

# The Life Insurance Agent

His Qualifications, His Opportunities, and His Rewards; An Attractive Field of Endeavor for Men Who Have the Spirit and Ability to Present a Good Thing the Right Way.

VERY recently Lincoln K. Passmore, vice president of the Penn Mutual Life Insurance Company of Philadelphia, delivered an address at the Western Reserve university in connection with his course of lectures on insurance. Taking for his subject, "The Field and the Agent."

Mr. Passmore covered the general field of life insurance very carefully, explaining the purpose of the business, its development, the several sorts of policies issued, the advantages of one or the other, and gave examples of their application and of the problems that are met in the administration of the business. He gave some very interesting figures, showing the importance and growth of life insurance. Showing how extensive is the field, he pointed out that life insurance as now understood is but seventy years "established" in this country, yet in the intervening short time it has developed to such enormous proportions that on December 31, 1911, (the latest full statistics at hand), admitted assets of 233 companies doing business in the United States and Canada were \$4,368,977,728, and the amount of insurance in force was \$18,584,868,215. The payments made by these companies to policyholders in claims, dividends, surrender values and other benefits in that year aggregated \$82,840,000, and the increase in insurance was nearly \$3,000,000,000, with an even larger increase in 1912. Notwithstanding these almost incomprehensible figures, when they are taken in comparison with the value of human life exposure, we find that life insurance work has scarcely begun. It is conservatively estimated that in this country and Canada there are perhaps 10,000,000 persons insured under the great variety of policies issued by the many companies doing business therein. It is probable that in this country there are several times this number of persons of the ages of 15 and upward who are not carrying ordinary life insurance. At least half of these constitute hopeful material for life insurance solicitors to work upon, and in addition a large proportion of those at present insured, either now or in the near future, will need to increase the amounts they are carrying in order to properly care for their varied interests. These features have been touched upon that you may be made acquainted with the magnitude of the life insurance structure, the vastness of the present work, the limitlessness of the great field, and the agent's opportunity. The laborers are not yet sufficient for the harvest; and herein is the opportunity for some of you, who will develop through your college education the peculiar fitness that is claimed as a necessity for successful achievement in any direction, the undoubted tendency being for specialization.

"These policy features show how the need of life insurance is ever broadening, and that the field presents not only an assurance of permanence of occupation, but opportunity for willing or even brilliant endeavor."

In his discussion of "The Agent," Mr. Passmore said:

"The introduction of life insurance to the public is a serious matter and calls for intelligent and reliable salesmen. Only those who are freely impressed with the advantages which are to come to the purchaser should engage in its sale. It is the agent's convincing interest in the benefit which is to come to the insured that directs the hand to the dotted line on the application and secures the signature of the candidate, which, in turn, brings the compensation for the agent's effort."

"While there is a serious side to the presentation of life insurance, yet on the principle that it is not good to go in mourning to a land of eternal bliss, and happiness is the condition most desired in all of the relations of life, so may the agent enter upon his work to advantage with a cheerfulness and heartiness that will make him a welcome caller. There is also need for him to consult the convenience of his prospect and in other ways act tactfully in the presentation of his claims of advantage to the insured in taking a policy, and not allow himself to be too frequently switched off into other lines of thought that permit of far-angled discussion. An agent should be so fully acquainted with his case and so deeply interested in the substantial service he is about to render as to neglect the possibility of any frivolous or flippant treatment of life insurance or related questions. Austerity and severity are equally to be avoided, and one may be seriously dignified and earnest in the presentation of his claims without sacrifice of the cordiality which should control his deportment. Perhaps more important are those qualifications which spring from experience, from a knowledge of men and their moods, which we are accustomed to associate with readiness, or initiative, being the ability promptly to recognize the urgency of a situation and to meet its demands tactfully and adequately. What I have in mind may be more easily explained and better understood by illustrating with an incident."

