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LIFE INSURANCE AS A LIFE WORK

BY

HUGH D. HART

Approved by
National Association of Life Underwriters
The Life Underwriters Association of Canada

NEW YORK
F. S. Crofts & Co.
1926

MANUFACTURED IN THE UNITED STATES OF AMERICA
BY THE VAIL-BALLOU PRESS, INC., BINGHAMTON, N. Y.

THIS BOOK IS DEDICATED
TO MY FRIEND, KENDRICK A. LUTHER,
VICE PRESIDENT OF THE
ÆTNA LIFE INSURANCE COMPANY

PREFACE

This book is intended for the following purposes:

(1) To assist General Agents and Agency Managers in interesting prospective underwriters in the vocation of life insurance selling.

(2) To stimulate underwriters to a greater pride in the life work which they have chosen, and to foster in them the highest life insurance ideals.

The title, "Life Insurance as a Life Work" is restricted to embrace only the field of life insurance selling.

The writer is under obligation to Dr. John A. Stevenson, Second Vice President of the Equitable Life Assurance Society of the United States, and to Mr. John M. Holcombe Jr., Manager of the Life Insurance Sales Research Bureau, for reading the manuscript and offering valuable suggestions.

HUGH D. HART

New York
March 16, 1926.

CONTENTS

another, with Gatling gun rapidity for more than an hour, each question having a vital bearing on some phase of the proposal. He was apparently interested as much in the adverse as in the favorable features of the plan. Even at the end of this exhaustive examination of the merits and defects of the project, the banker informed the business man that he would give his decision two days later, after further investigation. I learned this lesson from that experience: no investment should ever be made unless the investor has first carefully considered in detail the unfavorable and favorable aspects of the proposed venture.

This weighing of advantages and disadvantages is the process upon which you are about to enter in making the choice of your life work. You are thinking of making an investment that is of ten thousand times more importance to you than was the five thousand dollar proposition which the banker so carefully considered; for you are planning to make an investment of your life. Indeed, the decision as to how you are going to invest your life, which is but another way of saying the choice of your life work, is one of the two or three most far-reaching decisions that you have ever been, or will ever be called upon to make. The reasons are obvious. In the first place, you have but one life to invest, for a lost life cannot be lived over again. Moreover, not only yourself, but others, will be vitally affected by the outcome of your life investment—your wife, children, friends, those who have a pride and interest in your career, as well as a larger audience, many of them unknown to you, will be affected beneficially or otherwise by the work you do, or fail to do.

The great importance of your decision as to what your life work is to be, may, with added emphasis, be brought home to you by calling to your attention the fact that many failures are attributable to the selection of the wrong vocation. Some men are fortunate in discovering early in life the vocation in which they belong; others go through the harrowing experience of finding themselves, either through choice or circumstances, engaged in work for which they are not adapted and in which they are, therefore probably doomed to failure. Some me throughout life, are thus enmeshed in a ne work of tasks for which they have no fitne and the longer they stay, the more diffic it is for them to extricate themselves.

The fact that a man is a failure in one of work does not by any means imply there is not some other business, or pr sion, in which he might successfully er History is full of examples of mer failing in a type of work for whic were not suited, changed to anoth succeeded. There are the classic e of Lincoln, who was unsuccessful chant, but who became Preside United States; of Patrick Henry a complete failure as a busines who was a splendid statesm Grant, who was not able to r

but whose name will go down in a
remarkable general.

Quite often the difference between the successful and the unsuccessful man is to be found in this fact: the man who ultimately succeeded discovered that he was expending his energy in a line of effort in which he could make no progress, and, therefore, had the good sense, as well as the courage, to change to a vocation that seemed more congenial; whereas the man who never succeeded, supinely remained where he was.

Then there is the obligation which the very possession of life with its accompanying talents and opportunities imposes—an obligation which cannot be satisfactorily discharged unless that life yields from its investment the maximum dividends of usefulness.

The story is told of a locomotive engineer who suddenly became demented. While in his delirium he uncoupled his engine from the long train of cars that it had been pulling and tied a small baby carriage, which he found at the railway station, to the rear of the locomotive, then started the locomotive. Soon the engine was going full speed down the track, dragging behind it, not the customary line of heavily-loaded freight cars, but the frail little baby carriage. It was pathetic to observe that tremendous engine applying its mighty speed and power in pulling so fragile a burden and engaged in such futile work. It is one of life's profoundest tragedies, however, that many a human being, possessing undreamed of possibilities, is tied down to a vocation in which there is an almost total misapplication of his talents.

The ambitionless man, the man in whose soul there is no instinctive urge to make his life count, will not find his slumber disturbed at night by comparing what he is accomplishing with what he might accomplish. On the other hand, he who has within himself that spirit of conquest which constitutes the motive power of every man who accomplishes anything worth while in life, is restlessly unhappy in a form of existence wherein the larger part of his time must be given to tasks that are inferior to his powers. A healthful discontent in a misfit of this kind bespeaks the potentially successful man. He should look about for the vocation wherein he can measure up, more fully, to his possibilities, and thus discover both happiness and success.

You should not make any investment of your life unless you intend it to be a permanent investment. No banker will invest in a security because it offers a temporary profit, if it gives promise of an eventual loss; nor will he buy a security of doubtful value simply because it is convenient to obtain. Securities that are hard to obtain are often most profitable and again those which yield the smallest return in the beginning, as a rule, are the safest in the long run.

One danger of making an investment without considering future returns is that a temporary investment may eventually become permanent. Pick out some old man who has spent his life clerking in a store, and ask him if he began his work as a clerk with the deliberate intention of always remaining a clerk. The chances are he will tell you that he started with the idea of remaining in that work only for a short time; that he took the job because it was easy to get and because it promised larger immediate returns than he could obtain in any other work. He slipped into a rut, however, and stayed there. Some other vocation would have been more congenial perhaps, but the longer he remained behind the counter, the more difficult it became for him to change.

It is of relatively slight importance what your situation is now. What your situation will be ten, twenty, or thirty years from now is the thing that really counts. Some vocations lead nowhere, and yet young men who might go a long way in life are continually entering and remaining in these so-called "blind-alley jobs."

In choosing a vocation in which to invest your life, you should direct your thought to the following considerations:

1. What are the pitfalls in the proposed vocation?
2. What are its opportunities?
3. How would my temperament, ambition, ability, and character adapt themselves to the vocation?

You owe it to yourself, to your family, to society, and to your Maker to enter upon life's great adventure in quest of that work for which you are best fitted and which will yield the largest dividends of service and satisfaction. Having found your proper work, you will have found happiness; on its foundation you can erect not a hovel of bare existence, but the firm enduring structure of a career. Into its building you can throw yourself with all the pride and consecration of an architect, conscious that you are constructing not upon the sand, but upon the dependable granite of permanence and stability.

CHAPTER II

THE MAN WHO HAS NOT FOUND HIMSELF

A man can't be hid. He may be a peddler in the mountains, but the world will find him out to make him a king of finance. He may be carrying cabbages from Long Island when the world will demand that he shall run the railways of a continent. He may be a groceryman on the canal when the country shall come to him and put him in his career of usefulness so that there comes a time finally when all the green barrels of petroleum in the land suggest but two names and one great company.—Sermon, "He Cannot be Hid," DR. JOHN PAXTON.

Recently I received a letter from a man of my acquaintance which contained this statement: "I have a good mind, am a hard worker, am very conscientious and have no bad habits, and yet I do not make any progress in life. I do not seem to have found myself." I knew him well enough to appreciate that what he said was true. When he started out, there seemed to be every probability that he would make a very substantial success in life, but he had not found the type of work for which he was best adapted and so the work in which he was engaged failed to draw out the best that was in him.

There is a wide difference between the man who is a failure because he has not in his make-up the stuff out of which success is attained, and the man of parts who misses his destiny for the reason that he has not found himself; that is, the man who has not found the type of work for which by nature and talents he is fitted. Not every successful man would have succeeded if he had chosen another vocation. Only occasionally a versatile genius like Roosevelt appears upon the stage, able to succeed, as Roosevelt did, in ten distinct lines of endeavor. It is pathetic, however, to see a man of splendid endowments battling against the discouragement which almost certainly comes when he is out of adjustment with the work he is attempting to do. He sees other men, not so capable as he, forging a greater distance ahead and he wonders why. They have found themselves—he has not. They have, so to speak, tuned in their talents with the work they are doing and harmony and contentment follow. Their work calls forth the best that is in them. He, on the contrary, is buffeted about by the ever-present realization that he is not doing his full man's job. And yet something constantly tells him that he can surprise both himself and those about him with his accomplishments if only he can find the right type of work.

You can think that you have found yourself when you have not, and you can believe that you have not found yourself when you have. It is every man's duty to accomplish the greatest amount of usefulness with his life that his ability will permit. It is well, therefore, to try to analyze symptoms that are present when you have not found yourself and those that are present when you have found yourself.

1. Indications that a man has not found himself:

(a) He does not like his work even though he has given it a fair trial.

(b) He has not made progress comparable with other men who are engaged in the same work and who have similar ability.

(c) Another type of work, vaguely defined or definitely apparent, constantly recurs as a pleasurable anticipation, arousing interest and even enthusiasm.

(d) The consciousness that financial returns are inadequate to meet the growing demands of himself and his family.

(e) Apathy toward him on the part of those for whom or with whom he works.

(f) The persistent feeling that there is no future for him in his present work.

(g) Lack of pride in his tasks.

(h) A constant sense of discouragement with the subconscious feeling that the same effort in some other and more congenial work would result in more abundant accomplishment.

(i) The belief that he has become something of an automaton and has become buried in a rut.

(j) The conviction that his life, through its present medium, is not contributing as much as it should, or could, to the common good.

2. Indications that a man has found himself:

(a) Love of his work to the point of enthusiasm and enjoyment in the solving of all problems that arise in it.

(b) The knowledge that he is progressing normally if not rapidly.

(c) Every other type of work, when brought into comparison in his mind with that which he is doing, seems less attractive and stimulates him to congratulate himself that he is in his present work rather than in another. He has the feeling that he would not willingly make a change to any other job.

(d) The consciousness that he is being rewarded financially in a satisfactory manner.

(e) Realization that his superiors and associates believe he is making good to a degree that causes them to be proud of him and his work.

(f) Confidence in his ability to do well what he is now attempting and certainty that his future will be as big as he cares to make it.

(g) Intense pride in his work—both in the work itself and in the superior manner in which he is able to do it.

(h) A buoyant optimism even in the face of the setbacks incident to his business—a resilience of favorable mental attitude which will not be submerged by discouragement.

(i) Satisfaction of his creative instinct and belief that he is injecting a touch of individuality and originality into the solution of his problems that raises them out of the humdrum and the routine, and adds zest and interest to his every task.

(j) Evidence that he is constructively serving others through his daily efforts to the full measure of his powers.

In the light of this self-analysis we are constrained to heed the Scriptural admonition "Let him that thinketh he standeth take heed lest he fall." There are instances which may be observed on every hand of men who have found themselves and then lost themselves again. No man may be considered as an unqualified success until he has been dead at least ten years and posterity has had an opportunity to pass judgment on his career. There is in New York a spacious and palatial mansion which has been provided by a philanthropist as the abiding place for old men who were once wealthy and successful but who eventually failed in life. It is the home of those who found themselves and then lost themselves again.

But it must not be implied that a man who has found himself and lost himself cannot again find himself. The important thing is that he should find himself before it is too late. Let us, therefore, consider some of the obstacles which may prevent a man from finding himself, for by isolating the obstacles it is possible to determine with reasonable accuracy whether he has the strength and courage to surmount them.

Obstacles that must be overcome by the man who seeks to find himself:

(a) Lack of confidence in himself.
(b) Lack of capital.
(c) Fear of ridicule.
(d) Apparent absence of a proper opportunity.
(e) Lack of special training.
(f) A restricted field.

These are the principal difficulties to be overcome. When it is considered that the wide chasm between a failing life on the one hand and the possibility of a successful life on the other hand is made up largely of these six factors, it would seem that the problem of finding oneself is not so complicated a process after all. And yet how can a man restore confidence in himself? How can a man without capital obtain it?

How can a man who is easily wounded by the shafts of public opinion dispel his fear of ridicule? How can a man groping frantically for some vehicle that shall bear him away to fame and fortune lay his hands upon it? How can an untrained mind expect to cope with problems which necessitate training, or acquire the training which requires both time and expense? How can the restrictions imposed by competitive conditions be expanded so as to open up a niche for a discouraged man?

Let us assume that you are the man who has not found himself, or who, having found himself, is lost again. These are the baffling questions with which you are troubled. To you I suggest a consideration of what the vocation of life insurance offers in helping you to find yourself.

(a) What does the vocation of life insurance offer you as an antitoxin for your lack of self-confidence? Nothing, unless you first do your part to master this weakness. Lack of confidence is an unhealthy mental attitude toward yourself and your problems, due to a pessimistic habit of thought.

Every problem that presents itself to a man carries with it two chances; i. e., a chance of failing to solve the problem and, second, a chance of succeeding in solving it. If you focus your mind on the chance of succeeding in solving the problem to the exclusion of thought on the chance of failing at it, you get in the habit of thinking success thoughts; if your mind is focused on the possibility of failure, you get in the habit of thinking failure thoughts. Success thoughts breed confidence in yourself and consequently give you power. Failure thoughts destroy your self-confidence and consequently weaken your capacity to do. The first step, therefore, toward obtaining confidence is to reorganize your mental equipment along optimistic, rather than pessimistic lines. The second step is to make an appraisal of your qualities, favorable and unfavorable.

Take a piece of paper and draw a line

down the center. On one side, list all your favorable qualities and on the other side, all your unfavorable qualities. When you have done this, go to some sincere friend who knows you intimately, and, without having first shown him the list you have made, ask him to prepare a similar list of your good and bad qualities. Then compare the two lists with him, and after discussing them, arrive at a common list which you both agree is an accurate appraisal. You should then give thought to methods of eliminating as many unfavorable qualities as possible, of strengthening your favorable qualities, and adding others. This process will doubtless demonstrate to you that you have more good qualities than bad. Instead of being discouraged over your unfavorable qualities, resolve to utilize your favorable qualities to the fullest extent. You will, no doubt, discover that you are a far better man than you thought you were, and thus the smouldering embers of confidence in yourself will begin to flame up.

Having thus reorganized your mental attitude, the vocation of life underwriting may begin to help you with your problem.

When you start out to sell insurance, you can feel relatively sure that the results of your work will be of benefit to your clients. After you acquire experience, you may be able to make suggestions to your clients which, from your limited knowledge, you could not offer at the outset of your career. However, after you have gained an elementary knowledge of what life insurance is and does, and know the principal policy forms issued by your company, you may feel entirely confident that in selling these policies you are doing valuable work. If you keep this thought uppermost in your mind, you can't fail to acquire a feeling of self-confidence.

(b) Such a small amount of capital is required to enter the vocation of life underwriting that this question does not present a serious problem. If it were your intention to become a merchant or to start a bank or to become a lawyer or a doctor, a substantial amount of capital would be required. If, however, you have enough capital to finance your living expenses for a period of from three to six months, lack of capital need not keep you out of the business of life underwriting. Even if you cannot do that, you should talk this question over frankly with a general agent or manager of some good life insurance company. He may be able to suggest a constructive solution. There is probably no other business offering such favorable financial opportunity with so negligible a capital requirement as life insurance selling.

(c) Fear of ridicule in taking up the work of life insurance selling to-day is unfounded. There may be people who know little about life underwriting who will ridicule your plan, just as there were people who laughed at Columbus because of his monstrous maritime dream, and people who carped at Robert Fulton when his wheezing boat began its journey under the propulsion of steam. But at the present time the most enthusiastic endorsers of life insurance are the outstanding business men of the country and the accomplishments of those who have entered the field of life insurance selling have rendered their critics ridiculous.

(d) The opportunity to enter upon the career of life insurance selling is not difficult to find. If you are in earnest you can select some company which you wish to represent. If you then apply in person or by letter to their home office, or nearest agency, you will find the door open to you and a welcome extended.

(e) The special training necessary for success in a major occupation is perhaps more easily obtained in the life insurance field than in any other. In almost any company with which you obtain a contract, you will receive individual tutoring through the agency that you enter, or you will be given an opportunity to join a training class with other new men, or the company will provide a correspondence course. You may also obtain instruction in one of the university insurance courses or may procure a correspondence course from one of the insurance service bureaus. The requirement of time does not exceed a few weeks at the most and the expense is nominal.

It is not to be understood from these statements that life insurance is a shallow subject and easy to learn. On the contrary, after you have been in the business for many years, you will still discover daily new facts about life insurance. But the training that will start you on your way to earning money is shorter by years than that required for the practise of law or medicine, or for many other vocations.

(f) When the fact is considered that every man in good health, who has sufficient money to maintain his premiums, is a potential client for the life insurance salesman, it is readily seen that this vocation is by no means restricted. Moreover, when we realize that the man who already has insurance is by far a better prospect for insurance than the man who has none, we also realize the significance of the fact that there were 83,974,542 policies in force at the close of 1923 on the lives of the American people.

The life insurance vocation is not a panacea for failure. It will not meet the needs of every discouraged man. Nevertheless, it has proved to be the medium through which many a worth-while man has made life's most wonderful discovery, the discovery wherein he has found himself.

CHAPTER III

PITFALLS

I preach to you then my countrymen that our country calls not for a life of ease, but for a life of strenuous endeavor. . . . If we stand idly by; if we seek merely swollen slothful ease and ignoble peace; if we shrink from the hard contests where men must win at hazard of their lives and at the risk of all they hold dear, then the bolder and stronger peoples will pass us by and win for themselves the domination of the world. Let us therefore boldly face the life of strife, resolute to do our duty well and manfully.—THEODORE ROOSEVELT.

