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ELEMENTARY TEXTBOOK

AND

ABRIDGED MANUAL OF
INFORMATION AND SUGGESTIONS

*For Field Representatives
of the*

**MASSACHUSETTS MUTUAL
LIFE INSURANCE COMPANY**

SPRINGFIELD, MASSACHUSETTS

By Charles Warren Pickell

Detroit, Michigan

1917

***THIS BOOK BELONGS TO THE COMPANY
AND IS LOANED TO THE FIELD REPRESENTATIVE***

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Springfield, Mass.

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PREFACE

In the preparation of the following pages, the clearly expressed wishes of the Company to make the text *brief* and *to the point* have been carefully respected.

A vast amount of material that some might regard as both cognate and essential has been excluded.

1929
No attempt has been made to duplicate what the solicitor could find *plainly stated* in our *circulars*, *policies*, and *Book of Instructions* to agents, but the aim has been to *reinforce* such information with other kindred matter pertinent to our work.

Emphasis has been placed upon our *policies*, values, options, and other salient features sometimes overlooked or minimized,—and *how* to sell them. Space has been devoted to the *agent's work*, use of his *time*, *how* to express the *dignity* of his profession, *how* to *conduct* himself, etc.

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The great subject of *salesmanship* has only been *outlined*—the *foundation*, *growth*, and *history* of life insurance *merely mentioned*—only a *digest* of the *Massachusetts laws* is incorporated.

Bruchett
The Company's purpose to provide a manual that would be *especially adapted* for the training of *new solicitors*, thereby saving the General Agents' time and labor,—and at the same time offer certain well-tried plans to the more experienced,—has been the author's guiding star.

The book is not exhaustive. It is not an *encyclopedia* of the life insurance business or an unabridged treatise on the fine art of salesmanship. To the

untrained field man, it is believed, it will prove an instructive and creditable monitor—to the *more experienced*, suggestions herein offered may lead to the designing of *other plans* quite as profitable—*new* to us all.

The text is so *interwoven* and *correlative* that some repetition may occur. This should serve to add *emphasis* and so aid *memory*.



LIFE

Human Life is a profound mystery—whence it came—of what composed—whither bound—its eternal destiny, are far beyond the realm of human genius to discover or explain. Marvelous, intangible, undefinable, *life* is the most absorbing and most precious possession of man.

When the vital spark animates this inert body of clay, it becomes a feeling, thinking, acting personality. A wonderful miracle is performed. From such a union immense possibilities are born—enormous values are created, transcending every other earthly thing. *Life is—life becomes* vibrant, penetrating, peerless, and, we believe, immortal.

From prehistoric times mankind has cherished life. Every means known to primitive as well as civilized man has been employed to preserve and prolong this mystical essence we call "life." Science and art have lent their aid, but to no avail. We are *sojourners* only—incumbents for a little while.

The *exact* time when our earthly pilgrimage will end and the vital force be disconnected, is not known—and will *never* be known. Death is certain, but indefinite—inevitable, but the time of its arrival unknown.

To minimize the loss by death—to replenish the waste by our taking off—to repair the damage to home and loved ones—to establish order and perpetuate values—to maintain the purity and adequacy of society—to safeguard the state and through the state the nation,—has been the *aim* of the human race for many centuries.

A device has been discovered—it is Life Insurance—which is born of life's uncertainty and calculated to supply every human need. We believe it to be one of the greatest blessings ever given to the children of men.

CHAPTER I

BRIEF HISTORY OF LIFE INSURANCE

Life insurance is no new expedient. The cardinal principles upon which it operates have been *known* and *employed* for centuries. Crude and unscientific at first, *protection* in *some* form has been furnished dependents against the untimely death of the breadwinner, for more than 2000 years. *Individual* indemnity at the expense of the *many*—the *uncertainty* of human life—the *love* of *wife* and *children*—are the *bases* upon which the business has been reared.

Since the whole community would suffer if *one individual* did, society should be *safeguarded* against *penury* and *want*. Life insurance is the *only* institution calculated to *equalize* social disturbance and financial disorder caused by death—it *capitalizes* the value of a human life and *restores* its equivalent (as nearly as money can) to the commonwealth.

Mankind is exposed to the inroads of death. In most cases, life's cherished plans are unfinished—adequate provision has not been securely made for home and dear ones—business affairs incomplete and contingent are in a tangle—when the *summons* comes. It is the province of *life insurance* to *protect each individual*—and therefore the *community*—against *such a day* of need.

About three hundred years before Christ, there were organized in Greece societies for the purpose of providing funds to care for their members when sick and bury them when dead. These guilds or trade unions were called "*Eranoi*" or "*Thiasoi*." These societies

became very popular and furnished the first authentic instance of organized effort to insure against loss of life.

The idea reached Rome and *Orders* known as "Collegia" were formed to confer similar benefits upon their certificate holders. The blessings of such protection, meager and crude as the system was, spread rapidly over Europe, until during the Middle Ages, when civilization seemed to wane, *Trade Guilds* had an enormous growth. They were developed into a more satisfactory form in England and Teutonic countries, where they reached their highest development.

Out of these orders, calculated to furnish small payments to the beneficiaries of workers in arts and crafts, grew the "*Friendly Societies*" of Great Britain, which accepted members outside of the trades and many of which were more generous than the guilds in the amounts paid.

In 1699 there was formed the *Society of Assurance for Widows and Orphans*, and in 1706 *The Amicable Society for a Perpetual Assurance Office*—both in Great Britain. These two societies constituted the *first attempt* at life insurance as we know it. Between 1699 and 1720 many life insurance schemes were exploited in England alone, but *all* were defective.

"It may be taken as established that no plan of life insurance as we now understand it, had been contemplated by any Company or Society, or had been considered by any legislature in Europe, prior to the year 1760."
(HOLCOMBE.)

The modern system of scientific, legal-reserve life insurance began in 1762 with the *Equitable Assurance Society of London*. This company issued policies for fixed amounts and graded the premiums according to age.

It is a fine tribute to our system of insurance that this splendid old corporation is *still* prosperous and *insuring* lives as it has done for over 150 years. It has well been called the "Parent" of "Old Line," level premium life insurance.

In the United States of America, the *Presbyterian Ministers Fund of Philadelphia* takes priority over all the rest, having been chartered in 1759. Early in its history it simply dispensed funds, as subscribed by ministers and others, for relief of poor and distressed widows and children of *Presbyterian Ministers*. Needy ministers were also assisted. Later its business was established more solidly on the legal reserve basis. This company is still writing insurance and is one of the soundest and best conducted companies in America. To-day a large number of reliable "Old Line" companies are engaged in the greatest business the world has ever seen. During the last sixty years there has been a process of reforming abuses,—eliminating unsound companies,—refining methods and plans,—until to-day legal reserve companies are *reliably* and *economically* conducted—supervised by *wise* legislation and *firmly* established upon a correct mathematical and scientific basis. Life insurance is destined to expand until its shield of protection shall cover the globe and its great blessing be felt by every one.