**One Man's Methods.**

"A well known life insurance agent had persuaded a prospect to agree to take a \$50,000 policy in his company, the application to be made on a certain day just before the prospective applicant with his wife and three children were to start on a trip to Europe. Keeping the appointment the agent was greeted with the assurance by the prospect of his intention to take insurance amounting to \$50,000, but that this amount would be divided into \$10,000 policies and placed amongst five companies. Without evincing surprise or disappointment the agent asked what had led him to make this change. 'I do not think it wise to put too many eggs into one basket,' was the reply. Now here an inexperienced agent might have made the mistake of undertaking to induce the prospect to change his opinion then and there. Not so with this skillful canvasser. Without trying to controvert the wisdom of the advice upon which the prospective applicant had based his latest conclusion the agent sat down and began to write the application. After this had proceeded for some time the point in the application where the amount of the policy is stated was reached. By this time the applicant supposed that the wisdom of the change from one \$50,000 policy to five \$10,000 policies had been conceded by the agent. But the latter paused and said: 'Let me see, you said what had led him to make this change. I do not think it wise to put too many eggs into one basket.' 'Yes,' was the answer, 'at 11 o'clock on Saturday.'

indomitable perseverance and industry, one who is master of himself and not given to yielding to self-indulgence, one who will work faithfully without other spur than the regard of success and a sense of duty. The agent is the personal representative of the company in his locality, and its reputation in the neighborhood will be more what he makes it. If he so conducts himself as to command the confidence, respect and goodwill of the community his company will be well thought of and popular unless there be something in its management to counteract this impression. If, on the contrary, he is indifferent, negligent or untrustworthy, the business of the company will suffer there. It goes without saying, therefore, that the local life insurance agent should be a person of loyalty and fidelity, and one whose habits, reputation, character and qualifications are of a high grade."

**Companies Widen Field.**

"As the importance of the business manifested itself the existing companies widened their fields of operation and invaded districts that had been regarded exclusively to the companies domiciled therein. Many new companies were also organized and began to reach out for business by establishing agencies in all parts of the country. Active competition developed to secure business, and the offerings grew more rapidly than the demand. The public was slow to be aroused to the needs of life insurance and the management realized that they could hope to continue the business and develop their companies only by creating a greater desire for their products. How to reach the public and convince it of the benefits to be derived from carrying proper protection for dependents became the paramount question. The newspaper, read in every home, was for a time regarded as the best medium to bring people to a proper understanding, and many valuable papers were also established wholly in the interest of life insurance work, and perhaps to those more than any other press medium are we bound to give credit for information that has been helpful in educating the public to a better understanding of the advantages of life insurance. The other efforts of the companies were strongly supplemented by these many journals partly or wholly devoted to the business. Let full credit be given to all of these contributing sources, but it was discovered that it required the public to come under the convincing influence of the solicitor in order to secure the business. The managements discovered that the agent was the real factor and that more attention would have to be paid him, and that offerings in the way of compensation would have to be made more attractive in order to get the right kind of men to engage in the sale of insurance."

**Young Man's Choice.**

"The young man considering the choice of vocation must give attention to his probable chances of remuneration, and it may be of some interest at this juncture to recite what has been the practice of the companies in compensating their agents for services. From the earliest time the agent's earnings have been more or less measured by the amount of business produced, because the basis was largely or wholly commissions on sales made. For many years the commission scale was so low that life insurance salesmanship, as a business, did not attract many ambitious and capable men, either from other lines of work or as an initial occupation. However, in the later keen rivalry for growth and recognition of the potentiality of agents, the companies entered upon a competition for their services which was attended with more or less harmful results. Various questionable plans of 'commission' in the way of guarantees, bonuses, salaries, advances, etc. superseded the moderate and justifiable commissions that had theretofore prevailed. For instance, an entire corps of agents was induced to withdraw from one company and take service with another, and then upon receiving an offer of still higher compensation returned to the former. Everything in this way was unstable. It was not long before compensation ceased to be a pay for service, but was a large factor in promoting concessions or rebates to the insured. In many instances life insurance was not sold—it was practically given away for the first year, and those gifts continually weakened the companies which gave them. The conservative companies resisted these encroachments upon just methods almost to the extent of disintegrating their agency organization. Perceiving this effect they, too, were compelled measurably to imitate the practices of the more aggressive institutions in order to hold their active producers and maintain a reasonably satisfactory growth. These extraordinary inducements to agents, wholly inconsistent of right methods, since they served to increase the cost of insurance to the premium payer, became so flagrant and attracted so much attention that, perhaps, more than any other cause, they contributed to bring about the investigation of the life insurance business by the legislature of New York and the subsequent adoption of legislation fixing a maximum of expense for the procurement of new business related both as to first and renewal commissions. While this legislation was vigorously resisted by many companies and their agents, yet there is now perhaps general satisfaction that it prevailed, and all life insurance organizations are today better administered, rendering greater service, more secure and stable and prospectively far more useful than of the old conditions had been permitted to continue. The compensation to agents today may be regarded on a parity with the probable earnings from other vocations and offers equal attractions to young men to engage in the sale of life insurance by comparison with other lines of business."