We want you now to consider some of the pitfalls that are to be encountered in the business or profession of selling life insurance. It may seem strange that we should suggest an examination of the pitfalls first. We do so because it is just as much our desire to try to keep men who would not be adapted to the life underwriting business from entering it, as it is to influence those who belong in the business to enter it.

At the outset let us call attention to the fact that any business that does not present difficulties to overcome is not worthy to be chosen for a life work by a man of spirit and character. In his fascinating autobiography, Booker T. Washington discusses the advantages of belonging to an unpopular race. He lays down the commendable philosophy that a man who is a member of an unpopular race has difficulties to overcome that are not incident to the life of a man who belongs to a popular race, and, therefore, he has opportunities for developing his character that give him a real advantage over the man whose race presents no such obstacles.

Pitfalls are, in a sense, the traps that are set by fate to catch the weak and unwary. No strong man need fear pitfalls. They add zest to life for such a man. The keeper of a tavern in a small village has very few pitfalls in his work, but the drowsy life of such an uneventful occupation would hardly appeal to the imagination of a man of ambition.

The pitfalls which we here cite are only a few of the outstanding difficulties that the life underwriter must face.

(1) NO DEFINITE INCOME

In the profession of selling life insurance, you will have no definite income. You will probably operate on a commission basis exclusively. The salary on which you may have become accustomed to rely will no longer come to you. You become your own paymaster. If you make sales, you will be paid; if you do not, you will go without pay. Days or even weeks may go by, in the early stages of your development in this business, during which you will not have made a single sale.

"I am afraid to take a chance," say many men who find themselves facing a business that does not pay a regular stated salary.

There is no surer evidence that such a man has fallen into a rut and that the rut is serving as a grave for his hopes and ambitions.

Samuel Miles Hastings, President of the Dayton Scale Company, a firm that does a world-wide business, said in a recent issue of the *American Magazine:* "Presently the men who sent me to Europe offered me a position as confidential assistant to one of the executives. I was to receive a salary of three thousand dollars a year and a small block of stock. 'You'll have to give me a little time to think it over,' I told them. I had a friend who held a salaried position with a big company on Michigan Avenue. I explained the offer to him and asked what he thought of it. 'That's very decent,' he said. 'It's as good a salary as you could probably get anywhere and the stock is extra.' It was a good offer. Three thousand dollars meant considerably more in those days than it does now. 'Would you accept such an offer,' I asked my friend, 'if you were twenty years younger and knew what you know now about business? Or would you feel it wiser to keep yourself free of a salary, and see what you could do on your own? That's the problem I'm trying to figure out.' 'Hastings,' he said earnestly, 'if I were your age and had my business life to live over again, I would go out and peddle shoe strings on the street corner, if I had to, in order to be on my own, before I would tie myself up for life to a salary. Now I'm sure that you have ability—it's worth while to try something and see. If you find you can't go it alone successfully, you can turn in and get a job any time.' "

Mr. Hastings took his friend's advice, and accepted a place with the same firm on a strictly commission basis.

Continuing, Mr. Hastings says: "In the first two years I made a total of fifteen thousand dollars. Compare that with the three thousand a year that had been offered me as a confidential salaried worker! I think the willingness to take a chance, to seize a likely opportunity that is not a sure thing, is one of the marks of men who accomplish most in the world."

Andrew Carnegie says that when he was a young man a great railroad magnate offered him a salary of $50,000 a year to become the manager of a large railway system. The canny Scot turned it down because it was a salary proposition. He said he did not feel that he could go as far in life on a salary as he could by working for himself. His later career fully justified his judgment.

We can point, of course, to many outstanding figures in the business world who have attained success while working for a salary. A study of the Federal Income Tax returns for a single year would doubtless give us the names of thousands of men who, as the executive heads of industrial corporations, receive tremendous salaries as compensation for carrying heavy responsibilities. It is not possible to say, therefore, that in the individual case a man stands a better chance of making a success if he gives up a salaried position and depends for his income on the direct results of his own labors. It is possible to say, however, that by depending on the direct rewards of his work, in the form of commissions for example, rather than on indirect rewards, in the form of salary, he eliminates some of the barriers which, in the individual case, sometimes block the road to financial success.

A man who takes a salaried position in a company may be doing good work and know he is doing good work but may have to wait until the man ahead is promoted before he stands a chance of advancement. He may be putting a great deal of time and thought into his work but this fact may not be recognized by his superior. He may advance rapidly for a few years and then find that he has reached the salary limit set by the company for the type of work in which he is engaged. It is unnecessary to state that none of these obstacles can stand in the way of the man who is working for himself.

You may say, "I would not be afraid to

take a chance if I had only myself to consider, but I have responsibilities to bear that prevent me from taking a chance." It is true that there are men whose situations are such as to make it absolutely necessary that they be most conservative in regard to making a change in their business status from a salaried to a non-salaried line of work. At the same time, it is equally true that no man has ever found conditions ideal for the attainment of any worthy end.

If your responsibilities are such as to make it impossible for you to take advantage of your opportunities, think how much more heavily those responsibilities will weigh you down in the future, for responsibilities tend to become greater rather than smaller from year to year. Look back over your own life and consider what your responsibilities were five to ten years ago, and compare them with your present responsibilities. If you have found that they have grown in past years, what have you to look forward to in the future but a corresponding increase in your responsibilities? You do not solve the problem of your increased responsibilities by remaining in a line of effort in which you cannot attain the best results. That problem is solved in one way only; namely, by using the ability you possess to take advantage of your increased opportunities.

To the man who has faith in himself, work on a commission basis is not a pitfall. To him it is, on the contrary, a challenge and an opportunity.

(2) LACK OF DIRECT SUPERVISION

In the profession of life underwriting you are your own boss. Many men are so constituted that they cannot work for themselves. If this were not true, factories would not have to employ high-salaried foremen and superintendents, other organizations would not require costly office managers and supervisors, and there would be no such instrument as the time clock. It has been stated that thirty-seven per cent. of the failures in the field of life insurance salesmanship are directly traceable to lack of industry. This is practically equivalent to saying that thirty-seven per cent. of those who fail as life insurance salesmen are men who cannot work without a boss.

Can you work for yourself as well as you can work for another man? Are you equipped with a self-starter that will cause you to start out in the morning with enough momentum to keep on going, even in the face of disheartening setbacks, until a complete day's effort has been expended, and then repeat that performance day in and day out, with no intervening personality to prod you on? Can you turn down the temptation to indulge in ease and play, to gossip and visit, when your conscience tells you that you ought to be out after business? Can you keep on working just as hard when the weather is hot, when the trout are biting, when the ball game is on? Have you learned the great fact that time is the most important business asset you have? Do you know how to systematize your efforts, to conserve your time so that every minute will count, or do you have to depend on someone to do your planning for you and to lend you moral support? Do you have to pay somebody to make you do your duty?

Figure it as you may, if you must have a boss to keep you going, you are paying that boss for your supervision out of your own pocket, no matter how well that fact may be camouflaged. It is a dangerous thing for some men to work for themselves. Liberty, that most prized possession of Americans, lures many to destruction. Independence is a heritage that some cannot afford to possess. In this privilege of working for yourself may lurk an insidious danger if you are not so constituted that you are master of yourself. Yet, to a strong man, to a man whose sense of duty is the ruling passion of his life, to a man who does not need to be goaded to continued effort by the lashes of a taskmaster, the freedom that characterizes the business of life insurance is not a pitfall but a priceless advantage.

(3) DISCOURAGEMENT

Discouragement is another pitfall. The same authority who estimates that thirty-seven per cent. of the men who fail at selling life insurance fall by the wayside because of lack of industry, likewise estimates that another thirty-seven per cent. of the failures are shipwrecked on the rock of discouragement. Mental attitude is an important factor in any vocation, but particularly so in the life insurance business.

Selling life insurance may be called a process of benevolent domination. The salesman dominates the person to whom he sells. It is not a domination by imperiousness, or accomplished by strong-arm methods. The domination is subtle, but none the less powerful. It is brought about by the exercise of the powers of reason, of good sense, of tact, of charm, of sincerity, all tempered with the strong desire of the agent to be of service to the client. If the life insurance salesman does not possess the spirit of confidence, if he be obsessed by fear, if his will be weakened by a loss of faith in his ability to put across his idea—in other words, if discouragement tinctures his mental attitude—then he is a wounded warrior with a broken spirit and unfitted successfully to carry on the fight.

You must make up your mind before you get into this business that you can be turned down times without number and still retain the mental resilience and the intellectual fervor that conduce to continued freshness of vision and a "faith unfeigned." You must be able to see the promises made to you by clients broken. You must be able to face with equanimity the fact that business on which you had counted may be declined, for it is estimated that one out of every nine who apply for life insurance is turned down because of physical or other impairments. Withstanding this strain on courage is no task for the weakling. You must retain a clarity of mental perspective, you must have a temperament of optimism and, above all, faith in yourself, your purposes, and the service that you are trying to perform. Without these supports, you are liable at any time to be inundated by a flood of discouragement.

But is this not true to a greater or less degree of every worth-while enterprise of life? The monarchs of three nations turned down Columbus before he induced the Spanish Queen to pawn her jewels for the ships with which he found a continent. The biography of almost every man who has accomplished anything worth while in any realm of human endeavor is a record of disappointments faced, of defeats endured, of dark spectres routed, before his final triumphs cast into forgetfulness the memory of those discouragements.

(4) HARD WORK

Selling life insurance is exceedingly hard work. Somebody said it was the best paid hard work in the world, and the poorest paid easy work. The man who has not a hardy constitution, a strong nervous system, and good digestion had better stay out of this business. First, there is the training that is required. Formerly, all a prospective agent had to do to enter the field of life underwriting was to get a rate book, a few application blanks, perhaps a few leaflets, and, after a short talk with his manager, he was considered as "trained" for the business.

In a day of specialization, however, this preparation is no longer sufficient. A life underwriter does not merely sell policies; he renders a service by meeting the insurance needs of his clients. The physician must first know how to diagnose physical ailments, and then he must know what treatment to apply in order to relieve his patient's impairments. Likewise the life underwriter must be acquainted with the uses and functions of life insurance and with the various human needs that it serves. In the light of this special knowledge, he must analyze his client's situation from the life insurance expert's point of view, then show him what his life insurance requirements are, and supply policies that exactly meet those requirements. The day of the uninformed life insurance salesman is rapidly passing; and to obtain and retain the information necessary for success in selling life insurance in this modern day, requires intensive and continuous study. To render up-to-date professional service, the life underwriter must have a certain amount of knowledge concerning the following subjects:

1. The technic of salesmanship.
2. Life insurance principles and functions.

3. His own company and the policies which it issues; that is, the advantages which these policies present.
4. The advantages and disadvantages of the contracts offered by other companies with which he is likely to be brought into competition.
5. Human nature and practical psychology.
6. Elements of taxation and its effect on life insurance transactions.
7. How to analyze life insurance needs and prescribe a program to meet those needs.
8. Elementary facts about trusts and their relation to life insurance.

Not only should you become conversant with these subjects at the outset of your life insurance career, but you must keep up with the rapid developments that are taking place in the life insurance business. This may be done by attending agency meetings, reading insurance magazines, studying books on various phases of the business, consulting with successful life insurance men, and, above all, by practising your art on prospects, thereby receiving the instruction of the greatest of all teachers—experience.

But the work of training may hardly be said to compare with that of actual selling. You must first select your prospects. It seems strange that this should be a difficult task, but considerable time and thought are required to keep a list constantly in hand of select prospects whom you are to try to interest in life insurance. Each name that goes on your list should be carefully chosen, diligent inquiry should be made concerning each one, with special reference to his health, his earnings, the amount of money he owes, his family and other responsibilities, and his business connections. Whenever possible, it is well to know these facts in advance of seeing the prospect.

Then, as the next step in the selling

process, you must call upon from three to ten prospects daily, breaking down the barriers to get to them, getting by the secretary in the outer office, overcoming the objection that the prospect hasn't time to see you, or other similar excuses. Even if you have no difficulty in obtaining the interview, or after you have actually entered the prospect's office, you must present your proposal in a logical and attractive manner and must bring the prospect to your point of view, all of which is hard, intensive work. Delivering policies, keeping business records, handling correspondence, making collections, attending agency meetings and underwriters' dinners, all these are but a part of the life underwriter's daily work. Not only is he kept busy by these routine tasks, but he must constantly be planning sales campaigns, devising new sales suggestions, and building good-will.

If you are a weakling, if you are lazy, if you cannot stand up under a strain, if you do not find pleasure in dealing with your fellow men, then the pitfall of hard work in this vocation would doubtless cause you to fail. The late John Wanamaker, who for many years was the most heavily insured man in America, made the statement that there are three classes of people: workers, jerkers, and shirkers. Only those who are willing to pour their very life's blood as a sacrifice upon the altar of hard work may expect to find success in the great profession of life underwriting.

(5) THE OTHER JOB

"The other job" that is invariably offered the man who starts in the life insurance business constitutes one of the most dangerous of the pitfalls which lie in his path. Just as you begin to "bump the bumps" in your new work of selling life insurance, just as you are in the depths of doubt as to whether you are going to make the grade, along comes the tempter with the "sure thing" to offer you. Perhaps he is the person who tries to show you that you have made a mistake in going into the life insurance business at all, when you should have gone into the business in which he is interested. Or, there is the unscrupulous agent of another life insurance company who tells you how foolish you were not to have connected up with his company and promises to get you an offer, which may look much better to you (on paper) than the contract you already have. Ofttimes these offers are really meritorious and are given in good faith by those who do have a real opportunity for you. But, as we have pointed out in Chapter I, you should not start in the life insurance business unless you plan to give your life to this work. Having once decided to invest your life in this vocation, therefore, you should not give it up without a fair trial. Don't forget there are acres of diamonds at your very feet in this fine work of insuring lives. Only by continuity of effort, by dogged stick-to-it-iveness, can you develop in this or, indeed, in any other worth-while undertaking in life.

(6) FEAR

The last pitfall to which we shall refer is fear. It is largely a mental hazard, having, usually, slight substance upon which to rest. At the same time, it can do you a tremendous amount of harm in the life insurance business if it is not overcome. Montaigne in one of his essays says: "The thing in the world I am most afraid of is fear and with good reason; that passion alone, in the trouble of it, exceeding all other accidents." Montaigne correctly appraised fear, for it is clear that he regards fear itself as far more dangerous than the cause which gives rise to it. Let us try to discover whether, upon analysis, there is any real place for fear in the life insurance business.

Why am I afraid?

1. I am afraid to enter the life insurance business because I know nothing about it.

Ample means are readily at hand for gaining the required knowledge.

2. I am afraid I have not the qualities required to make a success of this business.

Perhaps you may not have. Perhaps you have those qualities to a very marked degree. Why not be enthusiastic about the latter possibility rather than fearful of the former? Do the successful life insurance men you know seem to possess any traits which you do not have? If so, do you not, likewise, have qualities which they lack? Do you distrust yourself? How do you expect others to have faith in you if you do not have faith in yourself? Even if you do not have the necessary qualities now, are you not willing to work hard to develop the qualities you lack? Do you not believe yourself capable of growth and improvement?

3. I am afraid I shall receive rebuffs.

Try this experiment. Talk to five successful life insurance salesmen about this fear. Ask them how many rebuffs they receive. Occasionally one, they will tell you, from some person who knows little about modern life insurance selling—very rarely even that, unless, of course, the rebuffs are due to their own improper methods, and are deservedly brought down upon their own heads. Go to a courtroom and listen to the lawyers as they try a case. Sit by the executive head of any large business through a busy day. You will discover that they all get their share of rebuffs as a part of the day's work, and the life insurance man who conducts himself properly does not experience any larger percentage of unpleasant relationships with his fellow men than any other business or professional man who is brought into daily contact with people. Yet the great majority of your contacts will be exceedingly pleasant. Instead of being afraid of the occasional rebuff by a prospect, when any discourtesy will reflect on him and not on you, why not find encouragement and zest in anticipation of the immeasurably greater number of friendly interviews you will enjoy?

Are not these three sources of fear all comprehensive, the fear that is due to ignorance, the fear that rests on lack of faith in ourselves, and the fear that arises from a mistaken conception of the nature of the work? Are these fears justified by facts? Are they not conquerable? May they not be utterly disregarded?

There are real problems to solve in the life insurance vocation, enough of them to absorb your effort, without indulging in fears that are based largely on the creations of your imagination.

Have we overdrawn the difficulties of life insurance underwriting? Perhaps. If so, we were actuated by a desire to emphasize the fact that you must run a very hard race if you gain the prize of success in this great field of salesmanship. We want you to consider most carefully the pitfalls now, before deciding to enter the life underwriting profession. Your own inner consciousness should tell you whether you are made of the sort of timber to face these obstacles. If the mere thought of them frightens you, then you had better eliminate this vocation from your consideration at once and try to find another calling. If, on the contrary, the suggestion of these pitfalls arouses your fighting spirit and makes you eager to test your will against their rigorous challenge, then you will do well to read the balance of this book, for thereby you give evidence of possessing "that something" which constitutes the "pearl of great price" in every successful life insurance career.