CHAPTER II

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

INTRODUCTORY

“Massachusetts”—the “Old Bay State”—first American home of our Pilgrim fathers—and one of the *thirteen* original states—has made *splendid history* for nearly three hundred years.

It has been *foremost* in encouraging and fostering all institutions calculated to *protect* its citizens and *conserve* their interests. The very name “Massachusetts” has become a *synonym* for security, dignity, honesty, and permanency, wherever known.

The word “*Mutual*” in the Company’s name means *co-operation, correlation*—the *interdependence* of rights, privileges, functions, etc. It means that *each* member is working for *all* the rest, and *all* the rest are working for *each* individual. It means *community* of interests—and *reciprocal* relations.

The Massachusetts Mutual Life Insurance Company is not a commercial institution, organized to make money. It has no stockholders to receive dividends or control its affairs. *All* of its business operations are for the benefit of *all* of its policyholders and their beneficiaries.

Since it was organized its pre-eminent aim has been *fivefold*:

To build a business that will never know completion but will *move forward* continually to meet varying conditions.

To develop *all justifiable* forms of life insurance and *uniform service*, to a notable degree.

To create a personality that will be known and admired for its *strength* and *friendliness*.

To arrange and co-ordinate all activities to the end of *winning confidence* by meriting it.

To strive always to *win* and *keep* the satisfaction of every policyholder.

To achieve these ends officials and field men have labored *untiringly*. They have extended to all those connected with the Company in any way the *best* possible co-operative service. Back of this service there have been *honesty* of purpose, *intelligence* in action, and *enthusiasm* tempered with reason.

The *Massachusetts Mutual* has existed and prospered by virtue of this unsurpassed co-operation in all its departments of office and field.

In every community any institution is rated by its representative. Each officer or solicitor who comes in contact with social or business life becomes the *exponent* of the corporation he represents,—as far as the average patron is concerned, he *is* the corporation. Upon every official and field man of the *Massachusetts Mutual* rests a *grave* and *far-reaching* responsibility, to be discharged *cheerfully*, *whole-heartedly*. Since our great Company was granted its charter, its fair name has been preserved unsullied by any stain of wrong or evil rumor. It is not too much to say that, with advancing years bringing improved methods, increased efficiency and loftier ideals, its *fair name* shall be preserved *inviolable*—it shall be characterized in the future years as it has been in the past—*a policyholders' company, honestly and capably managed in the interests of its many thousands of members, that*

each may receive the best of life insurance at the lowest possible cost.

HISTORICAL

The *Massachusetts Mutual Life Insurance Company* was chartered by the Commonwealth of Massachusetts on May 15, 1851. Its charter by the state law required \$100,000 capital stock before it could start business. This was raised, and dividends thereon limited to seven per cent to the stockholders. This stock was retired in 1867, from which time the Company has been *purely mutual*. The threefold purpose of its *founders* was that:

All the Company's funds were *trust funds* and were to be scrupulously safeguarded.

In all its business transactions *economy* of the *strictest* kind should obtain.

Its policies should be *consistently generous* and *fit* the *needs* of its members and their beneficiaries.

The Company commenced business in a *single room* on the second floor of Foot's Block at the *southwest corner* of Main and State Streets, Springfield, Massachusetts. This building was the Company's home until 1868. During that year the Company erected a four-story building of brown-stone at 413 Main Street, and moved into it the same year, occupying the second and third floors. In 1908, having outgrown this building, a substantial and dignified structure of eight stories was erected on the *same corner* where the Company began business fifty-seven years before. This building is *solid* and *enduring*. The interior is conveniently arranged for business, and is neither scantily nor lavishly equipped. The building will be ample for the Company's business for many years.

The first policy was issued *August 1, 1851*.

The following epitomized review of the Company's history up to 1917 may be of interest:

- 1851, May 15 Company is incorporated under the laws of the Commonwealth of Massachusetts. Caleb Rice, President; E. D. Beach, Vice President; F. B. Bacon, Secretary.
- Aug. 1 First policy issued.
- 1861, Apr. 10 First Massachusetts non-forfeiture law goes into effect.
- Aug. 1 First dividend of \$53,617 is paid to policyholders.
- 1865 Assets reach \$1,000,000.
- 1866, Aug. 1 Second dividend of \$258,450 is paid to policyholders.
- 1867, Sept. 9 Capital stock, \$100,000, is retired.
- 1868 Company occupies its own new Home Office building.
Begins paying annual dividends to policyholders.
- 1869 James Weir Mason is elected Actuary.
- 1870 Secretary Bacon dies; C. McLean Knox is chosen successor.
- 1872 Actuary Mason resigns and Oscar B. Ireland is elected successor.
- 1873, Feb. 5 Home Office is burned out.
- Mar. 1 Caleb Rice, the first President, dies.
- Mar. 4 Ephraim W. Bond is elected President; Charles McLean Knox, Vice President; Avery J. Smith, Secretary.
- 1881, Jan. 1 Massachusetts Act of 1880 takes effect, cash and paid-up values being thereby fixed by law.
- 1886 President Bond resigns and Martin V. B. Edgerly becomes President.
- 1887 New business reaches \$10,000,000.
- 1889 Assets reach \$10,000,000.
- 1891 Surplus reaches \$1,000,000.

- 1892 New business reaches \$20,000,000.
- 1895 President Edgerly dies and John A. Hall is elected President; Henry S. Lee, Vice President; Henry M. Phillips, Secretary.
- 1896 Death Claims reach \$1,000,000.
- 1898 Total income reaches \$5,000,000.
- 1901, Jan. 1 Massachusetts Act of 1900 goes into effect, and Company goes on to American 3½ per cent basis for premiums and values.
- 1907, Oct. 1 Company adopts American 3 per cent basis for premiums and values.
- 1908 Assets reach \$50,000,000.
- Sept. 3 Death of President Hall.
- Oct. 9 Company moves into new Home Office building.
- Oct. 28 William W. McClench is chosen President; William H. Sargeant, Vice President; Wheeler H. Hall, Secretary.
- Total income reaches \$10,000,000.
- 1909 New Business reaches \$30,000,000, paid-for basis.
- 1911 Assets reach \$60,000,000.
Sixtieth Anniversary.
- 1915 New business reaches \$45,000,000 delivered.
- 1916 New business paid for, \$57,125,676.
Admitted assets, \$93,240,377.
Insurance in force, \$410,166,020.

Since 1886 each year's apportionment of surplus for dividend payments has exceeded that of the year previous.

CHARACTER

By "character" is meant the essential qualities or principles exemplified. The *Massachusetts Mutual* has always possessed those *intrinsic features* which one

expects to find in a corporation *entrusted* with *fiduciary* funds. Promptness, courtesy, honesty, economy, and other commendable characteristics, have marked its career.

