal interview. A series of pamphlets may pave the way for a personal interview or may be used to follow up a conversation, but pamphlets not backed up by personal work are, in most cases, useless. In fact, they are worse than useless so far as you are concerned, because you are scattering precious seed for the other fellow; and the first agent who comes along and does some good, honest, heart-to-heart talk canvassing is likely to reap the harvest that you have sown.

2nd. Read the literature with which your company supplies you so that you may become thoroughly familiar with it. Then you know exactly what you have in your possession and can use proper discrimination in distributing it.

3rd. It is not enough simply to leave the literature with a man or to mail it to him. Glance over it yourself first, and, selecting the particular sentences or paragraphs that you desire the prospect to read, mark them with red ink or blue pencil. His curiosity will be awakened. He will read leaflets thus marked when otherwise they might have gone direct to the scrap basket, and he will catch the force of marked passages which ordinarily he would pass over without receiving any particular impression.

4th. Never "swamp" a man with literature. Send him only a few *well-chosen* pamphlets at a time. Note the italics. Agents have been known to mail a man a miscellaneous collection of cards, folders, pamphlets, etc., embracing every subject in the insurance realm from "Young Man's Investment Policy" to "Endowments for Women." Select your canvassing literature carefully, having due regard to the age, sex, financial standing, etc., of the prospect. Don't confuse him with different plans of insurance, for example, by sending him an illustration of a 20 Payment Life policy along with the company's pamphlet on the 15 Year Endowment.

5th. It is a good plan to enclose a suitable leaflet with every premium notice, receipt, etc.—in fact, with every letter you write. It is good advertising and costs not even postage.

ASSISTANCE FROM YOUR POLICYHOLDERS

People are influenced more than they like to admit by other people's example. If you have succeeded in writing the application of one man it counts in your favour when you attempt to write up that man's neighbour. If your company has dealt generously with a policyholder and that policyholder appreciates the fact and is willing to acknowledge it, you have there an argument for your company worth ten pages of "estimated results," in the days when estimates were lawful.

When your policyholders are pleased about the treatment they have received, get them to say so—over their signatures and in their own handwriting. This is what one man says on the maturity of his twenty-year endowment policy, and this is the kind of testimony that helps an agent: "My little investment has brought me nearly four per cent. on my investment, besides life insurance for nothing for twenty years. I wish now I had made it double the amount, for one cannot get back the time he lives nor the money he wastes."

Here is the statement of another policyholder, as recorded in one of the best-known insurance papers: "I worked like a slave until I was forty-five years old to make a fortune, and have had to watch it like a policeman ever since to save it. My life assurance policies have really given me the least trouble of all my possessions. They have never fluctuated, but have steadily increased in value, have called for no watching on my part and are worth more year by year. I took out the first ones in a half-doubting way as to their ever being much good, except possibly to my family in case of early death. But I was young then. I have taken a good deal since as a protection to them and an investment to myself in order that I may have at least one line of securities that wouldn't keep me awake at night, nor my eye on the market reports by day. I suppose you would call me a pretty heavily assured man were I to tell you what I carry, but had I my life to live over I would cheerfully saddle myself with double the amount early in the game."

Try this plan in your own agency. Get letters from the best men, and select the best letters from among those that you receive. You will find that it will help your business.

ANNIVERSARIES AND SPECIAL OCCASIONS

It is often worth the agent's while to keep tab on the important events and dates in his clients' lives.

If you canvass a man and fail to get his application take a note of his birthday anyhow. You may be able to interview him again just before his age changes and use the argument of the increasing premium with good effect. It has been done—often.

When you hear of a man's engagement or his marriage, get after him quick. The chances are that he is in a susceptible mood and disposed to consider a life insurance proposition.

Every time you pay a death claim make it a great object lesson on the benefits of life insurance. On such occasions even the most dull of mind gets a vivid impression of the imminence of death and the importance of providing for it. When you hand over the cheque you have a grand opportunity to secure an application from some members of the deceased's family, for various reasons:

(1) As we have said, the inevitableness of death is keenly realized.

(2) An actual example is presented of the wisdom of timely provision.

(3) The family of the deceased naturally feel under some obligation to you and to the company.

(4) They have the necessary money and cannot use the "no means" excuse.

(5) The subject of life insurance is already uppermost and you need not beat about the bush for an opening.

When you hear that a man has had an addition to his family there is an opportunity for you to press the necessity of making larger provision for those dependent on him.

When a man forms a partnership or embarks in a business venture the success of which must of necessity largely depend on his brains and energy, go to him and point out the importance of insuring those brains just as he would insure any important piece of machinery.

When a young man or young woman first becomes a wage-earner take the very earliest opportunity of canvassing for insurance. A young wage-earner in the first flush of the enjoyment of the fruit of his labours will fall a far easier "prey" to your efforts than a hard-headed business man who has had many years in which to realize how easily money slips through one's fingers. And you need have no qualms of conscience about taking advantage of the inexperience of your "victim," for nobody yet had reason to be sorry for his early conquest by a life insurance agent, though many a man has lived to regret that some slick canvasser did not round him up twenty years earlier, when he could have secured insurance at half the cost and could probably have spared the money better.

THE AUTOGRAPH BOOK

Every agent should have an autograph book. An autograph book is no relation to the overworked "autograph album" in which celebrities are requested to inscribe their hieroglyphics or in which young ladies write scraps of poetry. It is a very practical, prosaic volume and is employed by agents for business purposes, not as a hobby.

The preface to the autograph book is in language like the following: "To whom it may concern: We, the undersigned, having taken out insurance with the Universal Life Insurance Company, through its special agent, Mr. William Smith, take pleasure in testifying our belief in life insurance in general and the company which Mr. Smith represents in particular." Then follow the names and addresses of the agent's various clients in their own handwriting.

The agent should never employ any pressure in order to induce a client to sign in this autograph book. He wants the signature of none but those who offer their evidence willingly and who will go further and give the company a verbal recommendation if inquiry is made of them by any person interested. In the majority of cases, if the canvass has been made in the right way, a new policyholder will offer no objections to giving the agent a little assistance by allowing the use of his name in this manner. It costs the policyholder nothing, neither does it bind him in any way; and we have noticed in our limited experience that most men are inclined to be generous in dispensing favours which cost them nothing to grant. So that the agent, if he can write sufficient business, should experience no difficulty in getting plenty of signatures to his manifesto.

It will easily be seen that such a book should prove of considerable service to the agent. It grows in value from year to year. Each prominent policyholder adds weight and influence to the list. It is as good as a special letter of introduction from each of the clients whose name is appended; even better, we may say, because the autograph book can be used over and over again, while a letter of introduction can be used only once. Besides, there is a combined weight—a sort of unanimity—about a long column of signatures all supporting the same statement which seems to count for more than any number of separate opinions. There is no other way of bringing so many names to your client's attention. It is the most striking and effective method of inspiring confidence in yourself and your company.

Try the "autograph book" idea.

PRIVATE FRIENDS' REPORTS

Some agents make good use of private friends' reports—others don't. Some agents use them to secure introductions to advertise themselves and their business; other agents regard friends' reports as simply waste of postage.

First—When you are filling out an application and come to the question which asks for names of friends as references, don't write the first name that comes to the applicant's mind. Stop a moment and explain to your client that he would be doing you a favour by naming as references two persons who not only know him intimately, but who also need insurance, could pay for it, and might perhaps be influenced by his example. In ninety-nine cases out of a hundred, your client will be quite willing to assist you in this indirect way, and will often take considerable pains in counting over his list of acquaintances in order to select two who might be willing to consider an insurance proposition.

Second—Usually the applicant will have no objections to giving you information regarding the friends whom he names as references. In such case be sure to make enquiries regarding:

(a) Age.
(b) Financial standing.
(c) General health.
(d) Any previous insurance.
(e) Married or not.

Third—Don't mail the friends' report to the friend. Call yourself and have it filled out. You have written Mr. A's application; Mr. A has referred you to Mr. B for friends' report; you are anxious to have the transaction completed as soon as possible, and to save time have yourself called on Mr. B with the form to be filled up by him—what could be more natural? The subject of insurance being already uppermost, what is more natural than that you should ask Mr. B whether he carries any himself, etc.

Fourth—With the information previously obtained from A regarding B's age, financial standing, etc., you ought to be able to decide beforehand upon the plan and amount which should be canvassed. That is always an important matter. An agent's chances are increased fourfold if he can, without beating about the bush, go straight to the point and lay before his prospect at the outset the very proposition that is most likely to interest him.

Lastly—This method, if zealously followed up, will furnish the agent an endless chain of prospects and secure him all the introductions he desires in the easiest and most natural manner possible. It enables him to make the most of his successes; to make one application the means of securing another. It affords him a good opportunity of approaching his prospects tactfully and intelligently instead of blundering upon them blindfold—a mistake that has spoiled the chances of many an agent. Try this system and see how it works. Many solicitors have been employing it with success for years.

PROMINENT POLICYHOLDERS—USE THEIR NAMES AND INFLUENCE

It is worth the agent's while to carry a list of the principal policyholders of his company and the amounts for which they are insured. Many companies print such lists and supply them to their agents.

It goes without saying that these lists ought not to be regarded simply as canvassing literature and strewn around broadcast, for, besides the danger of their falling into the hands of rival agents, it must be remembered that some policyholders may not care to have their names used too freely for advertising purposes. An agent should also when exhibiting a list of policyholders to a prospect seek to avoid emphasizing it too strongly *as a reason* why the client should insure. All men are influenced by the example of others, but few men like to admit it; so that the agent must produce his list unobtrusively and exhibit it with not too many comments, without letting the client have the idea that he wants to produce a big impression. The list of names ought to be as representative as the company can supply, with names of leading men in every walk of life—manufacturers, clergymen, merchants, farmers, professional men, politicians—all calculated to strengthen the impression of the company's strength and the confidence of its policyholders. Such a document will have its own effect on the prospect without the necessity of any lengthy explanation on the part of the agent. If the agent has not a large list covering all the agencies of the company, he can prepare from the registers of his own agency a list of the chief policyholders; or if some of the prominent men whom he has insured are willing to allow him to use their names in his canvass he will likely find it of considerable assistance. The fact that successful men of good judgment and business experience have taken the step and have not repented of it, is sure to carry full weight with a prospect who is trembling on the brink.

FURNISH YOUR OWN ADVERTISING

There are other methods of advertising besides reading notices and display "ads" in the newspapers. In every agent's daily routine there are incidents that can be turned to good account as furnishing illustrations of the benefits of life insurance in general or life insurance with his own company in particular. Thus:

Suppose a death occurs among the policyholders of your agency. It is to your interest to write to the head office for death claim papers at once, use the telegraph if necessary, hustle around and get the papers filled up, and use all your influence with the head office to get the cheque back as soon as possible. If the deceased was insured in other companies let your company be the first to pay its claim. You cannot fail to create a favourable impression by the care and promptitude you have exhibited in the matter, and the executor or beneficiary will seldom be unwilling, when you hand over the cheque, to give you in return a letter commenting on the punctuality of the company in paying the claim and the courtesy and helpfulness of its representative.

Again, if an endowment policy is maturing, or a payment of surplus falling due, take advantage of the good humor in which you find your client on such as occasion to place an additional insurance if possible, or at any rate to obtain from him a letter acknowledging the handsome manner in which he has been dealt with by the company.

Such letters (especially if the writers of them are well know) will prove of considerable assistance to the agent in his work. He can sometimes arrange to have them published in his local newspaper—of course, not without the consent of the writers. Or very often, if the letter is a particularly good one, the company will have it printed for the agent's use.

Every agent who has been in the business for any length of time has met with numerous illustrations in his own experience of the danger of delay in taking out insurance. When such an incident comes within your knowledge, bring it to the attention of your head office, and request that it be given a place in the company's canvassing literature.

Letters along the same lines as the following examples will prove of great assistance to agents in the work. This is especially true when the persons who write the letters or are referred to in them belong to the district in which your own agency is situated, and are well known there. An illustration from near at hand has always the most weight.

(Examples)

THE UNIVERSAL LIFE INS'CE CO.
TORONTO, ONT.

Re Policy No. 66247—*Brown.*

Dear Sirs:—

I beg to acknowledge receipt of your cheque for $10,000, being the amount of the above policy on the life of the late James Brown. I have to thank you for the promptness with which the claim was met by your company, the cheque having been received only two days after the completed claim papers were forwarded.

This policy was taken out by Mr. Brown more as an investment than for protection. He had paid to the company on his policy five premiums totalling $1,500, while I receive from the company the full face value of the policy, $10,000. I am sure that when I hand over this amount to the family, they will agree with me that the deceased could have made no better investment.

Yours very truly,
JOHN C. SMITH,
Executor.

JOHN A. MCDONALD, ESQ.,
District Manager, The Universal Life
Insurance Co.
Hamilton, Ont.

Dear Sir:—

I beg to thank you for your favor of the 16th inst. enclosing your company's cheque for $2,000, amount of policy on the life of my late husband, James White.

When Mr. White took out the policy last August he was in the best of health, but in less than six months contracted pneumonia which resulted in his death. His foresight in taking out this insurance has meant a great deal to myself and my children.

Thanking you for the prompt and business-like manner in which you have settled the claim,

I am yours truly,
ELIZABETH WHITE.

THE UNIVERSAL LIFE INSURANCE CO.,
TORONTO, ONT.

Re Policy No. 62147—Jones, lapsed.

Dear Sirs:—

I regret to report that Mr. Jones died suddenly a few days ago of appendicitis. Enclosed please find both his notes (overdue) as nothing has been paid on them.

At the time of making his application, his intentions were of the best, but later he listened to the advice of some person who told him not to continue.

It is to be regretted that he did so, as his family are really in need of the insurance.

Yours truly,
R. D. ROSE,
District Agent.

Some Unusual Methods of Obtaining Applications.

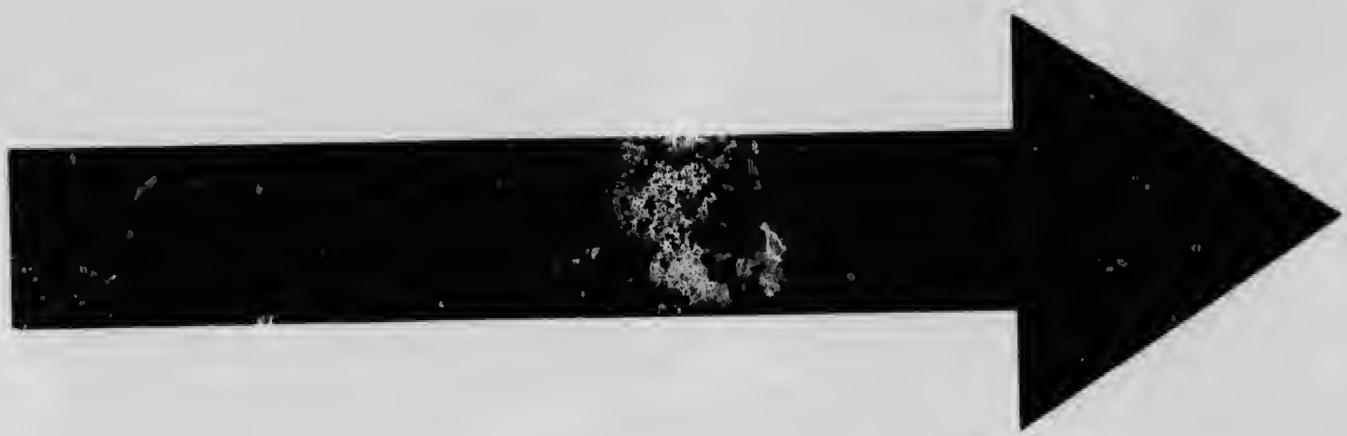
APPLICATIONS WRITTEN IN ADVANCE

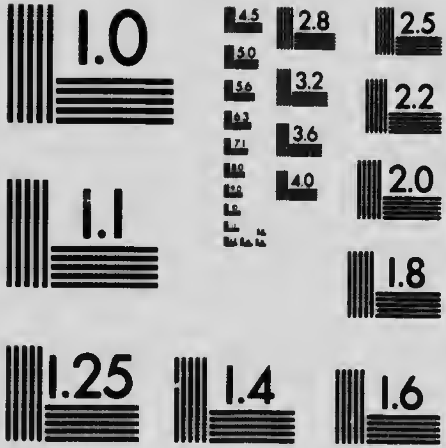
The agent sometimes runs up against one of those men who are so extremely busy (especially when the agent calls) that they have no time even to consider the question of insurance, much less spare a few minutes in getting the application filled up.

When you come across a person who offers this excuse for not giving you a chance to discuss insurance with him try the following plan: Fill up the application in advance. You know his name, address and occupation; you can gret his age next birthday, perhaps his date of birth; make his estate the beneficiary; fill in the plan and amount which you think suitable and the corresponding premium; in short, it should be possible to have every blank filled up in advance, with the exception of the space above the dotted line where you intend him to affix his signature.

Then go to your prospect and say to him: "Mr. Blank, I know you are a busy man; so am I. Here is an application all complete for $10,000 on the 20 Payment Life plan. I know that you need the insurance, and this is the policy that suits your case. Run your eye down this column of questions and then sign your name there, right on the dotted line."

It sounds like a risky proceeding but the best answer is that it has proved successful over and over again. The very audacity and originality of the plan have frequently carried it to success. It is just such a bold stroke as many a man in business admires.

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7.1

Perhaps he has been putting off the subject of insurance, because he couldn't be bothered with the calculations, the intricate figuring, the repeated and lengthy interviews, the importunities of rival agents, etc., which he thought would be a necessary accompaniment of applying for a policy. Now he sees the whole thing done for him, the plan and amount selected, the company chosen, the application filled out and a chance to close the whole business in a few seconds by simply signing his name.

Try the scheme—not on every prospect you meet —but at the right time and on the right man. You must of course use your own discretion. The method would not work with a back-township farmer who never bought a cow without thinking over the price for a week. But if your prospect is a shrewd business man, accustomed to decide matters of importance quickly and on short notice, you are not running much risk when you present a well-defined, carefully considered insurance proposition to him on the spur of the moment and say to him, DECIDE NOW.

THE ALTERNATIVE POLICY

It is an old idea—but one which is frequently successful—when delivering the policy to a client whose application you have secured, to carry with you another policy of double the amount and try to induce your client to take the policy for the larger amount. Your arrangement with the company is, of course, that as soon as your client has decided which policy he will take, you are to return the other forthwith to head office.

The plan will not work invariably, but it is often brilliantly successful. For example, it frequently happens that an agent who has fought hard for a $10,000 application, is forced to compromise at $5,000.

But when he comes to deliver the policy, he is armed with a $10,000 contract as well—he points out that his client passed the medical examination, is through with all bother and trouble connected with the affair, and can now have a $10,000 contract, if he wishes it, just as easily as a $5,000 one. If he takes only $5,000 now, he will have to go through the whole performance again at some future time when he wants additional insurance. If he takes the whole $10,000, he has only to sign the amendment form which the agent holds and the latter will hand him over the policy for the full amount.

STRAIGHT CANVASSING

It has often been remarked that one important advantage of life insurance soliciting over other professions is this—that the life agent does not need to wait for clients to come to him; he goes to them. The number of applications he closes does not depend upon the number of acquaintances he has, so much as upon the number of acquaintances he makes. His success depends in fact mainly upon his capacity for hustling.

He need not even wait to a "make acquaintances" in the ordinary way. He can place his reliance upon "straight canvassing," and some agents have been so successful in this method of working that they rely upon it almost entirely. A man who follows the "straight canvassing" plan selects a district in which to work, and then goes right ahead, tackling every man he meets, whether he knows him or not, with or without an introduction. He receives—in fact, expects to receive—many rebuffs. He may succeed in interesting only one man out of twenty. But if he writes the application of that one man and pockets a commission of, say, thirty dollars, he figures that he has averaged a dollar and a half from each man he interviewed during that day.

This plan of work is hard, and for most men probably discouraging. No doubt, the ordinary agent, with a reasonably large acquaintance and business connection would do better first to look after the prospects whom he has in sight and, after attending to them, to do any "straight canvassing" that he finds time for. But the method described in this article is a good one for the man who is starting with a small connection. The agent who follows this plan will never be stuck. If he hasn't the clients, he goes out and gets them.

INSURANCE AS A MEANS OF PROVIDING CHARITABLE REQUESTS

Under wills proved in Great Britain during the last year a sum of nearly thirty million dollars was left for charitable, religious and other public uses. In this country similar mortuary bequests are quite as common in proportion as in Great Britain. Almost every day the newspapers record the case of some man whose interest in a favourite charitable or educational institution was such that he bequeathed to it by his will a large portion of his estate. There are doubtless many other men who, through quite as benevolently disposed, are prevented from exercising the same generosity either before or after death, by the fact that they have families dependent upon them.

Life insurance furnishes a means by which a man of only moderate wealth, even with a family to support and with many other demands upon his purse. can provide an ample endowment at his death for any charitable, educational or other cause whose welfare he may have at heart. The late principal of Queen's University, Dr. Grant, was a man of moderate means, but nevertheless he provided through life insurance a fund of thirty thousand dollars, which was paid over to the university at his death. Dr. Grant's example is one that might well be followed by other men who are interested in the prosperity of any particular church, hospital, university, society, etc. An English insurance magazine tells of an experiment along these lines by a solicitor who made a list of men whom he thought might be interested in a plan of this kind, and broached the subject either personally or by letter. This particular agent obtained remarkable results. There appears to be no good reason why the plain should not be followed with equal success on this side of the water.

General Observations on Agent's Work

RELATION OF AGENT TO HEAD OFFICE

It goes without saying that the relations existing between the agent and those over him should be friendly and cordial. The agent is dependent on head office for advancement and promotion, and these will not come to him if he is at loggerheads with the powers that be. If it is impossible to maintain a friendly connection, better sever that connection altogether and join some other company with which you can work in harmony.

A frequent cause of friction between the field-staff and head office is found in the numerous regulations under which the work of every company is carried on, and some of which may appear to agents to be irksome and unnecessary. The agent is apt to believe that the authorities at head office are out of touch with conditions in the field, that they lay unnecessary stress on petty matters of routine, and that he could do better work if he had a freer hand. There is no doubt that the agent is sometimes right when he makes these criticisms; but very frequently, we think, he overlooks several important considerations which might materially alter his opinion, if he would make allowance for them. In the first place, the men at or near the top have very often been agents in former days, and as such have come through the mill themselves, and anyway, whether they have been agents or not, they generally have a prety clear idea of conditions in the field, and are unlikely to adopt regulations unless they are really in the best interests of the workers. On the other hand, the field men have no similar opportunities of becoming familiar with affairs at head office, and, therefore, it may frequently happen that regulations which appear trivial and superfluous from the standpoint of the special agent have very good reasons for their existence which the head office official could explain. The agent must exercise patience and forbearance therefore in regard to these matters, and remember that a big company has to be carried on with a view to the interests of the many and not of the few. And if some of the official requirements appear to him rather irksome, he must console himself by the reflection that, all things considered, there are few men on earth so free, so independent and so much their own masters as the average life insurance solicitor.

Correspondence, whether with head office, clients, or others, should be attended to promptly. It is a good working rule to answer every letter within twenty-four hours of its receipt. Keep your correspondence free from spleen and ill-nature. Attend to your daily or monthly reports and other routine matters systematically. Some field men find the office-work trying, but it should be remembered by every agent who is looking for promotion that the men who obtain advancement are the all-round men, and that one of the most important requisites of a district or branch manager is that he should be a good office man.

The subject of declined applications demands a special word. The decisions of the medical committee at head office are often bitterly disappointing to the agent. He may have spent time and effort in securing an application from a man who presents all the appearances of a good risk, but who for some reason or other is rejected or liened by the head office. Under these circumstances the agent would not be human who did not feel more or less disappointed.

However, there is a ray of consolation for the agent, even in such adverse circumstances. If he has the company's interests at heart, he would, of course, prefer to have the risk declined if it is sub-standard, rather than that it should be accepted to the company's detriment. When an application of his is declined it is proof positive to him that the company is looking after the interests of the policyholders in a most practical manner. The president of a great life company has said, "A half million dollars in the death claims for one year in one of the largest companies may be saved by the application of wisely directed attention with far greater ease than one hundred thousand dollars can be saved in expenses." Agents can readily understand, therefore, that a careful selection of risks will make itself apparent in the surplus earnings of the company. This is a strong canvassing argument, and the agent will be able to use it with particular effectiveness if he has had experience of the strictness of the company's medical standard and can give illustrations drawn from his personal knowledge. Every first-class risk will recognize that it is to his advantage to insure in a company which does not admit impaired lives on the same terms as good ones. And it is often good tactics, when an agent is soliciting insurance on a particularly good life, to flatter his client's natural pride in the soundness of his physique, by laying stress upon the importance of insuring "in my company which has a medical examination so stringent that it debars all but the very fittest lives, and which in consequence earns splendid profits from its unusually favourable mortality."

But this is aside from the main topic of the article. The agent must retain his self-control and his temper, no matter how keenly he feels the disappointment of having his application rejected. Still more must he refrain from entering a long-winded protest every time that a risk is turned down. The head office has generally considered its decision pretty thoroughly, and it is not often that the verdict is changed. Very frequently it has confidential information regarding the risk that the agent knows nothing of. In general, therefore, the agent's protests avail nothing, and his best course is to take the unwelcome announcement as cheerfully and philosophically as he can.

Almost the only case in which the agent has the slightest chance of obtaining a reversal of the medical committee's decision is in the case where he can show that they have not had all the facts before them. If there is no dispute as to the facts, it is useless for the agent to interfere. For example, where the application shows that the applicant's mother died of consumption at the age of 24, and the agent cannot deny the fact, it is not to be expected that a committee of doctors will pay much attention to the ingenious arguments advanced by the insurance expert to prove that a predisposition to consumption is not hereditary. It would be a different matter if there were a doubt as to what disease the mother did die of, and the agent was in a position to furnish evidence that the disease was not consumption. In such a case, the medical committee would no doubt be willing to consider further evidence upon the point in question—although we may remark here that the agent would have planned things better if he had collected all the facts before he submitted the application at all.

In any event, if the agent decides to ask for a reconsideration of his application, let him do it in a good-tempered and courteous manner. If he thinks that certain facts have been overlooked, let him cite his facts without too many comments of his own, for he may be sure that it will be the facts and not his opinions that will carry weight with the medical autocrats at head office.

And finally, don't enter a protest unless you have a good case. An agent who is known at head office as a chronic kicker will not have half as much influence as the man who seldom objects, but when he does do so, has real objections to bring forward and can back them up with facts.

RE THE AGENT WITHOUT A POLICY

There are some insurance solicitors who do not carry a policy in their own company. Worse still, there are some of them who carry no insurance at all. What a strange and marvellous paradox! What an unrivalled example of glorious inconsistency! Practical agents—whose chief occupation in life is to convince men of the absolute necessity of insurance protection—see nothing incongruous in themselves remaining uninsured. Imaginative agents—who are accustomed to draw vivid word-pictures of the dangers that beset the uninsured individual—face these very perils themselves heroically and without a quiver. Conscientious agents—who would shudder at the very thought of misrepresenting a policy—feel no qualms at committing the great misrepresentation of palming themselves off as ardent believers in the benign principle of life insurance.