CHAPTER IV

OPPORTUNITIES

The actual fact is that in this day opportunity not only knocks at your door, but is playing an anvil chorus on every man's door, and then lays for the owner around the corner with a club. The world is in sore need of men who can do things. Indeed cases can easily be recalled by everyone, where opportunity actually smashed in the door and collared her candidate and dragged him forth to success. These cases are exceptional; usually you have to meet opportunity half-way. But the only way whereby you can get away from opportunity is to lie down and die. Opportunity does not trouble dead men, or dead ones who flatter themselves that they are alive.—Elbert Hubbard.

We want you to turn now from your consideration of the pitfalls of the life insurance business to a view of its opportunities. Many overlook the fact that vocations, like individuals, differ in the degree of their success, for there are unsuccessful vocations, as well as successful vocations; vocations that are waning and others that are coming into greater importance all the time. Manufacturing by hand in this country is a vocation which may now be called unsuccessful. The moving picture industry is an example of a highly successful business that has grown up in recent years. Life insurance is recognized as one of the most successful of all businesses. In fact, its history constitutes one of the thrilling business romances of our American life.

Although the business was carried on in a very limited way some years previously, the life insurance business may be said to have started in the United States about three-quarters of a century ago. It is, therefore, a comparatively new business. The amount of insurance written in 1923 was approximately $12,000,000,000, or one and seven tenths times the total amount that was in force in 1900 and practically the total amount that was in force in 1908.

The life insurance business has grown since 1850 from about $68,000,000 to approximately $64,000,000,000.

About three per cent. of the total wealth of the United States is made up of the assets of legal reserve life insurance companies.

The following table reprinted from the Insurance Field, is a compilation presented to the Association of Life Agency Officers by George H. Harris, Supervisor of Field Service, Sun Life of Canada:

QUARTER CENTURY OF DEVELOPMENT IN LIFE INSURANCE

[Compilation Presented to Association of Life Agency Officers by George H. Harris, Supervisor of Field Service, Sun Life of Canada]

1. BUSINESS IN FORCE.

End of	U. S. A. Population	U. S. A. Business in Force Millions of $	CANADA Population	CANADA Business in Force Millions of $	TOTAL Population	TOTAL Business in Force Millions of $
1899	74,453,000	7,558	5,259,000	404	79,712,000	7,962
1914	98,213,000	17,426	7,692,000	1,242	105,905,000	18,668
1924	114,311,000	63,780	9,227,000	8,764	123,538,000	67,544

2. PREMIUM INCOME.*

End of	U. S. A.	CANADA	TOTAL
1899	$283,000,000	$13,000,000	$296,000,000
1914	746,000,000	41,000,000	787,000,000
1924	2,122,000,000	130,000,000	2,252,000,000

* Includes small percentage of foreign business.

3. PER CAPITA INSURANCE IN FORCE.

	U. S. A.		CANADA		TOTAL
1899	$101.52	1899	$ 76.85	1899	$ 99.90
1924	177.43	1914	161.49	1914	176.27
1924	557.95	1924	407.93	1924	546.74

4. PER CAPITA PREMIUM PAID.

1899	$ 3.80	1899	$ 2.48	1899	$ 3.71
1914	7.59	1914	5.34	1914	7.43
1924	18.57	1924	13.97	1924	18.23

5. NEW BUSINESS WRITTEN WITHIN A YEAR.

	U. S. A.	CANADA	TOTAL
	Millions of $	Millions of $	Millions of $
1899	1,824	67	1,891
1914	2,457	217	2,674
1924	13,162	629	13,791

6. TOTAL BUSINESS IN FORCE, 1899, CONTRASTED WITH BUSINESS WRITTEN, 1924.

	U. S. A.	CANADA	TOTAL
	Millions $	Millions $	Millions $
Total in Force 1899	7,558	404	7,962
New Business 1924 .... (in one year)	13,162	629	13,791

7. ASSETS.

	Millions $	Millions $	Millions $
1899	1,576	104	1,680
1914	4,935	370	5,305
1924	10,394	1,001	11,395

HOW LIFE INSURANCE IS FULFILLING ITS FUNCTION PAYMENTS TO POLICY HOLDERS AND BENEFICIARIES.

	U. S. A.		CANADA	
	Benfrs. of Dead P. H.	Pymts. to Living P. H.	Benfrs. of Dead P. H.	To Living P. H.
1899 Deaths	93,000,000		4,281,000	
Maturities		15,000,000		1,370,000
* Other Pymts.		48,000,000		1,631,000
	93,000,000	63,000,000	4,281,000	3,001,000
Total	$156,000,000		$7,000,000	
1914 Deaths	222,000,000		9,647,000	
Maturities		61,000,000		4,604,000
* Other Pymts.		227,000,000		8,636,000
	222,000,000	288,000,000	9,647,000	13,240,000
Total	$510,000,000		$23,000,000	
1919 Deaths	450,000,000		20,000,000	
Maturities		139,000,000		10,000,000
* Other pymts.		617,000,000		35,000,000
	450,000,000	756,000,000	20,000,000	45,000,000
	$1,205,000,000		$65,000,000	

Total paid out in 1924	To Beneficiaries	To Living P. H.
U. S. A.	450,000,000	756,000,000
Canada	20,000,000	45,000,000
	470,000,000	801,000,000

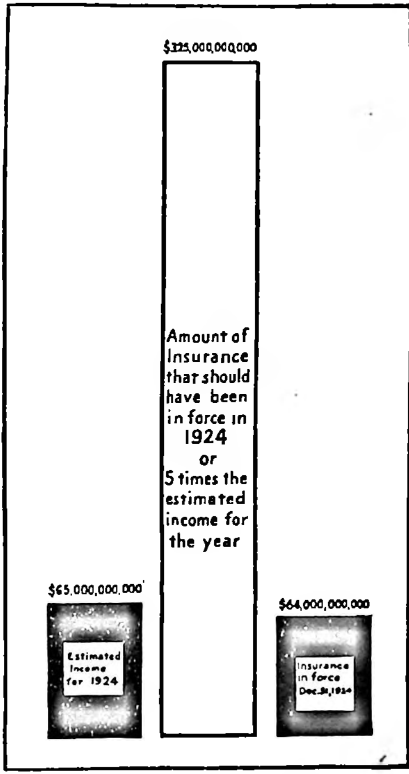
Total Payments, $1,271,000,000

* Dividends, Cash Surrender Values, etc.

These figures are so stupendous that they stagger the imagination and prove conclusively that life insurance is a business that has succeeded in the past.

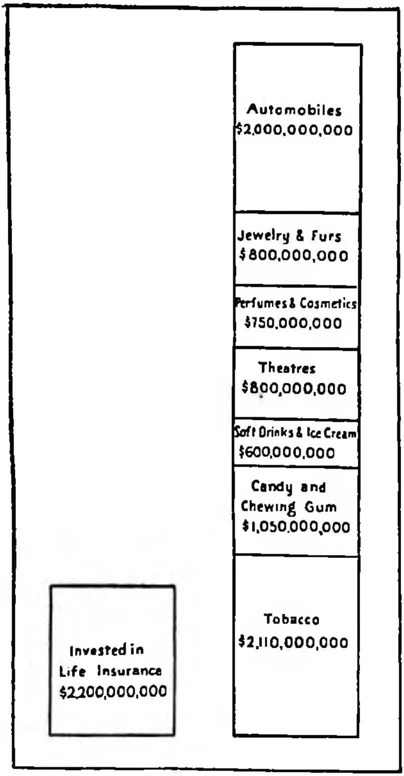
Formerly, the idea prevailed that most men who sold life insurance had failed in other lines of effort. It stands to reason, however, that no such successful structure could have been built up by failures.

A superficial observer might be led to suggest that with \$64,000,000,000 of insurance in force, it would be impossible to continue writing insurance much longer because the point of saturation would soon be reached. As a matter of fact, however, the amount of insurance in force in this country is pitifully small in comparison with the actual insurance needs of the American people. The amount of insurance in force per capita in 1924 among our total population was only \$557.95. Roger W. Babson states that the average per capita income in this country is more than \$600 per year and is steadily increasing, so that, on the aver-



Insurance in force in America in 1924 compared with what it needed.

Conservative estimates place the amount of insurance a man needs as five times his yearly income.



Comparison of the total amount paid in life insurance premiums with amounts spent for various luxuries, according to estimates made by the U. S. Treasury Department, 1924.

age, the insurance carried by the people of this country would not equal one year's income.

Conservative estimates place the amount of insurance a man needs as five times his yearly income. The chart on page 69 shows in a striking way the difference between the amount which should be in force, according to this standard, and the amount actually carried—in other words, the opportunity which is presented to the life insurance salesman. The fact that the people of this country could carry more insurance if they realized its value is also emphasized by the proportion of the nation's income which goes into luxuries as compared with the amount which is spent for life insurance.

Every man who is in good health and who can afford to pay a life insurance premium is a potential life insurance prospect. In order that you may obtain some idea of the inadequacy of the insurance generally carried, we suggest that you apply the Insurometer which follows to your own situation,

INSUROMETER

(Pronounced In-sur-OM-e-ter)

A METER TO MEASURE LIFE INSURANCE NEEDS

Applied to Conditions Obtaining in the Life of..............
..................of ....
Date of birth...

(Please answer all questions very carefully and conscientiously, except those which manifestly do not fit your case.)

1. At your death, what amount of money do you estimate will be required to settle the following final expenses:
   - (a) Doctors', nurses' and drug bills ....$...........
   - (b) Funeral expenses, including cemetery lot and monument ....$...........
   - (c) Unpaid income tax.......$...........
   - (d) Unpaid local taxes.......$...........
   - (e) Federal estate taxes.......$...........
   - (f) State inheritance tax......$...........
   - (g) Miscellaneous expenses always arising at death....$...........

     Total.....................$...........

2. What amount of money will be required to pay debts?
   - (a) Mortgage on home.......$...........
   - (b) Mortgages on other real estate ....$...........
   - (c) Loans at banks or elsewhere, including loans on life insurance policies....$...........
   - (d) Notes endorsed or on which there is a contingent liability ....$...........
   - (e) Miscellaneous debts, judgments or claims.........$...........

     Total.....................$...........

3. What amount of money will be needed to pay minimum living expenses for the family? (Figure these needs on monthly basis.)
   - (a) Rent or upkeep of home, including taxes ....$...........
   - (b) Food ....$...........
   - (c) Clothing ....$...........

(d) Water, heat, lights, ice and laundry ....$...........
(e) Servants ....$...........
(f) Education of children....$...........
(g) Recreation ....$...........
(h) Church and charities....$...........
(i) Doctors, dentists, health and miscellaneous ....$...........
Total......................$...........

4. What amount of money per month will be required to protect you and your wife against old age dependency?...........$...........

5. What amount of money do you feel you should now begin saving monthly as your savings program? ....$...........

6. What amount of business life insurance do you feel should be carried on your life, payable to your firm, in order to stabilize your business, protect credit, and otherwise absorb shock of your death? ....$...........

7. Total lump sum needs (add totals of 1, 2, 6)$...........

8. Total monthly income needs, $.........., or lump sum ....$...........

On basis of each $1,000, yielding 6% per annum, or $60.00 per year, or $5.00 per month, monthly income needs may be converted into lump sum basis by dividing total monthly income needs by five, resultant total being in lump sum terms of thousands, as above.)

Grand total needs, gross (add 7 and 8).....$...........

CREDITS:

1. What is total of all property owned by you, value based on actual sale price which property would probably bring under forced sale conditions? ....$...........
2. What is amount of all life insurance policies carried by you? ....$...........
Admitted total credits..........$...........

INSUROMETER CONCLUSIONS

1. Your total insurance needs are.............$...........
2. Your total credits are......................$...........
3. Net result ....$...........

RECOMMENDATIONS: ....
....

....
Date Signature of Insurance Adviser.

answering each question carefully, and then observe the final result. It would be well also to apply the Insurometer to the case of some acquaintance of yours, whose condition is different, in order to get a different result. Does not the final result in each case indicate an insurance need far greater than you realized? If this is true in these instances, is it not likely to be just as true in the case of the vast majority of people?

There are two kinds of values: property values and life values. There are various methods of measuring property values and, likewise, several ways of measuring the economic value of a life. Perhaps the most logical method is to ascertain a man's earnings and capitalize these earnings on a certain basis, say five per cent.; thus the life value of a man earning $5,000 a year is the equivalent of $100,000 invested capital, yielding five per cent. Since his life value is $100,000, his death extinguishes a capital valuation of $100,000.

The statement that the life value of a man earning $5,000 a year is $100,000 does not mean that a man earning this salary can, in the ordinary case, carry $100,000 insurance. Usually, he can afford to carry only $20,000 or possibly $25,000; that is, he can afford to extend his economic value to his family only four or five years into the future. When we look at the question from this point of view, however, we realize the inadequate amount of insurance carried by the average man with a family dependent on his earnings.

Dr. S. S. Huebner, Professor of Insurance, Wharton School of Finance and Commerce, University of Pennsylvania, has stated that if the earnings of the American people were capitalized on a five per cent. basis, the total life values would be from six to eight times as great as the property values. Roger W. Babson is the authority for the statement that the total property values of the United States are approximately $350,000,000,000. Assuming these estimates to be correct, the total life values, if they were six times the property values, would be $2,100,000,000,000. According to these figures, the amount of life insurance actually carried is only about three per cent. of the total life values. Mr. Edward A. Woods, in his book on "Life Underwriting as a Career," estimates that the amount of life insurance carried is approximately seven per cent. of the total life values.

If the life insurance carried by the American people ranges somewhere between three per cent. and seven per cent. of the total life values, then those who fear that a point of saturation will be reached in the writing of life insurance in the United States have made no proper inquiry into the facts. In a recent address on this subject, Dr. Huebner said: "When the economic significance of life values and the need of their scientific treatment through insurance becomes generally appreciated, life insurance will sell as readily as fire and marine insurance. Then life insurance will become the greatest financial business in the world. The immensity of the aggregate of human life values is bound to produce this result. The sixty billions of dollars of life insurance now on the books of American insurers will then seem small by way of comparison. If every person in this country capitalizes his life value for an amount equal to only five years' earning capacity (and what a small amount that is) we would have one hundred and fifty billions of life insurance to-day, or more than twice the amount now outstanding, and if every person insured his life value only to the extent of one-half of his capitalized earning capacity, we should have between four and five hundred billions of life insurance. Important as life insurance is to-day, its real progress is yet to come."

CHAPTER V

FAME—OR AN HONORED NAME

No true and permanent fame can be founded except in labors which promote the happiness of mankind.—CHARLES SUMNER.

Norval Hawkins, who for several years was sales manager for Henry Ford, in his instructive book, "The Selling Process," says: "We recognize that there are three parts in our ambition. We want to attain success by achieving fame, by making money and by doing our fellows as much service as we severally can."[1] Mr. Hawkins has omitted to add another and most important ambition; namely, the desire to engage in a work that is congenial and enjoyable. Let us measure the vocation of life insurance selling by these four standards: fame, money, service, pleasure.

Can you win fame and honor as a life

underwriter, you may dubiously inquire. We emphatically answer "Yes." But we must come to a clearer understanding of what constitutes fame, true fame of the sort that conduces to an honored name. Only that fame is desirable which is made up of the good opinion of worth-while people. No other fame is to be coveted.

The common conception of fame is based upon the false notion that spectacular applause is its necessary accompaniment and that a widely extended field must be covered. We commonly think of the politician as being famous because he appears before great throngs of people, is greeted with loud applause, and because his name frequently appears in the papers. But notoriety is not true fame. The surgeon who performs almost miraculous operations may be seen and known by few men; his name may rarely appear in the papers and the music of handclapping may never fall upon his ears; but so long as he assuages the sufferings of his fellow men and has the good opinion of those among whom he works, he may be said to have acquired the very essence of fame. Those who need his services will flock to him to receive the blessings of his handiwork. The men of his profession will have respect for his name in proportion to the excellence of his work. A business executive may sit quietly in the obscurity of his office and direct tremendous business operations, with perhaps thousands of employees depending for their very livelihood upon the proper functioning of his mind. No "gallery god" is he. The clamor of the multitude would abash him, and yet he too has fame—fame of the sort that causes widows to invest their savings in his enterprises, that induces capitalists to stake their fortunes on his judgment. No, fame need not be spectacular. It need not be accompanied by "the boast of heraldry, the pomp of power." That is the old conception of it—a conception born of a false philosophy of life, when the race was young. Those who still retain that view are reflecting an out-of-date idea.

True fame is nothing more than the deserved confidence of good people who know us and our work. It is the faith they have in our character and in our ability successfully to do the tasks we undertake. It is their tribute to the service we are rendering for the common good. Fame may be great or small in proportion as our services are great or small.

The life insurance agent is, in a sense, the link between his company and client. He is selling money for future delivery, for which the purchaser makes deposits over a number of years. The company takes care of this fund as a trustee for the widow, orphans, and other dependents, who may be named as beneficiaries. The life underwriter who sells a policy is, in fact, selling a trusteed bond and he establishes the first contact by which confidence in the trusteeship is created. If a life insurance salesman has a tarnished name, if he be in any way unworthy of confidence, then the first link in the chain of mutual faith and inter-dependence may become strained and broken, and the whole chain weakened. If, on the other hand, the personality and methods of the agent reflect genuine manhood, imbued with a sincerity of purpose and a desire to serve, coupled with knowledge of life insurance, then confidence will be bred in the prospective purchaser of insurance.