It has always been a *full legal reserve* or so-called "*Old Line*" company. Simply stated, this means that it must *at all times* have *enough funds available* to pay all claims as *they become due*.

It has never issued any other kinds of insurance than *Life* and *Endowment*. *All* its assets and surplus belong to *all* its policyholders. Its business record is unimpeachable, and its standing throughout the country the finest and highest.

Among the other excellent qualities the *Massachusetts Mutual Life Insurance Company* possesses, but which we shall not take time to elaborate, the following might be mentioned:

It has the wisdom of age and the vigor of youth.

Has a nation-wide reputation for honoring its obligations.

Entirely free from objectionable features.

Its general agents and solicitors are men of good moral character and possessed of a high degree of intelligence.

Policyholders are very carefully selected.

Not a dollar of foreign securities among its assets.

No business solicited outside United States.

Benefits and privileges contained in recent policies

have been conferred upon old policyholders so far as possible.

Every dollar of its assets is of the very best character and highest quality.

OFFICIALS

The control of the Company's affairs is vested in a *Board of Directors*—twenty in number—term of office *four years*. Directors are chosen by the *policyholders* at the Annual Meeting of the Company, held the *third Wednesday in January* of each year. No policyholder can vote by proxy more than *twenty votes*. No officer shall himself or by another, ask for, receive, procure to be obtained, or use a *proxy to vote*.

The *Directors* and *Officials* in charge of the Company's affairs have been men of *great executive ability* and *sterling integrity*—actuated by the worthiest motives and determined to conserve and preserve the *vested interests* of the members. During its entire history *not one word* of censorious criticism has ever been offered by Insurance Commissioners or others in authority for any official act.

The Directors choose the following officers: President, Vice Presidents, Secretary, Assistant Secretaries, Actuary, Assistant Actuary, Medical Directors and Assistant Medical Director, Superintendent of Agents, Counsel, Assistant Counsel, Superintendent of Loans, and such other officers and assistants as are needed.

DUTIES OF OFFICERS

President. The *President* is the chief executive of the Company. He has authority over all the departments of work, in *Home Office* and *Field*. He is the responsible *head* of the Company in the eyes of the law. To him more than to any other official, policy-

holders and their beneficiaries look for the safeguarding of their funds and the protection of their homes and other sacred interests. He presides at all meetings of the Board of Directors. He is *ex officio* a member of the Finance Committee and of all other Committees.

Upon him more than upon any one else rests the great responsibility of watching the Company's assets—investing funds constantly coming in and re-investing the proceeds of maturing securities. As the chief executive of a great institution, his varied duties impose a sacred trust, which must be intelligently, honestly, and faithfully administered.

The Vice Presidents are his assistants. In case of his death, the First Vice President would act in his stead, until the Board of Directors choose his successor.

Secretary. The *Secretary* is the Company's official correspondent and recorder. He corresponds with General Agents, cares for the many wants of policy-holders, and discharges many other duties incident to his office.

Actuary. The *Actuary* has charge of the mathematical branch of the business. He figures premium rates, dividends, reserves, installments, etc. He must be skilled in calculation of interest, averages, probabilities, etc., in order to meet the special demands of a Company having so many and such varied requirements.

Medical Director. The *Medical Director* is the official who examines all applications, reports, and records, in order to determine the desirability of the risks submitted by the field men. Any physical, mental, or moral impairment must be detected if unnecessary losses are to be prevented. To this end

great care is exercised. The Director is in constant touch with the hundreds of examiners employed, and is advising them how to do their work, so as to meet the Company's wishes.

Counsel. The Company's *Attorney at Law* has the legality of all matters connected with the Company's operations to determine. He must know the insurance law in every state where the Company does business. He must examine abstracts of titles where real estate loans are made, must frame all unusual benefits or changes in policy contracts in keeping with state regulations, must defend the Company when necessary, or bring suit to secure its rights, if required, must devise agent's contracts in equity, etc. His office and work are most important, requiring hard study and intelligent service.

Superintendent of Agents. The *Superintendent of Agents* is in charge of the Company's *Field Force*. Among the duties imposed upon this official, the following are most important:

General supervision of all agencies.

Assisting the General Agent to organize his field.

Opening up new fields.

Installing new agents.

Instructing, assisting, directing, inspiring all field workers.

The volume of new business in a large measure depends upon the way this official performs his work.

Superintendent of Loans. The Superintendent of Loans has the general oversight of the securing of applications for mortgage loans. Through frequent

visits to the cities where the Company places loans, he becomes familiar with local conditions and with the properties upon which the Company has made loans. Under his direction, and subject to the requirements of the legal department of the Company, all papers in connection with such loans are prepared and abstracts of title are examined at the Home Office.

Committees. The Directors also choose from their number a *Finance Committee*, which looks after the investment of the Company's funds; a *Loss Committee*, which passes on death claims; and an *Agency Committee*, which supervises agency matters.

INVESTMENTS

The *Massachusetts Mutual Life Insurance Company* invests its assets in three ways: first, in bonds of the United States Government or of any state, railroads, municipalities, and counties; second, in mortgage loans on real estate; third, loans to policyholders on policies.

Bonds. With reference to the investment in bonds, our Finance Committee must comply with the *statutes of Massachusetts*, as to the *character* of the bonds selected. A careful examination of the list of bonds owned by the Company and published in its annual report attests the *painstaking* and *wise* judgment used by its officials to *protect* the policyholders' money.

Mortgage Loans. In loaning money on real estate for more than sixty-five years, the Company has found it desirable to adopt certain *methods* and *precautions* that could in no wise be *objectionable* to the borrower or *entail a loss* to the Company. It is imperative when investing *trust* funds that *good* security should be selected. The Company has been exceedingly careful in choosing desirable fields in which to loan,

and in later years has confined its loans on real estate to a number of the *larger cities* of the country. In these cities the centrally located business property gives the Company the best proportion of values, and is less liable to depreciation. Before a mortgage loan can be made by our Company, each member of the Finance Committee authorizing such a loan is required by the State of Massachusetts to *certify* as to the fair market value of the security, and *such certificates* must be *recorded* on the *books* of the Company. There are certain states in which the Company does not loan, because of legal restrictions and other objections.

The Company should be very conservative, and exercise great caution, because it is loaning fiduciary funds. So, in considering loans on real estate the Company must have the benefit of all doubts. All property upon which the Company has mortgage loans is frequently examined as to its physical condition. All buildings on such property must be covered by fire insurance, and the policies *assigned* and delivered to the *Company*. The result of our Company's operations during its history has been such that the funds entrusted to it have yielded a good income on the investment.

Policy Loans. Loans upon policies are made to pay premiums thereon when the insured finds it difficult to meet same, provided such policies have sufficient value. These are called "premium loans." Cash loans are also made upon the policies as *collateral*, and the proper assignment of the policies to the Company. The MASSACHUSETTS MUTUAL has never encouraged loans upon policies by reducing below six per cent the rate of interest charged. Some years ago most companies charged a rate of interest lower than six per cent, and, in fact, the MASSACHUSETTS MUTUAL was one of a very small group of companies charging six per cent. The wisdom of this position has been justified in that

now practically every company charges six per cent for policy loans.