Much has been said and printed—yea much has been said which could not be printed—concerning the nerve of the insurance agent. But verily the half has not been told. In our estimation, as an example of colossal nerve and monumental cheek, there is nothing to rival the plain, unassuming A.W.P. He daily faces fearful odds. He invades all classes of society, assails all conditions of men. He knows he is handicapped in the battle for business, but that does not affect his courage for a moment. Even when an antagonist detects the weak spot in his armour and asks that dreaded question, "Are you insured yourself?"—even at such a critical moment the A.W.P. does not blanch; he evades the query as deftly as he can, and returns to the charge with vigour. He probably realizes that further effort on his part will be unavailing, but he bravely conceals his knowledge of the fact. Even though the struggle was hopelessly against him from the moment that that chance shot pierced his armour, yet the A.W.P. refuses to be beaten. All honour to his tenacity and perseverance, even if we cannot admire the wisdom of his tactics. If the agent without a policy wins so many battles in spite of the heavy handicap against him, what might not he hope to accomplish if he had that fatal hole in his armour patched up?

Our advice to every A.W.P. in the ranks of our readers is to equip himself with a policy in his own company. It is an excellent weapon of attack, besides being unequalled as a defence. An ounce of example is worth a pound of exhortation. If you can produce your own policy from an inside pocket and point to the last renewal receipt duly countersigned, you have there an argument worth an hour of argumentation and wheedling. Take a policy now, before the end of the month. Help to swell the company's business and your own. Prove that you have confidence in the company you represent. Then you won't be always quaking in your boots for fear some prospect may hurl the question at you—"Are you insured yourself?"

MEN IN SMALL, DISCOURAGING FIELDS

Insurance solicitors who are located in small, difficult fields and encountering stiff opposition sometimes feel as though the game were not worth the candle, and that they might as well shut up shop, give up the renewal income on the business they have written and get into a different line of work.

Just a word to such men. Do they forget that life insurance is the most democratic business on earth, and the one that contains the most opportunities for the workers at the foot of the ladder? The agent of to-day is the superintendent of to-morrow, and the manager of the next day. The smallest producer in the ranks may become the highest official of the company; in fact, a very large percentage of the really big men in the insurance world have risen from the ranks.

The agent in a difficult territory has just as much chance of obtaining this promotion as any other man. The company that he represents knows the difficult spot, and is watching to see how he will grapple with the problem. He should be glad of a position which puts him upon his mettle. "Yes," such a one may say, "that is all right. But how can I, in this little country town, make a showing that will compare with the men in the big cities?" Let that man commit this saying to heart: "The law of nature is: do the thing and you will have the power; but they who do not the thing have not the power." Let the man referred to begin by insuring every client that his present field will yield. Let him attack his work with the determination to produce results equal to the best that an expert canvasser could accomplish if he were placed in the same position. Let him make up in energy for what he lacks in experience. Let him crowd as much experience into the next three months as he got out of the last twelve. That agent will surprise himself, and surprise the head office: He will live to thank his fortune that placed him in a position where he *had* to put his back to the wall and fight for promotion. He will be glad for the discipline and training which he received in that little country town, and which served him in such good stead in later days.

ONE OCCUPATION ENOUGH

One business at a time is about all that most men can carry on successfully. It is to be regretted that so many men connected with life insurance give only part of their time to it. To be successful in his vocation, a man ought to be absorbed in it. He cannot be absorbed in it, or concentrate his powers upon it, if his energies are divided and dissipated among several undertakings. It is seldom that a man does a number of different things well. Those life insurance agents who have made big money out of the business have not done it by dickering with three or four other occupations at the same time. And agents whose time and energies are distributed over a number of different interests would generally be doing wisely if they made up their minds to devote themselves with all their might to one particular branch of work and let the other matters go. Between two chairs one sits on the floor.

THE MEDICAL EXAMINER

When an agent who is opening up a new strip of territory finds the right man for medical examiner he has taken a long step in the right direction of success. Many an application has been lost through incivility, lack of punctuality or want of sympathy, on the part of the medical examiner. Many an application has been clinched by the doctor's tact, promptitude and friendly interestedness. Remember these facts when choosing an examiner, and select one who will be an active ally in your campaign.

As a rule, it pays to secure the most able, popular and successful practitioner in the district. His prestige and influence will count for much, his connection with your company will inspire the people of the community with confidence in it and you, and if, in addition to these indirect advantages, he is willing to give you direct support, so much the better. There are exceptions, however, to this rule as to every other. For instance, if you find the leading doctor has already been enlisted as a supporter of another company, you don't want him to do your work, or again, if you find, as sometimes happens, that the leading practitioner is making so much money in his regular practice that he doesn't much care whether he gets life insurance examinations or not, it is generally better to select one of his younger rivals, especially if you can find one who is popular, energetic and with other marks of a "comer." The regularity and "sure-pay" features of life insurance examinations appeal very strongly to a young doctor, who is generally willing to go farther to make examinations, and make greater efforts to be on hand at the time and place appointed, than an older physician whose larger practice makes him feel more independent and less obliging.

It is in the interests of the agent as well as the company that the examiner chosen should be a man of A1 professional standing. The medical referees at head office generally keep a very attentive eye upon the character of the work done by the local examiners. If you choose an examiner whose great credentials, thorough and evidently conscientious work, win the confidence of the head office referees, it will often be to your advantage. In many a doubtful case, where the question in the minds of the head office officials is to accept or reject, to lien or not to lien, the recommendation of a trusted local examiner will turn the scale in the applicant's favour, when the strongest asseverations of a lightweight practitioner wouldn't weigh a gramme.

Above all, in this matter of selecting medical examiners, don't squabble with head office. The head office retains in its own hands the power of confirming the agent's choice—and rightly so. It has often good reasons against appointing a physician who, in the agent's eyes, appears absolutely O.K. The head office has many private sources of information at its disposal and frequently possesses knowledge of some dishonesty or professional incompetence which disqualifies the man whom the agent would like to have appointed. In such cases, don't wrangle, don't argue, don't sulk.

N.B.—It won't do any good.

WHEN IN DIFFICULTIES

When a man is meeting with poor success, it is very natural for him to lay the blame for it upon everything and everybody but himself. There are many good excuses lying ready-made and near to hand for the insurance agent who is up against it. Lack of support from head office, too much competition, hard times, bad insurance laws—these are some of the well-known threadbare excuses that many an agent works overtime and often when his luck is bad. But the thought occasionally occurs to a wise agent to look elsewhere for the cause of failure—at himself, to wit—and the agent who is wise enough and honest enough to look there for the reason is already half way on the highroad to success.

When you are in difficulties—before you begin to abuse the world and fate—follow through this line of reasoning in your mind, "I'm not meeting with success. Could the right man make a success of the business in like circumstances? If a brilliant and energetic canvasser were face to face with these conditions, could he write business in spite of them? He could and would—in fact, there are other men in my territory who are doing it at this very moment. Then the fault lies in myself."

And when you have arrived at this point, and convicted yourself as the author of all your trouble, go a step further and see if you can locate the weak spot.

Have you been working hard and systematically? Ha! The chances are that we have winged you with the first shot. Lack of energy, lack of system—these two things in themselves are enough to account for many an agent's small success. Or have you been lacking in persistence—too bashful? Do you approach a man as if asking a favor of him? Do you commence an interview prepared for success, or do you begin it with the feeling that it's a foregone conclusion that you are going to be licked? Whatever the reason for your failures has been, drag it to the light and take it by the throat. That weakness must be overcome, the fault remedied, your energies properly directed. It is a hard process, maybe, this self-examination, but it's a process that will develop you into a great agent if you will put it to the test. And thirty minutes spent in this manner (followed up by vigorous action) are worth a week spent in moping about the office and grumbling against fate.

REPRESENT A GOOD COMPANY

A salesman's success is a good deal easier and surer if he is representing the best article on the market. This remark applies to all classes of salesmen, and includes those who sell life insurance.

It is hard work to write insurance under the best of conditions; but it is rough, uphill toil and drudgery if the company you represent is a poor one. When your client is of an inquisitive turn of mind, you have to dodge his questions; when competition threatens, you crawl under the barn. Every difficulty is enhanced when you lack confidence in the concern for which you are working.

It is not necessary to be connected with the "absolutely best" company in the business, even if any one company were so superior to all its rivals as to entitle it to that epithet. But it is necessary to be connected with a good and sound concern, safe and honestly managed, so that you can sell its wares with a clear conscience, and enjoy the certainty that you are doing your clients good and not evil when you take their applications. You share the reputation of the institution with which you are connected, and you owe it to yourself to represent none but a reliable and straightforward old-line company.

TEAM WORK

Team work, under many conditions, is a method which proves very successful. There are numerous instances where two men working harmoniously together have produced more business than both of them working independently could possibly have done.

The theory upon which this system of team work rests is that different men excel in different directions. One is strong in a respect in which another is weak; working together, each supplements the other. Thus, it may happen that one agent is a very energetic, preserving worker—a plodder, excellent at discovering prospects but with not sufficient personal magnetism to make a good closer. Another man detests the dull routine of the daily hunt after prospects but given a client and a ghost of a show he can make sure of an application. Working separately, both of these men might prove comparative failures. Working as team mates, it is safe to say that they would have splendid success.

Another point in favor of team work is that it develops a man. Each member learns where his weak points lie, because he sees where his companion excels him. And, eventually, an observant and adaptable agent can train himself by this means so that he becomes really efficient where formerly he always failed.

Quite frequently, it is worth while for two agents to combine forces, even if only for one interview with a prospect.

It may appear like waste time to set two men at work which in theory one should be able to accomplish; but in practice it does not always operate so. Writing life insurance is more or less of a psychological problem, the accomplishment of which is sometimes due to the preponderance of mental force. When two wills are concentrated on one the likelihood of enforcing action is considerabily increased.

There are other ways in which the advantage lies with the canvassers in an interview with a single client. While one salesman is talking the other is watching the prospect, observing his expression as the various arguments are presented. He notes what was repelled and what was accepted. If a particular argument seems to have had a more than ordinary effect on the client's mind, he seizes on it, and drives it home;

whereas his colleague, if he had been alone, would perhaps have failed to observe that he had scored a point and so might have drifted off to the discussion of minor matters.

These are some of the points in favour of team work. It is almost unnecessary to add that not every pair of men will make a team, and that an agent desirous of testing this idea should be careful to get the right man for partner. There are some lazy agents who would be only too glad to enter into an arrangement by which they are able to shift the bulk of the work on their partners, and yet draw their share of the profits.

ATTITUDE TOWARDS COMPETITORS

Don't hunt for trouble with other companies. Never belittle a rival concern, or even refer to it unless of necessity; every time you mention the other company you advertise it. Be too busy to mind your competitors. The policies of other companies may or may not be worth having—you can't stop to consider the matter; you know only one thing, *viz.*: that you have the goods and are out to deliver them.

In your manner towards other agents, be pleasant and goodnatured but discreet. Don't carry around a grudge against the other fellow; it do more harm to you than to him. Don't envy others their successes; find out how they do it, and imitate them. Don't brag about your achievements or give away any of your secrets. Know your own business and keep it to yourself.

"Real buyers are not interested in much besides your goods and your prices. Never run down your competitor's brand to them, and never let them run down yours."—Gordon Graham.

UNFAIR COMPETITION

There is undoubtedly more or less unfair competition to be encountered by all insurance solicitors. There are some agents who do not hesitate to circulate statements concerning the standing and methods of rival companies that are either wholly false or purposely misleading.

Let it be remembered first of all that no stress of competition, however unfair, will justify you in resorting to kindred tactics. Your adversary is possibly harming you to a certain extent, but he is harming himself still more. Give him enough rope and he will hang himself. His methods will earn for him in time a very unenviable reputation. Do you keep clear of such tactics and your character for honesty and straightforward dealing will appear all the brighter by contrast with his crookedness.

When you find that another agent has been misrepresenting you and your company in order to win over a prospect of yours, the following is a good way to frustrate him. Advise your client to request the agent to put his statements into writing and transcribe his name to them. If your unscrupulous rival falls into the trap and signs his name to the misrepresentations, you can transmit the document to the officials at the head office of your own company who will see that the matter is brought to the attention of the other company and the offender disciplined or dismissed. If your competitor refuses (as he probably will) to assume the responsibility for his statements, he tacitly admits their falsity and your client will likely refuse to be influenced by him or his representations.

HONESTY THE BEST POLICY

"Lightning never strikes twice in the same place." It works great havoc the first time and never returns. In that respect it resembles the dishonest insurance agent, who may take a man in once with his cuteness, but who never repeats the operation upon that man, and probably not in that neighborhood.

The insurance agent who starts out to "do" a man generally does himself as well. His sharp practices may succeed for a time, but only for a time. There is a Nemesis that follows hard upon his heels Grim retribution, though moving with a halting foot, never fails to overtake the offender.

It is said that the foundation basis of all trade is the confidence of man in man. If that dictum is true of business in general, it is doubly true in regard to the insurance business. The agent who possesses the confidence of his clients may have a small clientele, but it will be a constantly growing one. The agent who relies on sharp practices to secure his business may appear to be doing a thriving trade just now, but it will dwindle away. You can't fool all the people all the time.

"Honesty is the best policy." Some people assert that that maxim is out of date. Well, the proverb may not be true in every business—but it holds good in life insurance.

YOUR CLIENT'S INTERESTS ARE YOUR OWN BEST INTERESTS

A man starts out as a lawyer, hangs out his sign and gets his first client. His principal thought is to get the biggest fee he can out of the business. He handles the whole case with that object mainly in view. He wins his case, collects his fee and his client vanishes, never goes near him again, never recommends him. And the lawyer wonders why he doesn't succeed.

Another man commences his career in law, and gains his first client. He bends his energies to please, to satisfy and to win the confidence of the client. He does not worry about what the fee will be. That is a secondary consideration. He knows that, even from a purely mercenary standpoint, the value of this first client to him consists not so much in the amount of the fee which changes hands, as in the future business which will result from this client and in the other clients who will be obtained through the good-will of this first one.

Many of the failures in the insurance business can be traced to the fact that agents often regard their prospects in much the same light as that in which the young lawyer whom we first mentioned viewed his clients. Their sole thought is to get the biggest commission possible out of every application. They never stop to consider the possibility of getting further insurance at some future time from the applicant or through him from his friends. They never worry about the prospects of collecting the renewal premiums. The result is that they never get a second application from the same man, the business written by them is not of the permanent character which insurance companies like to see, and after a year or two they begin to wonder why they are unable to build of a clientele. On the other hand, there are successful agents, whose success can be directly attributed to their habit of doing their best for each client and winning the client's confidence by consulting his best interests at every turn. One client brings another, the old clients keep coming back and the result is that the agent in time builds up a successful business.

Your first client is your biggest capital. If you are selling him a policy, give him the one which satisfies him, which he can afford, which fits his needs, without considering whether it is the policy which will yield you the biggest commission. If you insure him, do so in such a way that he will know you have done him a favour and not think he has done you one. Act in such a way that you may be conscious of the fact that you have worked in his interests and not solely in your own, that you have done by him as you would be done by. If you have acted on these principles, then you are in a position to continue your acquaintance.

Special Classes of Prospects.

LIFE INSURANCE FOR CHILDREN

Most companies issue special endowment policies on the lives of children payable at 21 or 25. Some of these plans sell fairly well, others are too heavily loaded to be at all attractive. If you find that the child's endowment plan of your company is hard to sell it is probably best not to endeavour to force it on people, but instead try to insure the parent on an endowment for 15 or 20 years, or some other term chosen so as to mature when the child reaches the desired age. In either way, the object in view will be attained, namely, of providing a definite sum for the child when a certain age is reached which will pay for his education, give him a start in business or furnish her with a marriage portion. These are objects which appeal very strongly to parents as a rule, and when the agent comes across a family that can afford the insurance and with a child or children whom they desire to give the best possible chance in life, he ought to win almost certain success if he presents his argument properly. Children at older ages, say from 15 upwards, are also eligible subjects from the agent's standpoint. A solicitor when he approaches a man regarding life insurance, often finds that he is carrying all the insurance on his children, if he has any. The arguments that can be used in favour of placing insurance on the life of a son are briefly as follows:

(1). The low cost at which it can be secured at the boy's present age.

(2). That the father can pay for the insurance himself for a number of years and thus give his son material assistance along most desirable lines at the outset of his career.

(3). The father will appreciate the force of the argument that an investment of this character is a practical and useful object lesson to the young man in methods of thrift and providence.

There are large opportunities along the lines that we have suggested. Any agent with a good list of present policyholders need only look over that list to see what a large field at once opens out. He will at once see names of men whom he had been accustomed to think of as carrying their limit in life insurance, but who might be willing to assist their sons to take out a policy with a company which has their own confidence. And let us observe here that if you write a line of insurance on the life of a young man with the approval and assistance of his father, you ought to secure any further insurance which the young man places later on and will probably do so if you follow up your opportunities.

LIFE INSURANCE FOR WOMEN

There exists a large and ever-increasing field for insurance on the lives of women. The number of wage-earning women is probably ten times as large as it was twenty-five years ago. Women hold many remunerative positions in the business and professional world as nurses, stenographers, clerks, sales-ladies, office-assistants, school-teachers, music-teachers, artists, doctors, and even lawyers. Have you ever fully realized the scope of the field thus opened up to life insurance agents?

Very frequently women who are wage-earners have become such because they have other persons dependent upon them, *e.g.*: widows, with minor children, women supporting aged parents or younger brothers and sisters. In circumstances like these, the agent can urge the very strongest reasons in support of life insurance protection. Or if the wage-earner is using her savings to support herself, the usual arguments can be employed in favour of endowment insurance.

Very often women who are not wage-earners have means of their own. In most cases, they are inexperienced in business matters, and would welcome the suggestion to place their money in an investment at once so safe and so profitable as an endowment policy. There are also many single women, dependent on their own means for their present and future support to whom an annuity in a reliable company would appeal very strongly as a desirable method of providing for their later years. In short, without citing further instances we may say that the opportunities for canvassing life insurance along these lines are so numerous as to render it rather surprising that insurance agents have not taken advantage of them more generally. Nowadays, healthy female and male risks are accepted by most companies on precisely the same terms, and there is no reason why a large proportion of the business should not be obtained among the former class.

LIFE INSURANCE FOR YOUNG MEN

There is always much competition among agents for insurances of young men who are starting in business, graduating from college, entering the ministry, commencing to practice medicine or law, etc. Secure an application from a young man at the outset of his career, make a friend of him, watch him, and other and larger applications will follow. We know many agents who, with these ends in mind, systematically keep in touch with the graduating classes of various colleges and schools. They make a specialty of this class of soliciting and have made a particular study of methods of presenting arguments such as the following, which appeal to young men with special force:

1. One of the great arguments, of course, is the low cost of insurance to a young man. Take your rate-book and show that an ordinary life without profits policy at age twenty costs $15.50; at thirty, $19.75; at forty, $27.05; at fifty, $40.25; at sixty, $65.35. Or use the 20-payment life without profits, and prove that at age twenty the cost is $23.30 per annum or only $466 in 20 years; while at age fifty, it is $46.50 per annum or $930 for 20 years—just double.

2. A life insurance policy is an investment which inculcates habits of saving and thrift. The young man who takes out a policy has started himself on the right road, he has voluntarily placed himself under a compulsion to lay something by from year to year.

3. Because the chances are that he will marry and need the insurance to protect the future of his family. He will be wise if he obtains it while he is an acceptable risk. It will pay him also to take it out now when he can afford it, and to get a considerable portion of it paid for before the additional demands on his purse that marriage involves, occur.

4. Because life insurance is one of the best forms of collateral security. This is a reason which in some cases has particular cogency. Many a young physician or lawyer or business man starts out on borrowed capital—sometimes it has been advanced by the young man's family or friends. Both borrower and lender feel more satisfied if there is an insurance policy as collateral security.

5. Because life insurance is an absolutely safe

form of investment and whatever opportunities of investment may come to a young man in later years, he will never regret having an "anchor to windward" in the shape of a policy in a good company. Besides opportunities for taking advantage of the most remunerative forms of investments do not usually present themselves to young men at the outset, or if they do present themselves, they generally require a considerable investment of capital in a lump sum. An insurance policy is a good investment available for the novice on the same terms as for the experienced financier.

6. Because an insurance policy increases a man's self-respect, and self-confidence. It strengthens his reputation also, for business men will judge youthful character by such a token of thrift, and it can be paid for in instalments.

PROFESSIONAL MEN AND CLERGYMEN

Professional men for somewhat the same reasons as salaried men are especially worthy subjects for the life insurance agent's attention.

1. Their income continues only so long as they are personal wage-earners. The moment the lawyer, the physician, the teacher or the clergyman dies his professional earnings cease. The moment he retires from the active practice of his profession, his revenue is cut off or dwindles away. The professional man, unlike the manufacturer or the merchant, cannot build up a business which will prove a permanent source of revenue even after the death or retirement of its original founder.

2. The professional man, as a rule, is cut off from the great world of business. There are profitable investments offering themselves every day, but he does not come in touch with them. There are safe invest-

ments, but he, with his lack of business experience, is inclined to mistrust them. Life insurance is one of the few safe and remunerative investments in which the professional man can share on the same terms as the more worldly-wise man of business.

For numerous reasons, insurance solicitors ought to and do secure many clients among the clergy. Men in this calling are not usually overburdened with this world's goods, consequently they welcome life insurance as the most satisfactory method within reach of their means of providing for their families and for their old age. Many denominations, of course, have "superannuation funds" for their ministry, but such schemes are limited in their scope and not often actuarially sound. Another argument in favour of life insurance from a clergyman's standpoint is its combination of remunerativeness and security; not many clergymen are financiers and they have not the opportunities in the way of investments that men in other callings have offered to them every day.

From the agent's standpoint, the points in the clergyman's favour are that he is usually a good risk —actuarial statistics show that the clergy are far superior in physique and health to the ordinary population; that he is educated, intelligent and usually in favour of the principle of life insurance; that his influence and approval will help the agent in the community and that he will pay for and usually keep in force any insurance that he may apply for.

Among the various plans of insurance which might be likely to appeal to a member of the ministry is the long-term endowment. The premium is moderate, and the term of the endowment might be selected so that the endowment matures at about the age when the assured expects to be superannuated. Thus the policy serves the double purpose of protection for the family and provision for old age, and besides the premiums are payable only during the salary-earning period. In some cases, it might be convenient to have the policy payable in annual instalments.

SALARIED MEN

There are numerous reasons why salaried men should be particularly vulnerable to the insurance solicitor's persuasive arguments.

1. A man on salary has not usually any capital invested in the business with which he is connected and in general does not possess the opportunities for successful investment that the principals of the business enjoy. It should not, therefore, be difficult to interest him in an investment like life insurance, which is at once safe and remunerative.

2. For the same reason, the salaried man cannot bring forward the objection to life insurance that is sometimes raised by other business men—viz.: that all their money is required in their business and therefore they dare not tie it up by investing it in life insurance.

3. The man on salary, as he receives his earnings regularly in weekly or monthly instalments and knows exactly how much he can count upon receiving, is particularly well able to set aside the fixed sums necessary to meet a periodical insurance premium.

4. The man who is his own master, *e.g.*, the manufacturer, the merchant, etc., is frequently able to build up a business which will be a permanent asset, and a source of revenue to himself after he has retired from active service and to his family after death. The salaried man, on the other hand, has no such future source of income, for his salary ceases when he retires from business or when he dies. It is all the more important therefore that he should make some systematic provision for his family after his death and for himself in his old age.

PARTNERSHIP INSURANCE

There is nothing new in partnership insurance—many companies issue joint-life policies or some other special form of contract to provide against the contingency of the death of a partner in the firm. Yet the comparatively small amount of business transacted under this head proves that the number of agents who follow up the possibilities of the scheme cannot be very large. A few agents have made this class of insurance a specialty, and the results they have obtained by working it intelligently have been so favourable that it is remarkable that their example has not been more generally followed. .

The merits of the idea are easily explained. For example, take the case of a business firm comprising, let us say, two partners, each of whom has invested $10,000 capital. The firm is newly established and progressing rapidly, when unexpectedly one of the partners dies. The surviving partner has not only a double load of responsibility and work thrown upon his shoulders, but he may also be called upon to settle with the deceased partner's creditors for his half-share of the business. If he pays out this amount in cash, he will probably so cripple the business by the withdrawal of capital as to seriously affect its future prosperity. And even if the partnership articles are so drawn that the surviving partner does not require to buy out the business immediately, yet the death of a member of the firm is a financial blow to the enterprise in many other ways, since his labour, business experience, the good-will and custom which he brought to the firm are all lost. But if the members of the firm have been protected by a joint life policy for $10,000, or a policy on the life of each member payable to the survivor, the death of one of the partners cannot seriously affect the firm's financial standing. The surviving member can, if necessary, buy out his deceased partner's share without withdrawing a cent of capital from the business; or if that is not necessary, the policy will indemnify him for the inevitable monetary loss resulting to the business through the death of a useful member.

The arguments in favour of partnership insurance may be summarized briefly as follows:

(a) Life insurance is particularly necessary when the success of the business depends in a large measure on the personality of one of the partners; *i.e.*, his technical knowledge, business connection, good will, etc.

(b) The insurance perpetuates for a time the earning power of the deceased partner until a new man can be found and installed who can do the work of the late partner.

(c) Very frequently the death of a partner involves the withdrawal of his capital from the business. Sometimes this would seriously cripple even a prosperous firm. Life insurance will take the place of the capital withdrawn.

(d) In the absence of insurance creditors may become uneasy, and force the remaining partner or partners into bankruptcy.

(e) A substantial policy in a strong company greatly strengthens the credit of any firm. It is a valuable collateral security in case additional capital has to be borrowed.

(f) A life insurance policy is a tangible asset, and increases in value every year. If the policy selected is an endowment, it constitutes an investment, which, while not yielding quite so large returns as the capital invested in the business, is nevertheless fairly remunerative and absolutely secure.

The following are a few questions that partners in many firms might well be asked to consider:

1. If one of the members of your firm were to die this month, what effect would his death have upon the standing of the firm?

2. Are the other partners prepared to meet the loss involved in the subtraction of his skill and business experience from the assets of the firm?

3. Is the firm in a position to allow the withdrawal of the capital which he has invested in the business?

4. If it is advisable to protect your buildings against fire, is there any reason why it should not be equally expedient to insure the firm against loss arising out of the death of one of the partners?

5. Is it *good business* to expose the partnership to the risk of serious loss, when that risk might be avoided by taking out insurance on the lives of the members of the firm?