Thus the true life insurance salesman goes from one man to another, urging each one to deposit a portion of his fortune with the company the agent represents, to be held in a trust of supreme responsibility by the company until a time when the dependents of that man come upon an hour of need. For one day death will come into the home where the life underwriter has brought about a trust relationship with his company. Then, with the passing of him on whom the family had become accustomed to lean for support, the life insurance company sends back to the dependents the talents, multiplied, that had been entrusted to it. What is the family's gratitude to the agent for his good counsel in bringing about the trust relationship that has inured so substantially to their benefit save the foundation for fame of the most substantial character? These beneficiaries become boosters of the agent who has served them so intimately. As his patrons and beneficiaries increase in number, the fame of the agent correspondingly grows. There is nothing spectacular in this type of fame, but certainly nothing could yield a man a more complete satisfaction than the grateful confidence of those whom he has faithfully served.

If a dash of the spectacular is necessary to satisfy your ambition, the life insurance business offers ample opportunities for the gratification of your temperament. A popular magazine stated not long ago that a great many people have what it pleases to term the "prima donna" instinct. Such people enjoy admiration and find pleasure in performing activities that bring them before the public gaze. This is no unworthy characteristic. It is no more to be condemned than the temperament of those of the opposite type, who function best when doing things unobserved.

Necessarily the successful life insurance underwriter must have a large personal acquaintance. His clients must be, as we have intimated above, transformed into confidants, otherwise they would not entrust the future of their families to the life insurance company that he has counseled them to patronize. This broad acquaintance, and the intimate confidential nature of it, gives him a following which men in many other vocations who aspire to leadership may well envy. Therefore, when matters of civic and public importance demand action on the part of all good citizens, the life underwriter occupies a peculiarly strategic point for obtaining a position of public leadership. By reason of his following and capacity to deal with people successfully, he is sought out by clubs and public institutions to play an important part in their movements. Circumstances and training, therefore, should enable the life underwriter to exert considerable influence in his community and to increase the measure of his fame.

But it is not necessary that he go beyond the limits of his own craft to win that fame to which we have just alluded. Within the domain of life underwriting itself are to be found opportunities for leadership, and for the exertion of a constructive influence, that are adequate to justify the zeal of the most ambitious. The so-called gregarious instinct is strong among life insurance salesmen; that is, they are constantly "flocking" together at banquets, conventions, sales congresses, local and national underwriters' meetings. At these gatherings must be straightened out the manifold problems of the business that in three-quarters of a century has grown to be one of the most colossal factors in our economic life. No business can expand to such mammoth proportions in such a short time without producing tremendous problems that require for their solution the efforts of the ablest minds. Those life insurance salesmen who have the gift of great intellectual powers owe it to their chosen profession to lend their abilities to the solution of these complex problems. It is both their privilege and their responsibility to think of plans for the guidance of their fellows through the pathways of the future to the end that the inestimable benefits of life insurance may be more widely and efficiently distributed among all classes of people.

The life insurance vocation occupies a very high place among the callings that offer an opportunity for the winning of the only kind of fame that is worth acquiring—a fame that rests upon the confidence of those with whom we deal, upon the service that we render, and upon the benefits that we confer. This is the new conception of fame—fame that is the incidental reward of a useful life resting on confidence and inspired by appreciation. This type of fame is to be found by the conscientious life underwriter who does well and faithfully both his private and his public duty.

CHAPTER VI

THE FINANCIAL OPPORTUNITY

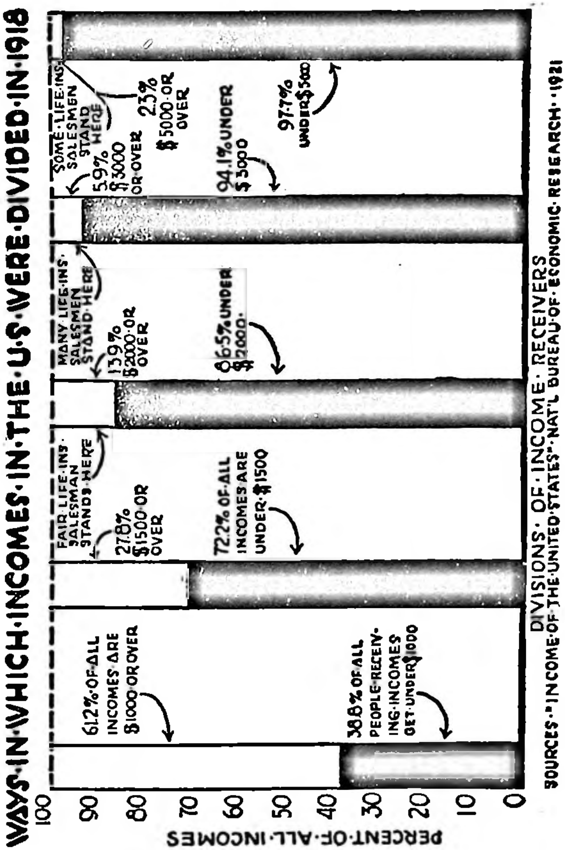
Money brings honor, friends, conquest, and realms.
—JOHN MILTON.

What financial opportunity does life insurance selling offer? The life insurance salesman receives his income in the form of commissions on premiums paid for policies which he sells. These commissions are of two kinds, first-year and renewal commissions. It is customary to pay a commission on the first-year premium ranging from fifty per cent. downward, but averaging about forty per cent. The renewal commissions are paid generally for a period of nine years, at the rate of about five per cent. on the premiums that are paid after the first year.

If you were a clerk in a store and sold $50 worth of goods per day, your salary would probably not exceed $100 per month. Suppose that you sold life insurance, the premiums on which amounted to $50 per day, or a total of $15,000 per annum. With an average first commission of forty per cent. you would earn $20 per day, or $500 per month, or $6,000 for the year. But this is only part of your compensation for your year's work. If all the business you sold during the first year was renewed the second year, you would make $750 in renewal commissions, on a five per cent. basis, and, if all the policies were kept in force, you would continue to earn the same amount until a total of nine renewal commissions had been paid to you.

Of course, some part of your business will lapse. The amount of this lapsation will depend upon several factors, among them, the character of the clients to whom you sell policies, and the intelligence you use in adapting these policies to their particular needs; also it will depend upon the care with which you cultivate your policyholders during succeeding years. We will estimate the lapsation for the ten-year period at thirty-three and one third per cent. of the business originally sold; which means that you would have an average of $10,000 in premiums running through the entire nine-year renewal period after deducting lapsed policies from your total business. Thus you would earn a renewal income of $500 per annum for nine years, or a total of $4,500, in addition to the $6,000 paid you in first-year commissions. Your year's work, therefore, if the premiums on the life insurance you sold amounted to $50 per day, would net you $500 per month during the first year and a royalty over a period of nine years of $500 per year, or a total income of $10,500, the renewals being computed not on a "present value" basis, but on the basis of the total amount to be paid you in nine years.

Consider the income you could earn by selling insurance in the light of the statement taken from the Manager's Manual


WAYS·IN·WHICH·INCOMES·IN·THE·U·S·WERE·DIVIDED·IN·1918
SOME·LIFE·INS· SALESMEN STAND HERE
5.9% $3000 OR·OVER
2.3% $5000·OR OVER
94.1% UNDER $3000
97.7% UNDER $5000
MANY·LIFE·INS· SALESMEN STAND·HERE
13.9% $2000·OR OVER
86.5% UNDER $2000·
FAIR·LIFE·INS· SALESMAN STANDS·HERE
27.8% $1500·OR OVER
72.2% OF·ALL INCOMES·ARE UNDER·$1500
61.2%·OF·ALL INCOMES·ARE $1000·OR·OVER
38.8% OF·ALL PEOPLE·RECEIVING·INCOMES GET·UNDER $1000
DIVISIONS· OF· INCOME· RECEIVERS
SOURCES·"INCOME·OF·THE·UNITED·STATES"·NAT'L BUREAU·OF·ECONOMIC·RESEARCH·1921
PERCENT·OF·ALL·INCOMES
100 90 80 70 60 50 40 30 20 10 0

of the Life Insurance Sales Research Bureau of Hartford, that ninety-seven and seven-tenths per cent. of all incomes in the United States are under five thousand dollars.

A study of these figures will give you a comparative idea of the financial advantage offered by life underwriting, for you can see that sales on which the premiums amounted to $50 a day would place you on a higher level, as far as earnings were concerned, than ninety-seven and seven-tenths per cent. of your fellow Americans.

The following table shows the income produced by life insurance sales, the average daily premiums on which are from $10 to $250. In computing the income it is assumed that the agent's earnings include a first commission of forty per cent. and nine renewal commissions of five per cent. on policies which are kept in force. The figures showing the total income, however, are based on an assumed lapsation ratio of thirty-three and one third per cent.

of the original amount of insurance sold.

Average Premium Sales Daily	Total Annual Sales (300 Working Days)	Amount Earned First Year Commissions based on an Average Commission of 40 per cent. on first year premiums	Amount earned Renewal Commissions based on a 33⅓ per cent. lapsation or termination [1]	Total First Year and Renewal Commissions [1]
$ 10	$ 3,000	$ 1,200	$ 900	$ 2,100
25	7,500	3,000	2,250	5,250
40	12,000	4,800	3,000	8,400
50	15,000	6,000	4,500	10,500
75	22,500	9,000	6,750	15,750
100	30,000	11,200	9,000	21,000
150	45,000	16,800	13,500	31,500
200	60,000	22,400	18,000	42,000
250	75,000	30,000	22,500	52,500

[1] Renewal Commissions not computed on a "Present Value" basis.

The Life Insurance Sales Research Bureau has worked out the following table which shows the first five years' income of an agent writing $125,000 in the first year and increasing the amount by $25,000 a year until $200,000 is written each year. The figures are based on the assumption that the average premium is $35 per year for $1,000 insurance, the commission on new business forty per cent., plus nine renewals at five per

Year	Amount	First Comms.	Renewals from 1st year's Business	Renewals from 2nd year's Business	Renewals from 3rd year's Business	Renewals from 4th year's Business	Renewals from 5th year's Business	Total Income each Year	Amount Future Renewal Comms.
1	$125,000	$1,750	—	—	—	—	—	$1,750.00	$1,205.94
2	150,000	2,100	$196.87	—	—	—	—	2,296.87	2,456.25
3	175,000	2,450	177.18	$236.25	—	—	—	2,863.43	3,731.24
4	200,000	2,800	159.46	212.62	$275.62	—	—	3,447.70	5,013.14
5	200,000	2,800	143.51	191.36	248.06	$315.00	—	3,697.93	6,044.81
		Renewal commission from first five years' business which will be added to future income:							
6	—	—	129.16	172.22	223.25	283.50	$315.00	1,123.13	4,921.68
7	—	—	116.24	155.00	200.93	255.15	283.50	1,010.82	3,910.96
8	—	—	104.62	139.50	180.84	229.63	255.15	909.74	3,001.12
9	—	—	94.16	125.55	162.76	206.67	229.63	818.77	2,182.35
10	—	—	84.74	112.99	146.48	186.00	206.67	736.88	1,445.47
11	—	—	—	101.69	131.83	167.40	186.00	586.92	858.55
12	—	—	—	—	118.65	150.66	167.40	436.71	421.84
13	—	—	—	—	—	135.59	150.66	286.25	135.59
14	—	—	—	—	—	—	135.59	135.59	—
			Total income from five year's business					$20,100.74	

cent., with a ten per cent. termination each year:

Mr. Benjamin F. Shapro of Oakland, California, has prepared a life insurance chart, based upon what he considers the minimum amount that a man should write in order to make a living by selling life insurance; namely, $160,000 a year, or $5,760 in premiums. Mr. Shapro in his table does not take into consideration the fact that a certain number of policies may lapse and, therefore, a proper deduction should be made for lapsation. He shows, however, that by living on the first year's commissions, a young man, starting at age 34 and saving his renewal commissions, using them to purchase an income bond,[1] at the age of 72 will have saved $156,109.24.

There is a great advantage in having part of your compensation paid you in the form of future income. A few years ago, the statement was made that of one hundred

[1] The income bond is a type of life income contract offered by several life insurance companies. The premiums quoted are those of the company which Mr. Shapro represents.

LIFE INSURANCE RENEWAL CHART

Basis: \$160,000 Business
\$5,760 Deposits
Renewal Rate: 5% per annum (Nine Renewals)

Years	Deposits	1	2	3	4	5	6	7	8	9	Year	Age of Agent	Total Annual Renewals	Total Renewals Received	Total Renewals Less Income Bond Deposits	Total Renewals Less Income Bond Deposits Plus Int. at 4% Semi-Annually
1	\$5760											34				
2	5760	288									2	35	\$288	\$288		
3	5760	288	288								3	36	576	864	\$288	
4	5760	288	288	288							4	37	864	1728	864	\$209.04
5	5760	288	288	288	288						5	38	1152	2880	1728	911.01
6	5760	288	288	288	288	288					6	39	1440	4320	2880	1846.72
7	5760	288	288	288	288	288	288				7	40	1728	6048	4320	3119.86
8	5760	288	288	288	288	288	288	288			8	41	2016	8064	6048	4744.08
9	5760	288	288	288	288	288	288	288			9	42	2304	10368	8064	6733.55
10	5760	288	288	288	288	288	288	288	288	288	10	43	2592	12960	10368	9103.03
11	5760	288	288	288	288	288	288	288	288	288	11	44	2592	15552	12672	11867.87
12	5760	288	288	288	288	288	288	288	288	288	12	45	2592	18144	14976	14744.42
13	5760	288	288	288	288	288	288	288	288	288	13	46	2592	20736	17280	17737.18
14	5760	288	288	288	288	288	288	288	288	288	14	47	2592	23328	19584	20851.86

15	5760	288	288	288	288	288	288	288	288	288	15	48	2592	25920	21888	24091.36
16	5760	288	288	288	288	288	288	288	288	288	16	49	2592	28512	24192	27461.74
17	5760	288	288	288	288	288	288	288	288	288	17	50	2592	31104	26496	30968.27
18	5760	288	288	288	288	288	288	288	288	288	18	51	2592	33696	28800	34616.47
19	5760	288	288	288	288	288	288	288	288	288	19	52	2592	36288	31104	38412.06
20	5760	288	288	288	288	288	288	288	288	288	20	53	2592	38880	33408	42360.99
21	5760	288	288	288	288	288	288	288	288	288	21	54	2592	41472	35712	46469.46
22	5760	288	288	288	288	288	288	288	288	288	22	55	2592	44064	38016	50743.91
23	5760	288	288	288	288	288	288	288	288	288	23	56	2592	46656	40320	55191.05
24	5760	288	288	288	288	288	288	288	288	288	24	57	2592	49248	42624	59817.85
25	5760	288	288	288	288	288	288	288	288	288	25	58	2592	51840	44928	64631.57
26	5760	288	288	288	288	288	288	288	288	288	26	59	2592	54432	47232	69639.77
27	5760	288	288	288	288	288	288	288	288	288	27	60	2592	57024	49536	74850.30
28	5760	288	288	288	288	288	288	288	288	288	28	61	2592	59616	51840	80271.34
29	5760	288	288	288	288	288	288	288	288	288	29	62	2592	62208	54144	85911.39
30	5760	288	288	288	288	288	288	288	288	288	30	63	2592	64800	56448	91779.29
31		288	288	288	288	288	288	288	288	288	31	64	2592	67392	58752	97884.26
32			288	288	288	288	288	288	288	288	32	65	2304	69696	61056	104235.87
33				288	288	288	288	288	288	288	33	66	2016	71712	63072	110844.08
34					288	288	288	288	288	288	34	67	1728	73440	64800	117419.63
35						288	288	288	288	288	35	68	1440	74880	66240	123961.19
36							288	288	288	288	36	69	1152	76032	67392	130467.39
37								288	288	288	37	70	864	76896	68256	136936.82
38									288	288	38	71	576	77472	68832	143367.98
39										288	39	72	288	77760	69120	149759.32
													77760			156109.24

Chart by B. F. Shapro of The Equitable Life Assurance Society of the United States.

young men starting life at age twenty-five, with every promise of a successful career ahead of them, when forty years had passed:

1 was rich.
4 had incomes from investments sufficient to live on.
5 were able to earn a living through their own efforts.
36 were dead.
54 were dependent on public or private charity.

Although these statistics have been criticised and are probably not entirely accurate, nevertheless they give an indication of the alarming trend toward old-age dependency.

A life underwriter in one of our large Western cities from time to time runs an advertisement in which he offers fifty dollars cash to any person who will supply him with a list of fifty men, sixty-five years of age, who are not dependent. He has never had to pay the reward.

Few men and fewer women know how to invest money successfully. At a large convention, one of the speakers asked all those in the audience who had invested money and never had a loss to hold up their hands. Not one hand was raised.

The renewal income, following for nine years after the life underwriter produces the business, constitutes the most alluring financial feature of life underwriting. There is no need for a life underwriter to fear old-age dependence if he will live within the income that is paid him in the form of first-year commissions and will save his renewals for the contingencies of the future.

Life underwriting will also enable you to capitalize certain assets that you possess, which are, strictly speaking, non-financial. Eight years ago, a young man, twenty-three years of age, came to the writer's office to consider entering the life insurance business. He had had no previous experience. He had very little money. We said to him in effect: "Our company will enter into a partnership arrangement with you, and each of us will make certain contributions to the capital stock of this partnership." We then made an outline, listing the items of which the partnership capital consisted:

CAPITAL	You Supply These Assets	(1) Energy
		(2) Personality
		(3) Ambition
		(4) Character
		(5) Thinking capacity
		(6) Acquaintance
		(7) Experience
		(8) Hard work
	We Supply These Assets	(1) Life insurance company
		(2) Training
		(3) Literature
		(4) Advertising
		(5) Sales plans
		(6) License
		(7) Counsel
		(8) Good-will

He entered the so-called partnership which, by employing the assets intelligently, produced profits from the very start. His earnings at the present time are at the rate of $25,000 per year.