AGENCIES

The Company has always confined its operations to the healthier sections of the United States. No business has ever been sought in *any* foreign country.

In the establishment of its agencies, in the main, large commercial centers and well developed agricultural and industrial communities have been selected, and capable men placed in charge. Increasing agency and individual efficiency is the constant aim of the *Agency Department*.

MEDICAL EXAMINERS

The examination of the applicant is a *most important factor* in our business. Examiners are *appointed* by the *Home Office*, although suggestions from the field force are heartily welcomed. The Company employs only those physicians whose education is sound and whose equipment is ample for the requirements exacted, in order to secure *first-class* risks. The Company does not issue *sub-standard* policies.

CHAPTER III

DEFINITIONS

Life Insurance is an indemnity for loss of the *product* of life. Or, to simplify, purely mutual life insurance consists in binding together by a plain agreement (called a policy) a large number of persons who promise to stand by one another, so truly and well, that, if *one* suffers a loss, *all the rest* join in making it good. In other words, if *one* should *die*, all the living members *unite* to care for his dependents.

All forms of life insurance rest upon two scientific principles—the *law of average*, and the *protection of the individual at the expense of the many*.

Again: *Life Insurance* is a great financial enterprise carried on by life insurance companies—a business, far-reaching, enormous in volume, growing at a *tremendous* pace. When correctly organized and *intelligently* and *honestly* managed such companies become, without exception, the *safest* of all financial concerns. The *Massachusetts Mutual Life Insurance Company* is an *experienced*, *sound*, *highly developed*, and very *efficient* corporation, chartered by the Commonwealth of Massachusetts to provide the protection furnished by life insurance.

It does away with *chance*.

It *warrants* the education and care of the children.

It *guarantees* the things desired.

It *assures* the comfort of wife and self in old age.

It makes *certain* the continuance of commercial enterprises.

The following definitions arranged alphabetically will be found useful:

Advance Premium Receipt. When an applicant for insurance pays the first premium to the agent at the time of making application, there is provided a binding receipt which the Company requires to be carefully executed and handed to the applicant for money so advanced. By virtue of this binding receipt, if the application is approved at the Home Office, and the policy is issued, *protection* is afforded the applicant from the date of the *medical examination*. These binding receipts are carefully numbered, must be *accounted* for, and are a *valuable aid* in securing cash for the first premium *at the time of writing the application*.

Amount at Risk. The amount the Company has at risk on an individual life at any time is the difference between the *face of the policy* and *the reserve*.

Assets. *All* the property the Company owns of every kind constitutes the assets.

Assignee. The person to whom a policy is assigned is called the assignee.

Assignment. When a policyholder transfers his interest in his policy to another party, the document by which the transfer is made is called an assignment.

Beneficiary. The beneficiary is the person, institution, or company, to whom the policy is made payable.

Cash Surrender Value. After a stated number of premiums have been paid the policy owner who wishes

to *withdraw* from the Company may give up his policy and receive therefor a definite amount of cash. This is called the *cash surrender value*. All companies operating under the Massachusetts laws and chartered by the State of Massachusetts have minimum values fixed by law, and the values *must be incorporated* in all policies issued. After the ninth policy year the cash surrender value in all *Massachusetts Mutual* policies is the *full legal reserve*. Cash values continue during the life of the policy. Withdrawals are regarded as detrimental to the interests of the remaining policyholders. It is to compensate for this loss that a surrender charge is made during the early years of a policy.

Changes. Many changes are being made in policy contracts, payment of premiums, beneficiaries, etc. Requests for such changes *must be carefully made* on blanks provided by the Company, with the utmost care exercised in following the instructions of the Home Office in every detail. Much depends upon accuracy in complying with legal and official requirements.

Discounting Premiums. If the insured should desire at any time to pay premiums in advance, the Company will discount such premiums at a *fixed* rate of *simple* interest, and will provide the insured with a statement to the effect that should *death occur* the then present worth of any premiums not yet due by the terms of the policy will be paid in addition to the face of the policy.

Dividends. The share of surplus annually paid to a policyholder has become known as a "dividend." This payment is, however, not a dividend in the commercial sense of the word, but simply a refund of that portion of the premium paid which has not been required to carry the policy throughout the foregoing year and establish the necessary reserve. These re-

funds may be paid in cash, or applied in reduction of premiums, or left to accumulate at compound interest, or used to purchase participating paid-up additions to the sum insured. The amount of the refund, or dividend, will depend upon the age of the policyholder, the kind of policy, and the number of years the policy has been in force.

Endowment Policy. An Endowment policy is one that is paid to the *insured* if living at the expiration of a *fixed* number of years, or to the beneficiary in case of the insured's prior death.

Errors. So long as the human mind has to deal with human affairs, errors will creep into policies, and sometimes have become very embarrassing. It is expected of every agent or clerk who discovers an error in any policy issued by the Company, to report same *at once*, and *return* the *policy* for correction. Notwithstanding the great pains taken by the Company to avoid these errors, they will occasionally happen, and in this matter the Company appreciates the hearty co-operation of all its field force.

Expectancy. The average after-lifetime of a number of persons of a specified age according to a given table of Mortality is called their *expectancy*—or expectation of life.

Extended Insurance. Extended insurance is paid-up term insurance continuing for as many years, months, and days as the cash value at the time extended insurance is applied for *will purchase*. If there is no indebtedness the amount of insurance will be the same as under the original policy.

Gross Premium. The gross premium is the *sum* of the *net premium* and the *loading*, and constitutes the figure given in your rate book, for *each* kind of policy at *each* age.

Incontestable. A policy is "incontestable" when it is impossible for the Company to dispute the payment thereof for *any cause* except non-payment of premium or for violation of its conditions relating to military or naval service in time of war.

Industrial Insurance. A few companies insure children, minors, and other members of the family, under policies of very small amounts. Premiums are collected weekly from house to house. The business has grown to enormous size.

Inspection. When an application for insurance is made, the Company makes a careful investigation as to the moral and financial standing of the applicant. This plan has saved the Company many losses and much trouble.

Insurable Interest. An insurable interest is many times greatly misunderstood. The law says any one *who might suffer* some financial loss in consequence of the *death* of the *insured* may be said to have an insurable interest in that life. The law is not designed to restrict the business, but to prevent *speculating* on human lives.

Joint Life Policy. The Company issues a policy insuring two, sometimes three lives under one contract, which is called a Joint Life policy. Such a policy may be taken by a husband and wife if there are dependent children. In this case the Company limits the amount of insurance. Partners are often insured to protect their business interests. A corporation may protect its investments by insuring on joint policies the lives of its officers or expert employees.