**Capital Required.**

"For engaging in this business the principal and capital required is good headwork, a good degree of culture, good appearance and a good character. No large amount of pecuniary capital is needed. Indeed, the substantial spur of lack of fortune and the necessity for present earnings are often rather a help than a hindrance."

"In any business enterprise, whatever its nature, in which substantial reward follows successful individual effort and opportunity is a spur to ambition, and in which competition and comparison with rivals are necessary factors, there is inevitably a tendency toward misrepresentation and exaggeration. Competition is likely to be turned into condemnation and defamation takes place of fair comparison. From these influences the life insurance business has not escaped, but to combat them and to establish a broad basis of mutual helpfulness upon which all individuals might work in harmony the field representatives of the companies have organized into associations. Through the splendid work of these local life underwriters' associations of the country, and the national associations, of which the local bodies are members, the evils of strenuous competition have been materially lessened and wholesome conditions established."

**Vocation Truly Honored.**

"As to the standing of those who engage in the vocation of life insurance, I candidly believe that it is today as worthy of honor and as truly honored as any other calling in life. I believe further that in all the qualities of reputable manhood the life insurance agents of today, as a body, will compare favorably with any other class of business or professional men or women. Such being the case, it follows that the compensation received for the service must, on the average, equal that received in other occupations not involving the use of large capital. I am quite sure that the average income of life insurance agents equals, and in all probability exceeds, the average income of the doctors and lawyers of the country. The agent has these advantages: That his field of operation is not restricted by artificial limitations, but is always as broad as he can cover, and that he does not need to wait for his clientele. He goes to seek business and he gets it wherever it is obtainable. He is, therefore, far more the architect of his own fortune, far less restricted by the circumstances and conditions by which he is surrounded than any other class of workers. Wherever there is business it is open for his seeking—in competition in many cases, of course, but therein lies the test of his skill, the strength of his resources, the measure of his adaptability. There is always ample business to be had by the industrious, the indomitable, the enthusiastic, the resourceful agent. He has but to go after it in the right way."

"Although the agent is bound by every obligation of honor and duty to the highest loyalty to his principal and to the strictest obedience to instructions, he is in reality far more independent than are men following most other vocations. Being paid by commission he gets exactly

what he earns and when it is earned. He is master of his own time because he receives pay for what he does and not for the time consumed in doing it. No one, however, is likely to reach prominence and success in this calling who is not so thoroughly master of himself that no inducements can seduce him from devoting that portion of his time to strict attention to business, which, by experience, he has found to be most productive of his results. In this, as in other lines of work, the inherent, constitutional fondness for ease residing in all of us and to be credited with the production of many labor-saving devices and amelioration of our lives must yet be ruled by an energetic and achieving spirit that prefers to work too long than too little. In an experience embracing many years I have never yet known a faithful worker in our business who failed to secure a fair income, and this independent of any special genius, skill or mental equipment, of which, of course, there are many degrees."

**Benefactor of His Kind.**

"There is much more that might be said of the agent and his work—the work that lies at the foundation of and has built up, stone by stone, the great pyramid of life insurance—but time with us, unlike the field in life insurance, is limited, and so I must bring this discourse to a close. Let me say then that, exclusive of the pecuniary reward he receives for his labor, the life insurance agent can go through life with the consciousness that his friends and neighbors have been benefited by the labors of his hands and brain and tongue. Look about him almost where he will, he will see widows provided for, who but for his convincing logic and persuasive force would have suffered for want; orphans cared for in their own homes, who but for his labor would have been forced out into a cold and un sympathetic world; children educated, who but for him would have gone through life with the handicap of ignorance. He will find many men whom he has taught prudence and economy; in whom he has inspired devotion and self-sacrifice for the sake of their loved and dependent ones, and thereby made them nobler men and better citizens. And at the close of every day, in the evening of life, seated by his own fireside and communing with his soul, he may have the genuine satisfaction, the highest that human life affords, of calmly and fairly reviewing his work with the feeling that, indeed, his efforts were not in vain."

criticisms and suggestions of the insurance men for four or five weeks in order that representatives of every kind of insurance might be heard. The confidence which the members of this legislature had in their ability and integrity had great weight and was a big asset in favor of the bill. Without their assistance it is very doubtful if any such a measure could have been passed.

The strong and effective work of the insurance committees of the senate and the house should not be overlooked. They rested all kinds of pressure to amend and weaken the bill. The general public will never know all the assaults which were directed against this measure. But it is now the law and all who believe in honest, straightforward business methods and a reasonable regulation of insurance companies have cause to rejoice.