What then is this relationship or this combination of assets worth? In hoping to earn $25,000 a year, any merchant would have to make an investment of at least $250,000. In fact, a very able merchant recently said that if he could make eight per cent. on the amount of capital he had invested in his merchandise, he would feel he was doing exceedingly well. The non-financial capital supplied by this young man, plus the same character of capital supplied by us to complete the partnership, are worth the equivalent of ten per cent. on an invested capital of $250,000, if earnings constitute the test of capital values. By a careful study of the elements which compose this combination of assets, you may obtain some idea of what the capital this young man contributed was worth, and also the value of the capital which we supplied. It might be objected that if these assets do not produce earnings, they are practically worthless. That is true, but do we not apply the test of earnings to every other business enterprise?

The manifold needs for life insurance produced by modern conditions have vastly increased the opportunities for money-making in life underwriting.

Within recent years there has come about a recognition on the part of the business community that the brains of an organization should be insured just as property is protected against loss by fire. Corporations are, therefore, taking large amounts of life insurance for the benefit of the company on the lives of executives or important employees. Also partners are protecting their business interests by carrying sufficient insurance on the various members of the firm to enable the survivors to buy out the interest of an associate who has died. Bankers and other creditors are recognizing the importance of having debtors insure their lives so that even if death should intervene, their obligations may be met.

The inheritance and estate taxes imposed by the state and federal governments on the estates of men of wealth have rendered life insurance imperative if the estate so taxed is to be preserved intact. The amount of taxes which, under present rulings, would be levied by the state and federal governments at the death of the owner can be computed in advance, and life insurance policies to cover the taxes should be carried. Death, which causes the taxes to fall due, will then produce the life insurance revenue with which to pay them.

Employers are insuring groups of their employees under policies of group insurance, which is a type of insurance that has developed within recent years.

Those who are charitably inclined use life insurance as a satisfactory means of making bequests to their favorite charities or benevolent institutions. This field offers a great future, for more and more are generous men and women coming to realize the value of life insurance as a means of making sure that their wishes in regard to bequests will be carried out.

Life insurance to guarantee the education of children, to pay off mortgages, to provide monthly incomes for dependents, to furnish an income for old age, or, arranged according to a definite program to cover various financial needs, enables a man to make sure that his plans for his family may be carried out even if he should die before their completion.

When thinking over the financial opportunities offered by life underwriting, we must take into consideration the fact that living standards in America have risen in recent years to a vastly higher plane, requiring a far greater amount of money to maintain a home than ever before. What constituted an adequate amount of life insurance a few years ago to provide for family expenses on the old scale of living, is usually now pitifully inadequate. Larger and larger amounts of life insurance must, therefore, be carried by the heads of families if they wish their families to live according to the standards to which they have become accustomed.

When we recognize that every man and every woman who is in good health and able to pay a premium is a prospect for life insurance, we begin to realize the financial opportunities of life insurance salesmanship. The life insurance salesman is like a man seeking apples, who walks constantly through an apple orchard where hundreds of thousands of trees are loaded with apples. These apples will not drop into his hands. He must shake them down. Ofttimes he must exert great effort to obtain them, but the apples are there in such vast and exhaustless quantities that his greatest concern should be to lose as little time as possible in obtaining his proper share.

CHAPTER VII

THE OPPORTUNITY TO DO GOOD

No man has come to true greatness who has not felt, in some degree, that his life belongs to his race; and that what God has given him he has given him for mankind.—PHILLIPS BROOKS.

Can you serve your fellow men in the vocation of life underwriting? If so, how? These are quite proper questions to ask.

Two of the worst faults of the American people are improvidence and extravagance. We are inclined to think only of to-day, and to let to-morrow take care of itself. As a consequence, we spend our substance as we go along. We fail to lay up a reserve for the time of adversity that, sooner or later, comes upon most people. Improvidence breeds extravagance, and extravagance breeds improvidence. The two characteristics lead to an immeasurable amount of unhappiness and disaster. How are we to combat these evil traits?

Life insurance is the most practical method that man's ingenuity has devised with which to cure improvidence and conquer extravagance. Thrift is no easily acquired habit. Most of us must be backed up by a system which braces our will to set aside a portion of our income for the contingencies of the future. Life insurance provides that system. The fact that premiums fall due at stated periods, that we are notified not only once, but many times by the insurance company, and that every reasonable credit facility is placed at our disposal by the company to aid us in paying these premiums, serves to promote habits of providence and thrift. There is a form of compulsion about this system which makes us carry out the contracts we have undertaken.

The persistence of life insurance policies is far greater than that of savings accounts. It has been stated that only two per cent. of the savings accounts once started are intact after ten years, whereas some life insurance companies keep their lapse ratios well below five per cent. after the policies have been in force for three years. The factor of absolute safety, which distinguishes life insurance among all classes of securities, enables the policyholder to proceed with absolute confidence toward the financial goal he has set out to attain.

Is it not a worthy purpose to wage war on improvidence and extravagance?

The *Insurance Field* quotes the following illuminating table from the Statistical Exhibit of the Northwestern National Life of Minneapolis, Minn.

The Living American's Dollar Whither it Goes

Food	32¢
Rent	15.3
Clothing	13.3
Savings	12.
Miscellaneous	9.
Recreation	4.6
Fuel and Light	4.3

Furniture & General Supplies	2.5
Medical	2.3
Charity	.9
Reading Matter	.8
Life Insurance	3.
	1 00¢

The Dead American's Dollar Whence it Comes

All other sources	13¢
Insurance	87¢
	1 00¢

Only three per cent. of the nation's income is spent for insurance, but from that three per cent. comes eighty-seven per cent. of all that remains at death. Since this eighty-seven per cent. is traceable directly to the efforts of life insurance salesmen, we may review the purposes for which it is used:

(a) Protecting dependents.

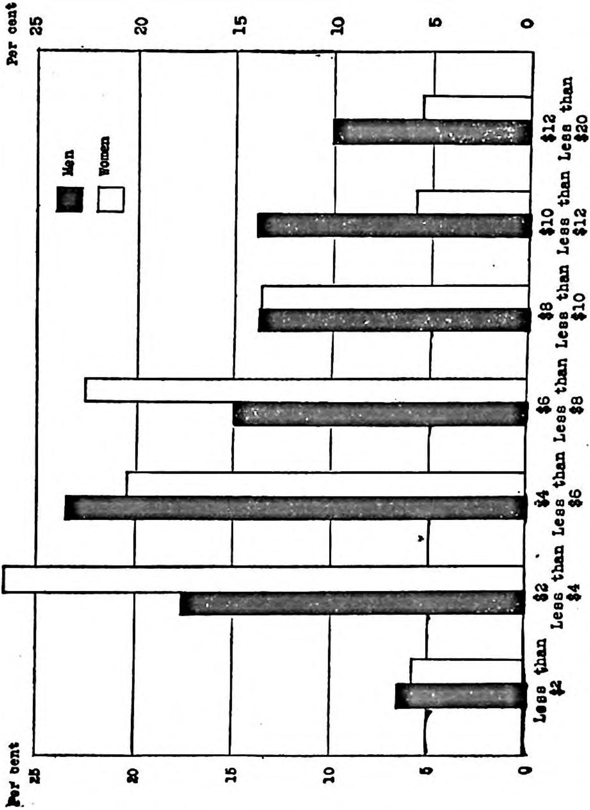
(b) Educating children.

(c) Sustaining organizations after brains, ability, or capital have been withdrawn through death.

(d) Keeping estates intact.

The chief function of life insurance has always been, and probably always will be, to replace the earning power of the chief support of the family. That is, it can step into a man's shoes financially and carry out the plans which the man would have carried out if he had lived. For example, every man plans to meet the current bills, month by month, from his earnings, but, if his earning power is cut short through death, only through life insurance, in many cases, can these bills be met. Likewise, only through life insurance can many a man make sure that his family will not fall heir to a mortgage rather than a home.

It is not difficult in almost any community to find cases where even a small amount of life insurance would have made the difference between happy independence and unhappy dependence; instances where the mother of the family could have remained at home with her children instead of having to help support the children if enough income had been provided through life insur-



Weekly aid given aged clients of Boston social agencies
1919–1923

Among the 592 clients whose cases are reported, there were 188 men and 404 women, the black lines (men) and the white lines (women) indicating the percentage distribution.

ance to enable her to pay the rent, or if a life insurance policy had enabled her to pay off the mortgage, leaving the home free and clear.

A chart[1] contained in a recent study of the "Aged Clients of Boston Social Agencies," brings out the fact that frequently only a small additional income will provide subsistence, and we realize that, in many cases, the only way in which a man can provide this income is through life insurance.

The following table shows the figures on which the chart is based:

	Clients receiving specified weekly grants					
	Total		Men		Women	
Amount of aid per week	Number	Per cent.	Number	Per cent.	Number	Per cent.
Total	592	100.0	188	100.0	404	100.0
Less than $2	35	5.9	12	6.4	23	5.7
$ 2 and less than $ 4 ...	141	23.8	33	17.6	108	26.7
$ 4 and less than 6 ...	126	21.3	44	23.4	82	20.3
$ 6 and less than 8 ...	119	20.1	28	14.9	91	22.5
$ 8 and less than 10 ...	81	13.7	26	13.8	55	13.6
$10 and less than 12 ...	49	8.3	26	13.8	23	5.7
$12 and more	41	6.9	19	10.1	22	5.5

From these figures, we see, for example, that 213 of the 404 women needing chari-

[1] Report Number III, Aged Clients of Boston Social Agencies, by Co-operative Social Research of Boston Council of Social Agencies, Simmons College School of Social Work and the Women's Educational and Industrial Union.

table aid received less than six dollars a week. It requires little effort, therefore, to visualize the benefits of life insurance policy which would provide a life income of only $25 a month.

The preface of this survey, however, makes the following significant statement: "The results of this study prove that the risks of being left without the means of meeting the economic helplessness or expensive illness of old age are not confined to the workers with low earning capacity, but are shared by persons in all ranks of society."

In view of the fact that such a large percentage of all that is left at death is received in the form of life insurance, it is not difficult to comprehend the important part played by life insurance in keeping families together and preserving American homes.

When we consider the importance of the second function of life insurance, educating children, we must first realize the part which education plays under present-day conditions.

Everett W. Lord, Dean of the College of Business Administration, Boston University, tells us that the untrained man goes to work as a boy of fourteen, reaching his maximum at thirty, his average annual earnings being less than $1,200. Inasmuch as his income is largely dependent upon physical strength, his earnings begin to decline at fifty, or even earlier, to a point below the level of self-support, so that more than sixty out of every one hundred untrained workers are dependent upon others for support after age sixty.

The total average earnings of the untrained man from 14 to 60 are about $45,000. Not more than $2,000 is earned in the four years that would have given him a high-school education. We move a step further and find through Dean Lord's report that a high-school graduate goes to work at eighteen, passes the maximum earnings of the untrained man within seven years, rises steadily to his own maximum of $2,400 a year at age forty, and continues at that level for the remainder of his active life. His total earnings from eighteen to sixty amount to approximately $78,000. The $33,000 more than the amount earned by the untrained man represents the cash value of the four-year high-school course.

Dean Lord then proceeds to show that the college or technical school graduate begins to receive a regular income at age twenty-two, although in many cases a considerable amount may be earned during the college course. By the time he is twenty-eight years old, his income equals that of a high-school graduate at age forty and continues steadily to rise, practically without a break. Since his income is dependent upon his mental ability and training and constantly improves by practice, it increases instead of decreases with the years. The average is $6,000 annually at age sixty, but this amount is often surpassed. The total earnings from twenty-two to sixty, which do not include any amounts earned during the college period, are $150,000 for the average college graduate. The $72,000 more than the total earned by the high-school graduate represents the cash value of the college or technical training. The four years that the high-school student spends in college thus augment his life's earnings $72,000, or an average of $18,000 per year for the four years spent in completing his college course. Dean Lord's figures are based on reports of the Massachusetts Department of Labor and Industry and on statistics of earnings of students and graduates of the School of Business Administration of Boston University.

The census report of 1920 shows that one boy in every nine in the United States between the ages of ten and fifteen years, is out in the world at work. That ninth boy ought to be in school. By inducing more American fathers to carry adequate life insurance this appalling condition of the ninth boy can largely be eliminated, or, at least, materially improved.

Dr. Willard of the Kansas State Agricultural College has found that out of every 371 successful careers, 370 are enjoyed by college men, and out of every 288 who have amassed wealth, 277 have had college and university training. The value of an education is still further illustrated by the following statistics which represent the findings of the United States Bureau of Education:

Distinguished Men of America

Number on Which Statistics Are Based	Educational Attainments	Number Distinguished in Business, Science and Arts
5,000,000	Uneducated	31
33,000,000	Common School	808
2,000,000	High School	1,245
1,000,000	College	5,768

The problems that confront us to-day are so complex that the trained mind is much in demand and, in the next few decades, this need for educated men is certain to become keener than ever before in the history of the world. Indeed, one profound thinker has recently expressed the pessimistic opinion that the complexity of modern life is creating such gigantic problems that, even with the best trained minds, these problems are becoming too tremendous to be solved by the human intellect. Although we do not concur in his prophecy that civilization will fall under the weight of problems greater than human intellect trained to the *n*th degree can solve, his point of view emphasizes the fact that the educated mind is needed more and more every day and that while college education was important ten, fifteen, or twenty years ago, it is rapidly becoming an absolute necessity if a man would take a creditable place and do a worth-while work under the changing conditions of a rapidly advancing age.

By inducing fathers of sons and daughters to insure their lives, the life underwriter is guaranteeing an education to the children of this nation that is not only enabling them to enhance their earnings, but also to give more efficient thought to the solution of the great problems of our modern life.

The service you can render to the widow and the orphans by engaging in the profession of life underwriting is second only in importance to the contribution you can make toward the stabilizing of business and the conservation of wealth. Every great institution, as someone has said, is the lengthened shadow of some great man's life. Hundreds or even thousands of men may be dependent upon the continuation of that business. When the man whose brain has built that business, piloted it through its crises, and maintained its credit and standing, is taken away by death, there is often grave danger that the financial shock will be greater than the business can stand. Life insurance will not protect a business against the sentimental loss of its chieftain, but it will provide the replacement value of that man's life.

Within recent years, life insurance has come to be almost a necessity for the man who has accumulated a substantial estate and who wishes to pass on this estate intact. Inheritance taxes and the expenses of administration often cut such a large slice from the estate that the terms of a will cannot be carried out. It has been said, in fact, that under present-day conditions, "the last act of any man's life is the act of going into debt."

Life insurance furnishes a practical solution to this problem for the event which creates the debt, makes available the funds to meet the obligation. Moreover, a life insurance policy carried to cover these charges makes it possible to meet them *for* and not *from* the estate.

There is another way in which the life underwriter serves. He collects from both humble and wealthy their deposits or premiums and puts them into the great reservoirs of the life insurance company. The life insurance company, in turn, through its financial experts, pours these reservoirs of capital into the places where they can perform the twofold purpose of yielding a proper return on the policyholder's money and building up our country.

Our life insurance companies render it possible for our railroads to be constructed, our farms to be improved, and our cities to be built. The life underwriter is a gatherer of capital. Without him the life insurance companies would have little money to invest and those who would carry out those great and useful projects that stand as the landmarks of a developing civilization would be deprived of one of their chief sources of capital. The recent World War demonstrated in a peculiarly striking manner the value of the life underwriter's service to his country. Great issues of bonds had to be floated to provide the sinews of war. Since enormous amounts of capital had been amassed through the efforts of the life underwriters of the United States, our life insurance companies were able to absorb great blocks of these bond issues. Their prompt and liberal response to the call of the government in its hour of need is no less a tribute to the service of the life insurance companies themselves than to the life underwriters, who, standing, as it were, on the first line of defense, secured the premium deposits that enabled the companies to invest in our national bonds.

If you enter the profession of life underwriting, you will not only be engaged in the service of binding up financial wounds, but better still, you will be instrumental in preventing the wounds. You will be averting poverty by inducing men to tax themselves in order that their dependents may not become a tax upon society. You will be protecting widows against want. You will be educating children. You will be inculcating thrift. You will be stabilizing business. You will be creating capital, and, through these manifold services, materially aiding in the building of our civilization.

CHAPTER VIII

THE FASCINATION OF SELLING LIFE INSURANCE

Work thou for pleasure—paint or sing or carve—
  The thing thou lovest, though the body starve;
Who works for glory misses oft the goal;
  Who works for money, coins his very soul.
Work for Work's sake, then, and it may be
  That these things shall be added unto thee.

—KENYON COX

Every man wishes to engage in a work the congeniality and fascination of which will bring to his life increasing satisfaction. If by temperament you are adapted to the vocation of life underwriting, you will discover the work to be a source of satisfaction and pleasure; if you are not, it will prove so galling that you cannot continue in the business. No man ever won the maximum amount of money or fame or conferred the greatest possible benefits on his fellow men who did not find his work absorbingly pleasant. The drudge, through force of will-power, may accustom himself to grinding away at tasks that he loathes and duties that intensely bore him. He may attain thereby some measure of success, but it is at best a most unwholesome process and the fortune and fame so attained and the service rendered under such distasteful circumstances are but a small part of what might have been accomplished had he invested his life in a congenial form of effort.

We are not preaching the creed that men should pursue the lines of least resistance, or that they should avoid obstacles and yield to complacent self-indulgence in their work. We merely would proclaim the sound though hackneyed doctrine that they get most out of life who put most into it; and no man can put his best efforts into his work unless he enjoys his work more than anything else in life.