Lapse. A policy is said to lapse when the insured fails to pay the premium thereon within the stipulated time. Lapses are regarded as harmful to the remain-

ing members as well as to the one withdrawing. It is to the interest of all to continue the policy on the books until the completion of the contract.

Legal Reserve. By the insurance laws of the several states every company *promising* a death or endowment payment of an absolute amount, and collecting a premium that is not subject to increase, is compelled to *maintain the reserve* required by the accepted table of mortality and the assumed rate of interest. Hence the term, *legal reserve*.

Level Premium. To meet the objections to the natural premium, which *increases* every year, the cost of insurance has been *equalized* or leveled—the result is the level premium. The natural premium is smaller at the age of entry, but increases each year thereafter; the level premium is somewhat larger at entry, but remains fixed through life. From the larger premium a certain portion called the *reserve* is accumulated and grows larger from year to year, so that the *actual amount* the Company has at risk grows less each year. All premiums charged by the Massachusetts Mutual are on the *level premium* basis.

Liabilities. All that a company *owes* constitutes its liability. This includes the *reserve*, as well as due and unpaid losses or claims, and all incidental obligations.

Limited Payment Life Policy. This is one upon which the premium payments are to be completed in a *limited* number of years, and the sum insured is payable at the death of the insured.

Loading. Loading is the amount the Company adds to the *net* premium to provide for expenses and contingencies. When the *loading* has been added to the *net premium*, we have the rate (that is, gross premium) as given in our rate book.

Loan Value. Most companies state in their policies the amount of money to be loaned at stated times, using the policies as collateral security. The *Massachusetts Mutual* has loaned upon its policies for a great many years, but never at *less* than six per cent, principally because the Company did not wish to encourage this practice. The loan value on our policies is the same as the cash value.

Maturity. In life insurance the word is usually applied to the termination of *Endowment* policies, by the *completion* of the periods for which they were written. Sometimes a policy is said to *mature by death*.

Mortality. The premiums charged under life insurance policies provide for a certain amount of death claims. This amount is known as the *expected mortality*. The actual claims incurred are generally less than the amount expected, owing to *great care* exercised in selection of risks. If one compares the actual with the expected mortality, taking into account the policy reserve, he will determine the *saving* or *loss* from deaths.

Mortality Table. The mortality table is the instrument by means of which are measured the probabilities of life and the probabilities of death. By means of such tables the insurance company is able to determine what premiums it must charge. It gives statistics on which an accurate *price list* can be based. The two principal tables in use in this country are the *American Experience Table* compiled by Sheppard Homans, and the *Actuaries' or Combined Experience Table*, based upon the experience of seventeen English life insurance companies; according to the former table *the last policyholder will die* between the ages of 95 and 96 and according to the latter table between the ages of 99 and 100. Since December 31, 1900, the *Massachusetts Mutual* has computed its

premium rates on the basis of the American Experience Table. The premium rates for policies issued prior to 1901 were based upon the Actuaries' or Combined Experience Table.

Natural Premium. A natural premium provides for the cost of insurance for one year only. This premium *increases* as the age of the insured increases. The *natural* premium is identical with the net premium for a yearly renewable term policy.

Net Premium. A net premium is the amount found *mathematically* necessary to enable the Company to fulfill its contract. It is the rate which would be proper to charge if the business could be conducted *without expense*, and if the Company could be protected against a *loss* or depreciation in the value of its securities.

Non-Forfeitable. A policy which guarantees cash surrender value, paid-up values, or extended insurance values, is called *non-forfeitable* from the date when such values become available.

"Old Line" Company. Any corporation that writes an *absolute contract*, collects a *fixed level premium*, and accumulates a *legal reserve* fixed by the law of the state under which it is incorporated, is frequently called an "*Old Line*" Company.

Ordinary Life Policy. An Ordinary Life policy is one upon which the insured must pay the premiums during his *entire life*, and the sum insured is payable at his death.

Paid-up Additions. Whenever the policyholder elects to use his dividend to buy paid-up insurance and have the same added to the face of the policy, such paid-up insurance is called a *paid-up addition*. Whatever dividend he may have at a certain age is

used as a single premium to buy insurance at that attained age. It often happens that as the insured grows older the amount of reversionary insurance purchased by a dividend grows *less*, owing to the increased cost of insurance at his advanced age,—even though the actual cash dividend may be larger.

Paid-up Value. The amount of paid-up insurance that the reserve, or a stated percentage thereof, used as a *single premium*, will buy is called the paid-up value. In the *Massachusetts Mutual* this paid-up policy *participates in the surplus*, that is, receives an annual dividend, so long as it remains in force on the Company's books. This paid-up policy, on all forms except the *term* plan, has an *increasing cash surrender value* available at any time.

Policy. The written contract of insurance made with the Company is called a *policy*. Various forms of policies issued by the *Massachusetts Mutual* will be elaborated further on. Every policy is a *promise to pay*, and is signed by the officers of the Company. The *application* and *medical examination* are the bases upon which the policy is issued.

Premium. The premium is the stated sum the insured pays to the Company for the protection given. It may be paid in *equal* yearly sums continuously as long as the policy remains in force, or in a limited number of yearly payments as five, ten, twenty, etc., or in a single sum called the *single premium*. Every premium charged by the *Massachusetts Mutual* is made up of three parts: First, the *contribution to the legal reserve*; second, the *contribution to current mortality*; third, *loading for expenses or contingencies*.

Rebate. When an agent pays a portion of the premium to the insurant as an inducement to insure, such payment is called a *rebate*. Rebating is *condemned* by the companies, is against the *best interests*

of those who *insure*, and is *prohibited* by the legislature in nearly all the states. *Severe penalties* attach to this practice.

Renewable Term. A Term policy is sometimes written with the privilege of renewing it at the end of the term without re-examination, but at a higher rate, increasing with each renewal at the advanced age. The *Massachusetts Mutual* does not write such a renewable term policy.

Renewal Premium. A premium falling due *after* the first year is called a renewal premium.

Reserve. The reserve value of any policy is made up of the accumulations of the balance of past premiums not absorbed by the risk already incurred. Another definition of the reserve is as follows: the reserve upon a policy at any given time is *such a sum*, which together with *future net premiums* and interest will on the average be *exactly sufficient* to pay the amount of the policy when it becomes a claim. On all policies of insurance now being issued by the *Massachusetts Mutual* reserves are calculated on the three per cent basis, *American Experience Table of Mortality*.

Restoration. If the insured allows his policy to lapse, or in some other way discontinues the contract, he has the privilege of reinstatement as long as any period of extended insurance has not expired nor a cash surrender value been taken. Such reinstatement is subject to satisfactory evidence of insurability and may often be obtained on an unmodified health certificate in lieu of the usual medical examination.

Reversionary Additions. See "Paid-Up Additions."