PLAN YOUR CAMPAIGN

A general in command of an army usually plans his operations rather carefully before hazarding a battle. He gives consideration to the relative numbers of the contending forces, takes account of all the strategic positions, disposes his regiments with due deliberation, masks the artillery, stations his reserves, settles the order of the battle, the flanking movements and the frontal attacks; in short, he plans and performs these and ten thousand other things that you and I, not being generals, are not expected to be familiar with. If any leader were to ignore these necessary preliminaries and launch his regiments pell-mell against the enemy, he would be violating every fundamental rule of warfare, and if he escaped a sound licking it would be due more to good luck than to good generalship. The agent who tackles a man for life insurance without having made any previous study of his client or given any preparatory thought to his mode of procedure will never make a success of his business and doesn't deserve to. If he does win an application once in a while, he can thank his lucky stars and not his brains. His occasional success is not owing to his methods of canvassing, but rather in spite of them.

It is seldom that the agent has not a chance to learn something beforehand regarding the man whom he wishes to insure. So much depends upon the first interview, that it is usually worth the agent's while to postpone calling upon his man until he can secure sufficient information about him to approach him intelligently, instead of blundering in upon him aimlessly and wasting precious time in getting information that he might have secured beforehand.

The following are some particulars that you should know in advance before you interview your man. You should know his age, at least approximately; whether he is married, and has a family to support; whether he is "well-fixed" financially. All these things are important, because from them you must decide the plan and amount of insurance which you think he should carry. Then there is the question of previous insurance. Does he carry any old-line insurance now? If he does, you know that he already believes in life insurance, and you will not have to make a new convert. Do you know, or have you insured any of his friends? If so, you have a grand opportunity. He evidently recognizes the benefits of insurance, and you will be doing him a good turn if you can induce him to transfer his allegiance to a reliable concern. And while you are making your preliminary enquiries, don't fail to enquire about your prospect's insurability. Does he enjoy good health, has he ever been seriously sick, are his habits good, any consumption or insanity in the family history? A few judicious inquiries along these lines will often save the agent a good many hours of wasted time and the company an examination fee.

One other point in conclusion. In the last paragraph we referred to the necessity of enquiring about age, financial circumstances, etc., in order to fix upon plan and amount in advance; fix *upon plan and amount in advance,* and don't change your mind without very good reason. Talk one plan. Then you won't be chasing all over the rate-book, confusing your prospect with all manner of different plans. Remember that the ordinary man is not an insurance expert like yourself. You have given years to the study of such matters, and therefore can't expect him to take them into his head in a few minutes. Best keep his attention confined to one plan; then there will not be so much danger of confusing him.

PREPARE YOUR ARGUMENTS

In the preceding article we laid great stress upon the importance of securing sufficient information about your prospect in advance to enable you to approach him with a definite, well-considered plan of operations in your mind. In this article we want to refer to a somewhat similar subject—the preparation of arguments.

The life insurance canvasser cannot prepare his arguments too carefully. Let them be well thought out, carefully expressed, well illustrated. Ponder over the best methods of introducing them, developing them, and emphasizing them. It may even pay you to elaborate several ways of expressing the same argument, for there are many men whose minds are so constituted that the full force of your reasoning does not strike them until it has been repeated more than once. Classify your arguments. Have them marshalled in well-ordered array within the recesses of your brain, ready for service when the time of action arrives.

In the last paragraph we used the word "well-illustrated." Do you realize the value of illustrations? The preacher, the lawyer, the lecturer, the political spell-binder, all those who aim to persuade men—they understand the importance of illustrations, and consequently use them freely. Learn your lesson from these masters of the art of persuasion and imitate their methods. Reinforce your arguments by means of the most telling illustrations at your command—illustrations based on actual fact. For instance, you are talking with a man who has a family to support but carries no insurance. Remind him of some instance (well known to him) of a family left in poverty through the failure of the husband to provide insurance. Don't exaggerate, don't harp on the illustrations too long, but be sure that your prospect sees and feels the point of your arguments.

To make the most of your arguments you must have them at your fingers' ends. Have them ready and waiting. It is even a good plan to jot down beforehand the points to which you intend to refer. We know men who never think of undertaking an important interview of any kind without previously rehearsing in their minds the arguments that they mean to employ.

Know your best arguments and rely upon them. This does not mean that you are always to employ the same arguments. All men are not alike. When you approach a prospect you must use the reasoning that you think is best adapted to his particular circumstances. But in the main you must depend principally on the "old reliable" arguments that have served you so often before. They are the veterans and must bear the brunt of the fighting. If you meet with a reverse use one of the old brigade to cover your retreat. If there is an attack to be pushed home, there are no others upon which you can so well rely.

In the following articles, we purpose discussing some of these "old reliable" arguments that every agent should be master of, although so few can use them with real effectiveness. An agent may combine a thorough knowledge of his subject with the volubility of a gramaphone, and yet fail to impress a prospect with his arguments. He is not master of his arguments unless he can make the prospect *feel* them. A mere acquiescence is not enough. The reasoning must be so emphasized and dwelt upon that the prospect will have a vivid realization of its truth and applicability to his own circumstances. The agent has not mastered the argument unless he can do this.

IT PREVENTS WORRY

The doctors tell us that "worry" is one of the greatest factors in shortening life. It is worry, not work, that kills. Ask any business man struggling to accumulate a fortune, or to guard the fortune that he has accumulated, and he will tell you that it is not the labour and the toil that wear upon him so much as the anxiety and the strain.

Life insurance will prevent the anxiety and the strain. It is an investment that never keeps one awake at night, and no time or pains are required to look after it during the day. Whether the money markets rise or drop, whether the crops fail or prosper, a life policy is secure. Whether other plans succeed or not, there is no uncertainty about that investment. Many a man has felt, as it were, a great weight lifted from off his shoulders when he received his policy and realized that, whatever came, his family and his business were protected. Many a man passing through financial stress or severe sickness has called to mind with unspeakable relief and self-congratulation that life policy which he took out in former days and kept in force. Life insurance replaces uneasiness, anxiety and uncertainty by cheerfulness, confidence and security. It does not pretend to avert death but it does take the worry out of a man's life, Were there no other argument in its favour it would be well worth while for this reason alone.

IT PROVIDES A COMPETENCE IN OLD AGE

Old Samuel Johnson says something to the effect that "the first years of a man's life must make provision for the last." That is a true saying, and worthy of all acceptance, but too seldom acted upon. How few men are able in their old age to live in the comfort and ease to which they looked forward when they were young! Perhaps their health broke down and they were obliged to retire from business earlier than they had anticipated and before they had accumulated a fortune; or they had been accustomed to living up to their income, and when their earning power ceased, they had nothing to fall back on; or financial losses came and swept away investments upon which they were relying. What a difference an endowment policy would make in any one of these cases. It can be made to mature at any desired age. The premiums can be limited to the wage-earning period or any other period that is desired. It is a profitable investment and absolutely safe. It does not require to be paid for in a lump sum like most other investments, but may be met in annual or semi-annual instalments. It affords insurance protection during the term of the policy, and at its maturity provides a competence for old age. It can be made payable in periodical instalments so as to avoid the trouble and risk of looking after large sums. In adaptability, certainty and convenience there is no other provision that can equal it.

NO SHRINKAGE IN THIS ASSET

It is a matter of common knowledge that when a man dies and his executors begin to wind up his affairs, there must nearly always be an allowance made in their calculations for the inevitable shrinkage in the assets of his estate. A man's account may show him to be worth $10,000 at his decease; but what with bad debts, fluctuations in stocks, shrinkage in real estate, delays and expenses of collection, losses through the inexperience or inattention of the executors, probate fees, lawyers' charges, etc., the ultimate amount of the estate may dwindle to 50 per cent. of its book value.

There is one asset, however, which is always collectable, and may be turned into cash without delay, involves no lawyers' fees and is always at par. That assets is a life insurance policy. Agents might well make use of this argument more frequently than they do—especially when comparing life insurance with other forms of investment. Every man ought to possess at least one asset whose value is not subject to depreciation.

PROMPT PAYMENT

You may have read the justly celebrated incident concerning the promptest death-claim on record. The hero of this tale, like many another hero in all ages of the world's history, was of humble origin. In fact, he was a window cleaner employed by the janitor of a New York skyscraper. The second floor of the building was occupied by the offices of a well-known insurance company, in which the window cleaner with commendable loyalty to local institutions had insured his life—and wisely so. For it happened one day as he was pursuing his chosen vocation on the thirteenth floor that he missed his footing and fell. As he shot past the second storey, the head office of his insurance company, they handed him out his cheque.

Such promptitude is no doubt unusual even for a company so well organized as the one referred to. But it is a fact that almost all companies make a special point of paying death claims as punctually as possible, and that circumstance constitutes one more argument in favour of life insurance. It surely cannot be denied that an investment which can be rapidly and conveniently cashed is superior to one which requires an expenditure of time and trouble before it can be realized. This is true at any time, and especially true after a man's death, when his affairs are involved in the confusion and uncertainty inevitable at such a time. It is sometimes true even of wealthy men, for we have known instances where men have died leaving considerable fortunes which have been so completely tied up in various forms of investments that the widow experienced no little trouble in making ends meet pending the issue of letters of probate. No matter how large a man's personal fortune, life insurance comes not amiss. And in the case of the ordinary individual, even a small policy paid promptly on death will provide for all the immediate necessities of the deceased's family and often prevent them from experiencing serious financial difficulty during the settlement of the estate. Life insurance, it has been said, is C.O.D.—Cash on Death; and agents will do well to emphasize this advantage, keeping constantly at hand examples and statistics proving the promptness exhibited by their own company in meeting death losses.

THE PERISHABLENESS OF RICHES

There is nothing sure in this world except death and taxes Rich men lose in a few months the accumulations of years. One of our great railroad men, who received for years $50,000 a year, found himself in his old age without a cent and had to be provided for by the sons of his former employer.

Cyrus W. Field, at one time worth $20,000,000, did not leave his family one dollar outside of his life insurance. Political economists have calculated that 95 per cent. of those whose earning powers or money-making abilities promise to place their families above want, die poor. These may seem startling statements, but they are borne out by the records of the Surrogate Courts. How often you see the statement in the newspapers, "He left $———, mostly life insurance." In the majority of cases where a family has been left decently provided for it is due largely to life insurance. In most of the other cases, a little forethought and self-denial on the part of the deceased would have provided an insurance policy which might have meant for the bereaved family all the difference between penury and affluence, between suffering and comfort.

THE FLEXIBILITY OF LIFE INSURANCE

One of the chief merits of life insurance is that it adapts itself with wonderful ease to the varied and varying needs of its patrons.

For example, suppose that twenty years ago a young man was unmarried and drawing a good salary. **He found it hard to save** money, and therefore took out a Twenty Year Endowment to compel him to economize and mainly as an investment. But since then he has married, and now the policy is about to mature. He finds that his family need the protection of the insurance more than he needs the cash value of his policy. He is still in good health and can take a paid-up policy for a much larger sum than the original insurance, payable to his family at his death. This policy was taken out with quite a different idea in mind, but the assured's circumstances have changed and the policy adapts itself to those altered circumstances.

Again, a man may have taken out an Ordinary Life or Twenty Payment Life policy for the protection of his family. During the twenty years that have elapsed his children have become self-supporting, and he and his wife, at advanced ages, are now living alone. This policy was taken out for the protection of the family, but such protection is no longer necessary. This man, therefore, draws the cash value of his policy or uses the cash value to buy an annuity that will support both himself and his wife during the remainder of their lives.

These are only a few illustrations of the principle we are dealing with. Examples might be continued indefinitely.

LIFE INSURANCE TO PAY OFF THE MORTGAGE

The agent who works much in the country districts finds that many of the people have their farms encumbered by mortgages. The mortgage is the great obstacle between them and prosperity. Their one great aim and endeavour is to save enough to pay off the encumbrance.

In the towns and cities, the agent finds that many of the homes are burdened by a mortgage, and here again the great problem, so far as financial matters are concerned, is to save enough from month to month to pay off gradually the principal of the mortgage.

If the man with a mortgage on his farm or house were to die, his family would be left burdened with the mortgage, and obliged to keep up the payments of interest and principal. If it was difficult to make the payments when he was alive, it will be still more difficult to make them without his assistance.

If the mortgagor in such a case were to insure his life for the amount of the mortgage by a 5, 10, 15 or 20 year endowment policy, he need only keep up the premium under the policy from year to year, and at the end of the period the principal of the mortgage will be wiped out. More than that, if his death occurs, instead of leaving his family to carry the weight of the mortgage, he leaves them the insurance money to pay off the mortgage.

For example, if a man aged 30 has a $1,000 mortgage against him, it would require, in addition to interest, twenty annual payments of $50 each in order to pay off the principal. But he can obtain a 20 year endowment, non-participating, at an annual premium of only $43.75, and the payment of $43.75 yearly on the policy will pay off the mortgage at the end of twenty years or at the death of the mortgagor if he dies before the twenty years have elapsed.

BECAUSE IT PROTECTS ONE'S FAMILY

The arguments in favour of life insurance are numerous and some of them are novel. In particular cases, an agent who has tried all the stock arguments and failed, sometimes succeeds in closing the application by a specially ingenious train of reasoning or an apt method of presentation which appeals to the mind or heart of the particular prospect whom he is canvassing. But for every application that is won by such novel and ingenious methods, it is safe to say that there are a hundred closed by means of the old stock arguments in favour of life insurance; the oldest, best, most powerful, direct and convincing is the one which appears at the head of this article—"because it protects one's family."

After all, this is the fundamental reason at the basis of life insurance. Life insurance may be a good investment, a provision for old age, a stimulus to thrift, an assistance in financial difficulty—but these things are incidental; the primary and fundamental explanation of and reason for life insurance is found in the protection which it affords to the wives and children of those who insure their lives. There may be men who are so selfish, sluggish or otherwise peculiarly constituted that they do not feel the force of the "protection" argument, and to such people the agent must present life insurance as an investment, a provision for old age, etc., but with ninety-nine men out of a hundred, it is the "protection" argument that counts—the other reasons may assist them in coming to a decision, but the thought that mainly influences them is that of providing for their wives and fa[illegible]

It is [illegible]tant that the agent should realize this fact, and not spend too much energy or time in emphasizing other arguments which are usually secondary. Given a man of average intelligence and humanity with a family to support and little or no life insurance—there you have a man who simply can't resist your reasoning. Point out to him that with a very little self-denial on his part he can make a provision for his family which may mean to them all the difference between plenty and penury, between happiness and want; which may mean an education to his children; which will relieve his mind of all uneasiness as to their financial welfare. Pin him down to these arguments—they are unanswerable. Don't let him escape from the inevitable conclusion of your logic. Don't let him evade the issue. Your reasoning is right, his own conscience bears witness that it is right and in the end he is bound to yield to the combined force of your reasoning and his own conscience.

THE BEST CHRISTMAS PRESENT

Towards the end of the year one date is uppermost in everybody's mind, and that date is Christmas.

At that season of the year, every man who is not a miser or a pauper will make some extra personal sacrifice in order to gladden his home with Christmas gifts.

It is difficult to criticize where the motive is so generous. But the fact remains that not infrequently a father in his anxiety to see that the children's stockings are well filled neglects consideration of far greater importance.

If you were to die between this Christmas and the next would the children's stockings be as well filled next year? Is it not possible that they might lack, not merely their accustomed Christmas gifts, but also some of the very necessaries of life?

Perhaps you carry no life insurance; or more probably, the insurance that you carry is not sufficient to protect adequately your family. In that case, do you realize that your anxiety to render your family happy and comfortable now may react to their disadvantage sometime hereafter?

Would not your affection and care for your family be more truly shown, if you made up your mind this Christmas that your family would henceforward be adequately protected; and, acting on that resolve, insure in a strong life insurance company.

What better Christmas present could be conceived than a policy for a substantial sum in that company? That would be a gift of the most practical kind; based on generosity and kindness; banishing worry, anxiety and care; making Christmas all the merrier and the New Year all the happier for yourself and family, from the thought that, come what might, the future was provided for.

SUPPOSITION

Suppose a friend of yours, a man of absolute honesty and ample means, should make up the following proposition:—He offers to make over to you $1,000, to be held by him in trust for you, and stipulates only that you shall pay interest upon the sum during your lifetime at the rate of 2 per cent. per annum. Beyond the yearly payment of interest at this ridiculously small rate, the transaction costs you nothing at all, and at your death, he contracts to hand the whole amount over to your family. Would you accept an offer of this kind? Of course you would.

You won't get any friend of yours, however charitably disposed, to make such an offer; yet that is precisely what an insurance company would undertake to do, and *is* doing every day. It sets aside the whole amount for the benefit of your family and contracts to pay that amount over at your death. And under a Whole Life Non-Participating policy, assuming your age not to exceed 30, you pay less than 2 per cent. interest on the fund, and are never called upon to pay a cent of the principal. You may die after the contract has been only a few months in force, but the company carries out its agreement just the same.

Or, suppose this same friend of yours were to make you a slightly different offer. You pay a higher rate of interest, 5 per cent. on the sum which he holds in trust for you. If you live 20 years, he agrees to pay over the whole sum to you, although you have paid only the interest upon it; or, if you die during the twenty years, he will pay the money to your family.

The last is another offer which you will never find any individual willing to make; nor would you be willing to make such an offer to anybody else. But that is exactly what the insurance company offers you under a 20-Year Endowment policy. You could not secure an advance of money at less than 5 per cent. even on security of a first mortgage on your house; but the company will accept that rate, and will pay over the whole principal money at the end of 20 years or at your death if that happens first.

MORE SUPPOSITIONS

Suppose the Government should issue an edict that one thousand people of this country should be put to death during the next week; the name of every man (yours among the rest) to be written on separate pieces of paper, placed in a large receptacle and one thousand of the pieces drawn by lot. If you had the uncertainty of your fate brought vividly home to you by some such extraordinary event, you would perhaps listen to the arguments of the insurance agent, who urged you to insure your life. But why draw on our imaginations? The plain unvarnished facts are solemn enough of themselves. The truth is that there are thousands of persons who are being carried off by death every week through natural causes and in the ordinary course of events. Your chance of being one among those many is just as great as though your name were in the jar from which the lots were drawn.

Suppose you were suddenly faced with a decree of banishment from your native land. You are given no time to settle your business affairs; you are forbidden to communicate with your family during your exile or to send them any means of support. That would be hard lines for your family no doubt, but no harder than it would be for them in case of your sudden death. Is it worth your while and theirs to make provision for their wants in case of some such sudden catastrophe. If you think it is, the only logical or reasonable course for you is to insure your life.

Think of the healthiest man of your age you know —a hardy, husky individual of long-lived stock, so well and strong that, as the saying is, you could not kill him with an axe. Would you enter into an agreement with that man, and secure it by a mortgage on your property, by which you bind yourself to pay $10,000 to his representatives in the event of his death, provided that he, during his lifetime, pays you $200 per year? We rather think you would not enter into such an agreement, under which you would have a good deal to lose, and not very much to gain. We venture the opinion that, in spite of his health and hardihood, you would not risk too much on his chances of escaping death, by accident or disease. Yet that is precisely the bargain which a life insurance company is prepared to enter into with you. It is prepared to insure your life, even though you be not quite so robust as your healthy friend, and will pay your estate $10,000 on your death, in return for an annual premium of $200 while you live. That's the company's offer under its Ordinary Life, Non-Participating policy.

Suppose the manager of your bank should take you into his private room the next time you call, and buttonhole you with this offer on behalf of the institution which he represents. You are to deposit $500 a year during the next 20 years if you live so long. The bank on its part will put $10,000 to your credit, and if you should die during the next 20 years, it guarantees to allow your family to cheque out the whole $10,000. If you live for twenty years, you can draw out the $10,000 that you have deposited, together with interest on your deposits. That is the proposition which an insurance company submits to you under the name of a 20-Year Endowment policy.

ANOTHER WAY OF LOOKING AT IT

A few years ago, the papers recorded the case of a man who paid $225,000 to an insurance company for a life annuity and died within five months of the transaction. His heirs thereupon commenced a suit to recover from the company the amount so paid.

It no doubt would appear a great hardship to a family to see so much money paid out and yield no return. But the same thing in principle is occurring every day, and families suffer by it, and yet very often no attempt is made to prevent the mischance. Take the case of a man aged 30 who is earning $5,000 a year. The capitalized value of his future earnings is $100,000. If he dies during the next twelve months his death will represent an absolute loss of $100,000 to his family. In other words that man and his family may be looked upon as entitled to an annuity of $5,000 as long as he lives, the present value of which is $100,000; and, if he dies, the annuity-payments cease immediately, involving a loss of $100,000.

If that man had insured his life for a substantial sum, the insurance would compensate his family for the money loss involved in the cutting short of his career. The economic value of a man's life is often not realized; otherwise we should not so frequently see the anomaly of a man insuring his house and his goods against fire, his business against defalcations of clerks or accidents to employees, while he takes no measures to insure what is far more valuable to his business and his family--his own earning power.

BECAUSE LIFE INSURANCE IS A PART OF MODERN BUSINESS METHODS

The unrivalled popularity of life insurance is one of the best proofs that it is in reality all that its most eloquent eulogists represent it to be. If life insurance had not great and conclusive arguments in its favour, if it had not fulfilled its promises, if it had not proved its case to the very hilt, there would not be millions of men and women now carrying insurance, as is actually the case on this continent. It is because life insurance *has* proved its case, that it has won believers among every class and in every nation. And, more than that, it is most noticeable that the leaders in modern life, the best thinkers, the most prominent and successful men are those who endorse most strongly the principle of life insurance. We venture to say that it would be impossible to point to one man of any prominence, in any sphere of life or labour, who is not a believer in life insurance, or who would refuse to express his hearty approbation of it and all that it implies.

The person who denounces life insurance betrays his own ignorance—he shows himself stupidly in opposition to all the best and sanest thinkers of the times. The man who neglects to protect his family and his business by taking advantage of the means thereto afforded by life insurance is lagging a century behind up-to-date methods of the present era—an antediluvian fossil in a modern age. He ought to go hence, and join himself to the congregation of timid old women who hoard their savings in a stocking-foot instead of utilizing the modern savings bank—the life insurance company.

BECAUSE IT IS A SAFE INVESTMENT

The security of life insurance as an investment is an argument which appeals to everybody. People are coming more and more to recognize the soundness of the principle which declares that the first essential of an investment is security. In these days, the classes of investment which are mainly patronized by the public are those which give the best guarantees of absolute safety, such as first mortgages on real estate, government bonds, savings bank deposits and life insurance policies.

Life insurance companies depend for their support to a large extent on investors of moderate means. These people are very often not in a position to take advantage of opportunities for investment which are open to men of large means and wider business experience. Their choice of investments is therefore restricted, and they usually realize the fact. They are chary about placing their small savings in railway stocks, mining shares or stock-exchange securities—investments which they do not thoroughly understand and in which they are at a disadvantage as compared with the big investors of the stock market. They welcome, therefore, life insurance as a field of investment which they can understand, where they are guaranteed absolute security, and where they can invest their money on even terms with their millionaire brethren.

Nor are the wealthy investors backward in their appreciation of the security of life insurance. The richest men in the world carry insurance on their lives amounting in some cases to a million or more. The men who are accustomed to dealing in speculative investments know better than any others the value of an anchor to windward. If their other ventures are speculative, all the more reason to have one investment which can be relied upon as absolutely secure.

Make the most, therefore, of this argument in your favour. Point to the vast accumulations of the life insurance companies, their carefully calculated reserves, the thoroughness of the Government supervision. The life insurance companies are the strongest financial institutions in the world. They afford security which savings banks, loan companies and fire insurance companies do not possess. The man who puts his money in a well conducted life insurance company has the satisfaction of knowing that this investment is as safe as though he had put it in Consols.

BECAUSE YOU HAVE SEEN EXAMPLES OF ITS BENEFITS

A man need only to look about him to see numerous examples of the vast benefits which life insurance is daily bestowing upon thousands of families. There is no person who has reached the age of discretion who has not observed with his own eyes instances where life insurance has brought assistance to those in need. The agent should bring to his client's attention specific cases where this has happened. He should ask his client to recall to his mind instances within his own personal knowledge of the relief afforded by even a small amount of life insurance provision. Question him about the facts concerning such cases. Point out to him how gloomy the outlook would have been without the assistance given by the life insurance money. Illustrations have great influence with all men, and this is specially the case when the illustrations are "close-to-home" illustrations and known to be true.

As we said before, there is no man who can deny that life insurance helps—*because every man has seen cases where it has helped.* And it is up to the agent, if he wants to make his arguments count, to bring these instances clearly to his client's recollection, and point out to him the moral which they contain.

BECAUSE IT CREATES AN ESTATE AT ONCE

There are a great many people looking forward to becoming rich who never reach that most desirable goal. Those who do reach it usually attain their desire by years of saving and toil. They economize now in order that they may have money to spend in later years. They live poor in order to die rich. They work and worry now in order that sometime in the future they may enjoy ease and plenty.

Life insurance is the only means ever devised of creating wealth by a "stroke of the pen," as it were. By the payment of a comparatively small sum annually a man can create an estate equal to the savings of a lifetime. A young man aged 20 by investing $3.00 a week can carry an Ordinary Life Non-Participating policy of $10,000. For $4.00 per week he can obtain a 20 Year Endowment policy of nearly $5,000, payable in 20 years or at his prior death. For a little over $5.00 a week, he can secure $10,000 payable at age 50 or at his death if he dies before reaching that age.

And the best of it is that a man who has set aside out of his income the sum necessary to keep up his life insurance policy, need not worry very much whether he saves anything further or not. He is free to enjoy his income as he receives it in any way that he may think best. So long as his life insurance is kept up he knows that his family are protected in the event of his death and that there will be a competence for his own old age if he lives.

BECAUSE DEATH IS CERTAIN

Death is certain, and the time of its occurrence is uncertain; a double reason for providing against it. Life insurance is the only means that has ever been devised for making such provision.

It is odd that so many people who quite realize the value of fire insurance, and have their houses, barns and stores fully insured against a possible conflagration, never seem to be able to appreciate the importance of life insurance. The house or barn or store may never burn. You insure them because there is a bare possibility of a fire occurring. But death is absolutely certain—the only uncertain thing about it is the time of its occurrence—and yet, you are not insured against it. What consistency is there in such a state of things? The premiums you pay for fire insurance will probably never be returned; the premiums you pay on your life policy are certain to be returned to your family some day. You insure the thing of comparatively small importance—the house which your labour could easily replace in a few years' time, but you make no effort to safeguard for your family's sake the most important things of all—your own skill, intelligence and earning power. If the principle of fire insurance is good the principle of life insurance is better. If it is wise to provide against a possible loss it is a mark of even greater wisdom to make provision for a loss which is certain to occur.

BECAUSE LIFE INSURANCE GIVES CREDIT

There is no quality which will help a man to credit and to the assistance of successful people more than the reputation of having the saving habit—of having something laid by, whether in a savings bank or in a life insurance policy.

The very fact that a man has the foresight to look ahead and provide for the future of himself and others indicates prudence, self-denial, thrift and stability of character. People have more confidence in him from their knowledge of the fact, and the very reputation of having these characteristics means more influence, more credit, more capital.