If you enter the life insurance business, one of your ideals should be to make your life's work your greatest sport. When a man plays at his favorite sport, he is always trying to improve. Progress in a vocation depends very largely on how much you love your work. If you should dislike, or merely mildly like, to sell life insurance, you should go into another business. Of course, there will be features of the life insurance business which its most ardent devotees will find unpleasant, but you must enjoy the fundamentals of the work in which you are engaged. You must revel in the satisfaction of the service you are rendering. You must be enthusiastic about the methods by which you consummate your ends. You can go a long way in the field of life underwriting if you love the work.

Let us, therefore, consider some of the aspects of life underwriting which constitute the sources of its satisfaction. One of the principal sources of attraction in the life insurance business is the sense of freedom which it entails.

The life insurance salesman may revel in his freedom. He does not need to have his work laid out for him by another. He plans it for himself. It is not necessary that there be forced upon him the people with whom he must do business. He may deal only with men of wealth, if he prefers. In no other business or profession may a man make so fine a discrimination as to the scope within which his efforts shall be confined.

Not only does the freedom of the life underwriter relate to the selection of the people with whom he is to deal, but also to the time which he must spend in his work. The life insurance man can usually go to work when he wishes, stop when he pleases, take vacations as he likes, and holidays may be enjoyed quite at his option. The gauge of his conduct is his own ambition.

Another source of pleasure incident to selling life insurance is the opportunity it gives a man to meet people. Coming in contact with successful men and women, studying their personalities, analyzing their characters, discovering the reasons for their progress on the road of success, give to the life insurance salesman a rare insight into human nature. No book written by the greatest of masters is half so interesting as the book which God has inscribed in the humblest human life. Moreover, if you conduct yourself in the manner which the new spirit of life underwriting demands, many of these contacts will not be merely in the nature of business relationships, but will grow into lasting friendships.

Life underwriting carries with it, also, the zest of the oldest sport in the world—the sport of fighting battles. Man is by nature a fighting animal. He comes into this trait through an inherited instinct that is one of the strongest elements in his nature. This fighting instinct was bred into the fibre of man when the race was young, when necessity forced him into conflicts with his fellows and with the wild beasts—conflicts upon the outcome of which depended his very existence. The most powerful fighters survived. They were the forerunners of those later warriors, who, since the dawn of recorded history, have fought the battles of tribes and races and nations. As civilization becomes more cultured, this barbaric fighting instinct, which has through so many eras nurtured war and kept the world in bloody upheavals, is gradually showing itself in a less violent form. Our modern battles are intellectual and spiritual conflicts, but they are battles nevertheless. The fighting instinct is inherent in us all. Roosevelt had this in mind when he said, "Aggressive fighting for the right is the noblest sport the world affords."

The business of life underwriting is a series of daily battles, but they are intellectual and spiritual battles and prompted by no element of venom or hatred. The animating motive of the professional life underwriter is to conquer his adversary for the well-being of others, rather than for himself.

We would not create the impression that the life insurance interview is a rough and tumble quarrel between the prospective purchaser and the life underwriter. You will not find the men you call upon hostile to life insurance, as a rule; on the contrary, most men in these days are friendly. But you will have to fight apathy, lack of knowledge, stubbornness, failure to see duty clearly, and above all—procrastination. An official of one of the large life insurance companies expressed this thought almost epigrammatically. "Life insurance," he said, "is one of the best sold ideas in America, but the idea that I should insure my life to-day is not so well sold."

There can be no more interesting experience than a battle between a capable, successful business man and a well-trained, resourceful life underwriter. The life underwriter tactfully, but forcefully, uses his knowledge to show the business or professional man what his life insurance needs are, and then points out how he, through his company, can supply those needs. The man may use his ingenuity to postpone action or to avoid taking any action at all. Intelligence is measured against intelligence. The trained mind of the underwriter vies with the mind that is untrained in life insurance. It is a spiritual battle for the life underwriter to evoke the latent spirit of altruism in his client, to inspire him with a sense of duty. Pleasantly, yet aggressively, persistently, yet tactfully, the life underwriter gains domination over the prospect, bends his will pliantly to his own, induces action, and adds a new and enthusiastic policyholder to his clientele. Victory crowns his efforts, and the thrill of the conflict urges the underwriter on to other battles every hour of the day.

Defeat carries with it likewise its thrill—the thrill which comes to him who, conscious of having resolutely fought a good fight, reposes in the satisfaction of a duty done.

But whether in victory or in defeat, the underwriter never knows when he enters the lists with his prospects what the outcome is to be, and that very uncertainty adds to his fighting zest. Life insurance selling thus affords an opportunity for the gratification, in a proper way, of one of the most fundamental elements of human nature, the fighting instinct.

The pleasure that accompanies financial independence is likewise an attribute of this vocation. Particularly does the renewal income which is being built up contribute toward tranquillity of mind concerning the future. More and more we are coming to count our wealth in terms of annual income, rather than in terms of property holdings, for after all it is income that benefits a man. The lapse ratio on policies properly written, on the right kind of policyholders, in the best grade of companies, is exceedingly small, as we have already said, and, therefore, the renewal income which the life underwriter receives is sure and safe, more certain, in fact, than the income from securities that fluctuate and often pass their dividends several years in succession.

It has been scientifically ascertained that annuitants live longer than those who do not have a certain income provided for life, probably because the certainty of financial independence in the future relieves the mind of anxiety and, consequently, promotes long life. The renewal income which is being built up by the active underwriter for future contingencies, therefore, tends to promote happiness and makes the vocation more enjoyable.

The highest satisfaction, however, incident to selling life insurance is that which comes from the recognition, both by yourself and on the part of those whose lives you insure, of the great good that results from your efforts.

CHAPTER IX

BY-PRODUCTS

Happiness consists in the multiplicity of agreeable consciousness.—SAMUEL JOHNSON.

A large part of the net profit earned by some of this country's largest manufacturing corporations comes through the careful use of by-products. In some industries the by-products have become as important as the chief articles of manufacture.

In a sense the same is true of life underwriting. There are by-products which, in the individual case, may be fully as important as the main opportunities which this work offers. The permanency of occupation, for example, or the healthful out-of-doors work may mean more in the long run than immediate financial opportunities.

The successful life insurance salesman need have no fear for his job. There is always a place for a life insurance producer. The success of the institution of life insurance is due to the agents in the field, who secure the company's business. No one knows this better than do the men in control of the various companies. One life insurance magazine recently contained one hundred twenty-eight advertisements inserted by good companies which wished more representatives. This statement does not imply that the mere fact that a man has entered life insurance work guarantees him permanence, whether he makes good or not. You must make good in life insurance, as in every other endeavor in life. The drone, the ne'er-do-well, the obstructionist, the disorganizer, the constitutional failure, as well as the misfit—these have no place in the life insurance business; but the assurance of a lifetime connection is the heritage of those who make good. Even when old age comes, it is possible to continue this work. Innumerable instances might be cited of men in their sixties, seventies, and even eighties, who continue to serve in the ranks of life insurance producers.

If assured permanence is a valuable by-product of the life insurance business, then of equal importance is the relationship of this vocation to health. Perhaps the most potent cause of ill health in connection with work, is worry. Worry is largely caused by the burden of great responsibility. The merchant with a large stock of goods on hand, subject to declining prices and changing styles, the banker with his mind troubled by loans he is unable to collect, the farmer with his crops subjected to untoward weather or destructive insects—responsibilities such as these wear down vitality and bring men to their graves before their time. The absence of a capital investment of any consequence leaves the life insurance man comparatively care free. He has his share of worries, it is true; but they are not the kind that must be borne by those who have large sums of money invested in their business, subjected to innumerable hazards.

A second cause of ill health in connection with work is too close indoor confinement. Nature evidently intended man to spend a large part of his time in the open air. Dean Inge of St. Paul's Cathedral, London, in arguing that the race was going backward physically, stated that the two finest physical specimens he had ever looked upon were Zulu savages—men who lived in the open. Anyone who has ever seen full-blooded American Indians will testify to a similar physical state. Many a man, given up for a physical wreck, has changed from an indoor to an outdoor vocation, and has had his old vitality come back.

The comparative freedom from worry, the outdoor work with plenty of air and exercise which characterize the life insurance business, make it one of the most healthful of all the vocations. It draws heavily upon the nervous system, it is true, and one who comes under the spell of its fascination is quite likely to overdo. Yet experience has demonstrated that those in the life insurance vocation whose health has failed because of the nature of the work are so few and far between as to constitute the exceptions which prove the rule that the healthfulness of the occupation is an important by-product of life insurance selling.

The life insurance agent can spend far more time with his family than most men who choose selling as an occupation. Those who have been engaged in traveling jobs of various kinds, will appreciate this by-product. Life at best is short, and the time we are permitted to spend with our loved ones is all too brief under the most favorable conditions. When a man's work habitually takes him away from his family, he and they endure a hardship. Nor is it a morally healthful condition for children to be brought up without the daily oversight of the father of the house. It is the exception, rather than the usual case, for the average life insurance salesman to have to be away from home frequently.

While it is not literally true that one territory is as good as another, it is amazing how much life insurance may be written in the most unpromising places, provided the territory is thoroughly combed for business.

I know one intensive worker who wrote a million dollars of life insurance during a period of three years in two villages, one of them some distance from the railroad, the combined population of which was less than one thousand people. Although ten years have elapsed since he started work in those villages, he has continued to go back every year and has never yet failed to write a substantial volume of business on each return trip.

Even in great centers like New York or Chicago, the actual territory worked by the average successful life underwriter is small. One large producer in New York confines his operations to the territory within a few blocks of his office, and even when favorable "leads" fall into his hands which would take him to other parts of the city, he steadfastly refuses to leave his territory.

Years ago another life underwriter marked out for himself a few blocks in the neighborhood of Fulton Street, and finds more than he can do in that vicinity. Barring unusual circumstances, there is no need for any life underwriter to become a "rolling stone." The privilege of working near his home, and of being at home with his family, is a not to be decried by-product of the life insurance vocation.

The opportunity for self-improvement is another by-product. The ever-increasing requirements of training, necessitated both by competition and by the practise of companies and agencies, are in themselves a means of self-improvement. Life insurance is no simple system, and neither is salesmanship; the mastery of these two important subjects gives poise and self-confidence to a man. The life underwriter also has the daily opportunity of meeting men, and of sharpening his wits against theirs. Just as unused muscles degenerate, so minds kept cloistered from contact with other minds may grow dull. The mind to mind encounter every hour, which is the daily routine of the busy ambassador of life insurance, gives him a keenness of perception, and a resourceful capacity to take care of himself in any intellectual emergency. Also, these frequent brain collisions set latent thought currents in motion, stimulate imagination, and cultivate a concise, logical, and forceful manner of thought and speech.

The poet Pope said that "the proper study of mankind is man"; it is also the most profitable study. The knowledge of human nature gained by studying our fellows strengthens us for each and every problem of life; for by knowing others we come to know ourselves, and self-knowledge must always precede self-improvement. Every hard-fought sale you make is a victory won over your prospect, and every hard-fought interview in which you fail to make a sale, is a victory over yourself; for one gives you the confidence that is born of triumph, the other the strength which always comes with the consciousness of a well-fought battle. The very effort to master another man's mind, to subdue his will, to convince his moral nature of his binding obligation, is strength-begetting. That volatile something which we call personality becomes more compelling through these contacts.

The writer recently observed a successful life insurance salesman of many years experience, sitting quietly in a conference with a dozen other men during the discussion of an important matter. Although he was not the chairman of the meeting, each of the speakers turned and addressed the greater portion of their remarks to him. Instinctively they recognized his power. Long years of mastering men in life insurance interviews had improved his original cast of mind and soul and personality, until, even as he sat in silence, he dominated the group.

The development of initiative, too, follows as a part of the normal development of the underwriter. The absence of a boss to lay out his work for him, necessitates the creation of tasks by himself for himself. It is one thing to lay out work for another, which we might not do ourselves; that requires only a part measure of initiative. But to plan a series of tasks, then to set out to do them as planned, requires the highest type of initiative. Initiative is a distinctive characteristic of the native American. It is the quality, which, above all others, has caused our country to forge ahead of other countries. Through life insurance selling this quality is developed, perhaps, in larger degree than through any other vocation.

Another source of self-improvement is the get-together custom which characterizes American life insurance practise. Agency meetings, life insurance conventions, association meetings, insurance banquets—these are some of the means by which each life insurance salesman comes in contact with the best minds both from the field and the home office. Through these meetings he gathers knowledge and inspiration—the hand-maidens of progress and growth.

As we have already endeavored to show, life underwriting offers such unlimited opportunities that there may be little temptation to depart from the process of personal selling. At the same time it is logical to mention, as a by-product, the fact that enviable executive positions are open to those who first make a success of personal selling.

First, there are opportunities to become general agents, or agency managers, in which positions you are required to secure and train other men to do what you have demonstrated you can do. Many able personal producers of life insurance find themselves ill-fitted by temperament to run an agency, and some prefer to take on no duties or responsibilities that will interfere with their personal production. Practically all general agents and managers are recruited from among the personal producers, however, and anyone aspiring to the position of general agent or agency manager must approach that opportunity through the avenue of personal selling. Obviously, it would be quite incongruous to try to teach other men to sell when you have never done so yourself.

The opportunity of becoming an official of one of the life insurance companies also, in many cases, awaits the man who has made an outstanding success in the field. The presidents of some of our thriving life insurance companies, came to their high posts through service in the field with a rate book, and innumerable vice-presidents, agency superintendents, and other executives of American life insurance institutions are ex-producers. In fact, there is a growing feeling on the part of the whole insurance fraternity, both officers and field men, that, in future, the officers of our companies must have a more intimate knowledge of, and sympathy with, the work of the men who obtain the business of the company. In the future, this sentiment will inevitably result in the selection of an even greater proportion of company officers from among the agents than is the case at the present time.

CHAPTER X

MISUNDERSTANDINGS

Misunderstood! It is a right fool's word. Is it so bad then to be misunderstood? Pythagoras was misunderstood, and Socrates, and Jesus, and Luther, and Copernicus, and Galileo, and Newton, and every pure and wise spirit that ever took flesh. To be great is to be misunderstood.—RALPH WALDO EMERSON.

A great deal of misinformation exists in regard to the life insurance vocation. Perhaps the most glaring misconception is the idea that life insurance recruits its workers from among the failures in other vocations. This erroneous idea, like most of the false impressions that exist in the world, arose from a previous measure of truth. There was a time when life insurance agents, as a class, did not measure up to the high average that is coming to prevail to-day.

The fact must be kept constantly in mind that life insurance is a comparatively new business in America and that it takes time to establish traditions and to set up standards. Groping during the earlier decades, the life insurance companies were altogether too prone to try to get new business through whatever human instrumentalities they might find available. Their operation in that earlier period was largely a selling process, instead of a service process, and salesmanship, in whatever branch, was not then the science that it has grown to be in recent years. It has taken two thousand years for the professions of law and medicine to develop their high professional codes and it would be unreasonable to expect the relatively new institution of life insurance to develop as high a code in so short a time.

The novelty of the life insurance idea originally attracted salesmen galore of the type that took pride in smooth-talking ability, high-pressure methods, and too often, also, in dexterity in hoodwinking prospects. There were, of course, men engaged in selling life insurance during those pioneer years who had clean motives and proper methods. Burke, the great English Parliamentarian, truly said that you cannot indict a nation, and neither can you indict a whole group of men in any given line of work. But the staunchest defenders of the old order of life insurance agents cannot deny the fact that in too large a proportion of cases the man with the rate book had failed in his other undertakings and had taken up life insurance as a last resort, or that many who joined the ranks did so with the idea that this was a field in which they could use unscrupulous methods because of the prevailing public ignorance of life insurance. These men, their characteristics and their methods, left an unsavory impression on the public—an impression, which, happily, is being dissipated by the new type of life insurance counsellor who has come upon the scene in recent years.

The life insurance agent of former years knew very little about insurance. How could he? Only in the last dozen years has training been generally recognized as a prerequisite to success in selling life insurance. The companies, no less than the agencies, looked upon training as unnecessary, the value of which did not justify the time and expense needed to acquire it. New men, ignorant of the science of life insurance, were given rate books, and turned loose on an all too patient public. The wonder is that these uneducated emissaries of the highly complicated institution of life insurance accomplished as much as they did, for, it must be remembered, that they were working without training, at a time when they actually had to convert a skeptical public to the fact that the life insurance idea itself was sound. They had to struggle under difficulties that are almost unbelievable, in comparison with the more favorable conditions under which the present-day underwriter operates. Nevertheless, they laid the foundation of strength and stability for the success of life insurance in America by inculcating the life insurance idea in the American mind, and by securing the premiums from which our older companies have been able to grow into the mighty financial giants which they are to-day.