State Supervision. All the states in the Union exercise control of the operations of insurance com-

panies doing business within their limits. No company can do business therein without permission of the Insurance Department. The person at the head of such a branch of state government is usually called the *Insurance Commissioner*. He has authority to demand statements from an insurance company at any time. He can examine its books, look over its securities, license or withhold license, etc. *All persons desiring to solicit insurance are required to secure a license.*

Surplus. All the property the Company possesses in excess of the reserve and all other liabilities is called surplus. Under the Massachusetts law, Section 77, any domestic life insurance company transacting business in that state cannot hold or accumulate a surplus in *excess of twelve per cent of its reserve*—this to avoid any undue accumulation of surplus. It is very essential that all life insurance companies have on hand something *more than the exact amount* required to carry out their contracts. They must provide for possible *shrinkage* or depreciation of securities. A company which has a low death rate, earns a fair rate of interest on its assets, and is economically managed will usually accumulate surplus, even more than is necessary to safeguard its contracts. In such an event a portion of the amount is set aside to be returned to the policyholders. In the *Massachusetts Mutual* the distribution of this surplus is made *every year*.

In order to apportion the surplus, the actuary of the life insurance company must consider three things: First, the saving in actual *mortality* over the *expected death loss*. Second, the *saving* by *actual expenses* being *less than the loading*. Third, the *interest earned* on the invested assets. When the amount of surplus is determined, each policyholder is credited with a dividend in proportion to his contribution thereto. Such

a method of distributing surplus is called the "Contribution Plan." The following is a concrete illustration of one method of determining a dividend on an individual policy: *Policy on B's life for \$1,000, fifth policy year, for example*,—if the *death loss* the preceding year was but 70% of the *expected mortality* by the table, 30% of the cost of *insurance* under B's policy would be *credited* to him; if interest *earned* upon the reserve during the same period was 5% instead of 3% as required, 2% upon the *reserve* under his policy would also be *credited* B; if the *expenses* for the same period were only 85% of the *loading*, 15% of the loading on B's *premium* would likewise be *credited* to him. The sum of these three items constitutes the *dividend* B would receive. The *Massachusetts Mutual Life Insurance Company* employs a similar system. The Company always holds a part of its surplus to protect its policyholders at large.

Taxes. Each state in which the Company does business imposes a tax, usually upon the *premiums received* from policyholders who are residents of such state.

Temporary Term Insurance. Such term insurance is devised to fix the payment of the annual premium at a time convenient to the insured. This plan is calculated to furnish *term* insurance for a *portion* of the *first year up to the date* when the regular premium comes due. Our Company requires that the first regular premium be paid along with this temporary charge.

Term Policy. A Term policy is one payable *only at death* within a specified time. If death does not occur within such time, the policy expires absolutely at the end of the period. Rates are low, policy has no cash or paid-up values (of any account), and returns of surplus are relatively small. All Term policies issued by the *Massachusetts Mutual Life*

Insurance Company contain a provision for a *change* of plan *within* a specified time *without* medical examination.

Trustee. Sometimes the insured, instead of naming in the policy the person or object he wishes as beneficiary, prefers to have the money paid to a *trustee*.

THREE KINDS OF LIFE INSURANCE

The following itemized statements about the three different systems emphasize the principal features of each without any attempt to be exhaustive or to analyze each one completely.

THE ASSESSMENT SYSTEM

1. **Premiums.** Ordinarily called *assessments*—are required to be paid after the death of one or more members—or once a month—or once every two, three, or four months,—the number or amount being determined by the number of deaths.

2. **Contract.** Between the society and the member is called a *certificate*. It *does not generally promise* a definite sum to be paid the beneficiary as no provision is made in advance to do so.

3. **Rate of Assessments.** Some claim a fixed rate but do not fix the number—others try to fix the number but not the rate. Assessments become very large as the average age increases. No reserve. In times past these societies have endeavored to grade rates, set aside a mortuary fund to provide for excessive losses, accumulate a so-called "Reserve Fund," etc., but in very few cases have they been able to keep the rates down. Many members leave when assessments grow larger.

4. **Beneficiary.** Must take the *pro rata share* of assessment collected, and often has no redress if less than the face of the certificate is paid.

5. **Liability.** The insured is liable for *unlimited assessments*. He may be uninsurable when forced to apply elsewhere if the society goes into a receiver's hands.

6. **Fraternities.** This means, *secret* benevolent societies, whose chief purpose is to provide life insurance on the assessment plan. Their plan is *cheaper* than that of other assessment companies, because with the lodge system the expense of securing members and collecting assessments is generally less. Members are more persistent in their payments because of their loyalty to their lodge obligations. No insurance organization can survive unless it provides for deaths that come soon as well as those that come later on—as shown by mortality tables.

THE NATURAL PREMIUM SYSTEM

1. Premium must be paid *in advance*.
2. The contract between the company and the insured is called a *policy*.
3. The policy guarantees a *definite* sum to be paid the beneficiary.
4. The insurance is for *one year* only, or fractional part thereof, but can be renewed each year, while in force.
5. The premium is a *progressive* one—gets *larger each* successive year. It is based on estimated mortality, interest, and expenses.
6. The company must have on hand from the *beginning* to the *end* of each *policy year* the reserve

provided by law. The best authorities say this reserve *at the beginning* of each year is the *net premium* at the *then* age. At the end of the year no reserve is required. If the mortality has been less than called for by the mortality tables, the balance of the fund is carried to the surplus.

7. The objections to this system—*increasing* premiums—*no cash* or *paid-up* values or *extended* insurance. The system is nearly *obsolete*, and *practically* only used by some few companies as applying to a *yearly renewable* term policy.

THE LEVEL PREMIUM SYSTEM. "OLD LINE"

1. Premium must be paid *in advance*.
2. Contract of insurance is called a *policy*.
3. Policy designates a *definite sum* to be paid beneficiary.
4. The premium is the *same* from year to year,—*level*, unless reduced by *dividends*.
5. Policyholder is insured for *face* of the *policy*—company has at risk *face of policy less the reserve*.
6. Premiums must be computed on basis of future *mortality, interest earnings on reserve, and expenses*.
7. Company must *keep on hand* the accumulated reserves provided by law, invested safely in securities earning a rate of interest *not less* than that assumed when premium rates are made.
8. Advantages of this plan: Policy contains cash value, paid-up value, loan value, extended insurance, and except where definitely made "non-participating" shares in the surplus of the company. Policy contract is definite and absolute.

LEVEL PREMIUM INSURANCE—STOCK AND MUTUAL

Under this heading we will consider briefly the difference between two forms of *Level Premium Insurance—Stock and Mutual*.

STOCK COMPANY

A stock company is one *controlled* by the stockholders,—who *own* the capital stock. All *profits, surplus, or gains* belong to the stockholders, although some stock companies are limited by law as to the dividends they may pay their *stockholders*. In a pure stock company policyholders receive *no dividends*, but the net cost of insurance *at the beginning* is usually *lower* than on the mutual plan. Some stock companies write participating policies, which share in the surplus funds realized by the company. Such companies are called "*Mixed*" companies. In *some* of these mixed companies, policyholders are *allowed to vote and hold office*. Many leading companies which have been listed as *mixed* companies are retiring their stock, so as to conduct all their future business on a purely mutual basis.