## Agency Handles All Lines of Insurance



F.E. BOLLARD Vice-Pres. Garvin Bros. & Bollard Co.

Representing eight strong companies and writing every known kind of insurance, the Garvin Bros. and Bollard insurance agency is keeping pace with the rush of insurance business since the turning of the current year and already shows signs of developing into a very active competitor for the larger and older agencies.

F. E. Bollard, formerly of the firm of Hutchinson-Bollard company, is vice president and actively manages the business. His many years of experience in the insurance field, together with the wide business experience of his associates, will enable the firm to make great headway in a short time. The Garvin Bros. and Bollard agency is incorporated and has offices in the Omaha National Bank building.

**Pointed Paragraphs.**

The most expensive thing in the world is getting even and it is hardly ever worth the price. And a woman can put up a hard fight with her tongue and her teeth that a man can with his fists. A wise wife is one who pretends to be asleep when hubby comes in at 2 o'clock in the morning and knocks over the furniture. Two o'clock is a poor time for effective argument.—Chicago News.

## LIFE INSURANCE LEGISLATION

(Continued from Page Six.)

In reducing the premiums on the policy for the purchase of additional insurance. The coupons in no instance represent profits which are paid by the company to a policyholder, but an agent in selling such a policy often represents the coupons to be profits. For instance, if the annual premium on a policy is \$30.00 and the coupon is \$5.00, it is represented to the policyholder as a dividend or profit of 16 per cent on his money, and if he dies the company will pay the full face of the policy. The fact is, this coupon is nothing more nor less than an overcharge by the company of the premium on this policy. In the illustration above the premium on the policy is not \$30.00, but \$35.00. There is added \$5.00 to this premium, making it \$35.00 and the \$5.00 is the amount of the coupon. Such forms of policies merely deceive policyholders and educate people away from the fundamental principles underlying life insurance.

There are other provisions in this title which set out the things which every accident policy must contain. Another section deals with provisions which accident companies cannot insert in their policies.

Under article 16, entitled: "Miscellaneous Provisions," rebating, misrepresentations, twisting and discrimination of all forms are prohibited. Section 155 makes it unlawful for a company or agent to sell a note received in payment of any part of the premium on a policy of insurance prior to the delivery of the policy.

Article 11, which treats of fraternal insurance, is practically the old law theretofore in force.

Such, in brief, are the main provisions of the new insurance code. It still permits deferred dividend policies to be issued; but if issued, an annual accounting, beginning with the third year, is required, and the amount apportioned must be carried as a liability. In this respect the law is no more stringent than the laws of Colorado, Illinois, New Jersey and New Mexico, all of which require an annual apportionment and the amounts so apportioned to be carried as distinct and separate liabilities.

**Not as Stringent as Others.**

It is not as stringent as the laws of Idaho, North Dakota, Ohio, South Dakota, Indiana, Massachusetts, Michigan, Maryland, Minnesota, Montana, New York, North Carolina, Washington and Oklahoma. Life insurance companies in these states are required to pay dividends on participating policies either annually or every five years.

On the whole, the new insurance code is just and fair to policyholder and company alike. Where error has been committed or leniency shown, it has been in the interest of the home companies.

The passage of this bill marks a brighter and better era for clean, wholesome methods in selling insurance in Nebraska. It is along the line of the best legislation in other states and the legislature of 1913 deserves great credit for enacting it.

The statute revision commission, Judge A. M. Post, ex-Senator E. L. King and J. H. Broady, Jr., are entitled to no small measure of praise. After drawing the bill, they patiently listened to the

# ORIENT Insurance Company of Hartford, Conn.

CAREFULLY selected and widely scattered risks. Fair and liberal in adjustment of losses.

**I Solicit Your FIRE and TORNADO Insurance**

**CERTIFICATE OF PUBLICATION**  
State of Nebraska, Office of Auditor of Public Accounts, Lincoln, February 1st, 1913.

It is hereby certified, that the Orient Insurance Company of Hartford, in the State of Connecticut, has complied with the insurance law of this state, applicable to such companies, and is therefore authorized to continue the business of fire and tornado insurance in this state for the current year ending January 31st, 1914.

Witness my hand and the seal of the Auditor of Public Accounts, the day and year first above written.