There are thousands of men to-day undertaking business and other enterprises by means of capital advanced to them on no other security than a good character, a promissory note and a life insurance policy. If they had not carried life insurance, they would not have got the money; more than that, many of them would not have accepted the advances of capital if they had not been confident that they were protected by their insurance which would liquidate all debts in the event of their death. The possession of a life insurance policy enables a man to go forward confidently, without experiencing the fear that death may step in and leave his estate encumbered and his family embarrassed by debts which he had incurred.

The value of the life insurance policy as a collateral security is becoming more fully recognized day by day. Bankers enquire from the prospective borrower whether he carries a life policy. The man who possesses one gets a larger loan and at a cheaper rate. The man who does not carry one is liable to discover some day that the possession of a substantial life policy would mean a lot to him, and that he is seriously handicapped because he does not have a policy to his name.

BECAUSE OF THE SIMPLICITY OF THE METHOD

There is no other method of devising one's estate to one's heirs so simple and effective as life insurance.

A large part of the litigation which keeps the law courts constantly busy is in connection with wills and disputes over estates of deceased persons. Difficulties occur as to the interpretation of wills, or disputes arise between different heirs, and the result is always litigation, legal fees, and the diminution of the deceased's estate. Sometimes there is a legal flaw or an ambiguity in the wording of the will, and the result may be that the testator's estate passes to parties whom the deceased never intended to benefit. Sometimes lawsuits last for years, and in the end the diminished share of the heirs is a mere fraction of the value of the original estate. In other cases, executors are incompetent or arbitrary, and losses may occur or the estate be administered in a manner unsatisfactory to the deceased's family.

The surest way to guard against any or all of these dangers is by leaving an estate mainly composed of life insurance. A life insurance policy is a will which no lawyer is needed to make, and which no lawyer can break. There is no mistaking or disputing its terms—the money will be paid as stated in the policy. If the policy is payable to a particular person, the insurance moneys do not form part of the deceased's estate in law, and do not even pass through the hands of his executors. If the assured desires, the money will be paid (with interest) in instalments to the beneficiary as it is needed and thus all risk of loss through bad management or unwise investments will be avoided. Viewed from whatever standpoint, life insurance is the simplest and best means of willing one's property at death.

BECAUSE IT INCREASES ONE'S SELF-RESPECT

So it does. No man has ever received his life insurance policy from the agent and put the first premium receipt in his pocket without being sensible that the load of responsibility on his shoulders had been lightened. and without feeling an increase of manly self-respect at the thought that he had done what it was his duty to do, and all that it was in his power to do towards providing for the future welfare of those dependent on him. It is a curious circumstance, but one which we believe to be true, that a man who has once carried life insurance seldom drops it permanently. He may allow his policy to lapse. he may change to another company, he may become hard-up and unable to meet the premiums, but sooner or later he gets another policy. A man who has once been convinced of the benefits of life insurance, and has experienced that new sense of self-respect, and lightened responsibility never feels really at ease while he has any one dependent upon him and lacks life insurance.

BECAUSE IT IS OF ASSISTANCE IN FINANCIAL DIFFICULTY

An insurance policy is of assistance in financial difficulty. Either a bank or a private lender will loan money much more readily and on much better terms when the borrower has a life insurance policy which may be assigned as collateral security. There are many people who will lend on no other security than the life policy, when they know the borrower and have confidence in his integrity. A person of good character and business ability need never lack financial assistance if he is the possessor of an insurance policy.

Nearly all insurance companies will lend on security of their own policies to the extent of the surrender value, and at very moderate rates of interest. This is the easiest and most inexpensive way of raising a temporary loan. There have been many cases where business men have tided themselves over serious financial crises, because they have carried large insurance policies and could borrow from the companies on their policies privately and without affecting their credit in the business world.

As for those who are already in debt, they owe it as a duty to their families to provide a means of paying off their obligations in the event of their death. Are you in debt? Death doesn't satisfy mortgages or repay loans. That mortgage, so light a load for you, may prove a millstone about the neck of your widow. Those outstanding notes, which you keep renewing from time to time, will make a big hole in your estate. An insurance policy will pay off those notes at your death, it will discharge the mortgage and leave the property to your widow unencumbered. And the law allows you, by making the policy payable to your wife or child, to make certain that the insurance money will be *theirs only,* and not be eaten up by hungry creditors.

BECAUSE OF THE SUDDENNESS OF DEATH

Although in perfect health to-day, you may die to-morrow. To realize fully how often death comes suddenly and unexpectedly one must look over the death registers of an insurance office and note the large number of deaths that occur from accident or acute illness within a few months of the issue of the policy. These men, at the time when their policies were issued, were medically-examined lives, classed as good risks and likely to live out their full expectancy; but within a few months, their policies became claims. If these men had delayed taking out insurance for a few months, weeks, or even, in some cases, for a few days, they would have died uninsured and their families would not have had the insurance protection. The same risk is being continually run by all those men who neglect to take out insurance because they feel perfectly well, and do not realize the dangers of delay.

In almost every case where death occurs unexpectedly, the business affairs of the deceased are found to be badly jumbled. He may have left plenty of property, but probably no one but himself knew much about his affairs, and he himself had not expected the catastrophe. The result often is that the family is temporarily embarrassed for want of ready money, and the executors in their haste to straighten out the deceased's tangled affairs and realize on his assets, fail to do their work as well or to dispose of the property to as good advantage as they might. But if the deceased carried insurance, the life policies are always the first of all the assets to be cashed, and the trustees can dispose of the rest of the estate at their leisure, without being obliged to sacrifice any asset in order to expedite matters or obtain ready money. No man can be sure of having time to settle all his affairs before his death, but any man can provide against death, however sudden, by carrying life insurance.

BECAUSE IT PROTECTS YOUR FAMILY FROM CREDITORS' CLAIMS

In Canada and most of the United States, the statutes provide that the wife, children and mother of the assured (and in some cases other near relatives) shall be regarded as "preferred" beneficiaries, and when a life policy is made payable to one of these beneficiaries, a trust is created in the beneficiary's favour, and the policy is not subject to the control of the creditors of the assured. That is to say, if the assured became insolvent during his lifetime, the creditors, although they might seize his other assets, would have no power to seize the insurance policy, if it were made out in the name of a preferred beneficiary. Or if, after the assured's death, his assets were found insufficient to discharge the claims of creditors, the insurance moneys would, nevertheless, be beyond their control, and would be payable by the company direct to the beneficiary entitled.

It goes without saying that this is an important enactment and one which must frequently be of benefit and protection to families. It furnishes the agent with an argument which cannot fail to appeal strongly to business men, who know the uncertainty and risk attaching to the most carefully planned financial ventures and can appreciate the value of a provision like this, sanctioned by law, for protecting business men's families from the vicissitudes of financial affairs.

BECAUSE A LIFE POLICY NEVER DEPRECIATES IN VALUE

There are very few kinds of property—from shares of stock to real estate—that are not liable to depreciation. A man leaves his family shares in the capital stock of an industrial concern; after his death the stock may depreciate, it may cease paying dividends and become practically valueless. Or, if he leaves them real estate, there is certain to be depreciation sooner or later unless money is constantly spent in making repairs. On the other hand, an insurance policy never depreciates, but is constantly increasing in value. It keeps on growing nights and Sundays. Its surrender value is larger every year, and every year it carries a larger share of accrued surplus. There is no depreciation in this asset during the assured's life, and at his death it is worth more than ever. The person who invests in this class of security has his money ticking away at compound interest, and enjoys insurance protection besides.

BECAUSE IT PAYS YOUR SALARY AFTER DEATH

Suppose your income were to cease entirely and permanently, could you support your family? Foolish question, you say. Very true; if you could not do it, how could your widow?

As a wage-earner, you are so much wealth. The income you earn is simply interest on that wealth, which is a total loss to your wife and family if you die uninsured. Your wages cease with your breath; your debts live on, and the daily needs of your family also continue just the same after your decease. The only way to make your income permanent is by means of life insurance. A life insurance policy will pay your salary or your wages after you are gone, and provide for the support of your family as though you were alive.

BECAUSE IT GIVES SO MUCH FOR SO LITTLE

Men generally neglect to consider when they are dilly-dallying and wasting an agent's time, how small and insignificant is the amount of the premium under discussion compared with the amount of the insurance protection offered and its potential value to their families. The insurance premium means only twenty, thirty or forty dollars a year to you, but it means a thousand dollars to your family. Think how much a few thousand dollars might affect your family's future, and then think how little that relatively small premium diminishes your income. Think of what your family would gain—a comfortable home, good surroundings, their proper place in society; think of what each of your children would gain—an education, decent clothes, a fair chance in the world; and then think of what you would miss—a few cigars (and probably nothing else). Your family need the protection more than you need the amount of the premium. A little sacrifice on your part may guard against much misery on theirs.

BECAUSE INSTEAD OF COSTING IT SAVES

One of the most remarkable things about a life insurance policy is the wonderful way in which investment is combined with protection, the net result of the arrangement being that the insurance *protection in the long run costs nothing.* In this world we get very few things that cost us nothing; and the very few things that we get for nothing are usually worth nothing. Things that are of any value to us generally cost, and we expect them to cost. Even fire insurance, which is so near akin to life insurance, costs; for a man may go on all his life paying fire insurance premiums and yet never collect a cent from the company. But in life insurance, the money invested always comes back. In the case of endowment assurances, the man who pays the money often lives to get it back himself with interest. And even under an ordinary life or limited payment life policy, the money comes back ultimately—if not to the man who paid the premiums, at least to his heirs. This, then, is one of the distinctive features worth remembering regarding life insurance—that it furnishes insurance protection, invests one's money, and instead of costing it saves.

BECAUSE YOU ARE NOT WEALTHY

If you were a millionaire you would not need to insure your life. In making that statement we do not mean to say that millionaires do not take advantage of life insurance, or that they are not wise in doing so. It is a matter of common knowledge that wealthy men *do* almost always carry large amounts of life insurance. They have various reasons for doing so (some of which we discuss in another article) but it is not absolutely necessary for them to carry insurance because they have ample estates to bequeath to their families. Therefore, we say, if you were a millionaire you would not need to insure your life. But you are *not* a millionaire, and if you died, your family might not fare very well. The millionaire's family does not need additional protection but *your* family does. There is one way and one only in which you can give that protection to them, and that way is—life insurance. A life policy will guarantee to your family just as certain and sure protection as the vast fortune of the wealthy man affords to his; for the life policy is backed up by the security of an insurance company with more millions in its coffers than the plutocrat possesses. Pay your little premium and get the bond of protection to your wife endorsed by that millionaire company.

BECAUSE IT ENCOURAGES THRIFT

Habits of thrift and saving are admitted by everybody to be desirable habits to possess. Like many other desirable things, however, such habits are hard to acquire. We all have the "spending" faculty—very few of us have the "saving" faculty. Money slips through our fingers so easily and in so many different ways that when we balance up our accounts at the end of each week or month we wonder where it all went to. It is not astonishing, then, that many people never succeed in saving anything and even at the close of a long and busy career a man often lacks sufficient funds to provide a competence for his old age.

For these reasons, most people welcome any plan which will assist them in establishing the habit of saving; and many men carry life insurance—not simply as a protection—but because they have found from experience that it assists them to save money. The premiums under a policy and especially an endowment policy are *"enforced savings."* The owner of a policy does not like to let it lapse, and therefore makes little sacrifices in order to pay the premiums. It is easier for him to do this because he knows in advance the dates on which the premiums fall due and can provide for them in advance. And so the years pass, until at length the endowment matures, and as the assured cashes his policy and the profits he realizes how much his little savings from year to year have accumulated to, and recognizes that, but for the life insurance policy, all this money would probably have been spent with nothing tangible to show for it.

Other men who have not been wise enough to take out insurance will have, many of them, a different story to tell. Look back twenty years, men of fifty! Where are all your good resolutions about saving annually? Where is the balance in the bank you intended to have? If you had taken out an endowment policy, you would have paid your premiums as you have your grocery bills—wouldn't have missed the money—would have lived just as well, and would now have in cash a few thousand dollars which has "dribbled" away somewhere or other, you don't exactly know how.

It will pay any man, for the sake of economy, if for no other reason to carry an endowment policy. This is particularly true of young men. The saving of a few dollars a month will meet the premiums; it will teach them habits of economy which will greatly benefit them, as well as provide a fund for future years. "A dollar saved is a dollar earned."

Comparisons are sometimes made between the relative advantages of saving money by means of a life policy and by means of a savings bank account. The returns from an endowment policy in a good company and from deposits in a savings bank probably do not differ materially; but where is the man who would keep up year in and year out for fifteen, twenty or twenty-five years the habit of placing a fixed sum in the savings bank with the same regularity he would use in paying his life insurance premiums? The premiums on the policy are paid promptly, because the policy would lapse if they were not so paid; but there is nothing depending on the regularity of the savings bank deposits. And the money paid on the policy is *saved;* whereas owing to the fatal facility with which savings deposits can be withdrawn—the money which is put *in* to-day is frequently taken *out* again to-morrow.

BECAUSE IT LEAVES ONE FREE TO LIVE UP TO HIS INCOME

When a man carries a reasonable amount of insurance on his life, and has paid his annual premium, he need not worry very much whether he saves anything further out of his year's income or not. If he dies, his family is provided for—if he lives to old age, he can turn his policies into cash, and enjoy a competence for the rest of his life. Having furnished an insurance policy which combines both protection for his family and provision for his old age, he has done all that is necessary to provide for the future, and the balance of his income can be used for present necessities.

This fact is coming more and more to be recognized as one of the great advantages of life insurance. Thousands of men carry insurance mainly for this very reason, that it enables them, while not neglecting the future, to enjoy the present. In the ordinary course of things man would have to earn and save for a good many years before he could amass an estate sufficient to provide for his family as he would wish to see them provided for in the event of his death; and until the necessary amount of money had been accumulated for that purpose, his life would be unpleasantly full of sacrifice and saving and anxiety. But life insurance by a stroke of the pen creates a potential estate equivalent to the savings of years; and the man who takes advantage of this means of providing for his family and his own declining years can live with some degree of comfort, not worrying over trifling expenditures, not scraping in order to accomplish petty savings but free from anxiety and with opportunity for the enjoyment of the fruits of his labour.

In other words, when a man has the requisite amount of life insurance, he need not care whether he dies poor or not. He can get the fullest enjoyment of spending his money now, and yet possess it himself when he arrives at old age or leave it to his family when he dies. There are two ways of leaving an estate—one is by saving and slaving; the other is by means of life insurance.

BECAUSE YOU WILL BE GLAD LATER ON

You never hear a man of middle age expressing regret that he insured his life years ago; his regret is always that he didn't insure earlier and for a larger amount. When a man has begun to reap the results of his earlier foresight and economy, he congratulates himself that he had sense enough to insure his life. When he cashes his matured endowment or draws the surplus on his life policy, his only regret is that in signing that application for insurance twenty years ago he didn't make it for double the amount.

It is from the men who never insured, or delay too long in insuring, that we hear the complaints. "Yes," said a business man the other day, "I wish to goodness that when I was a youngster in the twenties some life insurance agent had happened along and plagued me into insuring."

The man who uttered these words was probably expressing the feelings of thousands of others who for the same reasons regret their failure to insure early in life. Too late, he realized that he had thoughtlessly cast away a golden opportunity, and now that he is a middle-aged man, he sometimes compares regretfully what really is with what might have been, somewhat in the following manner:

1. When he was a young man he might have obtained the insurance at half the price.

2. When he was a young man he thought he did not require the insurance. He is now married and must have it whatever the cost.

3. Before he was married he could afford the insurance better than he can now.

4. If he had insured years ago he might now be drawing the surplus, instead of scraping incessantly to make ends meet.

5. If he had insured years ago, he might now have had a paid-up policy.

6. If he had insured years ago, he might be looking forward this year to drawing the proceeds of a matured endowment. As it is, he is racking his brain to know where next month's rent is to come from.

7. If he had carried insurance, he might have saved hundreds of dollars that were spent extravagantly, and without yielding him any permanent good.

8. If the premiums he is now paying were not so high, he would be free to enjoy a much larger portion of his income.

9. If he had insured when he was young, his family might now be enjoying double the insurance protection for the same cost.

10. If he had insured years ago, he would now have something to show for the money which he meant to put in the bank, but which somehow never reached there.

The following tables show in a striking manner the rapidity with which the cost of insurance increases as age becomes greater. Table 1 gives the annual premium at each age for $1,000 whole life insurance with profits. Table 2 gives the amount of similar insurance that $19 (the annual premium at age 20) will purchase at each age:

Table 1

Age	Annual Prem.
20	$19.00
21	19.40
22	19.65
23	20.30
24	20.75
25	21.30
26	21.85
27	22.40
28	23.00
29	23.60
30	[illegible]4.25
31	24.9[illegible]
32	25.60
33	26.35
34	27.10
35	27.95
36	28.80
37	29.70
38	30.60
39	31.60
40	32.60
41	33.70
42	34.85
43	36.10
44	[illegible]7.45
45	[illegible]8.3[illegible]
46	[illegible]0.3[illegible]
47	[illegible].85
48	43.50
49	45.20
50	47.05
51	48.95
52	51.00
53	53.20
54	55.55
55	58.10
56	60.75
57	63.55
58	66.55
59	69.80
60	73.20

Table 2

Age.	Insurance that $19.00 will buy.
20	$1,000
21	979
22	951
23	930
24	916
2[illegible]	892
26	870
27	[illegible]48
28	[illegible]26
29	[illegible]
30	[illegible]
31	[illegible]3
32	[illegible]2
[illegible]3	[illegible]21
[illegible]	7[illegible]1
[illegible]	680
[illegible]	660
[illegible]	640
38	621
[illegible]	601
4[illegible]	583
4[illegible]	564
[illegible]	545
[illegible]	526
[illegible]	507
[illegible]	489
[illegible]	471
47	454
48	437
49	420
50	404
51	388
52	373
53	357
54	342
55	327
56	313
57	299
58	285
59	272
60	260

LIFE INSURANCE AND FIRE INSURANCE—A COMPARISON

A man who owns house, goods or store and carries no fire insurance is a pretty poor business man—you might be inclined to use a harsher term. He exposes his property to the risk of injury or total destruction, and rejects the means of protection and compensation that lies easily and cheaply to hand.

Have you insured your property within some approach to its real value? We mean not so much the house or store as your greater property, which has produced all your other wealth, is supporting your family and is creating additional wealth year by year. We mean yourself, your ability and your time. Have you insured these? These are the most valuable properties a man can possess, and they are more exposed to risk of loss by death or impairment by injury or old age than your other property is exposed to loss by fire.

If it is important to insure your house and goods against loss by fire, how much more necessary to protect your family against the irreparable loss of your strength, your ability and your earning capacity?

If one of your children should fall heir to a business block or building producing an annual rental of $1,000 and you were appointed guardian, would you not insure that property against fire?

Suppose you earn $1,000 a year. On a money basis, which could your child best afford to lose—you, or the building which rents for $1,000 per annum? In other words, if you would insure the property to protect your child against a loss in event of fire, should not the same reasons influence you to insure your life? If it is good business to insure the building, it is equally good business to insure your life. If it would be bad policy, from a business standpoint, to leave the property uncovered, it is equally bad policy, from a business standpoint, to keep your family without insurance protection. The building, if it burned, might be replaced by your energy and effort, but if death cuts short your income it is lost forever. The building may never burn, but death is certain to occur sooner or later.

WANAMAKER'S REASONS FOR INSURING HIS LIFE

Soon after I came into business, such was my interest in life insurance, and belief in its wisdom, that one of the first reckless things Idid was to make a Christmas present of a $1,000 policy paid for a year to every man in my employ. I thought that was a good investment.

I have been so often asked about my own insurance that I am going to gratify a curiosity that some of you have expressed perhaps in regard to it. I had no thought whatever of becoming the largest life insurer, if that is true, as has been sometimes said of me.

I have never started out to do any large thing, but I have been a great hand to work hard at everything I took hold of.

I do not own a share in nor have I official connection with any insurance company in the world.

I did not know until after it had been done that the amount was larger than any other.

There is not any man that I would not sooner see have a larger line, and I will promptly yield the place to any of you or your friends.

It was the influence of one man who thought about it, and I was the man.

I simply worked out five conclusions as the result of my own thinking, without any moving cause except my own judgment.

First—That at that time I knew I was insurable and I could not be certain of immunity from accident or ill-health, and it might be that at some future time I would not be insurable. That was the first step to the building of sixty-two policies.

Second—That life insurance was one of the best forms of investment, because from the moment it was made it was good for all it cost and carried with it a guarantee that there was protection in that investment that I could not get in any other.

Third—That life insurance in the long run was a saving fund, that not only saved, but took average care of my deposits and took me in partnership into possible profits, that not infrequently returned principal and interest and profit.

Fourth—That life insurance regarded from the standpoint of quick determination, was more profitable than any other investment I could make.

Fifth—That it enabled a man to give away all he wished during his lifetime and still make such an estate as he cared to leave.

THE SECURITY OF LIFE INSURANCE

This argument is one of the strongest cards in the insurance solicitor's hands and if he is wise he will play it frequently and boldly. It appeals to everyone from the experienced financier who knows well the uncertainty of many so-called "safe" investments to the canny old farmer who is suspicious of every form of investment except the savings bank.

A life insurance company is safer than a bank. Why? For this reason. The cause that has produced **most bank failures has not been insolvency. In the** majority of cases the bank, if given time to realize upon its assets, could have paid its creditors in full. But there came a panic, a run upon the bank, the bank had its money tied up in investments of various kinds, and was unable to meet its obligations at once. From the nature of its liabilities a life insurance company has evidently no cause to fear a sudden accumulation of claims, such as has proved fatal to many a bank. Its death losses come one at a time, periodically, gradually—even regularly. It can take advantage of desirable investments such as municipal debentures, that require twenty, thirty and even forty years to mature, and that guarantee the investor a good rate of interest during all that period. It can gauge with sufficient exactness the amounts that will require to be paid out in death claims for many months and even years in advance. The most wide-reaching panic, the most serious periods of financial stress bear less heavily on a life insurance company than on any other of the financial institutions of modern times.

A life insurance company is safer than a fire insurance company. After the great San Francisco conflagration, some of the strongest fire insurance companies were so disastrously affected that their shareholders were called upon to subscribe many hundreds of thousands of dollars of capital stock. Others went out of business altogether. The same thing has happened on other occasions. The "conflagration hazard" is the great bugaboo of the fire insurance companies. By no possible chance could a life insurance company incur such a loss as that which overwhelmed some of the fire companies in 1906. Can anyone imagine such a contingency as, for instance, all the inhabitants of a whole county being carried off by death in a single week? Such a thing is incredible. The illustration will give some idea of the security of the foundation upon which the life insurance business rests as compared with fire insurance.

ATOMIC BOMB?

As one of the most famous British actuaries and mathematicians of the last century, Prof. De Morgan, has said, "There is nothing in the commercial world that approaches, even remotely, the security of a well-established life insurance company."

LOOK FORWARD TO THE MATURITY OF THE CONTRACT

In canvassing a person for an endowment plan, it is well to induce him to look forward to the completion of the contract and enjoy in anticipation the fruits of his years of saving. Your object being to make the inducement to insure as strong as possible, it will be worth your while if you can get him to realize with the utmost vividness how much the receipt of such a large sum of money at that future date is going to mean to him. Nearly every man has some hope, ambition or intention which he cherishes for his later years. One man is continually looking forward to the time when he shall have saved enough to permit him to enjoy himself in retirement, or to occupy himself with some hobby, or spend a number of years in travel. A favorite ambition with city men is to be the owner of a country estate, and many people in the country look forward to the time when they can afford to quit the loneliness and isolation of their former life and purchase a city house. All men have their pet schemes for the future and in most cases the possession of a certain amount of money is essential to the realization of these schemes; so that if you can influence a client of yours to associate the endowment of one, five or ten thousand dollars which you are offering with those plans for his career which he is cherishing somewhere in his brain, you are in a position to bring the strongest possible inducement to bear upon him.

You can make a person realize how much an endowment policy might mean to him in his career if you point to men of his acquaintance who are now at the age which he will have attained when his endowment matures, and show how valuable an endowment would have been to them. "Look at A! What a lucky windfall it would be for him, if he had an endowment maturing this year that would put another $5,000 into his business. Or take B! If he had insured on the endowment plan when he was your age and had systematically saved in order to keep it up, he might pay off the mortgage on his farm this year. Or, what about C? If he had invested in an endowment only a small portion of the money which he has earned during the last 25 years, he might be a man of leisure now, instead of being compelled to slave for an indefinite period in order to replace what he has lost on bad investments or spent carelessly." In a community where you know most of the people, it will not be difficult to find plenty of illustrations along these lines, which are sure to appeal to your prospect with that special force which always attaches to an argument supported by concrete examples.

Arguments For Insuring Without Delay

CONCERNING ARGUMENTS AGAINST PROCRASTINATION

When an agent is making a canvass for insurance, he has usually a double task to perform. First, he must convince his prospect that life insurance is desirable. But he cannot stop there. He must do more than merely bring his client into an acquiescent state of mind in which his life insurance arguments are perceived to be good theory. That is only the first step. The second is to induce the client to act now; and this second step is generally the more difficult of the two.

If all men were accustomed to carry out in practice these things which they approve of in theory, the agent's task would be much simplified. He would only require to convince his client that life insurance is desirable, and the client, having been convinced, would immediately act in accordance with his convictions. Unfortunately, such an ideal state of affairs has not yet been reached. Men act in regard to life insurance with the same inconsistency which they exhibt in other matters. They see the good but follow it not; they make good resolutions but keep them not.

The problem for the agent to solve after he has obtained the approval of his prospect is how to induce him to act. There are two methods which the agent may adopt. He may employ arguments along the lines suggested in the succeeding articles, to demonstrate the importance of immediate action. These arguments are very often successful. Or the agent may follow another and more subtle plan. Let him concentrate his efforts on enhancing the desirability of the policy which he is trying to sell. Having once won his prospect's approval of the proposition, let him endeavour in every legitimate manner to render it more and more attractive—in short, to place it in such a favourable light that the prospect's own desire to possess the policy will induce him (without further argument on the part of the agent) to make his application on the spot.

N.B.—A man may say of a thing, "I ought to have that," yet he doesn't always make any effort to get it; but if he says of a thing, "I want to have that," then he generally gets it if he can, and gets it quick.

UNCERTAINTY OF LIFE

If a man admits that he needs insurance, but wishes for some reason or other to delay taking it out, the agent should point out that if he needs the protection at all, he needs it now. If he has a family dependent upon him, he is jeopardizing them by his delay. Every day's procrastination involves risk.

Emphasize this argument as strongly and persistently as you can. It is unassailable. Pin your man down to the facts. Make him face the undeniable fact that he is running a big risk if he foolishly postpones the date of his application. Cite illustrations to prove the danger of delay. Your company probably issues a pamphlet which gives actual examples of men who intended to insure but didn't. You will know of similar instances yourself. Any illustrations taken from one's personal experience have double force.