Unfortunately, the knowledge of progress does not always travel as rapidly as progress itself. The public, as a whole, is not entirely convinced that the type of life insurance agent which we have described no longer dominates the field of life insurance salesmanship. He is as much out of place in the new order as the doctor whose favorite method of treating his patients was to bleed them. I do not contend that the former type of life underwriter or his methods have become entirely obsolete. Here and there we find occasional survivals of that former type, but these, like the fossils of a previous era of animal life, are evidences of what was yesterday, rather than of what is to-day. The companies and agencies now provide training courses for their agents, which new men are not only privileged, but required, in a growing number of cases, to take before starting out to counsel men on the vital problem of insuring their lives. Colleges and universities are instituting departments for this same purpose. Some of the greatest constructive thinkers in the life insurance business, men like Mr. Charles J. Rockwell, Director of the School of Life Insurance Salesmanship at the University of Pittsburgh, Doctor S. S. Huebner, Professor of Insurance, Wharton School of Finance and Commerce, University of Pennsylvania, Professor Griffin M. Lovelace, Director of the Life Insurance Training Course of New York University, Doctor John A. Stevenson, Second Vice-President of The Equitable Life Assurance Society of the United States, Mr. Edward A. Woods, builder of the celebrated Edward A. Woods Agency of Pittsburgh, Vice-President Winslow Russell of the Phœnix Mutual Life Insurance Company, Mr. Marshall Holcombe, head of the Life Insurance

Sales Research Bureau of Hartford, Mr. Mansur B. Oakes of the Insurance Research & Review Service of Indianapolis, and Mr. Abner Thorpe, Jr., of the Diamond Life Bulletin Service of Cincinnati, are effectively devoting a great deal of time and thought to devising ways of educating the new life insurance man for his enlarged responsibilities.

The tremendous growth of life insurance in recent years, and the important place it now occupies in public esteem, have served to attract the highest grade of men to the business. The opportunity to become proficient in this new profession, through the training now available, has served to enhance the tendency on the part of men of promise and quality to become life underwriters. The college man, particularly, is entering this new and uncrowded profession with zest, bringing with him into the vocation a certain charm and vision that was not often found before.

The reference to life insurance selling as an "uncrowded" profession suggests another prevalent misunderstanding regarding this vocation—the belief that there are "too many agents." Only to the extent that life insurance men are untrained or incompetent is this true. The men now engaged in life insurance field work who are not equipped to carry on the work properly, and there are many such, are superfluous, and should be eliminated; but it is easily demonstrable that the vocation is not only not crowded with the right calibre of men, but that, on the contrary, an urgent need exists for thoroughly capable field men to carry on the work of life insurance selling. As we have pointed out, the measure of life insurance required by the American people, if computed in ideal terms of life values, approximates two trillion dollars, while the total coverage now carried is only sixty-four billion dollars. The wide margin between the need and the amount supplied, constitutes the most powerful answer to those who claim that the field is crowded. Perhaps more impressive evidence, however, that the field is not crowded is the almost frantic effort of the companies and agencies to secure men of the right type. The graduating classes of our colleges and universities are being combed for suitable agency timber (one agency recently secured nine men from the senior class of a large university); men of strong personalities with records of achievement behind them in other and less promising vocations are being sought with avidity; while advertising campaigns, in some instances on a national scale, are being carried on for men who measure up to the ever more rigid requirements of life insurance salesmanship.

Akin to the mistaken idea that the vocation is crowded, is the belief that the country is adequately insured already or at least is rapidly approaching the point of saturation. The discrepancy already referred to (see pp. 75 and 76) between the amount of insurance carried and the human life values in this country, refutes that misconception.

Hardly a business move of consequence is made but there is evolved at the same time a life insurance requirement. Whether it be a promotion, the taking on of larger responsibilities, the attainment of a bigger income, the assumption of a contract or the incurring of a debt, a life insurance need, real, legitimate and practical, is born with it. Men with the vision and training to observe these changes and with the ability to point them out to those affected, are required to help prevent with life insurance what otherwise might become distressing economic tragedies.

If it were true, as the uninformed believe, that life insurance is approaching the point of saturation, this fact would be reflected in a decreased amount of new business written each year. In 1924 the American companies wrote the largest total volume of business that had ever been written in the history of life insurance. Of the twenty largest American companies, not a single one showed a decrease in 1924 in comparison with the business written in 1922. On the contrary, the percentage of increase for new business in 1924 over new business written in 1922 is irrefutable evidence of the fact that life insurance is not on the wane.

The following table shows (without giving the names of the companies) the percentages of increase of new business written in 1924 over that written in 1922, among the twenty largest American companies:

	1922	1923	1924	Gain 1924 over 1922	% 1924 over 1922
1	351,294,986	511,610,544	673,577,688	322,282,702	42
2	1,802,110,686	2,359,034,859	2,515,728,846	713,618,160	40
3	104,383,609	155,449,489	146,433,046	42,048,437	39
4	1,311,041,883	1,470,453,136	1,812,938,569	501,896,686	38
5	558,447,153	692,728,153	741,525,861	183,078,708	32
6	150,468,768	171,855,420	193,989,470	43,520,702	30
7	657,787,475	785,071,246	853,307,867	195,520,382	29
8	276,891,467	355,120,274	374,558,259	40,320,241	28
9	128,507,429	167,087,081	162,775,621	34,268,192	27
10	67,865,314	80,048,636	85,794,284	17,828,970	26
11	84,364,328	105,264,473	87,240,477	2,876,149	25
12	157,193,448	190,320,592	195,886,810	38,693,362	25
13	623,378,385	710,397,776	764,116,524	140,738,139	22
14	180,753,703	197,245,235	213,558,859	32,805,156	18
15	274,786,722	313,859,983	326,419,263	51,632,541	18
16	87,791,327	96,148,025	103,955,200	16,173,873	17
17	126,847,484	144,690,056	146,530,349	19,682,865	16
18	392,465,930	446,275,679	448,967,358	56,501,428	14
19	120,166,054	123,176,003	134,242,954	14,076,900	12
20	89,501,000	98,206,913	102,288,362	12,787,362	12

Note: Taken from Bulletin No. 10 of the Ætna Life Insurance Company, June 10, 1925.

The idea sometimes crops up among the uninformed that the life insurance salesman's chief function is to "convince unbelievers that life insurance is a good thing." Most modern life insurance salesmen would refuse to waste their time in arguing that question with an "unbeliever." There was a time in the early days of life insurance when this was a necessary part of an agent's duty. But to-day, a prospect who is so ignorant of the fundamentals of modern civilized life that he debates the soundness of the life insurance idea is, as a rule, hardly worth the time and trouble involved in a discussion of the subject. Fortunately, people of this type are encountered so rarely that it seems strange to anyone familiar with the business of life insurance selling that many laymen think that convincing unbelievers is one of our frequently recurring problems.

Misunderstanding as to the status of the life insurance vocation itself is not confined to the public, but prevails also among the men engaged in the business. As to whether life insurance is a business or a profession is a controversial question, which possibly never will be settled. It is not, however, an important issue. The vital thing is for the life insurance representative to serve his clients so well that he may remove from the public mind the misunderstandings that have grown up about our vocation, clarify the functions of life insurance, and reveal the constructive good that he and his vocation render to society. The public, which, in the last analysis, is fair, will, unasked, allot to the vocation of life insurance selling whatever status its services merit.

CHAPTER XI

SHORT CUTS

It is the critical moment that shows the man. So when the crisis is upon you, remember that God, like a trainer of wrestlers, has matched you with a rough and stalwart antagonist.—"To what end," you ask? That you may prove the victor at the Great Games. Yet without toil and sweat this may not be!—EPICTETUS.

It is amazing how many people try to obtain the benefits of a successful life without contributing the toil and sacrifice which normally must be expended before they can be attained and enjoyed. It has been estimated that the American people lose $3,000,000,000 annually through investments in doubtful enterprises into which they are lured by the hope of making a large amount of money without working for it. Tremendous though this wasted sum may seem, it is not, perhaps, so great as the value of the energy and thought and time that are squandered in the futile effort to win short-cut success. In the end, it often takes less work to attain a desired goal by ordinary straightforward plodding than by methods which are shorter but in which there is a greater element of chance. Those who experiment with the latter are frequently set back and must start all over again behind their laborious fellows who have gone forward more slowly but, at the same time, more surely.

It would seem as though observation would teach people these simple truths; or, that a single heart-breaking experience would teach the lesson to any man that success is rarely achieved unless the price is paid. Unfortunately, such is not the case. Everywhere we find men frittering their lives away in one vain effort after another to get ahead by some hazardous short-cut route.

Very few men who are dominated by the

get-rich-quick idea, permanently acquire large bank accounts, while the bread lines and poor-houses draw their recruits largely from among those who possess varying degrees of skill in the technique of dodging the obstacles of life rather than surmounting them.

The vocation of life underwriting is by no means immune from the evils of shortcutting. Admittedly, the selling of life insurance is a job which requires continuous hard work. This fact causes a great many men to get their heads to thinking of plans or devices by which they may sell life insurance without having to devote to the work so much time and effort. Many schemes which they evolve are entirely impractical; others are quite ingenious and have potential value as aids in selling. Unfortunately, however, the temptation often presents itself to try to substitute these plans for work, rather than to put them to the perfectly legitimate use of assisting to make work more effective.

It must not be understood that the writer would discourage creative thinking among life insurance men or would advocate no progressive methods. On the contrary, he would most enthusiastically urge all life insurance men to use every available hour of their spare time in seeking to devise new plans and to improve upon old methods of selling, but would admonish against the danger of spending time in trying to evolve short-cut methods with the idea of employing them as substitutes for hard work. A plan sound and practical, but cleverly original, backed up by energy and sensible application, will go far toward enhancing the production of an alert underwriter. It will give him freshness in his point of view and will tend to arouse in him, and in his prospects, an enthusiasm which does not come from the employment of stale and hackneyed methods.

It has been said that "any plan will work in the life insurance business if the agent will." It is equally true that no plan will work unless the agent will work that plan. The following are some of the media which have proved to be aids to the underwriter in his selling campaigns:

(a) The mails for personal letter-writing and sending of insurance literature to prospects.
(b) Newspapers and other publications for advertising.
(c) The telephone.
(d) The telegraph.

You should not become deluded by the short-cut idea to the extent of convincing yourself that you can sell life insurance through the mails, or by advertising, or by any method other than by personal contact with those whom you seek to insure. Letters, circulars, and various types of advertisements are, however, wonderful aids in breaking down sales resistance and in putting the prospect in a receptive attitude for a personal interview.

The telephone is a great time saver for the underwriter. You can use it in making appointments, in finding out whether the prospect is in his office before you attempt to make a call, and in securing information that will enable you more intelligently to present your proposition.

The telegraph has never been utilized as much as it should be by life insurance salesmen. A telegram to a prospect, summarizing your arguments, especially in case of competition, is often very effective. It can also be employed to elicit inquiries, although if you use the telegraph, you should be exceedingly careful that your plan does not appear over-bold or savor of sensationalism.

He is a wise underwriter who utilizes these facilities for furthering his work. If you undertake to employ them, however, you should watch your costs by keeping careful records of the results; you should promptly follow up the contacts which you form, and tie up your sales arguments with the spirit and logic of your preliminary plan.

You should give each of your plans a fair trial before discarding it, and should not hesitate to invest money in carrying out any plan which you have considered carefully and believe to be a winner. Freak ideas or methods, however ingenious, which may tend to cheapen you or your business in the eyes of your possible clients, should be avoided. The life insurance vocation is a serious and dignified work. It should be maintained upon a plane in keeping with its best traditions and the dignity of your calling should not be sacrificed to your desire for financial profit.

One of the short cuts employed to the detriment of the life insurance business, is the high-pressure system, which was more frequently used a few years ago. The high-pressure salesman was usually a man of strong personality and of exceptional persuasive ability. He would simply rush his prospect off his feet, then secure his signature and check before the applicant had given sufficient consideration to his proposition. This method often proved to be a quick way of getting the man's money, but unfortunately the prospect would often react against the proposal after he had thought the matter over and would then feel resentful toward the salesman who had stampeded him into making a premature decision. As a consequence, the high-pressure salesman, instead of building good-will among those with whom he dealt, would find himself without a clientele of persons who wished to buy insurance from him in the future; and, what was worse, the experience of the insurance companies showed that insurance secured by high-pressure methods did not stay on the books as well as that sold in a more conservative way. In other words, high-pressure methods proved to be very unprofitable, both for the company and for the salesman.

Building up a life insurance clientele is similar, in many respects, to building up a law practice. The lawyer's most profitable clients are not those whom he is called upon to serve only once, but rather those clients who, satisfied with his services, continue to consult him concerning their legal questions and take pleasure in referring other clients to him. If you do not serve your life insurance clients in such a manner that you can go back to them from time to time and make future sales to them and to their associates, you have missed the most profitable and satisfactory method of conducting your business.

The modern underwriter, as we have said, does not sell policies. He begins at the other end. He first diagnoses the insurance needs of his prospective client; he then points out to the client what his needs are, and explains why he should have insurance; he then recommends insurance on the proper plans and for the amounts necessary to meet his client's insurance needs. The life underwriter who at once endeavors to sell his prospect a policy of insurance without analyzing his needs is short-cutting. He fails in his duty to his client. The underwriter who wins the permanent loyalty of his clients by giving to them professional life insurance service, is building solidly; the policy salesman is not. At the outset, the underwriter may not see the advantage of carefully analyzing the needs of his clients, but after a few years, all else being equal, he will find that his business is on a far more substantial basis than the business of the man who endeavored to serve his own interests rather than the interests of his clients.

Two of the most pernicious forms of short-cutting in the field of life insurance salesmanship are those known as twisting, persuading policyholders to discontinue policies already in force in order to substitute new policies, and rebating, allowing a policyholder a discount on the amount of premium by returning to him all or part of the first commission received.

Every honest life insurance man knows that when a person is insured in a sound legal reserve life insurance company, that person should be encouraged to keep his policy in force for the following reasons:

(1) The premium rates are based upon his age and he cannot, at a later age, buy insurance at as low a rate as that which he pays for his present policy.

(2) A certain financial value attaches to the premiums he has already paid, part of which he may lose by discontinuing his insurance.

(3) He may not be able to pass the medical examination for other insurance.

Occasionally, of course, a policyholder may be carrying a form of insurance which will not meet his needs or the needs of his family, in which event it is obviously the underwriter's duty to point out to him the kind he ought to have or even to assist him to have the adjustment made with his present company and preferably through the agent who wrote the insurance. In most cases, however, the policyholder has everything to lose and nothing to gain by exchanging one policy for another, unless he is converting a term policy to a permanent form.

While the policyholder is the principal sufferer if his policies are twisted, the fact should not be forgotten that there are two other parties interested in the transaction who would be innocent sufferers; namely, the company that has been carrying the insurance, and the agent who originally wrote it. Each has an interest in this business, based upon the policyholder's carrying out his part of the contract by continuing to pay the premiums. Each suffers, therefore, if the business does not remain on the books. Furthermore, it is only by dissatisfying the policyholder with his policy that the twister can induce him to take insurance elsewhere, and in the process of dissatisfying him with his policy, he knocks, by implication or otherwise, the policyholder's company and its agent. This practice tends to undermine confidence in the whole institution of life insurance. Twisting, therefore, is one of the lowest acts to which an agent may stoop, and the agent who adopts this short cut to making sales has no standing among decent insurance men.

Rebating, like twisting, is another dishonorable short cut to insurance selling. Life insurance premium rates are mathematically ascertained. They embrace a proper charge to cover the commission for the agent who sells the insurance. As long as life insurance is rarely bought by those who need it, and it is, therefore, necessary to induce men to perform their duty to their dependents, the life insurance agents who perform this constructive task must be compensated. Rebating, as we have said, consists in giving to the applicant for insurance all or a part of the agent's first commission. Obviously, if this were done universally, life insurance agents would be unable to earn a livelihood and would have to turn to some other vocation. Also, since men rarely buy life insurance unless it is sold to them by agents, it will readily be seen that if the practice of rebating should become general, the entire structure of insurance would decline and probably cease to exist. Society would thus lose this great institution which contributes so much toward the amelioration of suffering, the protection of the weak, and the stabilization of business.

Recognizing the evils of rebating, most states have passed laws prohibiting the practice, so that the rebater not only takes an unfair advantage over his co-workers and weakens the structure of life insurance by his act, but, also, in most commonwealths, violates a law on the statute books.

It might erroneously be inferred that rebating would be a blessing to the purchasers of life insurance by enabling them to buy their insurance at a low initial cost. In the individual case, of course, a man might procure his insurance with a smaller outlay, but he is, in reality, accepting a bribe, which is, in itself, unmoral. There is the further disadvantage that only those able to buy large policies are singled out for the granting of rebates. Those who are least in need of the rebate are the ones most likely to receive it, and thus there is a discrimination, as regards price, against the person who can buy only a small or average amount of insurance. Experience has shown this to be precisely the case. The man purchasing a small or medium-sized policy rarely attracted a rebate, whereas the large buyer tempted the rebater to give back part or the whole of his first commission in the expectation of making an eventual profit from the renewal commissions received in subsequent years.

A similar condition prevailed among our railroads a few years ago when rebating was practiced for the benefit of certain large shippers while the small shipper was required to pay the full rates. Statutory enactments have eliminated this evil among the railroads, just as similar laws against insurance rebating have gone far toward eliminating this pernicious form of short cut in the life insurance business.

More potent, perhaps, than the compulsion of law, has been the improved ethical standards accepted by the life underwriters themselves. The sentiment against rebating is so strong that, even if the laws did not prohibit it, no man would be able to engage in the life insurance vocation and retain his standing among his fellow agents if he practiced rebating.

There is no actual short cut to success in life insurance, but knowledge of the business comes nearer being a short cut than anything else. Complete understanding of what life insurance is and what it does enables the underwriter to deal only with essentials and he thus saves his own time and that of his clients. The facts which he presents arrest attention at once; the confidence which his knowledge creates in the minds of his clients eliminates the necessity for extended argument; and, furthermore, the well-informed underwriter is not long in acquiring a deserved reputation for being an authority on life insurance, with the result that his clients rarely appeal to other sources for life insurance advice. Knowledge of life insurance, therefore, largely eliminates time-wasting and nerve-racking competition. Samuel Johnson has well said that "Knowledge is more than equivalent to force." The life insurance man who has a thorough knowledge of the business, coupled with the capacity to use this knowledge properly, has found what will eventually prove to be the shortest cut to success in selling insurance.