W. B. HOWARD, Auditor of Public Accounts.  
L. G. Brian, Deputy.

**Alfred C. Kennedy**  
SOLE AGENT  
209 First National Bank Bldg. Doug. 722

## THE MIDWEST LIFE

**INSURANCE IN FORCE**

December 31, 1908	\$ 855,000
December 31, 1909	1,453,218
December 31, 1910	2,841,984
December 31, 1911	4,805,503
March 31, 1913	5,061,424

**OFFICERS**  
N. Z. Snell, President.  
Dr. B. B. Davis, Omaha, Vice-President.  
A. J. Sawyer, Secretary.  
Dr. M. H. Everett, Medical Director.  
C. R. Easterday, Asst. Secretary.  
M. A. Hyde, Agency Director.

The Omaha professional man does not keep his bank account in New York City. Neither does the Ashland merchant, nor the Pawnee county farmer. The City National Bank of New York is larger and has greater resources than the Nebraska Bank. Why, then, do the people of Nebraska transfer their business with their local banks rather than with the City National or one of the other big eastern banks? First, because bigness does not necessarily mean greater relative financial strength. Second, the personal element would be entirely eliminated, and the man prefer to transact their business with those they know. Third, it would be decidedly inconvenient. The local bank can serve its patrons better than any other bank, no matter how big the other bank may be.

In like manner, The Midwest Life can serve the people of Nebraska better, quicker and with less red tape than companies from 1,000 to 1,500 miles away. It can deliver its policies much sooner after an application is received. It can approve a request for a change in beneficiary before the home office of the eastern company is aware the policyholder wishes to make change. It can pay a death claim while the eastern company is furnishing the blanks on which to make the proofs. Buy your insurance in

# The Midwest Life

N. Z. SNELL, President  
**A Nebraska Company**  
First National Bank Building, Lincoln  
Omaha Office—1313-14 City National Bank Building, A. A. Taylor and George Crocker, General Agents. F. A. Finney, Special Agent.

## Statement of Financial Condition

# Lion Bonding & Surety Company

HENRY HAUBENS, Pres.  
J. C. ROOT, Vice-Pres.  
At the close of business December 31st, 1912  
E. H. LUKHART, Vice-Pres.  
C. W. SHAFER, Secretary

**RESOURCES**

Investments, real estate, loans, bonds and warrants	\$282,341.47
Cash in office and banks	87,490.76
Due from Agents, less commission	28,066.29
Bills Receivable	2,000.00
Accrued Interest	6,276.26
<b>Total</b>	<b>\$406,174.78</b>

**LIABILITIES**

Cash Capital	\$252,000.00
Reserve for Contingent Claims	10,993.35
Federal, State, etc., Taxes	1,389.17
Other Liabilities	1,097.23
Surplus and reserve for re-insurance	140,695.03
<b>Total</b>	<b>\$406,174.78</b>

## FIDELITY AND SURETY BONDS

**BURGLARY AND PLATE GLASS INSURANCE**  
**ACCIDENT AND HEALTH INSURANCE**  
HOME OFFICES  
9th Floor  
Woodmen of World Building  
OMAHA

**CERTIFICATE OF PUBLICATION**  
State of Nebraska, Office of Auditor of Public Accounts, Lincoln, Feb. 1, 1913.

It is hereby certified, that the Agricultural Insurance Company of Waterbury, in the State of New York, has complied with the insurance law of this state applicable to such companies, and is therefore authorized to continue the business of fire, lightning and tornado insurance in this state for the current year, ending January 31st, 1914.

Witness my hand and the seal of the Auditor of Public Accounts, the day and year first above written.

W. B. HOWARD, Auditor of Public Accounts.  
L. G. Brian, Deputy.

**CERTIFICATE OF PUBLICATION**  
State of Nebraska, Office of Auditor of Public Accounts, Lincoln, Feb. 1, 1913.

It is hereby certified, that the Pennsylvania Fire Insurance Company of Philadelphia, in the State of Pennsylvania, has complied with the insurance law of this state, applicable to such companies, and is therefore authorized to continue the business of fire insurance in this state for the current year ending January 31, 1914.

Witness my hand and the seal of the Auditor of Public Accounts, the day and year first above written.

W. B. HOWARD, Auditor of Public Accounts.  
L. G. Brian, Deputy.

**Garvin Bros. & Bollard**  
Agents for  
KILWAUKEE MACHANIS  
METROPOLITAN CASUALTY  
NEW JERSEY PLATE GLASS  
PEOPLES NATIONAL  
**FIRE, TORNADO and ACCIDENT Insurance**  
PHONE DOUGLAS 982. 945 OMAHA NATIONAL BANK BLDG.