Remember, moreover, that in a conversation such as this, you are right and he, the prospect, is wrong. Your client feels that your words are just, and that he is exposing his family to risk by postponing his insurance. Don't forget that fact, for it gives you a great advantage over your client, and a grip on him which you could not otherwise have.

PREMIUM INCREASES WITH AGE

This is another of the trite old arguments in favour of insuring *now.* Like many other well-known arguments, it is so well known that agents sometimes think it unnecessary to refer to it. Nothing of the sort. Because the fact is trite to you who have been brought face to face with it constantly for years, it does not necessarily follow that it is equally obvious to the person whom you are canvassing for insurance. People unfamiliar with mortality tables often fail to realize how rapidly the rate of mortality increases with age. Point out to them that in the Ordinary Life Plan a $3,000 policy costs no more at age 20 than does $2,000 at age 35, or $1,000 at age 55. Point out that the man who takes a 20 Payment Life Policy at age 20 pays only 20 premiums of $27.45, or $549.00 in all; at 30, he pays 20 premiums of $33.25, or $665 in all; at 40, the cost is 20 times $41.35, or $827; and at 50, it is 20 times $54.10, or $1,082 in all. These figures constitute a strong argument in favour of taking out insurance as early as possible when the cost is lowest. Many a man who takes out insurance at middle age reflects with regret that he might have secured a much larger policy for the same premium and have had it nearly paid for, if he had only acted years ago, instead of postponing his application from year to year.

MANY WHO DELAY BECOME UNINSURABLE

One of the strongest reasons against procrastination in taking out life insurance is the danger which exists of becoming uninsurable. A serious illness may occur which will undermine a previously healthy constitution, or render insurance an impossibility. Or a change of family history may take place, such as the death of a near relative from consumption, insanity or some other grave disease, and as a result the would-be applicant will find that although he is himself in perfect health, he cannot obtain insurance except with a lien of extra premium. Events such as these are common. A prominent life company reports that recently in a single year it declined 6,154 applications for insurance aggregating sixteen million dollars. The probability is that most of these 6,154 applicants who were declined as uninsurable *might at one time have obtained insurance*, but they delayed too long. Dwell upon the risk of delay. If you know of any instances within your own experience which illustrate your argument, so much the better. Almost any agent who has been in the business for any length of time will have personally met with examples which emphasize the folly of delaying to secure life insurance *when it can be secured*. Weave these illustrations into your argument with tact and earnestness, and the argument will *count*—every time.

DO IT NOW

Sometimes, when you meet with a client who admits that insurance is good, will take it out some time but at present wants to delay, it is well to put the case to him in general terms, somewhat as follows:

"What is worth doing at all, is worth doing now." The wise man as soon as he is convinced that a course is the proper one acts without delay. The successful men have always been those who, having discovered the right course, followed it as soon as the discovery was made. On the other hand, things postponed are often not done at all. Half the failures in life are caused by procrastination. These statements are true as applied to the ordinary affairs of life—they are equally true as applied to the transaction which you are now considering.

Objections to Insurance

OBJECTIONS IN GENERAL

Nine people out of ten to whom you try to sell a policy will offer some excuse. Make up your mind for that in advance, and don't let it dampen your ardor in the slightest degree.

A clever agent is prepared for objections, and keeps the arguments at his fingers' ends, by means of which the most common objections to insurance may be met. In the following pages we have endeavoured to indicate the replies to some of the "stock" objections which the life agent has to encounter. Nevertheless, it does not follow that it is always wisest to employ these arguments. In fact, in many cases, it s better to evade an objection. Walk around it, or over it, or under it. Appear not to notice it. Many men do not like being worsted in an argument. Very often the more vigorously you combat an objection, the more tenaciously your prospect clings to his position.

But, in the majority of cases, objections are nothing more than excuses. They are an evidence that your prospect feels the force of your reasoning, and is now grasping desperately for defences. It means that he has found his original position untenable and is now seeking new cover. In nine cases out of ten, you have your man at your mercy, if you can prevent him from drawing a red herring across the track.

Therefore, your best plan is to pay no attention to the objection (often flimsy enough) which he interposes. Continue to dwell upon the argument and the advantages in favour of insurance. Make him believe that it is a desirable proposition, a valuable proposition, a necessary proposition. If he feels that he would like to have it, that he ought to have it, and that he must have it, then he will have it in spite of his excuses.

"HAVE ALL THE INSURANCE I CAN CARRY"

The man who raises this objection may possibly be right, and in that case the agent would be making a mistake in urging his client to assume a burden too heavy to be carried. Therefore before setting to work to combat the objection, the agent should ascertain whether it is well-founded. When he has learned how much insurance his client does really carry, he can make up his mind in an instant, from what he knows of his client's circumstances, whether the insurance is sufficient for his needs, and whether his financial circumstances would warrant him in assuming another policy. If, on learning the facts, the agent realizes that his client could not afford another policy, he should tell his client without hesitation that he agrees with him in his conclusions, and will not force the subject of insurance on his attention at the present time. By following this honest and sensible course, the solicitor convinces his client of his disinterestedness, wins his confidence and good-will, and stands the best chance of securing business from him later on. On the other hand, if the agent spends time and energy in the attempt to force additional insurance on a man whom he knows cannot well afford it, he stands very little chance of success, or—if he does secure an application—the policy is generally "not taken" or lapsed. More than that, the agent loses his client's confidence, for the latter cannot help feeling that he has been rushed into the transaction against his better judgment.

But more often this objection has no real strength behind it. It is an excuse, pure and simple, and the agent would be foolish to waste a moment's time in discussing it. His best plan is to evade or pass over the objection without contradiction or notice and devote his energies to the task of pointing out to the prospect how necessary insurance is to him and his family, dwelling on his strong points, and using every effort to make his proposition as attractive as possible. Once persuade the prospect that he wants the insurance, and he will have it in spite of that threadbare and overworked excuse which stands at the head of this article.

"HAVE ALL THE INSURANCE I NEED"

A man never has all the insurance he needs, unless he carries sufficient to make it certain that his family will be able to subsist in reasonable and decent comfort after his decease. Very often the man who uses this argument carries two or three thousand dollars in life insurance and talks as though the interest on that sum would provide his family with a living. Half a loaf is better than no bread; two or three thousand dollars is better than no insurance at all; but two or three thousand dollars will not go very far in supporting a family. If the men who utter the above excuse would only sit down and do a little figuring in regard to this matter of the extent and sufficiency of the provision which they have made for their families we imagine that quite a few of them would be willing to admit that they have not got all the insurance they need.

Then there are other questions to be considered in this connection. Have you commenced to make any adequate provision for your own support after you retire from the activities of business life? Does not your business depend to a very large extent upon your personality, and, if so, would an insurance policy on your life not prove a considerable protection to the interest of your business? Are there mortgages or debts outstanding which might prove very embarrassing in the event of your sudden decease? Would a larger line of life insurance be of assistance to you in obtaining credit in your business? Are you depending to any large extent upon more or less speculative or hazardous investments, and, in that case, would it not be advisable as a safeguard to carry a large line of life insurance which is not only an absolutely safe and secure investment, but also one which is beyond the control of creditors? All these points have to be considered and answered before you can announce confidently that you have all the insurance you need.

"LIFE INSURANCE A GAMBLE"

No such thing. Life insurance is one of the most open and straightforward propositions possible; it stands for certainty, security and stability. The man who insures his life is not gambling. But if there is a person above all others who is gambling, speculating on his chances of life and death, playing fast and loose with fate, it is the man who, with a wife and children dependent on him, makes no provision for their support in the event of his death, and wilfully exposes them to all the misfortunes which would result from a sudden illness or fatal accident to the breadwinner of the family.

There is nothing so uncertain as the life of an individual. At the same time, there are few things more certain than the chances of life and death of a large number of individuals. The law of mortality is so steadfast and certain that among 10,000 insured individuals an actuary can ascertain with sufficient exactness for all practical purposes the number who will survive each year. And, therefore, life insurance, by bringing together a large number of risks, overcomes the uncertainty which attaches to human life and supplies in its place practical certainty. A life insurance company may be regarded as a society composed of thousands of individuals, banded together for the purposes of protection, each one paying a contribution which has been fixed with scientific exactitude. There is nothing of uncertainty or speculation about such a society.

But the man who neglects to take advantage of the security thus afforded, and exposes himself and family to the uncertain chances of his individual fate —he is the real gambler.

"COSTS TOO MUCH"

When a man raises this objection, you want to come right back at him slap dash, quick as a wink. Ask him if it costs a man to save money; to start a bank account; to invest funds in a mortgage. Are any of these an expense? Would you say that it costs you the money you lay aside? Why no! Bank deposits are an asset, and so the other investments. So is life insurance. When a man takes out a life policy, he is not spending the premiums, he is investing them. If he dies soon after, the company pays back many times what he paid in—no other investment could yield anything like as good a return. If he lives fifteen or twenty or twenty-five years, he gets his money back with interest— the insurance protection has cost him nothing. No matter how long he retains the policy, the money will come back some day, to himself or his estate. Why, then, should it be said that life insurance costs? It doesn't cost: it saves.

"NO ONE DEPENDING ON ME"

This is one of the really hard objections to answer. The best and strongest argument in favour of life insurance—family protection—is not appropriate in such a case. The arguments that usually prove the agent's most effective weapons fall harmless when directed against a man who has no one depending on him. Fortunately one rarely meets a person who has absolutely no family ties.

Young unmarried men sometimes put forward the above excuse. The agent must in such a case remind his prospect that while he may not at present have any one depending on him, it is probable that he will some day marry and therefore stand in need of insurance. There are many advantages to be gained by insuring now. He will never be able to secure insurance at so low a rate again. He is in good health now and insurable; his serious illness, or even a change in his family history might render him uninsurable, or insurably only at a higher premium or with a lien. Moreover he can probably afford the premium better now when he has only himself to support, and by insuring now he may have a considerable portion of his policy paid for by the time he marries. He will also form valuable habits of thrift, and probably save a good deal of money in this way which otherwise would have been spent extravagantly or carelessly.

An endowment is the best plan to canvass in such a case as this, as it is a profitable investment aside from the insurance protection which it affords. A young man who takes an endowment has an investment which will help him to save his money, will furnish some provision for his later years, and if he marries will provide the insurance protection which he will then need.

"CAN INVEST MY MONEY BETTER"

Even if the prospect could make a more profitable investment than an insurance policy he would not be justified in doing so, if he has a family to support. If the agent knows that his customer really requires protection he can afford to disregard the above argument and pin his man down relentlessly to the unalterable duty of providing for those dependent upon him.

If the prospect has no one dependent upon him, the agent must talk endowment policies, and point out that there are no other investments yielding a higher return and at the same time equal security. The most able and sagacious business men, although they are in a position to take their pick of the most profitable investments in the market, nevertheless realize the desirability of having a large portion of their wealth securely invested in life insurance. In corroboration of this the agent may exhibit the long list of prominent business men insured in his own company and quote Wanamaker and other wealthy and successful men who have expressed themselves very strongly in favour of life insurance. Leading men all the world over, even those whose fortunes would seemingly place them beyond the need of life insurance, realize the importance of "an anchor to windward."

"CAN'T AFFORD IT"

When you know that your prospect has a family depending on him and needs the insurance, you can be content to ignore an objection like the above. If you can make him realize that he must have it, he will afford it, somehow or other. Generally the objection is a bluff, set up to draw you off the subject. Don't pay any attention to it.

Sometimes, though, the very objection can be turned into an argument in your favour. "If it is hard for you to make both ends meet, what about your family after your death? If you cannot spare one-tenth of your income to buy insurance while you live, how will your family spare the ten-tenths of it, if you die? When asked to insure you reply, 'I don't know where the money is to come from.'

"Imagine the different meaning of those words on the lips of your widow. If a man with business capacity finds times hard, how would women and children find them?

"Anyway, what does the premium amount to, in comparison with the sum assured? Suppose one of your clerks should accidentally lose one dollar a day out of your business, would you miss it? Would it materially affect your business? Take that amount out and deposit it with an insurance company. If you die, there is ten or fifteen thousand dollars for your family. And if you live, the money will come back to you with interest.

"Your family need the protection more than you need the premiums. A little sacrifice on your part guards against much misery on theirs.

FINANCIAL EMBARRASSMENT

"I am in embarrassed circumstances, in debt, my property mortgaged, etc. I want to pay my debts and get a home first, etc." These are illustrations of another class of excuse that the insurance solicitor must frequently meet.

"But suppose you die in the midst of this financial embarrassment? In what position will your family find themselves then? You find it hard to make ends meet, you say. Will your family find it any easier? You state that you wish to pay off your debts, and get a home. But if you die in the meantime, your family will inherit the debts without the home.

"On the other hand, if you carry a life insurance policy, it will take you a little longer to pay off your debts, no doubt. But you can make certain that your family will not be left destitute at your death. More than that, you can make the policy payable to your wife and children as preferred beneficiaries, and so render it free from all claims of your creditors, and the property of your family alone."

"I AM IN GOOD HEALTH—DON'T NEED INSURANCE"

"If you are in good health, this is the very time for you to take out insurance. Insurance companies are not looking for invalid risks; if you wait until you feel ill, before applying for a policy, you will never get one. When the chimney begins to smoke, it is too late to think about fire insurance.

"And, anyway, the mere fact that you are presently in good health does not give you a lease of life for any certain time. In your own experience you have known men to die who were in perfect health only a short time previously. If you were to look over the death register of any life insurance company you would be amazed at the number of deaths among those who only a few months, or weeks, or even days, previously were passed by the medical examiner as excellent risks. There are acute forms of disease and accidents which carry off the robust as well as the infirm. You are trifling with the future of all those dependent on you, when you deliberately blind your eyes to the fate which is constantly carrying off others, and may touch you as well."

"I NEED $10,000; WILL WAIT UNTIL I CAN AFFORD IT"

There are some men who, because they cannot afford to take as much insurance as they would like to have, go without any. They say they will take it all at once—later. They refuse to believe that half a loaf is better than no bread at all.

Take the case of two men, A and B. A took out four 20 Payment Life Policies for $2,500 each, as he reached the ages of 25, 30, 35 and 40. B waited till he was 40, and then took a policy for $10,000. A took

$2,500	25	$75.00	$1,500.00
2,500	30	83.15	1,663.00
2,500	35	92.40	1,848.00
2,500	40	104.40	2,068.00
$10,000		$354.95	$7,079.00

B, on the other hand, took $10,000 at age 40; annual premium $413.60; total premiums in twenty years, $9,272.00. In other words, A, who was willing to take his insurance in small instalments as he could afford it, had the following advantages over B:

1. He had $2,500 insurance protection for 15 years; another $5,000 for 10 years; another $7,500 for 5 years; which B did not get at all.

2. A's annual premiums amounted to $353.95, as compared to B's $413.60; and in the long run A, if he lived, would pay only $7,079, as compared with B's $9,272.

3. B ran the risk of dying or becoming uninsurable in the 15 years during which A was already insured.

4. A's policies were respectively 5, 10 and 15 years old; and had accumulated large cash and loan values before B took out any insurance at all.

"NEED ALL MY MONEY IN MY BUSINESS"

This is an objection which the insurance agent sometimes meets upon the lips of a business man, and it requires careful handling. The objection usually comes from a man who admits that insurance is all right in theory, and that he would like to carry a policy if he saw his way clear to do so, but every cent of available capital, he claims, is required in his business. It is useless for the agent in such case to take direct issue with his prospect, or discuss with him how much or how little capital is needed in his business undertakings. A man's business is his own affair, and it is hardly likely that he will tolerate criticism or discussion of it from a stranger. The agent will therefore require to guard against the slightest suspicion of meddling with his prospect's private affairs, and instead of challenging the objection by a direct denial, he can execute a flanking movement and attack it from the rear—thus:

1. Putting money in life insurance is helping your business. Life insurance strengthens a man's credit, and a man who possesses credit can always get all the capital that he can usefully employ. A life policy is collateral security of the very first rank, and bankers recognize it as such. More than that, after the first few years, you can borrow from the company on security of the policy alone.

2. One of the soundest business maxims is, not to put all your eggs in one basket. A man may have every reason to believe that he will make money safely and rapidly in the future as he has in the past, but "the best laid plans o' mice and men gang aft agley," and it is wiser and safer to have an anchor to windward upon which he can rely if ill-luck befalls. Life insurance is the safest and surest form of investment known at the present day.

3. The best proof of the weight of the foregoing arguments is that the most successful business men are always the firmest believers in life insurance. Take up the policyholders' list of any large company and you will find it headed by business men of sagacity and repute, who have unique opportunities for investing their money to the very best advantage, but who have, nevertheless, elected to employ a large proportion of it in the purchase of life insurance for the protection of their families and their business undertakings.

4. After all, what is the object and purpose of your business if it is not to provide for your family and your own old age? And is that not also the aim of life insurance? So that when you put your money in life insurance you attain the self-same ends that you are aiming at when you invest your money in your business. But you accomplish your purpose much more safely and surely when you make use of life insurance. For if you died before the provision for your family was completed, your business (deprived of your skill and energy) might be almost worthless to your family; whereas, life insurance, in such a case, would prove the very best investment that could have been made. And even if you lived, and your business prospers, and you retire at length to enjoy the fruits of your labours, you will nevertheless not regret having invested some of your money in life insurance; for even if your life policies yield you somewhat smaller returns than some other of your investments, you will have been more than compensated by the increased sense of security and ease that you have enjoyed thereby.

5. In short, no man with a family to support and protect, and without insurance whereby to protect them, can conscientiously say that he needs all his

money in his business. It would be more fitting for him to say that he dare not use his money for his business or for any other purpose, until he has done his duty towards those dependent upon him by providing an adequate amount of life insurance for their protection. When he has done that, he can put his money into his business or into anything else that he pleases with a light heart. He can incur liabilities or pledge his credit or "take chances" in business to an extent to which an uninsured man simply dares not venture. In fact, it is only by means of life insurance that a man with a family can invest everything in his business.

"HAVE TO DIE TO WIN"

This, as someone has said, is one of the mouldy objections to life insurance neither funny nor fair. You have to die, and why not win?

But it is not necessary to die in order to win. The man who cashes a matured endowment and its profits will tell you that he did not have to die to win. If you question him about his views on the subject of life insurance in general and endowment policies in particular, he will tell you that for fifteen, twenty or twenty-five years his family enjoyed the protection of a far larger sum than he could possibly have provided in any other manner; that he never had an investment that gave him so little anxiety or trouble; that it helped him a number of times in financial difficulty; that he finally received back his whole investment with compound interest; and that if he could live his life over again he would insure for double the amount

"LIVE POOR TO DIE RICH"

This is another of the often-heard, often-refuted, yet oft-repeated objections—that the man who insures "lives poor in order to die rich."

As a matter of fact, the man who carries life insurance is the very man who is under no necessity to "live poor." His family is protected; he has made provision for his own old age; he can live up to his income without feeling the slightest anxiety as to the future. Most other men—we are speaking now of men who possess enough conscience to feel some sense of responsibility for their families' welfare and enough foresight to make some provision for their own future —other men are obliged to exercise strict economy and self-denial for many years before they succeed in accumulating a sufficient estate to guarantee protection to their families and a competence for themselves; they are, in fact, obliged to "live poor" during all that interval in which they are feverishly endeavouring to gather together a sufficient fortune to protect them against the unknown contingencies of the future. The man without insurance labours to accumulate an estate which will provide protection against death or old age; the man with insurance relies upon the company's guarantee against both these contingencies. The uninsured individual, if he lives, will probably accumulate the estate he has been striving for, although at the expense of much self-denial, anxiety and risk; if he dies in the meantime, however, neither he nor his family will ever enjoy that estate. The insured person, on the other hand, creates his estate by a stroke of the pen and lives free from anxiety or uncertainty, because, whether he lives or dies, the necessary provision has been made. Which man is it, under these circumstances, that "lives poor to die rich?"

"I'LL RUN THE RISK"

"No, my friend, it is your family that runs the risk, not you. It is your family that runs the risk of poverty, struggle, hardships and want. You run no risk if you remain uninsured, but your family does. You will never see the results of your selfishness and folly, if you die uninsured; but your family will see and feel them. You may never realize how hopeless is the dilemma; but it is certain that your widow and your children will surely taste the full bitterness of such a situation if you leave them unprovided for.

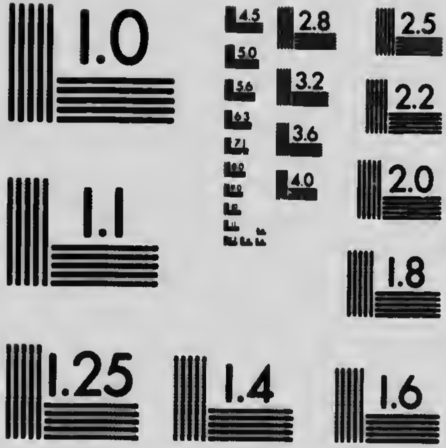
"Therefore, don't stick out your chest and say, 'I will run the risk,' as though you were doing a bold and manly thing. You either don't realize what you are saying or else your real meaning is, 'I don't care enough for my family to insure. Let them take their chances.' "

"WILL INSURE NEXT YEAR"

This excuse, in one form or another, is frequently interposed. The prospect has no objection to life insurance, admits it is a good thing, may even promise his application later on, but for some reason or other wants to have the matter postponed for the present.

In such a case, the usual arguments against delay are applicable. The agent must emphasize the uncertainty of life. The prospect may be dead a year from now. There is also the uncertainty of health; twelve months hence he may be uninsurable. Then there is the increased cost to be considered, every year's delay means an increased premium.

"And, anyway, why are you intending to insure a year from now? Isn't it because you feel a solemn responsibility resting upon you to provide for your family—because you recognize the unhappy position in which they would be placed in the event of your



MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS
STANDARD REFERENCE MATERIAL 1010a
(ANSI and ISO TEST CHART No. 2)

death; because you know that life insurance is a good thing? Well, if it is a good thing a year hence, isn't it a good thing now? Your family needs the insurance protection during the coming year as much as they will ever need it, and you can't afford to let them take chances. Do it now, make uncertainty certain, get the load of responsibility off your shoulders by insuring at once. It may involve a little sacrifice, a little temporary inconvenience, but these considerations are trivial in comparison with the awful responsibility of leaving your family during twelve long months absolutely without protection in the event of your death."

"WIFE OBJECTS"

This excuse is usually of the nature of a bluff hung out by a prospect to "flag" you as you bear down upon him with your arguments. The best plan is to ignore the objection altogether and allow nothing to delay or turn you aside from the path of your argument. Or you can call the bluff by interviewing his wife—in which case you will usually find that she has no objections whatever to her husband taking out insurance, but very probably approves of it most strongly. This is nearly always the case where there is a family, for the wife will usually be very anxious for her husband to carry insurance protection—not for her own sake so much as for the children. In many instances, applications have been thus written which would never have been obtained at all if it had not been for the efforts and influence of the wife

It sometimes happens, however, that a woman for sentimental reasons doesn't like life insurance because it suggests the idea of a money equivalent for the husband's life. When you find that the matter stands thus, it is better not to refer the proposition to her at all.

but rather to appeal to the husband's commonsense to ignore his wife's foolish scruples, and to make the necessary provision for his family, whether with her knowledge or not.

"Wives may object to life insurance, but widows never do."

RELIGIOUS OBJECTIONS

One occasionally runs up against an objector who maintains that life insurance is unscriptural, a violation of the injunction, "Take no thought for the morrow," etc. A man who takes this stand is usually so stupid or obstinate that argument with him is wasted. The agent might, however, set him the task of reconciling his creed with the following text:

"But if any provide not for his own, and especially for those of his own house, he hath denied the faith, and is worse than an infidel." I. Timothy, v. 8.

SOME PUZZLERS

For the man who objects. Ask him to supply answers to a few of the following:

1. Do you suppose a man ever died fully insured whose widow lamented the fact that he had not invested his money in some other manner?

2. Do you suppose a man ever died without life insurance who did not regret—too late—his failure to provide for his family?

3. Did you ever meet a man who, being unable on account of illness, or accident, or unfavourable family history to obtain insurance, did not bitterly regret that he had not taken it years before, when he had a chance to do so?

4. Did you ever meet a man who had paid premiums on an endowment policy for a number of years, and who, at the maturity of the policy, wished it had been for only half the amount?

5. Some people regard a savings bank account as a better investment than an endowment policy, but where is the man who would keep up year in and year out the habit of paying a fixed sum into the savings bank, with the same regularity and persistency and punctuality that he would exhibit in paying his life insurance premiums?

6. Did you ever hear of a widow who wished her husband had put his money in the bank instead of investing it in life insurance?

7. What would be your opinion of a man who steadfastly refused to insure his house against fire and put the premiums in the bank instead?

8. Is there any reason why you should take a different view of the conduct of another man who refuses to carry life insurance for the protection of his family and puts his money into other investments?

9. Where is the man who would not insure immediately if he knew that his death would certainly occur within the next ten, fifteen or even twenty years?

10. Do you know of any man whose children were forced to go without an education owing to the fact that their father when he died carried no life insurance?

11. Did you never meet a man who wished from the bottom of his heart that some agent had plagued him into insuring when he was twenty years younger and could afford to pay the lower premium then required?

LIFE INSURANCE vs. BANK

Occasionally the life agent in his canvass meets a man who claims that he can invest his money to just as good advantage in a savings bank.

Putting money in the savings bank is a good thing. Putting money in life insurance is a better. When people argue that the premiums required for a life policy would be better invested if deposited regularly in a bank, where they would be available in an emergency, they overlook a very material fact. They seem to forget that whereas to-day they may be able to earn money to put in the bank, the chances of life are very uncertain. If death occurs their earnings cease, and their bank deposits cease. All the savings bank does, or can do, is to take care of the depositor's money, if he saves it, and return it to him with interest. It provides for no contingency and furnishes no protection beyond the amount actually invested and interest. The depositor may die after having made only the first deposit, and his heirs in that case can withdraw only what has actually been paid in, plus a few months' interest. On the other hand, under a life insurance policy, the moment the first premium has been deposited the assured's family is protected to the extent of many times the amount of the premium. If he dies the full amount of the policy is payable, even though only one premium may have been paid.

This argument may be illustrated as follows: Suppose a man aged 25 has $100 a year to invest. If he deposits it annually in the savings bank at 3 per cent. interest, the amount of his accumulations are as shown in column 2. If he invests it in life insurance, it will pay for an ordinary life, with profits, policy of $4,694.83.