CHAPTER XII

QUALITIES REQUIRED

Men make progress in the world not so much by reason of circumstances which lie outside of them, as by virtue of qualities with which they come into the world endowed and by the proper use of which they make themselves masters of their circumstances.—ANON.

You have had spread out for your inspection, in the preceding chapters, the advantages and disadvantages of life insurance selling. You have by now a fair opinion of what life underwriting has to offer you by way of a career. It is now proper to ask yourself: "What qualities have I to offer to the vocation of life insurance selling?" The vocation may appeal strongly to you; but it is vital that you should now consider whether you would fit into the vocation. Having before you the measure of the vocation, you should now measure yourself.

Another cannot take your measure for you. He can only supply you with a yardstick, and suggest ways to use it. He may form an opinion—but only you yourself can sound the hidden depths of your own character and gauge the qualities which lie hidden there.

Nor is it an easy task to supply the yardstick. The predetermination of a man's fitness for successfully engaging in life insurance is a phase of life insurance development which has not been given the consideration that its importance deserves. It is vital both to you and to the life underwriting vocation, that you should not take up this work if you do not possess the qualities requisite for success. On the other hand, it is one of life's marvelous adventures to discover hidden within you capacities qualifying you for carrying on the constructive work of insuring lives, of enabling people to guard against the hazardous uncertainties of fate and circumstance.

In addition to good character and good health, there are three major characteristics by which you may test your fitness for this work. You should, therefore, answer these questions before you decide whether or not you will choose life underwriting as a career:

(1) Have you the life insurance temperament?
(2) Do you possess the quality of being convincing?
(3) Are you ambitious?

(1) THE LIFE INSURANCE TEMPERAMENT

There is a life insurance temperament, just as pronounced as the artistic temperament, or the scholastic temperament. There is nothing vague or mysterious about it. A man either has it, or he does not have it. It is made up of many elements and shows itself in various ways. Here are some of them:

(a) A desire to sell something.

(b) Enjoyment in meeting strangers, and in mingling with people—the social instinct.

(c) The impulse to give expression to your ideas, and to have others believe as you do.

(d) Confidence in your ability successfully to accomplish whatever you set out to do.

(e) Love of the thrill that comes from a hard fight for a good cause.

(f) Tendency to want to dominate those with whom you come in contact.

(g) A gift for being tactful.

(h) The kind of personality that causes people to like you as soon as they meet you, and to continue liking you thereafter.

(i) The courage of your convictions.

(j) Initiative—the compelling desire to start something.

(k) The "go-getter" attitude, with a preference for dealing with people, rather than with papers.

(l) A boundless energy.

(m) A desire to serve.

(n) Vision which enables you to see far into the future.

(2) CONVINCINGNESS

A man may have all the elements enumerated under "Life Insurance Temperament" and still be unable to sell life insurance. We meet many such persons in different branches of salesmanship, and we say they are "good mixers" or that they are "hustlers," but we wonder why they do not go ahead. Often it is because they do not have, in addition to the life insurance temperament, the all important quality of convincingness. To be convincing means everything in our vocation.

There is quite a difference between possessing the quality of convincingness and merely being a "convincing talker." The quality of convincingness is an element of character. To be convincing, a man must possess a great deal more than mere talking ability. Some of the most convincing people are extremely poor talkers, and some of the most unconvincing are excellent talkers. To be convincing, a man must have convictions. He must have knowledge on which to base his convictions. He must think clearly in the light of his convictions and of his knowledge, and, then, his sincere expression of the belief in which he has saturated his very soul carries the weight that convinces his hearers. The life insurance agent, therefore, finds converts to his cause if he believes in life insurance with a passionate conviction, and if his faith is based on a thorough knowledge of life insurance. Earnestness, sincerity, and enthusiasm are likewise necessary elements of this quality of convincingness.

To be convincing does not mean that a man must speak in a loud tone, or be offensively emphatic. It is not necessary to resort to "fire eating" tactics to be convincing. After listening to a noisy harangue by a country lawyer, a wise old farmer on the jury turned to one of his colleagues and dryly said of the speech, "Lots of heat but very little light." Webster, perhaps America's most effective orator, is said never to have spoken above a conversational tone. Nor is it necessary to be "long-winded" to be convincing. Concentration of much thought in few words renders the thought more compelling than if it is smothered under an excess of language. To be logical enhances one's ability to convince. Facts, like soldiers, are more powerful if sent into combat in orderly array.

You know whether or not you are convincing—whether you can make others believe the things in which you believe. It is a trait that can be acquired. Modern life insurance training courses go far toward developing this characteristic because they inculcate both knowledge of life insurance and faith in life insurance—its two chief sources.

(3) AMBITION

Former Governor Neff of Texas recently said, "You can turn the world upside down if you only want to badly enough, but you must want to first." In these words he has expressed a truth of such great importance that you should apply it in determining whether or not you should venture upon a life insurance career. You may have the life insurance temperament, you may be convincing, and yet fail utterly to make good in life insurance selling if you do not have ambition—by far the most important quality of the three. Upon the depth of your desire to go ahead, depends, to a greater degree than upon any other factor (except sound character), your success in life underwriting. In fact, a strong, insistent, sustained desire, a desire that makes you willing to work long hours, to suffer hardships, to endure sacrifices in order to gain your goal, will carry you to amazing lengths in this vocation.

Men often ask, "What is the secret of success in life insurance selling?" An answer often given is, "Hard work." That answer does not go deeply enough into the truth; ambition lies behind hard work, and prompts it. Sometimes the question is answered, "Knowledge of the business." But ambition inspires the acquisition of knowledge, for you do not have to prod the truly ambitious life insurance man to learn his business; his ambition to succeed causes him to acquire the necessary knowledge. Ambition energizes a man's life insurance temperament, it gives power to his convincingness, and it bears him along from one prospect to another on the wave of an almost irresistible enthusiasm.

There is the possibility that you may think you are ambitious when such is not the case. You can decide this question by a simple test. Answer for yourself these questions:

(1) What goal do I wish to reach in life underwriting?

(2) What price am I willing to pay to reach that goal?

(3) Am I willing to study diligently and to do a certain amount of planning and constructive thinking every day, no matter what outside temptations may present themselves?

(4) Am I willing to continue to call on a definite number of prospects every day, regardless of whether success or failure meets my efforts?

(5) Am I willing to suffer the pangs of discouragement, to endure rebuffs and disappointments, and to live economically, even to the point of privation if necessary, until I am established in my new life work?

An ambition which is strong enough to inspire a favorable reaction to these tests, will sustain you through almost every difficulty that may arise in the business of insuring lives. Furthermore, such an ambition will cause you to love your work, and even to minimize some of its disagreeable features, for, by conscientiously pursuing the course laid down by an unswerving desire to succeed, you will realize that every one of these hardships is but another step forward to the enjoyment of the rewards of success.

If you do not have this deep-seated desire, this unconquerable ambition, then your favorable temperament and your convincingness will amount to nothing. If, however, the three are linked together in your makeup, the life insurance temperament, convincingness, and ambition, then to you is destined to come, through the medium of the life underwriting vocation, the fulfillment of the four fundamental aims in your life work: you will make all the money requisite to your comfort and happiness and that of your loved ones, both as you go along in active pursuit of your tasks, and after you reach old age; you will win a name honored and respected for the constructive good you have done; you will confer practical benefactions upon your fellow men; you will enjoy the thrill of practicing a fascinating profession, filled with variety and interest always, and rendered more charming by the sense of pride which inevitably comes to the underwriter who realizes that his production is adding to the happiness, as well as conserving the wealth of the world.

CHAPTER XIII

IDEALISM IN LIFE UNDERWRITING

Service above self; he profits most who serves best.
—MOTTO OF ROTARY INTERNATIONAL.

Three laborers were breaking rock for the foundation of a building. A passer-by stopped to ask them what they were doing.

The first laborer said, "I am breaking rock."

The second answered, "I am earning five dollars a day."

The third replied, "I am building a cathedral."

Their answers were significant, for they revealed three types of workers. The response of the first laborer showed that he was a drudge; that of the second, that he was a materialist; while the reply of the third set him apart from his fellows as an idealist.

Selling life insurance is no proper vocation for the drudge since he must needs have constantly before him something tangible, something of form and substance to work with, because he is without imagination. Life insurance, however, is intangible, with no physical properties which appeal to the wholly matter-of-fact worker.

Nor does life underwriting appeal to the tastes of the materialist, who looks upon his job merely as a medium for securing money. The hope of financial reward is the dominating motive of the materialist's work. All other considerations are secondary. Selling life insurance, being a personal service vocation, quite obviously does not, except in rare instances, provide the income which this type of character demands. Its financial possibilities are more than adequate to satisfy the proper requirements of modern life, or to gratify the ambition that is not steeped in avarice; but to the man who is willing to devote his talents to money-making as the sole aim and purpose of his life, life insurance will not provide a congenial field of endeavor.

To the extent that life underwriting is incompatible with the mental processes of the drudge and the motives of the materialist, it meets the requirements of the idealist and gives complete opportunity for the play of his ambition. The true idealist is as far removed from the impractical visionary on the one extreme as from the purely matter-of-fact type on the other. He occupies a middle ground somewhere between the two where common-sense blends with imagination. How does life insurance make its appeal to such a man?

Let us return to the illustration of the three laborers. The first had his mind centered on the routine task before him. He should not be condemned for that. There is a certain amount of drudgery about every job, however important. Even the President of the United States is by no means free from his share. For example, he must personally affix his signature to thousands of official documents every year. Nor can the life underwriter entirely escape a certain amount of drudgery. He must do a great deal of walking and talking every day; he must read and study; he must reply to innumerable questions, the answers to which are to him uninteresting repetitions of simple truisms; he must write letters of explanation about the risks he submits. The life underwriter who is a practical idealist, however, recognizes this routine as a part of a grand scheme of life—and so even these tasks become invested with a certain charm.

The second laborer was justified in looking on the wages he received as an important factor. So, also, the man who sells life insurance should regard the financial reward that comes from his sales as one of the many compensations that accrue from his work. The trouble with the second laborer was that he did not see beyond his immediate reward, as the first did not see beyond his immediate task. Each lacked that which, for want of a better term, we call vision, and this lack of vision will chain these men forever to tasks of drudgery. A man cannot go ahead unless he first sees ahead. This rule holds true to a surprising degree in the life insurance business. The mere drudge never becomes a large producer. He rarely sells a large policy. Having little vision himself, he does not know how to approach men of larger vision.

More obnoxious than the drudge is the type of life insurance salesman who thinks only of the commission he is to get from the sale. It is just retribution that such men rarely become important factors in the life insurance business. When a man thinks first of his own interests, it follows that he will think secondly of his clients' interests. Big financial returns are secured in life underwriting not through selling clients once, but by meeting their insurance needs in such a satisfactory way, irrespective of the immediate profit to the agent, that they become permanent customers. The agent who forms permanent contacts with men who are growing more prosperous year by year, thinking always of their insurance interests first rather than of his own commission interests, will discover that, in the long run, he has far outstripped his more mercenary competitors.

Cyrus H. Curtis, the great publisher, was criticised by some of his colleagues when he sent back an $18,000 check which he received in the mail from a patent medicine firm that wished to advertise in the *Ladies' Home Journal.* The check had come at a critical time in the financial affairs of the Curtis Publishing Company, when sufficient funds were not available to meet the current payroll. But Cyrus H. Curtis had previously decided to accept no patent medicine advertising, and he had not only the courage to stand by what he thought was a sound advertising policy, but he had the vision to see, far ahead of immediate profits, more substantial returns that must accrue eventually if the interests of his subscribers were always his primary consideration.

If the first two laborers illustrate types of mind to be avoided, the third portrays an idealism which is almost indispensable to the success of the life insurance salesman. Although the third laborer was breaking rock, just as his two fellows were, his thought was not on the laborious swinging of the heavy hammer or its pulverizing impact against the rock; nor was he thinking of the pay envelope, whether it held too much or too little; his imagination broke away from the prison walls of his mind, and winged its flight into a larger world of accomplishment. He realized that each stroke of the huge hammer against the stone was part of an infinitely larger plan, and that, humble as was his place in that plan, it was necessary, useful, and honorable. His vision transformed the broken stones around him into a temple which should stand as a holy sanctuary dedicated to his God. Thus the true idealist sees not only the immediate work that he is doing, but he beholds the perfected result of that work.

The professional life underwriter regards himself, not as a vendor of life insurance policies, nor as a money machine coining dollars for himself, but rather as an artisan who is engaged in erecting a great cathedral that shall render life more beautiful and complete for others. Each policy that he sells is but a stone placed on the walls of that temple; he is only one of the workmen on the great edifice; but he can conceive of the blessings his handiwork will render through long years after his own life is finished—as the multitudes come under the protecting cover of his cathedral.

The life insurance idealist is above all else an altruist and glories most in the constructive good that results from the forces he sets in motion. He realizes that men have work to do which cannot always be completed during the span of their activity. So he provides, through life insurance, the means whereby they may project their economic value into the future and thus make sure that their dreams will become realities.

Is it a college or a hospital that a man is ambitious to endow—if he lives? The life underwriter provides a plan by which this philanthropist's wishes may be carried out even if he is stricken down in the midst of life. By adopting this plan, the man may have the satisfying consciousness that his hopes will be fulfilled by the life insurance company, just as certainly as though he himself were permitted to complete the work.

Does a husband wish to give to the wife who has shared his struggles the comforting assurance that financial hardship will never face her in the future? The life insurance counsellor will point the way.

Does a father desire above all things that his son and daughter shall partake of the "learning of the sages and the culture of the ages"? The agent for the life insurance company can suggest a method by which the funds for their college education may be provided. Even if the father should die, therefore, his wish need not be buried with him in his grave.

Does a son aspire to give to his mother and father the blessed assurance that, in the sunset days of life, the comfort that springs from financial independence shall abide with them, even though they are deprived of his protection by the relentless decree of death? The task is almost a sacred rite for the underwriter, for only through life insurance, in many cases, can this assurance be provided.

Does a business man intend that no stain of dishonored debts shall be transmitted by him to stigmatize his children and his children's children? Does he hope, as well, that the business to which he has consecrated his talents and his toil throughout his long career, shall survive the financial shock and strain of his death and stand a sturdy monument to the sound policies on which he builded? The man with the rate book can preserve his financial honor and conserve the accumulated wealth of a lifetime.

The underwriter's task is a work of constructive patriotism, and patriotism is of the very essence of idealism. What type of patriotism could be found more constructive than that which preserves the homes of the nation, educates its children, underwrites its motherhood, and stabilizes its business institutions?

With the development of a higher civilization, the trend of popular desire has been toward the attainment of three great national ideals: political independence, religious freedom, and economic independence. Many wars have been fought to secure the first two of these great ideals and the foundation of our own country was brought about partly by a desire to establish political and religious freedom. It is a justifiable American boast that we have attained these two ends. But the third ideal—economic independence—by which we mean the capacity among the great bulk of our citizens to enjoy an equitable share of the good things of life, has not yet been fully attained.

At the present time, life insurance is furthering the attainment of economic independence among the people of this country perhaps more appreciably than any other institution. Darwin P. Kingsley has defined life insurance as "a great social compact, which merges the individual into the mass, and places behind the frailty of man standing alone, the immeasurable strength of men standing together." This immeasurable financial strength of life insurance gives to fifty million Americans—almost half of our total population—the assurance of at least some degree of financial independence for their dependents. The institution of life insurance and the work of the underwriters are thus aiding our fellow countrymen in the attainment of the third great national ideal.

Perhaps in no way does the constructive idealism of life insurance manifest itself more clearly than through its moral influence on the characters of the great body of the American people.

Two defects of character menace the stability of our American civilization. The first is our tendency to be wasteful and extravagant. The abundance of our resources and the comparative ease with which money is made, have caused us to pass lightly over the homely virtue of thrift, so that we have become the most prodigal people in the world. This tendency must be corrected, or it may eventually lead to national disaster. As our population becomes more dense, competition more keen, and the natural sources of wealth more depleted, we shall have to find some means of correcting our tendency toward improvidence. Life insurance, by its very nature, teaches the gospel of thrift and saving. Policyholders of life insurance are, to that extent, converts to thrift. The life underwriter lives by preaching the doctrine of conservation as opposed to the doctrine of extravagance and waste.

The other defect of American character, one for which our foreign critics justly chide us, is the tendency to become materialistic. This tendency is one of the attendant dangers of commercial success. The motive behind the life insurance idea, however, is an unselfish desire to protect those we love. The great bulk of life insurance carried in this country has been purchased by those who had little expectation of getting any financial benefits from it themselves. The burden was voluntarily assumed for the benefit of others. Buying life insurance is altruism translated into practical terms. This almost universal adoption of an altruistic plan in America is a helpful antidote against the growth of materialism. The underwriter, as he proclaims the altruistic principle that a man should make an unselfish sacrifice year by year for the sake of those dearest to him, is inculcating an ideal that is indeed salutary to the development of American character.

One hundred sixty-eight thousand apostles of thrift and altruism make up the field forces of the institution of life insurance in America. They are helping to bring about the economic independence of the American people; they are strengthening the fibre of American character; they are contributing to the development of American ideals. Theirs is a practical and a constructive mission. Their vocation is surcharged with idealism. This idealism rests on a sound economic foundation and yet is so exalted that it makes men forget what money can do for them in the thought of the wondrous things that money can do for those they love; it is an idealism that does as much as human power can do to transform the disaster of death into the beauty of life.