MUTUAL COMPANY

A mutual company is one which is managed *exclusively* by its *members*. *Every* policyholder may *vote at any meeting*, may be elected and hold office, and *shares in all profits* arising from the business. Premiums are usually *higher at the start* than with stock companies, but the dividends declared soon bring the cost *down to or below the stock rate*. The mutual company is managed by a *Board of Directors* elected by the policyholders. No member of a mutual life insurance company can be held personally liable for the debts or obligations of the corporation.

CHAPTER IV

MASSACHUSETTS' GREAT RECORD

The great State of *Massachusetts* is the cradle of life insurance in *America*. Within its borders the business has been *constructed* and *developed* into the fullness of strength and usefulness. No *legal reserve* company chartered by this *Commonwealth* has failed. This is considered a *most remarkable* record, deserving the highest praise.

We, who represent a leading company of the "Old Bay State," may well be proud of such a history.

Insurance written by the strong group of excellent companies incorporated in *Massachusetts* enjoys an enviable reputation, and because it is associated with the best practices of the business the name of this the *greatest* of *New England States* has become a *household* word throughout the land.

ELIZUR WRIGHT

Great reforms are usually the product of an able mind and an honest heart. Some one personality moved by a worthy impulse starts out to right the wrongs and correct abuses prevailing in some field of business activity or social life. If the person has strength of character, possesses a high degree of scholarship, with the courage of his convictions, he will leave a record the historian cannot ignore. Such a man was Elizur Wright. The State of Connecticut was honored with his birth in 1804. He was graduated from Yale at an early age. Shortly after his graduation he became interested in the slavery problem and wrote many articles in favor of Abolition. A little

later he was appointed professor of mathematics in Western Reserve University. Removing to Massachusetts he became greatly interested in all phases of insurance.

Largely through his efforts the *Insurance Department of Massachusetts* was inaugurated in 1855. He was made the first *Commissioner*.

By his great genius and intense earnestness, backed up by a dignified and sterling character, he made the office powerful and far-reaching; even to this day the *Massachusetts Insurance Department* has tremendous prestige throughout the whole country. He went before the legislature and presented his views so logically and forcibly that he secured passage of several most important bills. These laws have proven a lasting bulwark to the cause of honest life insurance.

Elizur Wright stood for the following scientific and economic principles:

Net valuation laws.

Non-forfeiture provisions.

The use of scientific tables of mortality and interest.

Minimizing expense in conducting the business.

Upon so solid a foundation the present *Massachusetts Law* has been built. It is to-day regarded as a praiseworthy pattern for all the different states. Unquestionably this is due to Elizur Wright, who discharged the duties of his office with such mathematical skill and laudable integrity that *no position* he ever assumed, looking to a safe and creditable conduct of the business, has ever been found to be *defective*. The fact that nearly all the states to-day have adopted laws emphasizing the four basic principles for which

he strove, justifies the honor accorded him as the *Prince* of Commissioners.

This space has been devoted to this wonderful man because to him more than to any other we owe the *sound* and *just* laws which regulate our domestic companies.

CHAPTER V

DIGEST OF LAWS PASSED BY THE STATE OF MASSACHUSETTS PERTAINING TO LIFE INSURANCE

Under this heading it would be impracticable, if not impossible, to itemize all of the important provisions of the Massachusetts laws which have been passed by the Commonwealth of Massachusetts since 1855. Therefore your attention will be confined or called only to those features of the law which particularly affect the *policy contract*, the *general rights of policyholders thereunder*, and the measures taken to *safeguard companies from mismanagement*.

For many years it was asserted with entire truth that the insurance laws of Massachusetts were *better* than those of any other state. At the present time a claim for that credit can hardly be substantiated, as equally desirable laws exist elsewhere. Many of them, however, owe *their origin* to the statutes of Massachusetts. Our solicitors can truthfully state that our insurance legislation *is equal to any*, and *superior to much* that is in force in other states.

A PIONEER

It should be borne in mind that Massachusetts was the *pioneer* in *constructive* and *remedial* legislation, looking to the supervision of insurance companies and the *establishment* and *protection* of the rights of policyholders. The first Insurance Department providing for the control of the insurance business on a somewhat scientific basis, was established in 1855. This Department, comprehensive in its duties and

efficient in its conduct, has *not* been excelled by the Department of *any other state*.

IMPORTANT PRINCIPLES

The most important principles upon which modern life insurance rests, both in this country and abroad, embodied in the statute laws of Massachusetts through the efforts of Elizur Wright, are as follows: first, the *insurance companies should establish and maintain sufficient legal reserves* to enable them to fulfill their contracts; second, the *policy should have a surrender value* in case of lapse; third, the policy should, unless non-participating, share in surplus annually. It was not until years after these basic ideas had taken root in Massachusetts that they were generally adopted in *other states*.

ACTS OF 1858 AND 1861

In 1858 a law was passed under which life insurance companies were required to *maintain a legal reserve*. While under this Act *solvency* of the *insurance companies was established*, it failed to recognize and protect the just and equitable rights of policyholders to a vested interest in the reserve in the event of the lapse of their policies. In 1861 Wright secured the passage of the Act known as the *Massachusetts Non-forfeiture Law of 1861*. This was the *first statute* creating a *surrender value* for *lapsed policies*, and forms the *basis* of the present so-called non-forfeiture laws now in force in Massachusetts and throughout the country. It provided in substance that *no policy of life insurance thereafter issued should become wholly forfeited or void with the non-payment of a premium, but that a portion of the reserve thereunder, ascertained in accordance with the Act, should be applied as a net single premium to the purchase of extended term insurance for the face of the policy, according to the age of the insured at the time of the lapse*.

Since the passage of this Act the law in Massachusetts relative to surrender values and non-forfeiture benefits has been *developed* by a *number of statutes* passed from time to time. It is perhaps only necessary to point out the most important features of these laws, as the changes in minor details are now unimportant in this connection.

ACT OF 1880

The Act of 1880, Chapter 232, affecting all policies issued on and after January 1, 1881, provided that *after two full annual premiums should have been paid, upon default in the payment of any subsequent premium the policy should become binding on the company for an amount of paid-up insurance which its then net value would purchase as a net single premium for life insurance maturing in the same manner and at the same time as the original policy*, and prescribing the rule for ascertaining such net value. The Statute also provided that after the insurable interest in the life insured had terminated, such net value should be a *surrender value payable in cash to the insured*, and further provided that *such insurable interest should be deemed to have terminated when the insured had no minor or dependent child, and his wife, if any, and any living beneficiary named in the policy, should join in the application for its surrender.*

ACT OF 1887

The Act of 1880 was amended by the Act of 1887, Chapter 214, Section 76, so that the holder of a policy which had become *paid-up after the payment of two full annual premiums, became entitled on any subsequent anniversary of the policy to surrender the same to the company, with the written assent of the person to whom it was made payable, for its net value payable in cash*, thus making the *cash surrender value* available to the insured whether or not the insurable interest in his life had terminated under the rule of the *Statute of 1880.*

ACT OF 1894

The law was further amended by the Act of 1894, Chapter 522, Section 76, so that *cash surrender values should apply to policies which had become paid-up in accordance with their terms* as well as to policies which had become paid-up in consequence of default in premium payments.