	Bank Deposit	Ins. Policy
1st year	$ 100.00	$4,694.83
3rd "	209.10	4,694.83
5th "	430.90	4,694.83
7th "	666.20	4,694.83
10th "	1,046.40	4,694.83
12th "	1,319.20	4,694.83
15th "	1,759.90	4,694.83
17th "	2,076.20	4,694.83
20th "	2,587.00	4,694.83
22nd "	2,953.70	4,694.83
25th "	3,545.90	4,694.83
27th "	3,971.00	4,694.83
30th "	4,657.50	4,694.83

From this illustration it will be seen how small is the protection afforded by a bank deposit in comparison with that given by a life policy. Even in 30 years the accumulations of the bank account would not equal the original amount of the life insurance policy; and we must also keep in mind the fact that, in any good life insurance company, the profits in 30 years on a with-profits policy would be sufficient to increase the amount of the policy far beyond its original face value.

But even considered merely as an investment the life insurance policy will compare favourably with the savings bank. At age 25, the annual premium for a 20-year endowment, with profits, is $48.50. That sum, deposited regularly every year in the bank for 20 years, would amount with 3% compound interest to $1,342.29. There are companies to-day which are paying much more than that on their maturing 20-year endowments, and any good company is paying close to that sum. So that a man who takes out a 20-year endowment gets his money back with compound interest at practically bank rate if he survives the 20 years.

and has had insurance protection for 20 years in addition, absolutely free.

The question as to the relative safety of a life company and a bank is discussed in another article. If properly conducted they are both so secure as to put failure out of the question. If there is an advantage in either's favour it is in favour of the life company, which is subject to no financial panics, and is under the strictest governmental supervision.

In a nutshell, the case for the life insurance policy as against the savings bank account can be summarized as follows:

1. The life insurance company is just as safe as the bank—if anything, safer.
2. It gives as good returns on the money invested as the bank, and
3. You get your insurance protection to boot.

LIFE INSURANCE vs. "OTHER INVESTMENTS"

The objection to life insurance is sometimes heard, "I can invest my money better."

Very frequently the argument to use with such an objector is not "You can't invest your money better," but "You *won't* invest it better." Where there is a life insurance policy to keep up, you know in advance that certain payments have to be made under it from time to time, and you take measures to provide for and meet those payments. Would you provide that money for other investments if there were no life insurance policy to keep up? Would you continue with unfailing regularity year in and year out to set aside that sum? Would not a large portion of it, in a good many years, be spent carelessly and for unremunerative purposes—never invested at all?

You say you can invest your money better. But how many investments are there in which you could use to advantage the comparatively small sums which are required for premiums on a life insurance policy? A relatively small premium will pay for a big insurance policy; but if you were hunting for other investments with that same premium as your only available capital, you would not be likely to have much success. To take advantage of most investments you must have the capital to invest. In life insurance you can pay for your investment by instalments.

You say you can invest your money better. If you mean by that there are other investments which will yield a better rate of interest, your assertion is no doubt true. There are always plenty of speculative ventures which hold out prospects of big returns. But high interest rates generally go hand in hand with poor security. Life insurance is an absolutely safe investment, and its returns compare favourably with those of any other investment of an equally high order from the standpoint of security.

You say that you can invest your money better. Suppose it is true. Suppose that you are so exceptionally situated in the business world that you can command gilt-edged investments and that you have the ready money necessary to take advantage of your opportunities for investment. Yet if you have a family you ought—in addition to your business investments—to protect them against the loss of your earning power by carrying a sufficient amount of life insurance. If you have the insurance protection, you will feel far more free to expend or invest the balance of your income in any way that may appeal to you. An anchor to windward always relieves one's mind of anxiety. You don't know when death may occur and cause all your plans to go smash; and in that event your life insurance policies will likely prove themselves to have been your best investments after all.

LAPSES—FROM THE COMPANY'S STANDPOINT

Every life company is anxious to get new business, and possibly too much emphasis is laid upon this point by most companies, so that the field staff very often get the impression that new business is the company's [illegible] aim, and that it is a matter of only secondary [illegible]nce to secure permanent business.

[illegible] matter of fact, this is not the case. Every [illegible] managed company realizes that the quality of the business written is of more importance than its quantity. And this, for several reasons. In the first place, it is a well-known fact that in the case of a new policy, the loading on the first year's premium is never sufficient to pay the first year's expenses (agent's commission, medical fee, clerical expenses, etc.). It usually takes from three to five years before a policy yields a profit to the company. And, if the policy lapses, there is usually a loss to the company on the transaction. Hence it is not to be expected that any company is going to view with equanimity a very rapid dropping off in any agency of business which it has paid good money to obtain.

Secondly, this ephemeral class of business has the effect of increasing the company's lapse rate, and this is a matter not to be lightly regarded in these days of keen competition, when rival agents seize eagerly upon every item of a company's report that can be unfavourably criticized.

Thirdly, a lapsed policyholder is very often a disgruntled policyholder, and a poor advertisement for the company. He feels that he has not received value for what he has paid into the company, or claims that the agent misrepresented the policy, or has some other grievance.

These are some of the reasons why insurance companies view lapses with so much disfavour, and why they take so much trouble to prevent them. The same reasons explain also why agents whose territories show a high lapse rate fall from favour so unexpectedly (to themselves) and why the men who can point to a low lapse ratio are most frequently chosen for promotion.

THE CAUSE OF LAPSES

Lapses can generally be traced to one or another of several well-known causes. Sometimes it is found that the lapse is due to a change in the financial position of the insured; he is really unable to continue payment of the premiums; in such a case, of course, no blame attaches to the agent, and both he and the company are powerless to prevent the lapse. Or it may be that the policy has been "switched" by an unscrupulous agent to a rival company. That, too, is not the fault of the agent who originally wrote the business. But in many other cases the agent is not so free from blame, and often it would appear that proper action on his part would have prevented the lapse. For example:

1. Very frequently the lapse can be traced directly or indirectly to a misunderstanding of the policy by the insured, too often resulting from a misrepresentation of the policy by the agent. Sometimes the misrepresentation has been intentional, as where a 20 Payment Life policy has been palmed off on the assured as a 20 Year Endowment. Or the misunderstanding may have been due to a lack of clearness and thoroughness in the explanation of the policy by the agent at the time when the business was closed.

The ordinary man is not possessed of a clear understanding of even the elementary principles of insurance, and in many cases a great deal of explanation will be necessary to give the applicant a clear idea of the transaction. A policyholder, to be permanent, must be satisfied with his contract; he will not be satisfied with it if he learns later that he entered into the bargain under a misapprehension. And thus is seen the important bearing which the method of securing business has upon the lapse-ratio.

2. Lapses are generally numerous in the territory of an agent who does business among a poor class of prospects. A man is known by the company he keeps, and an agent may be pretty well sized up by an examination of the class of business he writes. An insurance solicitor who expends his energy in canvassing loafers, shiftless characters, and other "men of straw" is certain to have lapses in abundance. He may write a large amount of business, for his class of clients will apply for insurance with much the same alacrity as they respond to an invitation to have a drink; but they no more expect to pay for the one than for the other. The agent who is seeking to build up a permanent business will exercise a good deal of discretion in the class of clients that he solicits, he will try for the best business within his reach, and he will have few lapses.

3. Another fruitful cause of lapses is the apathy of agents in collecting renewal premiums. They sometimes prefer to occupy themselves in writing new business, with the larger commission attached thereto, rather than get out after the renewal premiums with their lower rate of remuneration. This course is not only disloyal to the company, but it is a short-sighted policy on the part of the agent, as we shall try to show in the next article. And, anyway, it

is doubtful whether any (except exceptionally good business-getters) have ever been able to discover an easier or surer source of income than the ordinary agent derives from looking after his renewal business.

AGENT'S DUTY RE LAPSES

There are at least four reasons why the agent should do his best to co-operate with his company in preventing lapses, and in reviving the policies when lapses do occur.

1. In the first place, his sense of loyalty to the company ought to induce him to do so. This is no empty commonplace. A man always feels better when he is working in loyal harmony with the company that he represents, and if he doesn't feel in a mood to act in that spirit towards the company with which he is now connected, he should join another one.

2. The renewal commissions, as pointed out in the last article, constitute a large and always-growing proportion of the agent's income. It will generally pay him for this reason alone, to look after the renewals and prevent lapses as far as he is able.

3. Besides, the collection of the renewal premiums fits in perfectly with the writing of new business. Every agent relies to a very large extent upon his old policyholders for new insurance, and, since he must canvass them, there is no better occasion than the time when their renewal premiums are falling due. If an agent can keep down lapses in his agency, it is proof that his policyholders are satisfied with their contracts. It is a sign that he is in close touch with his clients, that they have confidence in him, and, generally, that they are placing their additional insurance with him.

4. Finally, the success which an agent has in dealing with the problem of lapses generally has a good

deal to do with his promotion. In another article we showed how life insurance companies usually regard this lapse question, and that in their view the permanence of an agency's business is fully as important as the quantity of new business written by the agency. It is safe to say that the agent who does not produce business of the right quality will not secure promotion; while, on the other hand, if an agent is able to write business that will stay, that fact looms large in the eyes of the powers at head office and will cover a multitude of sins. It is a mistake for any life insurance solicitor to imagine that his chances for advancement depend solely on the volume of new business that he is able to produce. A test that is quite as frequently applied to an agent's work is this test of the permanence of his business.

THE INDIFFERENT TRAVELLER

Once there was a man who started on a twenty-mile journey. It was greatly to his advantage to reach his destination, and he knew it. So he carefully considered the matter, weighed his chances of arriving without undue fatigue; and, having finally decided that from every point of view it was both his duty and for his profit to make the journey, he proceeded on his way.

Having reached the first milestone he stopped. An acquaintance who overtook him asked:

"Are you afraid you won't be able to reach the end of your journey?"

"Oh, no!"

"Haven't you the same object in making it as you had at first?"

"Yes; just the same."

"Don't you think as you have gone so far it is even more to your advantage to press on than it was at the start?"

"Yes; I think so."

"Well, then, why don't you keep on?"

"I'm tired."

"Very tired?"

"No; just tired.

"Decided to quit?"

"Yes; I can make this journey some other time."

"But you will have to start all over again and lose the part of it you have already made."

"I don't care. Another time will suit me better."

Did he ever make the journey? No; he died.

His journey represented the premiums on a 20-payment life policy.

He had paid one premium and could have paid them all but became indifferent.

His policy lapsed.

He was saved the trouble ot completing the journey but his family were deprived of the protection of the insurance money.

Moral: When insured stay insured.

Plans of Insurance

The plans of insurance in ordinary use may be briefly classified as (1) Whole Life Insurance, (2) Term Insurance, (3) Endowment Insurance.

WHOLE LIFE INSURANCE—A whole life policy is one that insures the holder thereof during the whole of his life, provided, of course, that premiums are duly paid. Sometimes, the premiums are made payable as long as the insured lives, in which case the plan is called "a whole life policy with continuous premiums," or "an ordinary life policy." In other cases the premiums are payable for not more than a fixed term of years, and if the insured survives beyond that fixed term the policy continues in force without further payment of premiums; these are called Limited Payment Life policies. For example, a 20 Payment Life policy is one under which the company contracts to pay the sum assured whenever death occurs; while the policyholder contracts to pay premiums for twenty years, or until death. if he dies within 20 years.

TERM INSURANCE—A term policy, as its name implies, continues only for a term of years, that is 3, 5, 7, 10 or 20 years, as the case may be. The company contracts to pay the sum assured if death occurs during the term, but at the end of the term its risk ceases. The policyholder pays premiums annually during the term, or until death, if he dies within the term.

ENDOWMENT INSURANCE—Under an endowment policy, the policyholder pays premiums for 5, 10, 15, 20, 25 or 30 years, depending on the term of the endowment; if he dies during the term, the premiums cease. The company, on the other hand, undertakes to pay the sum assured on the death of the policyholder if he dies within the term, or at the end of the endowment term if he is then living. For example, in the case of a 30-Year Endowment, the insured would pay premiums for not more than 30 years; the company would pay the sum assured either at the end of the 30 years, if the policyholder was then alive, or at the policyholder's death if he died within 30 years.

These are the principal plans in common use. The "special plans" found in the rate-books of various companies under high-sounding names are nearly always simply modifications of the three systems given above.

In the following articles, we deal with some of the principal forms of life, term and endowment insurance, their main characteristics, and the ways in which a policy can be handled by the agent so as to give his client a clear idea of its meaning and exhibit its strong points to the best advantage. It may be well to state here that the figures relating to surplus are employed *for purposes of illustration only* and are not to be regarded as indicating the probable surplus returns under the average company's policies.

THE ORDINARY LIFE PLAN

For those who insure at advanced ages, say over 50, the Ordinary Life is usually the best plan. There is a rapid increase in the rate of mortality after age 50, and on most other plans than Ordinary Life the premiums at the higher ages are so large as to be virtually prohibitive. Besides, a man does not want a Limited Payment Life policy or an Endowment when he knows that on account of his advanced age the chances are against his living to see his policy become paid up or mature.

As a rule, the Ordinary Life is not a good plan upon which to canvass young men. The premiums are low, it is true, but a young man in good health is not often favourably impressed by a plan which requires payment of premiums throughout life, perhaps for fifty or sixty years. Applicants of this class are more strongly attracted by the limited payment plans, under which the assured has a guarantee that he will be called upon to pay only a definite sum and a definite number of premiums, no matter how long he lives.

Nevertheless, there are exceptions to every rule, and where a young man wishes to obtain insurance at the lowest possible cost, it is sometimes advisable for the agent to talk the ordinary life plan. For example, at age twenty the annual premium for a $1,000 policy is $19.00. This is very cheap insurance, and it will be seen that the assured must live to pay at least 53 premiums before his payments equal the face value of his policy. But we must also take into account the surplus earned by the policy, which if taken in cash would form a large percentage of the premiums paid; or, if taken in paid-up insurance, would in 53 years probably increase the policy to more than double its original amount; or, if taken as a life annuity, and applied in reduction of premiums, would in time more than suffice to wipe out the remaining premiums on the policy.

From present indications it seems probable that the ordinary life policy will be somewhat more in demand in the future than it formerly was. The trend of popular opinion at the present time appears to be in favour of cheap insurance. If the insurance investigations have had any effect at all, it has been to discourage the high-premium plans. In most companies there has been a marked tendency on the part of applicants for insurance to select non-participating and other contracts involving a lower premium.

Non-participating contracts are all right in certain cases; for instance, where a man is taking out insurance for business purposes and chooses a term policy or ordinary life non-participating. Such a policy is usually chosen on account of the very low annual cost. Another form of insurance would yield better results in the long run, but that consideration in this particular instance is subordinate to the desire to secure the largest amount of insurance possible for a given premium.

As a general thing participating contracts have been found to be more satisfactory to the assured in the end than non-participating plans; and we would therefore suggest that where a client evinces a desire for some cheap form of policy, the ordinary life plan be submitted in preference to a non-participating plan. For one thing, the premium is lower than the premium under most non-participating policies, and as before stated in almost any good company a "with profit" policy will give the best results and prove the most satisfactory in the end. The following table shows the rate of premium at age 30, under the ordinary life "with profits" plan, as compared with other common forms of insurance:

PARTICIPATING		NON-PARTICIPATING	
Ordinary Life	$24.25	Ordinary Life	$19.75
20 Payment Life	33.25	20 Payment Life	27.85
25 Payment Life	29.65	25 Payment Life	24.65
20 Year Endowment	49.40	20 Year Endowment	43.75
25 Year Endowment	39.95	25 Year Endowment	34.30
30 Year Endowment	33.50	30 Year Endowment	28.40

In Great Britain the ordinary life policy reigns supreme and no other plan of insurance approaches it in popularity. The method most frequently followed there is to take the surplus as a bonus addition to the sum assured. In this way, although the premium remains constant throughout life, the amount of the policy keeps steadily growing. The following returns of a half-dozen prominent British companies will give a fair idea of the results yielded under this system on policies which have been in force for a lengthy period. They are good results, but not the best that could be cited:

Ordinary Life Plan. Company.	Original Amount $1,000 Age at Entry 30. Amount of policy and bonuses at end of 40 years.
Company A	$1,718
Company B	1,929
Company C	1,751
Company D	1,822
Company E	1,877
Company F	1,868
Average	$1,828

That is, $1,828 is the average sum to which a policy originally for $1,000 has increased by the accumulation of bonuses during 40 years. Suppose the assured under one of these policies desired to surrender his contract at the end of 40 years. He would then be 70 years of age, and would have paid forty premiums of $24.25 each. Altogether $970.00. The cash surrender value on the basis of the H.M. 3% reserve would be.

(a) Cash value of original policy of $1,000	$633.00
(b) Cash value of bonus addition of $828 paid-up insurance	643.00
Total	$1,276.00

That is, the assured has had insurance protection for 40 years at lowest rates, the insurance gradually increasing from $1,000 to $1,828, and in the end he surrenders the policy for $1,276, in comparison with only $970 paid in premiums.

Instead of taking the surplus as a bonus addition to the sum assured, it might be drawn in cash or applied in reduction of premiums. If the latter method is followed the premiums gradually become less and less and may finally disappear altogether. In this case the contract really amounts to a limited payment life policy.

There is another aspect that is worth noting. From the policyholder's standpoint the amount *for which he is insured* is equal in any year to the difference between the amount of the policy and the premiums he has paid. For instance, if a man has a $1,000 policy, under which he has paid $100 in premiums, he has really reinsured the company to the extent of $100, and the net amount of indemnity which his family stands to realize, if his death occurs in that year, is $1,000 minus $100, or $900. On this basis the amount of net insurance afforded by the ordinary life policy is for many years in excess of that obtainable under other policies; thus, at age 30:

Difference between Amount of Policy and Total Premiums Paid

	Ord Life.	10 Pay. Life.	20 Pay. Life.	15 Yr. End.	20 Yr. End.	25 Yr. End.
Premium	$24.25	$52.60	$33.25	$67.40	$49.40	$39.95
1 year	$975.75	947.40	$966.75	$932.60	$950.60	$960.05
3 years	927.25	842.20	900.25	707.80	851.80	880.15
5 years	878.75	737.00	833.75	663.00	753.00	800.25
7 years	830.25	631.80	767.25	528.20	654.20	720.35
10 years	757.50	474.00	667.50	326.00	506.00	600.50
15 years	635.25	474.00	501.25	....	259.00	400.75
20 years	515.00	474.00	335.00	....	12.00	201.00

The objection most frequently urged against the ordinary life plan is that, according to the terms of the contract, the premiums are to continue during the life of the assured. That is naturally a drawback in the eyes of many people. But, on the other hand, in a good company the surplus returns should always be sufficiently large to overcome this objection. Take for instance the case of the policy considered above, which has been increased by bonuses to $1,828 (of this $828 is fully paid up, the other $1,000 is the original policy). On the H.M. 3% basis this policy could be surrendered, if desired, for a fully paid-up policy consisting of

(a) The paid-up value of the original policy	$815.00
(b) The bonus addition	828.00
Total paid-up policy	$1,643.00

The assured would thus be enabled to cease paying premiums and still be insured for $1,643, in return for an investment in premiums of $970.

10 PAYMENT LIFE PLAN

The shorter the term during which premiums are payable, the lower is the aggregate amount of the total premiums payable. Thus, a 10 Payment Life policy, although it carries a higher annual premium than the 15 or 20 Payment Life, costs less in the long run than either of them; and a 5 Payment Life has a lower ultimate cost than any of them. This is shown in the following comparisons:

Plan	Annual Premium Age 25	Total Premiums Contracted for	
5 Payment Life	$83.75	5 times $83.75	$418.75
10 Payment Life	47.60	10 times 47.60	476.00
15 Payment Life	35.75	15 times 35.75	536.25
20 Payment Life	30.00	20 times 30.00	600.00
25 Payment Life	26.70	25 times 26.70	667.50
30 Payment Life	24.65	30 times 24.65	739.50
Ordinary Life	21.30	*38 times 21.30	809.40

It is evident, therefore, that the 10 Payment Life or any of the life plans with premiums limited to a short term of years will show up very well in comparisons involving "total premiums payable." This is seen in the following schedule of a 10 Payment Life Policy taken out at age 25, annual premium $47.60:

If Death Occurs.	Company Will Pay.	Total Premiums Paid by Assured.	Gain to the Assured's Estate.
In 1st year	$1,000.00	$ 47.60	$952.40
In 3rd year	1,000.00	142.80	857.20
In 5th year	1,000.00	238.00	762.00
In 7th year	1,000.00	333.20	666.80
In 10th year	1,000.00	476.00	524.00
After 10 years	1,000.00	476.00	524.00

From this it appears that the amount which the company contracts to pay is *at least* $524 in excess of the total amount paid by the assured, no matter when his death occurs; and if death occurs within the first 10 years the difference in favour of the assured's estate will be still more striking.

*Approximate. Based on expectation of life at age 25, which is 38 years.

If the assured survives 10 years, the policy is completely paid up. He can enjoy the insurance protection as long as he pleases without further payment of premiums. There is also this very important feature to be noted. The policy keeps on growing in value from year to year Each succeeding year it has a larger cash surrender value attached to it. Thus, assuming that the cash surrender value in the case of this particular policy is based on the Hm. 3% reserve, we have the following comparison:

Cash Surrender Value at end of 10 years is	$430
Cash Surrender Value at end of 15 years is	471
Cash Surrender Value at end of 20 years is	517
Cash Surrender Value at end of 25 years is	566
Cash Surrender Value at end of 30 years is	619
Cash Surrender Value at end of 35 years is	673
Cash Surrender Value at end of 40 years is	726
Cash Surrender Value at end of 45 years	777
Cash Surrender Value at end of 50 years is	823

As an example, suppose the assured continues his policy for 45 years (till age 70) and then decides to surrender it. The Cash Surrender Value shown in the above table is $777, as compared with total premiums paid by the assured of $476. Thus, the assured has had insurance protection for 45 years and in the end withdraws $301 more than he paid in; or, in other words, he has had 45 years' insurance protection *free*, and gets back $1.63 for every $1.00 that he invested. This is in addition to payments of surplus, which we make no attempt to estimate, but which in 45 years would undoubtedly amount to a large sum.

The illustration given above suggests one of the strongest arguments in favour of a limited payment life policy—its remarkable flexibility. An endowment maturès at a specified age agreed upon 20, 25 or 30 years previously. It cannot be continued beyond that age except by a special medical examination. On the other hand, a limited payment life policy may be continued as long as the assured desires—no further premiums to be paid after the first 10, 15 or 20 years, as the case may be—the policy increasing in value each successive year, receiving periodical allotments of surplus—and may finally be converted into an endowment at whatever age the assured may require by simply withdrawing the Cash Surrender Value.

20 PAYMENT LIFE PLAN

In the United States and Canada this is without doubt the most popular plan of insurance. In the opinion of many people the endowment plans are too expensive. Others object to the ordinary life policy because the premiums continue as long as the assured lives. The 20 Payment Life plan, with its moderate premium, limited to 20 years only, is not open to either of these objections. The young or middle-aged man prefers the 20 Payment policy because the premiums are payable during the wage-earning period of his life, so that the insurance will be fully paid for by the time he wishes to cease from active labour.

As the premiums are limited to 20 years, the amount payable by the company in event of death will always be larger than the total amount paid in premiums by the assured. For example, a person who insures at age 25, annual premium $30.00, will never have to pay more than $600 in premiums; so that in the event of his death his family receives back at least $400 more than the actual cost of the insurance—in addition to any surplus that may have been earned by the policy.

The surplus under a 20 Payment Life policy, as in the case of any other participating policy, may be payable annually, quinquennially, or at the end of 10, 15 or 20 years—depending upon the terms of the contract. The surplus may be taken either in cash, or used to buy additional paid-up insurance, or applied in reduction of premiums.

At the end of 20 years the original policy becomes fully paid up. There will be no further premiums to pay, and the policyholder remains insured for the full amount of the policy. The insurance protection costs him nothing; the policy is always worth $1,000 in the event of his death; he can borrow money on it under the Loan Privilege at any time; and, moreover, the reserve is constantly increasing, so that the assured can surrender the policy at any time for a larger sum than he could have obtained a year before. In addition, the policy still continues to earn surplus, which can be drawn in cash or used to purchase bonus additions to the original insurance.

Of course, if the assured prefers, he can surrender his policy instead of continuing it at the end of the 20 years. In that case the company would pay him the surrender value of the policy, which would ordinarily be the full reserve (say Hr. $517
Add to this the surplus which the policy has
earned during the 20 years, say 188

Total $705

so that the policyholder, who paid $600 for his insurance, gets back altogether $705; or over $1.17 for every $1.00 invested, in addition to insurance protection for twenty years. In other words, he has enjoyed insurance protection of $1,000 for twenty years *free*, and in addition gets back $105 more than he paid in.

ENDOWMENT PLANS

Endowment plans are more expensive than the corresponding life plans, but they possess advantages which, in the opinion of many people, more than outweigh the extra cost. In the case of all-life plans, PROTECTION is and always will be the outstanding feature. Endowment plans combine this with another element—that of INVESTMENT. Accordingly, there are numerous cases in which an agent can talk endowment insurance with much greater effect than straight life insurance, and in this connection we may note:

(1) That the endowment policy furnishes a very good answer to the man who objects to insurance upon the ground that "you have to die to win."

(2) An endowment policy, by reason of its investment feature, frequently appeals to a man whom the agent could never hope to interest in the protection features of a limited payment life policy. For instance, when canvassing a person who has no one dependent upon him, an endowment is obviously the proper form of policy to present.

(3) An endowment is adapted to the requirements of the man who needs insurance but only for a limited period, and who wishes to be able to show his invested capital intact if he survives the period.

(4) An endowment is manifestly a suitable policy for teachers, clergymen, nurses and others whose occupations do not bring them into touch with the world of business, and who have consequently only limited opportunities for obtaining good investments for their savings.

(5) An endowment is plainly *not* an "old man's policy" unless it is a short term endowment. Neither is it "a poor man's policy."

(6) An endowment policy is frequently selected by people who want some form of investment which will *make them save* their money.

(7) Not infrequently a firm or a corporation insures the life of its manager or president or some other officer whose expert knowledge or experience makes him of particular value to the business. This is a form of insurance which is becoming more and more common. In such a case, an endowment is the most suitable plan to recommend. The premiums paid under such a policy can be regarded as a sinking fund and carried to a special account, which will be practically balanced when the policy matures at the end of the endowment period.

Endowment plans, like life plans, can be issued either "with profits" or "without profits." If issued with profits, the profits can be made payable annually, quinquennially or at the end of a longer period.

The most commonly selected "all-round" endowment plan is without doubt the 20-year endowment. Short term endowments are less popular than the 20-year plan and are (or should be) confined to older lives. Long term endowments (*e.g.*, for 25 to 30 years) are very suitable plans for young men, inasmuch as they afford the necessary insurance protection for a lengthy period at comparatively low rates, and provide a fund which falls in at a very convenient time as a provision for old age. A very striking illustration of the merits of such a policy can be afforded by making out a schedule in some such form as the following. These figures apply to a $10,000 policy on the 30-year endowment participating plan, taken out at age 20, annual premium $314.00:

1 If Assured's Death Occurs in	2 Total Premiums Paid	3 The Company Will Pay	4 Gain to Assured's Estate
1st year	$ 314.00	$10,000	$9,686.00
2nd year	628.00	10,000	9,372.00
3rd year	942.00	10,000	9,058.00
4th year	1,256.00	10,000	8,744.00
5th year	1,570.00	10,000	8,430.00
6th year	1,884.00	10,000	8,116.00
7th year	2,198.00	10,000	7,802.00
8th year	2,512.00	10,000	7,488.00
9th year	2,826.00	10,000	7,174.00
10th year	3,140.00	10,000	6,860.00
11th year	3,454.00	10,000	6,546.00
12th year	3,768.00	10,000	6,232.00
13th year	4,082.00	10,000	5,918.00
14th year	4,396.00	10,000	5,604.00
15th year	4,710.00	10,000	5,290.00
16th year	5,024.00	10,000	4,976.00
17th year	5,338.00	10,000	4,662.00
18th year	5,652.00	10,000	4,348.00
19th year	5,966.00	10,000	4,034.00
20th year	6,280.00	10,000	3,720.00
21st year	6,594.00	10,000	3,406.00
22nd year	6,908.00	10,000	3,092.00
23rd year	7,222.00	10,000	2,778.00
24th year	7,536.00	10,000	2,464.00
25th year	7,850.00	10,000	2,150.00
26th year	8,164.00	10,000	1,836.00
27th year	8,478.00	10,000	1,522.00
28th year	8,792.00	10,000	1,208.00
29th year	9,106.00	10,000	894.00
30th year	9,420.00	10,000	580.00

The schedule shows that, no matter at what time the death of the assured occurs, the amount which the company guarantees to pay is in excess of the premiums paid by the assured; while, if the assured survives the 30 years, the whole $10,000 becomes payable at once. This computation takes no account of payments of surplus, which the agent can illustrate by reference to the actual surplus returns made by his company, and which in the course of 30 years would amount to a very considerable sum.

We may remark in passing that the above method of illustrating the benefits of an insurance policy is one which can be very usefully employed in canvassing almost any plan. The great advantage of the method is that it sets before your client in undeniable figures and in very striking form *the fact* that the payments guaranteed by the company are greater than the payments contracted for by the assured. The schedule may appear to involve a good deal of arithmetical labour; but it is really very easy to construct. In column 2 each successive amount is found by adding the premium to the amount immediately above it. This process of addition can be facilitated by writing the premium on a narrow strip of paper and shifting the slip with each successive addition so that the premium always appears above the amount to which it is to be added. Column 4 is similarly constructed, except that you begin at the bottom and work upwards.

TERM INSURANCE

Term policies are not so popular as life and endowment policies for several reasons:

(1) They carry no surrender values.

(2) They are not usually issued on the participating plan.

(3) The insurance ceases absolutely at the end of the term, and cannot be renewed except on payment of a higher premium and passing a new medical examination. Most people desire the protection for a longer period.

(4) The money invested is never returned except in the event of the assured's death during the term. In this respect a term policy resembles a fire insurance policy.

However, term policies have their uses; else you may be sure they would not be quoted in insurance rate books. An alert agent can sometimes place a term policy with a business man, manufacturer, etc., who would have nothing to do with a more expensive plan. Its very cheapness attracts him. He does not regard the transaction as a loss if he lives to the end of the term, for he has had the insurance protection in return for his premiums. And he has the satisfaction of knowing that his insurance is being obtained at the lowest possible cost, leaving him to use the balance of his income for other purposes.

Term policies are very frequently taken out for business purposes. Circumstances sometimes arise where the death of a partner, a manager, a capitalist, etc., would result very disastrously to the undertaking. It then becomes of importance, in the interests of the business, to have a policy effected on the life of the person in question. The necessity for the insurance may no longer exist in, say, ten years' time. The policy that naturally suggests itself is, therefore, a

10 Year Term. Besides, in a growing business which demands the investment of every available dollar there is a considerable saving effected by the selection of a Term policy. For instance, for a $10,000 policy:

Annual premium of $111.50 on a 10 Year Term as compared with

(a) Annual premium of $176.50 on the Ordinary Life Non-Participating plan;
(b) Annual premium of $218.50 on the Ordinary Life Participating plan;
(c) Annual premium of $252.00 on the 20 Payment Life Non-Participating plan;
(d) Annual premium of $306.00 on the 20 Payment Life Participating plan;
(e) Annual premium of $486.50 on the 20 Year Endowment Participating plan;
(f) Annual premium of $667.50 on the 15 Year Endowment Participating plan.

RENEWABLE TERM PLAN

This plan is published by different companies under various names and with numerous modifications. The most usual form may be briefly described as follows: The insurance is simply a five term policy, renewable every five years, without medical examination, by payment of the premium rate for the attained age at the date of such renewal. The insured has also the right of claiming, at any time before he reaches the age of 60, without medical examination, an ordinary policy with or without profits under any whole life or endowment plan at the premium corresponding to his then attained age.

The holder of any ordinary term policy cannot continue his insurance beyond the original term except by undergoing a fresh medical examination; and there is always the risk that some change may occur in the state of his health or in his family history which may cause the company to refuse him a new policy. A renewal term policy is not open to this objection, because the assured has always the option, without a fresh medical examination, of renewing the policy for another term, or of changing to another plan of insurance.

There is a second point in favour of the renewable term policy. It frequently happens that a man who really needs insurance protection cannot afford to pay the premium on a life or endowment policy. It may be possible for him, however, to take a renewable term policy with its much lower premium which will furnish him with the insurance protection in the meantime; and later, when his finances improve, he may be able to have it changed to a life or endowment policy. If the idea of a renewable term policy had not occurred to him, he would have had to go without the insurance altogether until he could afford to select a more expensive plan or else it would have been necessary for him to content himself with a much smaller line of insurance than he really required. The renewable term policy gives him all the insurance he needs *at once*, and the option of changing without medical examination to another plan as soon as he is in a position to afford it.

ANNUITIES

In Great Britain life insurance companies do a considerable business in annuities, but for some reason or other in Canada and the United States annuities do not seem to be nearly so popular. There should be a large field for this class of business on this continent, too. Many opportunities in the way of annuity applications are probably missed by agents, on account of the fact that their attention has been mainly directed towards insurance, and they have not been trained to look for annuity business.

A life annuity, especially at advanced ages, yields very large returns on the purchase price. For example, at age 45 $1,000 will purchase an annuity of $64.75, or nearly 6½% on the cost.

At age 50 the annual return is 7.32% of the purchase price.
At age 60 the annual return is 9.14% of the purchase price.
At age 70 the annual return is 12.83% of the purchase price.
At age 80 the annual return is 19.92% of the purchase price.

An annuity is especially adapted as an investment:

1. For old people who have no relatives or friends to whom their money might be left. No other investment can possibly be secured to yield them so comfortable a return. Take, for example, a man aged 70 who has saved $5,000 in cash and must rely on that sum to support him during the remainder of his life. If he invests the money in first mortgages, it may bring him [illegible] perhaps $250 a year. If he puts it in the savir[illegible]ank, the interest will amount to only $150 a ye[illegible] But if he [illegible]es the money to purchase a life annuity he can obtain *an absolutely safe and certain income of* $641.50 *per annum for the rest of his life and have no trouble in looking after the investment either.*

2. The annuity form of investment is also most suitable in cases where a person desires to make some sure and certain yearly provision for a dependent, *e.g.*, a father or mother, a sister, an invalid.

3. Sometimes executors or trustees are directed in the will, marriage settlement, etc., under which they act to make a provision for specified persons for life. An annuity will fit such cases exactly. The trustees are freed from the trouble and anxiety of looking after investments and paying over the income. Instead of being under the necessity of scanning the whole range of the investment field in search of a safe and suitable investment, they have an opportunity of attaining the desired end on far more profitable terms *in an absolutely safe manner.*

Miscellaneous

MORTALITY TABLES

Mortality tables are the instruments by means of which are measured the probabilities of life and the probabilities of death. In its simplest form a mortality table is a column of figures showing how many out of one hundred thousand people of equal age coming under observation may be expected to survive from year to year. The life of man (the individual) is proverbially uncertain; but long experience and observation have shown that among large groups of persons of corresponding ages the number dying from year to year is strikingly uniform. The hundreds of mortality tables that have been prepared by actuaries during the last couple of centuries all exhibit the same general law of mortality, with only those minor variations which might naturally be expected to result from differences in nationality, climate, social conditions, etc. And therefore it is possible, by means of these mortality tables, for insurance companies to measure the probabilities of life and the probabilities of death at all ages and among all classes with sufficient accuracy for practical purposes.

Leaving out of consideration the numerous mortality tables which have had their day and are now only of historical interest, we may refer to the four tables which are principally used on this continent. Taking them in order of date, they are:

1. The "Combined Experience," or Actuaries' Experience, or 17 Offices Table, as it is variously called. This table represents the experience of seven-

teen British Companies from their commencement of business to the year 1837, and the observations covered about 60,000 policies. The table is still used by the British Board of Trade in case of liquidation for valuing policies. Prior to the Canadian Insurance Act, 1894, it was the standard valuation table in Canada. Its chief present use is in the United States among the various State Departments.

2. AMERICAN EXPERIENCE—This table was prepared by the late Sheppard Homans, actuary of the Mutual Life Insurance Company of New York, and was based upon the experience of about 68,000 lives insured in that Company. It is the table most used in the United States at the present time for the calculation of reserves and premium rates.

3. INSTITUTE OF ACTUARIES TABLES—These tables were prepared under the supervision of the Institute of Actuaries of Great Britain, the observations covering about 160,000 lives insured in 20 British offices which contributed their experience from beginning of business to the end of the year 1863. The principal one of these tables is that commonly known as the H.M. (Healthy Males). This table is very generally used by British Companies for valuation purposes, and was formerly the official valuation standard in Canada. In the United States it is not much used.

4. BRITISH OFFICES LIFE TABLES—These are the most extensive, modern and scientific tables in existence at the present time. Practically all the leading British offices contributed their experience for the years 1863 to 1893 and the number of lives under observation was about 1,037,000. The work took nearly ten years to complete. The most important of the numerous new tables which we owe to this undertaking is the O.M. Experience (male lives insured under ordinary life policies). In Great Britain the

new tables are being extensively used and will probably replace the H.M. in time. In the United States few companies have yet made use of them; in Canada, one of these new tables, known as the O.M.(5), is now the official valuation table.

MUTUAL AND STOCK COMPANIES

A mutual company is one which has no shareholders. The funds of the company and all profits belong to the policyholders alone.

A stock company has shareholders, who have subscribed and paid in money to the company as capital, and are entitled to dividends on that capital. Formerly the government of a stock company was altogether in the hands of the shareholders, the policyholders having no voice in the management. But of late years some stock companies have voluntarily given the policyholders the right to elect a certain proportion of the directors, and the tendency of recent legislation is to make this practice compulsory in the case of all stock companies.

Different companies have different methods of apportioning the surplus between shareholders and policyholders. A very common method is as follows: The shareholders are entitled to interest on their invested capital at the average rate earned on the company's funds, and, in addition, to one-tenth of the profits on policies; while the policyholders are entitled to all the remaining profits of the company.

The question of the relative advantages of the two kinds of company—mutual or stock—has been argued so many times that it is only necessary to refer to it briefly. It is impossible to say flatly that either system is superior to the other. Both have their advantages, and numerous companies have been conducted upon each plan successfully and with good results to policyholders. The arguments in favour of the stock company may be thus summarized:

1. The existence of a large paid-up capital adds to the security of the company; and if there is an additional amount of capital subscribed, but not yet paid-up, that is a further source of safety.

2. The shareholders take a more direct and active interest in the management of the company than do the policyholders; and for this reason it may be expected that the management of a stock company being in the hands of directors elected by shareholders will have advantages over a board of directors elected by policyholders who know very little about the company's affairs and vote generally by proxy.

3. The existence of a large paid-up capital enables the company to extend its business more rapidly and profitably.

4. Since the shareholders are entitled to a percentage of the profits earned on policies, it is to their interest to conduct the business so that the profits on policies will be as large as possible; and this, in itself, is a guarantee that the interests of the shareholders and policyholders will not conflict.

5. The trailing percentage of profits on policies (generally 10%) which is credited to shareholders is a very small price to pay for the advantages mentioned above.

On the other hand, the advocates of the mutual form of company maintain:

1. That once a company has attained a fair size, it is strong enough to stand alone, and the existence of a large share capital adds very little to its real security, which depends primarily and mainly on the strength of its policy reserves.

2. That in a mutual company the policyholders get *all* the profits.

3. That as the insurance in force generally reaches into millions, where the share capital is reckoned in thousands, the policyholders' interests should be paramount, and it is unjust and absurd that the shareholders should retain the sole or principal control of the company—it is a case of the tail wagging the dog.

RESERVES

The cost of insurance is not uniform at all ages, because the rate of mortality increases from age to age. Therefore, if it is desired to charge a premium that will remain level throughout life, it is necessary to fix upon a premium that will more than cover the risk during the early years of the insurance. That portion of the premium paid from year to year which is not required to meet the cost of insurance for the current year is laid aside in order that it may be available later on, when the rate of mortality has so much increased that the yearly premium is insufficient to pay the yearly cost of insurance. The fund thus accumulated is called the "reserve" or "policy-value." The reserve on any policy may therefore be said to be equal to the total premiums paid upon that policy with interest, after deducting that policy's share of the death losses.

Another way of looking at the matter is this: The reserve upon a policy at any given time is the sum which added to future premiums with interest will, on the average, be exactly sufficient to pay the amount of the policy when it becomes a claim.

The exact amount of the reserve depends upon the mortality table used and the rate of interest assumed in the calculations. All mortality tables present the same general features, but no two of them are exactly the same. Consequently, the particular table employed in computing the reserve will make some difference. A far more important factor, however, is the rate of interest assumed, and a difference of 1% or even ½% means a big change in the reserve.

People are sometimes puzzled by the fact that an increase in the rate of interest employed means a decrease in the amount of the reserve, and *vice versa.* For example, a 3% reserve is larger than a 3½% reserve. The reason for this is that if the actuary can assume 3½% as the rate of interest that is going to be earned on the reserves, the company can get along with a smaller reserve than that which would be required if one could only count on earning 3%.

NET PREMIUMS AND GROSS PREMIUMS

The net premium under a policy is the sum which would be exactly sufficient, on the average, to pay the amount of the policy when it falls due, if (a) there were no expenses, and (b) the rate of mortality were *exactly* the same as that shown by the Mortality Table used in the computation.

Of course, in practice, the mortality actually experienced always varies more or less from that assumed in the calculations, and a certain "loading" must be added to the net premium to cover such fluctuations in the death loss. Then, too, there must be an additional loading to cover expenses. In case of participating policies, there is a third loading for surplus. The net premium, plus the total loading thereon, gives us the gross premium.

NON-PARTICIPATING AND PARTICIPATING

A non-participating policy is a policy of guarantees. The assured pays a fixed premium and the company agrees to pay him a fixed amount at his death (or, in the case of an endowment policy, at the end of the endowment period if he is then alive).

The premium upon a participating is larger than the premium upon a non-participating policy; and, in consideration of this increased premium, the company agrees to pay the insured periodically the surplus accumulations of his premiums over and above the sums required to carry the risk. That is to say, the policy "participates" in the profits.

These profits may be allotted to the assured every year, in which case there is said to be an "annual distribution of profits," or an "annual dividend." Or the terms of the policy may require a "quinquennial distribution of profits," *i.e.*, every five years. Under other policies, called "deferred dividend" policies, the surplus is accumulated for ten, fifteen or twenty years and then allotted to the assured if he is then alive.

The usual forms in which surplus is distributed are (a) Cash, (b) Bonus addition to the sum assured, (c) Annuity.

(a) Cash—This method requires no explanation. The assured withdraws his surplus in cash, and continues his policy on the same terms as before.

(b) Bonus Addition—Instead of taking his surplus in cash, the assured may use the money to purchase a bonus (*i.e.*, free) addition to the amount of his policy. Thus, suppose $50 to be the amount of the cash surplus to which the assured is entitled under a $1,000 policy. The company would give him, instead of the cash, paid-up additional insurance to the amount of (say) $100. He would be henceforth insured for $1,100, although paying premiums on only the original $1,000. At the next distribution of profits, his bonus addition might be $120, making his total insurance $1,220; and so on.

(c) ANNUITY—The assured is usually given the option of taking his surplus in the form of an annuity, to be applied in reduction of premiums. For example, in the illustration given above, the assured might be allowed to choose an annuity of (say) $5 per year in place of a cash payment of $100 surplus. Then, if the premium called for in the policy were $30, the assured would only have to pay $25 per annum in future. At the next distribution of surplus, the premium would undergo another reduction, and eventually might be wiped out altogether.

SOURCES OF SURPLUS

As previously explained, the difference between the actual cost of insurance to the company and the premiums paid by the assured produces the surplus out of which bonuses are paid to the policyholders. Surplus is derived principally from the following sources:

1. LOADING SURPLUS—We have already pointed out that the gross premium paid by the assured contains a "loading" as a provision for expenses. If it turns out that the loading which was provided is larger than the actual expenses of the office there is a surplus from this source.

2. EXCESS INTEREST SURPLUS—The premiums and reserves are based upon an assumed rate of interest which is always somewhat less than the rate of interest which the company is actually earning, in order to leave a margin on the safe side. Suppose that a certain company assumes 3% as the rate which it must earn upon its funds. Then if the company actually earns 4½% in any year, it is evident that there will

be a gain from excess interest of 1½% on the invested funds. This is the second source of surplus.

3. Surplus from Favourable Mortality—In computing premiums and reserves, a rate of mortality based upon a standard Mortality Table is assumed. It is customary for life assurance companies to compare their *actual* mortality experienced from year to year with *the expected mortality,* according to the standard table. The actual mortality will never be exactly the same as that exhibited by the standard table—there will always be some difference between the *actual* and *expected mortality.* If the former is less than the latter, then there will be a surplus arising from favourable mortality.

4. Gain on Investments—A company frequently realizes a profit on its investments, through disposing of securities at a price higher than that paid for them. This is another important source of surplus.

5. Lapsed Policies—When a policyholder drops his policy within the first few years, he is not entitled to any surrender value, and any value that the policy may possess is added to the general surplus of the company. As a matter of fact, however, this source of surplus is not nearly so important as is often believed (especially by people outside the insurance business), because, on account of the large initial expense connected with a policy, the company never makes much money on a lapsed policy and more frequently loses money.

6. Surrendered Policies--When a policyholder terminates his contract with the company by surrendering his policy, he very seldom receives the full reserve value, unless the policy has been running for some considerable time. A deduction is generally made from the reserve as a penalty and for the protection of the company from a too-general exercise of this

right of surrender by its policyholders. There is, accordingly, a small surplus which accrues to the company from this source.

THE APPLICATION

The application for insurance is the basis of, and forms part of the contract; therefore, it is important that it should be correctly filled up and executed. A little care in this regard at the time when the application is written will often save a good deal of vexatious delay and unnecessary correspondence between the agent and head office. Every insurance solicitor knows the importance of getting the policy issued as promptly as possible after the application is completed. It is worth while, therefore, to take a little time to make sure that the application is *properly completed* before sending it away to head office, and in this connection we venture to make one or two suggestions:

1. See that *every* question is answered, and answered fully: The omission of questions is probably as fruitful a cause of delay as any other.

2. The application should be written *legibly and in ink.* As stated before, it is part of the contract. It may require to be referred to twenty, thirty or forty years hence.

3. Make sure that the age of the applicant is correctly stated. If the date of birth and age both require to be stated, see that they agree with each other, and with the amount of the premium.

4. State the name of the applicant in full, and the full title of the plan of insurance which he is applying for.

5. See that the applicant (and where necessary the beneficiary) signs in the proper place, and that the signature is properly witnessed.

6. All alterations and additions to the application should be initialed by the applicant.

POLICY PROVISIONS

Under this heading we deal with the various provisions and privileges that are usually inserted in policies. The variations of these clauses in the policies of different companies are endless; but their general tenor is more or less the same.

RESIDENCE AND TRAVEL—Very commonly, there are no restrictions upon residence or travel, the companies probably [illegible] the view that if the assured is residing in a h[illegible]y climate at the time when the policy is taken out, and has no immediate intention of changing his residence (there is generally a question covering this point in the application), then the risk of his subsequently wandering into an unhealthy climate may be ignored. Other companies, however, restrict residence or travel in certain latitudes or certain unhealthy climates unless with a permit from the company and on payment of an extra premium.

OCCUPATION—Some companies place no restrictions upon occupation (except military or naval service) if the assured's occupation at date of issue of the policy is not hazardous and if he has no present intention of changing it. Other companies, more conservative, stipulate that the assured is not to engage in any of certain specified occupations that are regarded as unhealthy or dangerous.

GRACE—Almost all companies allow thirty days' or one month's grace for payment of premiums. The policy does not lapse if payment is made within the days of grace, and if the assured's death occurs during that time and before the premium is paid, the company will pay the claim, deducting the premium then due. Some companies charge interest on premiums which are paid after the due date but within the days of grace; others charge no interest. Recent legislation in the United States and Canada makes it compulsory for all companies to grant thirty days' grace, with or without interest.

REVIVAL—The usual clause regarding revival is to the effect that "should any premium remain unpaid beyond the month's grace, the policy becomes void, but it may be revived within twelve months (or two years) thereafter on production of evidence satisfactory to the company of continued good health and insurability, and the payment of overdue premiums with interest at the rate of six per cent. per annum." Recent legislation has made it compulsory for companies to insert a clause of this kind in their policies.

INDISPUTABILITY—The usual clause is to the effect that the policy will be indisputable after two years from the date of issue (except in case of actual fraud) if the premiums shall have been duly paid and the age admitted. Some companies make the period one year instead of two, and others have gone so far as to make their policies incontestable from date of issue. The Canadian Insurance Act (1910) provides that all policies issued after the Act came into force shall be indisputable after two years from date of issue except for fraud, non-payment of premiums, or violation of the conditions of the policy as to military or naval service in war time.

Some companies in their policies take pains to state that the indisputable clause does not apply in case of fraud; while others do not make any mention of this exception. The effect is the same in both cases, because fraud is in the eyes of the law regarded as a necessary exception, and if the company can prove that the policy has been obtained by fraud, the incontestable clause would not prevent the policy from becoming void.

The chief importance of the clause is that it protects policyholders from the effect of any innocent and unintentional omissions or mis-statements that they may have made in their applications. Under the old law, a policy could often be set aside if a misrepresentation of any material fact had been made by the policyholder in his application, even though the mis-statement was unintentional and made in good faith. Under the new law, after two years, it is impossible for the company to have the policy set aside on account of a mistake in the application, *unless it can be proved* that the applicant wilfully and fraudulently made misleading statements.

Cash Surrender Values—There is not usually a cash surrender value attached to a policy until after three years' premiums have been paid. Where a policy lapses during the first few years, the company generally makes little or nothing on the transaction, so that it would be manifest folly for the company to offer a surrender value in those years as an additional inducement to the policyholder to withdraw.

The cash surrender value is generally based on the reserve or "policy-value." In the early years it is calculated as a percentage of the reserve, and this percentage is increased as the policy grows older, until finally, after a certain number of years, most companies are willing to pay the full reserve as the surrender value.

The reasons for not allowing the full reserve as a cash surrender value in the early years of the insurance are mainly two. As has been pointed out, the company does not desire withdrawals, and seeing that the assured is the only party to the contract who has the right to terminate it at will, it is only fair that the company should have the power to impose some penalty on the policyholder when he thus declines to carry out his part of the agreement. The company, in the early years of the insurance, exacts this penalty by deducting from the reserve a percentage and allowing the policyholder only the balance of the reserve as a surrender value.

It is generally believed, too, that policyholders who surrender or lapse their policies exercise a selection against the company. That is to say, those who withdraw are generally the healthiest risks, who are sure of being able to get insurance elsewhere; if a man knows himself to be a poor risk, he is not likely to drop the insurance that he carries. It is probable, therefore, that when very many policyholders claim their cash surrender values and withdraw, the standard of the company's risks from a health standpoint is lowered; because the good risks go out while the poor ones stay. This is an additional reason why the company should not grant too liberal a proportion of the policy value to the policyholder who surrenders his contract.

Paid-up Insurance—The retiring policyholder is generally given the option of taking his surrender value in paid-up insurance instead of in cash. Thus, the man who surrenders an ordinary life policy may be given the choice of, say, $500 in cash or $900 in paid-up insurance; if he takes the paid-up insurance, he will be insured for the rest of his life for $900, without having any more premiums to pay. Similarly, if the assured under a 30-year endowment policy takes his surrender value in paid-up insurance, he will have no further premiums to meet, and the paid-up policy will be payable either at his death or at the end of the 30 years (the time when his original policy was payable).

The amount of paid-up insurance that most companies will grant under a limited payment life policy or endowment policy is the same proportion of the sum assured as the number of premiums actually paid bears to the total number of premiums payable under the policy. For example, if a 20 payment life policy for $1,000 is surrendered after payment of five annual premiums, the amount of paid-up insurance to which the assured would be entitled is 5-20ths of $1,000, or $250 (a free policy, payable at the death of the assured). If the policy in question had been a 30 year endowment assurance, the amount of the paid-up policy would have been 5-30ths of $1,000, or $166.66 (a free policy, payable at the death of the assured, or at the end of 30 years). In the case of ordinary life policies, the amount of paid-up insurance can only be determined by an actuarial calculation.

Loan Values—In most companies, no cash surrender value or paid-up policy is granted to the assured if he throws up his policy during the first three (or sometimes five) years. In the same way, most policies carry no loan values until at least three years' premiums have been paid. The loan value in any year is very frequently the same as the cash surrender value, with a year's interest deducted in advance. The procedure necessary to obtain a loan on a policy is very simple. The company will, on application, furnish the policyholder with a "loan agreement," which he has to sign and return together with his policy. If the agreement is properly executed, the company will then pay to the policyholder the amount of the loan to which he is entitled; its sole security being the policy which the assured leaves on deposit with the company. The rate of interest charged on policy loans is usually about five per cent., the interest being payable on the same dates as the premiums under the policy. There is generally a provision in the loan agreement to the effect that if the assured fails to pay interest, so that the loan and the interest due thereon become equal to or greater than the cash surrender value, the policy shall be considered as surrendered to the company.

When a loan is paid off, the company simply return the policy and loan agreement to the assured, with a receipt for the money, and the contract is on the same footing as before.

The loan provision is a very popular one, and policyholders probably take advantage of it more frequently than is quite advisable in their own interests. A loan is so easily obtained, and at such a low rate of interest that policyholders avail themselves of the privilege too freely, and the result, in many cases, is that the policy becomes loaded up with debt and, in the end, is dropped. For this reason, the agent should never suggest the idea of a loan to one of his clients, or encourage it in any way, unless he believes it to be really necessary. His experience will tell him that it is hard enough to induce some people to keep up their policies when they have only the premiums to pay; and that it becomes doubly hard when those premiums are augmented by periodical accumulations of interest.

The new Canadian Insurance Act provides that every policy hereafter issued shall contain a clause providing for a loan after three years' premiums have been paid of an amount not exceeding 95 per cent. of the surrender value and at a rate not exceeding seven per cent.

Automatic Non-Forfeiture—This is a provision which has become very popular of recent years. Different companies print the provision in their policies with various slight differences, but the effect of the clause is usually as follows: If a policy has been in force sufficiently long to be entitled to a surrender value, and if the assured fails to pay a premium which has fallen due, the company will advance him that premium *as a loan* provided that the overdue premium is not greater than the cash surrender value. When the next premium falls due, the company will advance that, too, if the cash surrender value is large enough to cover the two premiums and interest. And so on—the company continuing to advance money to pay the premiums as they fall due, until at length the premiums and interest thereon accumulate to a larger amount that the cash surrender value; and when that happens, the policy lapses. The whole transaction is simply a loan to the assured on the security of the policy, the only difference between an *automatic* loan and an ordinary policy loan being that in the former case the company advances the premium *automatically;* that is, without waiting to be requested to do so by the assured.

Of course, the policyholder has the privilege of stepping in at any time and paying off the amount which the company has advanced to him under this automatic non-forfeiture provision. It may be pointed out that the rate of interest charged by the company on *automatic* loans is generally a little higher than that charged on ordinary policy loans.

The automatic non-forfeiture provision is a splendid "talking point" for the agent. Its chief beauty, of course, is that it relieves the assured from the fear of his policy lapsing at any time through forgetfulness, illness, etc. It might happen—in fact, it *has* happened, in the old days when the provisions in insurance policies were less liberal than they are now —that the assured should be seriously ill at the time when the premium fell due, and in the resulting worry and confusion nc one might think of paying the premium; consequently, if the assured died a few days later, the policy would have already lapsed and the insurance moneys would be forfeited. All danger of such occurrences is avoided when the policy contains an automatic non-forfeiture provision. It is not of such immense importance to pay the premium *absolutely on the day*, and if the policyholder allows a few days or months to pass after the premium falls due, he does not require to go to the trouble of getting his policy reinstated or furnishing evidence of health.

EXTENDED TERM INSURANCE—This is another provision which is comparatively recent in its origin. When a person who is insured under a policy which has been three or more years in force decides to discontinue the payment of premiums, the usual options that are open to him are: (1) To withdraw the cash surrender value, or (2) to have his policy converted into a paid-up policy for a reduced amount. If the policy contains an "Extended Insurance" provision, the assured has a third option. He can apply to the company to continue his policy in force *for its full amount* for a term of years; in other words, he asks the company to apply the cash surrender value of his policy in purchasing term insurance. This term insurance is fully *paid-up*. If the assured, then, dies during the term, the full amount of his original policy will be payable; if he lives, however, the policy will expire at the end of the term. The length of the term for which the policy will be extended depends, of course, on the amount of the cash surrender value at the time when the assured ceases to pay premiums. If he has been paying premiums only for a few years, there will not be a very large cash surrender value attached to the policy, and the extended term insurance will be granted only for a short time. On the other hand, if the policy has been in force for a good many years, the insurance will be extended for a correspondingly long term.

INSTALMENT PRIVILEGES—It is very usual for companies to insert a clause in their policies giving the assured the right at any time to request that the sum assured should be payable at his death in instalments instead of in one sum. There are two ordinary forms of this "instalment clause," and either or both of them may be met with in the policies of different companies:

1. The sum assured may be made payable in 5, 10, 15, 20, 25 or 30 annual instalments. It is evident that if the policy moneys are payable in instalments the company can afford to pay a larger total amount than when the policy is payable in one sum; because, in the former case, the company has the use of the money for a longer period and can allow something for interest. For example, if the company assumes 3% as the rate of interest which it expects to earn, it can pay instead of $1,000 in one sum

30	annual	instalments	of	$ 49.50,	aggregating	$1,485.00
or, 25	annual	instalments	of	55.75,	aggregating	1,393.75
or, 20	annual	instalments	of	65.20,	aggregating	1,304.00
or, 15	annual	instalments	of	81.30,	aggregating	1,219.50
or, 10	annual	instalments	of	113.80,	aggregating	1,138.00
or, 5	annual	instalments	of	211.90,	aggregating	1,059.50

2. The sum assured may be made payable in continuous annual instalments, to continue for 20 years and so long thereafter as the beneficiary may live. The exact amount of the instalment will depend, of course, on the age of the beneficiary at the death of the assured. For example, if a man makes his policy payable to his wife, who is 60 years of age at his death, the amount of the annual instalment would be about $59.70 per $1,000 insured. Thus, the widow would receive an annuity of $59.70, *payable as long as she lived;* and, if she should die before she had received

20 payments of the annuity, the remainder of the 20 instalments would be payable to her estate, because the proviso is for *at least* 20 *instalments.*

MISCELLANEOUS PROVISIONS—The principal provisions contained in the ordinary life insurance policy have been dealt with in the foregoing notes. There are, however, many others of a miscellaneous character which it is impossible to discuss without making the remarks under this heading undesirably lengthy.

Among the two or three remaining clauses that merit special attention is the one relating to assignments. It is generally provided that the company shall be notified of any assignment by a copy of the assignment being filed at the head office. The purpose of this provision is to protect the company when paying the sum assured; no assignee who has not given the company notice of the assignment in his favour has any claim against the company, if the company has already in good faith paid the sum assured to some other. Blank forms of assignment will generally be furnished by the company on request, but care is usually taken to state that the company assumes no responsibility for the validity of any such form.

There is usually a clause providing that if the assured's age is found to have been understated, the amount payable under the policy shall be such as the premium would have purchased at the correct age. The new Canadian Insurance Act makes the insertion of such a clause compulsory in all policies issued after the Act came into force.

Another clause which is of importance to agents is that which provides that the policy cannot be varied except by writing under the hand of certain executive officers at head office. Any interlineations, additions or alterations must be attested by such officers. No agent has authority to make any changes in the policy, and should not undertake to do so even when his object is simply to remedy an obvious clerical error. If the policy requires to be altered, it should be returned to head office.

IMPAIRED RISKS

In dealing with risks which, while not absolutely uninsurable, are so much below the average that it would be unfair to insure them at the ordinary rates, various methods are adopted, depending upon the nature of the impairment. It may be interesting to refer briefly to the main principles which the medical committee at head office generally keeps in mind when determining which particular method will be followed in regard to any particular risk.

Take first the case of a risk belonging to a class whose mortality in early life is usually normal but which may be expected to exhibit a super-normal mortality in later years. For example, overweights belong to this class; they show an extra mortality which occurs mainly after middle life. Therefore, a young man of, say, 20 or 25, who is a good deal overweight but is otherwise a fairly good life might be taken on a 20 year endowment at ordinary rates. The risk to the company during the first 20 years would not be much, if any, above the normal; after age 45 or 50, there would be more danger from apoplexy, heart disease and other troubles that overweights are prone to develop—but by that time the endowment would have matured and the company would be off the risk. Similarly, if a man applied for a 20 payment life policy, and the medical examination disclosed the fact that he was suffering from some form of heart disease, not immediately dangerous, the medical referee might decide that the defective organ was good for 12 or 15 years at least, and he would probably offer a 10 or 15 year endowment policy

The class of risk described in the last paragraph is one which increases with age. There is another class in which the extra hazard decreases with age. Where there is a family history of consumption, the risk often comes within this latter class. The largest proportion of deaths from consumption occur before middle age. Accordingly, when the extra hazard is connected with this cause, a lien is often imposed, decreasing by a fixed amount every year. For example, take the case of a $1,000 policy, subject to a lien of $800 reducible by $40 per annum. If the insured died in the first year the amount payable would be $200; in the second year $240; in the third year $280; and so on, until after 20 years the lien runs off, and the sum insured is the full $1,000.

A third way of dealing with special risks is by means of an extra premium or—what amounts to the same thing—rating the life up a certain number of years and charging the premium applicable at the increased age. This method is probably adopted by some companies in many cases where it would be more reasonable to use one of the methods already described for dealing with the extra hazard. It is in this way, also, that specially dangerous occupations are generally dealt with. For example, the extra hazard in the case of a locomotive fireman is pretty constant from year to year, and has no connection with his age, so that the most reasonable way of meeting the increased risks is by charging a fixed extra premium of, say, $7.50.

MEDICAL SELECTION BY AGENTS

It is not expected by any company that its agents will do duty as a kind of second corps of medical examiners, and make their clients run the gauntlet of a long series of questions as to insurability before they will condescend to canvass them for insurance. The chief business of the field-worker is to write insurance. At the same time, he *is* expected to exercise discretion as to the class of risks that he writes, and, indeed, it is in his own interest to do so. Rejected applications mean a loss of time and effort to the agent—a loss that could be avoided in the majority of cases if the agent would take the trouble to obtain a little information about the applicant's personal and family history. It may be worth while, therefore, to refer briefly to a number of points which will enable the agent who holds them in mind to keep the number of his declined cases down to the minimum.

1. Previous Declinations—It is easy for the agent to ascertain, by means of a casual question slipped in during the course of his canvass, whether his prospect has been previously declined or liened by any other company. If he has, then it is hardly worth the agent's while to proceed further with the case, until he has submitted the matter to the head office authorities and obtained their advice. Insurance companies have an elaborate system by which they keep one another posted in regard to impaired risks, and if the application in question has been previously turned down by one company, no other company will let it pass without special investigation. The agent may, therefore, save the company an examination fee, and perhaps himself a fine, if he consults head office before taking his client to the examiner.

2. Personal Appearance—The applicant's personal appearance is to a certain extent a clue to his health. One thing in particular should be emphasized here, as the importance of its relation to the applicant's insurability is frequently overlooked, *i.e.*, his weight, taken into consideration with his age and height. On page 243 we furnish a table which gives the normal

weight for male lives according to age and height from an analysis based on reports to the Association of Life Insurance Medical Directors, 1897.

A variation of over 20 per cent. either way is a feature to be regarded with suspicion. Take first the case of the overweights, who are responsible for heavy losses in every company, in spite of the care that is always exercised in scrutinizing this class of risks. Three of the largest United States companies, which have each made a special investigation into the experience of this class, found a mortality in overweights of about 40 per cent. in excess of the standard. These lives are particularly liable to develop heart and kidney disease, apoplexy and premature hardening of the blood vessels; they succumb easily to accidents and surgical operations. The danger is enhanced if (as is frequently the case) they use alcohol to any extent.

Of course, there are exceptions to the general statements made above. A thick-set hard, muscular, big-boned man with good family history, temperate habits, and a chest measurement exceeding that if his waist may safely be allowed a larger margin than would be accorded to another risk less favourably endowed in other respects.

Underweights are also poor risks *as a rule*, chiefly because underweight is so frequently an evidence of some tubercular trouble. Then, too, underweight often goes with a nervous temperament, and hence these risks wear out more quickly than men of ordinary build. Medical examiners are particularly suspicious of this feature of underweight, when it is accompanied by a family history with one or more cases of consumption or other lung trouble.

3. HABITS—By the habits of the applicant we mean his general mode of living, his opportunities for exer-

cise, and his practice in regard to intoxicating liquors. It is the last of these which demands special attention. Insurance companies never knowingly accept an application from a man who is intemperate. "Intemperance is perhaps the most formidable enemy to the safe assurance of life."* The agent can do a great deal to safeguard the interests of his company by keeping that point in mind. Not only must the present habits be taken into consideration, but also the past habits. It is seldom that we find a past drunkard or a Keeleyite who does not at some later date again break out into intemperance. Reclaimed drunkards are therefore not desirable risks.

4. Personal History—By personal history, we mean the past record of a man's life as to illness, accidents, etc. Most companies in their instructions to agents set forth the various diseases which are particularly liable to disqualify for life insurance. The list generally includes such diseases as the following: Gout, fits, chronic hoarseness or cough, spitting of blood, heart or kidney disease, rheumatism, lung trouble of any kind, insanity and asthma.

5. Family History—The importance of family history in its relation to the eligibility of a life for insurance can scarcely be overestimated. Whether certain diseases are hereditary or whether the tendency thereto is hereditary, or whether it is only the susceptibility to those diseases that is hereditary, are questions which we may leave to doctors to quarrel about. But at any rate, whatever be the cause, this fact is clear; that certain diseases occur more frequently in some families than others, and that the circumstance has a very important bearing on the selection of the risks of a life insurance company.

*Dr. J. E. Pollock, in his Medical Handbook of Life Assurance.

Among the diseases which are pretty generally agreed to be hereditary (using the word in its broadest sense) are the following: Cancer, gout, insanity, epilepsy, apoplexy and consumption. Rheumatism, heart disease, and some others might probably be added to the list.

With two or more cases of any one of these diseases in the family history—especially if the applicant himself is not an A1 risk—the medical referee is very apt to take an unfavourable view of the application.

Consumption is undoubtedly *the* disease of those mentioned above most dreaded by insurance companies. It has been estimated that this disease alone costs the insurance companies on this continent from nine to ten million dollars a year in death claims. It is not to be wondered at, therefore, that the medical referee usually scans with suspicion every risk that is shown to have been related to or associated with a case of consumption; and when there are two or more cases of consumption in the family, or the applicant himself is underweight, the chances of a favourable decision are still further lessened.

6. MISCELLANEOUS—The rules of different companies as to uninsurable and dangerous occupations, acceptance of female lives, and other matters relating to more or less desirable risks, are always furnished to the field-staff. We counsel every agent to make himself thoroughly familiar with these portions of his book of instructions. It will save him from many misunderstandings with head office.

WHEN A LIEN OR EXTRA PREMIUM IS IMPOSED

When a lien or extra premium is imposed by the medical committee, the agent generally experiences considerable difficulty in placing the policy, and very frequently the applicant refuses it altogether. This is not always the case, however, and the agent whose client is liened or rated up should always make a resolute effort to get him to accept the policy. It sometimes happens that the very fact of his failure to pass the medical examination has the effect of making the candidate more than ever anxious to obtain insurance. A client may have been lukewarm on the subject when the agent was making the canvass, but if the medical examination discloses the fact that he has an intermittent heart or some other trouble, it may serve to awaken him to the importance of obtaining insurance even on less favourable terms. If the agent is tactful and persistent, the unfavourable action of the medical committee need not mean the loss of a policy.

The cases where an extra premium is imposed are, of course, the most difficult to deal with. There is a straight addition to the annual cost of the insurance —a fact which cannot be explained away or got around by any amount of talking. The best course is probably to refer the increased premium to the equivalent rated up age. Thus, if a man aged 20 is accepted on 20 payment life plan, subject to an extra premium of $5, he will have to pay $32.45 per annum instead of $27.45, the quoted premium at age 20. But $32.45 is rather less than the premium corresponding to age 29. So that our client, although he has to pay more for his policy than he expected to pay, is still getting his insurance on cheaper terms than thousands of other men a few years older who are in perfect health and have A1 family histories. Moreover, as shown by the accompanying table, the amount payable by the company is far larger than the amount of the increased premiums. If the assured dies after having paid the entire 20 premiums, the company will make a return of at least $351 more than the amount paid; while the difference is still larger if the assured dies before 20 years.

Number Premiums Paid	Amount Paid in Premiums	Amount Payable by Company in Event of Death	Difference
1	$ 32.45	$1,000.00	$967.55
3	97.35	1,000.00	902.65
5	162.25	1,000.00	837.75
7	227.15	1,000.00	772.85
10	324.50	1,000.00	675.50
15	486.75	1,000.00	513.25
20	649.00	1,000.00	351.00

Where a lien is imposed the agent must adopt a different line of argument. The assured has no extra premium to pay, and if he survives the term of the lien (10, 15 or 20 years) his policy is in the same position as if no lien had ever existed. At the end of that time, the insurance will be for exactly the same amount and of the same value in every respect as that of a first-class life. An arrangement of this kind has the advantage of being perfectly equitable both to the company and to the insured. From the standpoint of the company, the position is this: Here is an applicant whose personal or family record contains features which are unfavourable. Medical statistics show that risks which exhibit these features are *on the average* not satisfactory; some of these risks, owing to better constitutions or for other reasons, may turn out all right, but *on the average* this class of risks shows unfavourable results, and lives coming within this class cannot therefore be accepted on ordinary terms. From the standpoint of the applicant, the case bears a different aspect; he may think that his chances of life are equal to those of the majority of lives of his age. Just here the fairness of the method shows itself. The company says: "We will let the future decide which view of the case is the correct one. The extra premium or lien sh ll be payable only by those who do not live out their expectation, while those who *do* live out their expectation, or whose death is due to accident alone, will pay nothing. Moreover, every year which the assured lives is additional evidence in support of his claim that he is a normal risk, and we recognize that fact by reducing the lien from year to year—until, if the assured outlives the term, the lien ceases altogether."

Certain classes of sub-standard lives may be safely accepted on endowment plans, and the agent often has the task of placing an endowment under these conditions with a man who has applied for a 20 payment life or some other policy. His task, in such a case, is comparatively easy, because his client is not being discriminated against relatively to other lives of the same age. He is limited to an endowment policy, it is true, but he can obtain that endowment on precisely the same terms as are offered to the finest risks. The chief difficulty, of course, is to reconcile him to paying for an endowment in place of the lower priced life plan for which he applied. Still, the agent should succeed in the majority of such cases, especially if he makes the most of the very natural alarm which will be aroused in his client's mind when he hears that his expectation of life is considered as below the average. T e logical result will be to make him realize the importance of life insurance as never before, and the agent should seek to r ake the realization still more vivid by repeating and emphasizing the arguments which he employed successfully when the application was first taken. Make a man feel that he *needs* insurance, and he will have it, even though it be on less favourable terms than he hoped for.

ANALYSIS OF COMPANIES' REPORTS

It is very important for the life insurance solicitor to be able to analyze the annual returns of his own and other companies, and to be able to point out if required what reasons he has for maintaining the superiority of his company over its competitors. In the following paragraphs, we give a number of hints that may assist the agent in this connection. It is impossible, of course, to treat the subject in full detail in a work of this kind.

In any comparisons which he may attempt of different companies, the agent should be careful to be absolutely fair. It is easy to manipulate figures so as to give results which, although apparently fair are in reality grossly deceptive. The agent who wants to preserve his own and his client's respect must never be a party to such trickery, no matter how strong the temptation may be.

SECURITY—The first of the points to be brought to your client's attention is the security offered by the company whose returns are being examined. When a sensible man insures his life (as all sensible men do) his utmost care is exercised in the selection of a company that is *safe*. Security is the prime requisite. A company that is not safe violates the first and fundamental principle of insurance, *for it does not insure*. Therefore, the man who is wise seeks, first and foremost, a company on which he can rely.

Guard against the error of supposing that a company is strong simply because it is *big*. Mere "bigness" counts for nothing. It is just as likely to be a source of weakness as of strength. You have often seen an overgrown, weak-kneed giant whose languid carriage and shambling gait showed unmistakably that his growth had outstripped his strength. In the same way, some insurance companies, in their eagerness to attain colossal dimensions, have disregarded other considerations of far greater importance. They may be bigger than their competitors, but nevertheless inferior in financial strength and profit-earning power.

For instance, if there be two business concerns; one with 10,000 shareholders, $12,000,000 assets and $10,000,000 liabilities; the other with 1,000 shareholders, $1,500,000 assets, and $1,000,000 liabilities; it is not difficult to see that the second company is in a stronger and more prosperous condition than the first, although the first is larger.

The largest company, therefore, is not always the strongest. On the other hand, it is usually wisest not to insure in a very small company. A very small company is more apt to be adversely affected by sudden fluctuations of mortality, losses on investments, etc., than its larger rivals. Moreover, if a company is very small, it usually points to obtuseness, lack of energy, or some other fault on the part of its managers. The question naturally arises, then, what are the best tests of strength in a life insurance company? We shall endeavour to suggest several:

(1) In Canada and the United States, where government supervision is the rule, all companies must maintain the standard reserve or else be declared insolvent. Actuaries differ regarding the suitability of the standards selected and the wisdom of requiring

different companies to conform to the same standard. These are questions, however, which we may leave to experts to discuss; for our purposes it is sufficient to state that the standards required are not usually very high and a strong company should have no difficulty in maintaining the reserve required by the government.

(2) A strong life insurance company should be able to provide for this government reserve without impairing its capital. There are many companies that are not equal to this test. A young life insurance company can scarcely hope to meet the heavy expenses of the first few years of its existence without impairing its capital to some extent. That is to say, if the business written is not able to pay for itself, the company is obliged to encroach on its paid-up capital.

(3) If a large portion of a company's capital has not been paid up, this adds to the company's strength, for it constitutes a guarantee fund which could be drawn upon if necessity arose. For example, if a company has a subscribed capital of \$1,000,000, of which only \$300,000 is paid up, this leaves \$700,000 additional for which the shareholders are liable, and that amount could be called for in case of emergency. It does not cost the policyholders anything, and at the same time adds considerably to their security.

(4) A strong company should be able to show from year to year, in all departments, not a spasmodic but a steady progress.

(5) A strong company should show signs of careful scrutiny in the selection of risks. This is most important, because laxity in this regard will soon make itself felt in increased death losses. A company that finds difficulty in securing new insurance will often be tempted to accept doubtful risks rather than lose the business. On the other hand, a strong company

will not be exposed to the same temptation to entertain questionable risks, because if it declines one application it is able without difficulty to secure others. Hence if your company can announce after each year's investigations that its death losses were well within the "expected" claims, that is a strong point in its favour.

RATE OF INTEREST—The next point we shall consider is the method of finding the average rate of interest earned by a company on its funds during any year. There are a number of ways more or less exact of working out the average rate of interest, but the following method is one of the simplest and exact enough for all practical purposes. Let A represent the assets of the company at the beginning of the year. Let B represent the assets at the end of the year. Let I represent the interest income for the year, which is obtained by taking the cash received from interest, dividends, and rents for that year, and adding thereto interest and rents due and accrued at the end of the year, less the interest and rents due and accrued at the end of the previous year. Then the rate of interest per cent. will be obtained from the formula:

$$\frac{2\ \mathrm{I}}{\mathrm{A} + \mathrm{B} - \mathrm{I}} \times 100$$

The process consists of the following steps:

(1) Add the assets at the beginning of the year to the assets at the end of the year.

(2) Subtract the interest income for the year.

(3) Divide the result into twice the interest income for the year.

(4) Multiply by 100 to get the rate *per cent.*

Death Rate—There are various ratios that are employed by agents in comparing the death rates of different companies. Sometimes they use the ratio of the death losses to the insurance in force; or the ratio of death losses to total income or premium income. None of these methods are fair and the results they give are no indication whatever of the true experience of the companies in respect to the death strain. For example, a very old company will naturally have a larger proportion of death claims than a recently established company, because in the former the lives insured are on the average far older; and it does not follow that the mortality in the old company is above the normal or in the new company below the normal. The deaths in the old company may be mainly among policies that have been on the books for many years and have accumulated substantial reserves, so that the actual loss to the company will be slight; in the case of the new company, the deaths will necessarily be among recently insured lives and there will be no large reserve accumulations to set off against the losses.

Even if the two companies that are being compared are of nearly equal age, it is impossible to make a fair comparison of death rates by any of the usual methods, unless the two companies are and have been for some years writing about the same proportion of new business. As everybody knows the death rate among lives that have recently passed the medical examiner is very light; it is not for a good many years that the effect of the "medical selection" wears off So that one would naturally expect to find in a company which does a very large new business a lower rate of mortality than in a company which writes very little new insurance. Yet if it were possible to make a careful investigation, it might turn out that the former company was insuring a much inferior class of lives, which in a few years would show a very heavy mortality.

For these reasons, it is evident that the ordinary "rule of thumb" methods of comparing the death rates of different companies are unfair and cannot be relied upon in the slightest degree. The result of such crude comparisons is very often to show strong, carefully-managed companies down at the foot of the list, with a death rate about four times as large as some little concern which was organized the year before last and wrote most of its business during the last six months.

The only fair method would involve an actuarial investigation of the expected mortality of both companies according to the ages of the lives insured, and a comparison of the expected mortality so ascertained with the actual death loss. This method is impracticable, of course, so that the result of [illegible] reasoning is the conclusion that fair-minded agents will do well to let death rate comparisons alone.

EXPENSE RATIOS.—We reach exactly the same conclusion when we come to deal with expense ratios, and for very much the same reasons.

The three most common methods of [illegible]ding the expense rate are to take the ratio of [illegible] expenses to (1) insurance in force, or (2) to total [illegible], or (3) to premium income. Not one of these methods pays any regard to a fact which every agent knows, namely, that the cost of new business is ten or twelve times as great as the cost of renewal business. Therefore, if we use any one of these three methods of obtaining the expense rate, we are doing an injustice to one of the two companies that are being compared. The company which is writing the larger proportion of new insurance will always show the higher expense rate. For example, here is company A, with $20,000,000 insurance in force, which writes $5,000,000 new business in a year. Company B has $30,000,000 insurance on its books and writes the same amount of new business in the year as company A. In this case, if we use any of the usual methods—for example, ratio of expenses to insurance in force—company B is almost sure to show the lower expense rate. Whereas, if we had a knowledge of all the facts, we might discover that company B is not being conducted very economically after all, but is simply using the low cost of its large renewal business to cover up the extravagant price it is paying for new insurance.*

SURPLUS EARNED—The surplus earned by a company during any financial year may be roughly obtained by taking the divisible surplus (which means the total surplus less the paid-up capital) at the end of the year and deducting the divisible surplus at the end of the previous year. To this add the profits paid to policyholders during the year.

*It may be stated that the method used in arriving at the Expense Ratios in Stone and Cox Life Tables gives due regard to the amount of new business written. It is the only method that is fair to all companies, whether they be young or old established.

—PUBLISHERS.

TABLE OF HEIGHT AND WEIGHT AT VARYING AGES

Based upon an Analysis of 74,162 Accepted Male Applicants for Life Insurance, as Reported to the Association of Life Insurance Medical Directors, 1897.

Ages	15-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59
5 ft. 0 in.	120	125	128	131	133	134	134	134
5 ft. 1 in.	122	126	129	131	134	136	136	136
5 ft. 2 in.	124	128	131	133	136	138	138	138
5 ft. 3 in.	127	131	134	136	139	141	141	141
5 ft. 4 in.	131	135	138	140	143	144	145	145
5 ft. 5 in.	134	138	141	143	146	147	149	149
5 ft. 6 in.	138	142	145	147	150	151	153	153
5 ft. 7 in.	142	147	150	152	155	156	158	158
5 ft. 8 in.	146	151	154	157	160	161	163	163
5 ft. 9 in.	150	155	159	162	165	166	167	168
5 ft. 10 in.	154	159	164	167	170	171	172	173
5 ft. 11 in.	159	164	169	173	175	177	177	178
6 ft. 0 in.	165	170	175	179	180	183	182	183
6 ft. 1 in.	170	177	181	185	186	189	188	189
6 ft. 2 in.	176	184	188	192	194	196	194	194
6 ft. 3 in.	181	190.	195	200	203	204	201	198

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