ACTS OF 1896 AND 1900

In 1896 a minor amendment as to the *amount* of the *surrender charge* in case of *Endowment policies* was made, otherwise the law remained unchanged until 1900, when, by Section 3, Chapter 363, of the Acts of that year, it was further amended so that the payment of *three full annual premiums was required before the policy became non-forfeitable*, and by the inclusion of the following provision, "*But any company may contract with its policyholders to furnish, in lieu of the paid-up insurance provided for in this section, any other form of life insurance lawful in this Commonwealth of not less value.*" Under this provision companies were enabled to give *extended insurance* in lieu of *paid-up insurance*, if so desired by the policyholder, extended insurance *not having been legally permissible* under any policies issued *since the law of 1880 went into effect*.

ARMSTRONG INVESTIGATION

Following the investigation of the so-called Armstrong Committee of the New York Legislature in 1906, when the attention of all legislative bodies had been directed to the regulation of the insurance business, the Legislature of Massachusetts authorized a *Joint Special Committee* on Insurance to revise and arrange the laws of the State relative to insurance.

This joint legislative committee was not appointed for the purpose of *investigating Massachusetts com-*

panies, but to thoroughly consider the revision of the Insurance Laws of the State, which had received no general or thorough revision for *nearly twenty years*.

No criticism was made of any Massachusetts company as a result of the Armstrong Investigation, and the Massachusetts Mutual Life Insurance Company was referred to in the Report of the Committee as a company that procured its new members on an economical basis.

ACT OF 1907

Based upon the findings of the Massachusetts Legislative Committee, Chapter 576 of the Acts of 1907 was passed which went into effect *July 28, 1907*. Under this Act changes were made in the Insurance Laws, and new features were introduced. It was provided, among other things, that *all policies issued in the State of Massachusetts should contain the provision*, with which we are now familiar, as to a *grace period of thirty-one days* in the payment of premiums, *incontestability after two years*, *annual dividends*, *options in case of default*, *right to loans* upon the *sole security* of the *policy*, *reinstatement within three years* from date of default, and others not less noteworthy. Perhaps the most important of these provisions were:

(a) *Non-forfeiture benefits*: That the insured should be entitled, in case of default after the payment of *three full annual premiums*, to *elect* to take either the *cash surrender value* of the policy, a *paid-up policy*, or *extended term insurance* for the *face* of the *policy* (Section 80); the Massachusetts Mutual contract however gives these values after *two years'* premiums have been paid.

(b) *Policy loans*: That the insured should have the *right* to policy loans from the company upon the *sole security* of the *policy* in a *sum* not less

than *ninety-five per cent* of the *cash value* of the policy and *all dividend additions* thereto (Section 78).

(c) *Annual dividends*: That companies other than those that issue only non-participating policies should *make distribution* of their *surplus* to *policyholders* upon the *contribution to surplus plan*, *annually*, *beginning not later than the end of the third policy year*, and that *such distribution, or dividends* so-called, *should either be paid in cash, applied in reduction of premiums, or used to purchase paid-up additions, or should be left with the company to accumulate, withdrawable in cash by the insured, as might be elected by the insured in accordance with the terms of the policy* (Section 76).

While this statute has been amended several times in certain particulars, *all* the substantial rights thereby conferred are embodied in the present statutes and in our current policy forms—many features of which are even more liberal than the legal requirements.

ANNUAL DIVIDENDS

From the year 1854 down to the year 1900 the laws governing the distribution of the surplus of insurance companies to their policyholders permitted such distributions to be made *annually* or *once in every two, three, four, or five years*, as might be *determined* by the *directors*. In 1900 the law was so amended that companies might make to policyholders "*from time to time*" *distributions of surplus* not *inconsistent* with the terms of the policies. By the above mentioned Act of 1907, *however*, as has been stated, the *annual distribution* of surplus was made *obligatory upon all companies* (other than those issuing only non-participating policies) *doing business in Massachusetts*.

VALUATION OF POLICIES UNDER MASSACHUSETTS LAWS

From the beginning of the practice of valuation of policies to the end of the year 1900, the *Actuaries' or Combined Experience Table of Mortality* and *four per cent interest* was the *sole standard of valuation* in Massachusetts.

Under the *present law* of Massachusetts, the *minimum standard of valuation* for policies issued since 1900 is the *American Experience Table of Mortality* and *three and one-half per cent interest*, but companies are allowed to value, if they desire, on the basis of the *American Experience Table and three per cent interest*. For policies issued *prior to 1901* the standard is still the *Actuaries' Table and four per cent interest*.

All Massachusetts Mutual policies issued since October 1, 1907, are valued according to the *American Experience Table of Mortality* and *3% interest*.

INVESTMENT OF ASSETS

By the statutes of Massachusetts it is provided that *three-fourths* of the *reserve* of domestic mutual life insurance companies shall be invested in *certain specified ways*. These include, among other things, *mortgages upon real estate*, which shall be a *first lien* upon the *property covered* and shall not exceed *sixty per cent* of the fair market value of the property at the time of the loan. The statute further requires that in connection with mortgage loans *every member of the finance committee who approves an application for a loan shall sign a certificate as to the value of the property covered by the mortgage, which certificate is made a matter of record for the company*.

The statute further authorizes investments in *public funds* of the *United States* or any state or *any city* of the

United States, in certain bonds or notes of counties, cities or towns or school or water districts, and also in certain specified bonds or notes of steam railroads and street railroads.

In addition to these classes of investments, it is provided that such companies *may invest in such real estate as shall be necessary for the transaction of the company's business, in loans upon the security of its own policies, not exceeding the legal reserve on the policy, and in loans secured by collateral consisting of any of the kinds of security in which it is legal for such companies to invest.*

It is further provided that the *balance of the assets of the company beyond the three-fourths of the reserve, which balance would, of course, include the remaining one-fourth of the reserve and the surplus funds of the company, may be invested in any manner that the directors may determine, with the prohibition against investments in certain specified ways named in the statute*—which it is not necessary to enumerate here.

PECULIAR BENEFITS FIXED BY MASSACHUSETTS LAW

Under the provisions of Section 73 of the Insurance Law of Massachusetts, it is provided that the *proceeds of any policy of insurance in favor of a person, other than the person insured, having an insurable interest in the life insured, shall be free from the claims of creditors and representatives of such insured, excepting, however, as to the amount of premiums paid for such insurance in fraud of creditors with the interest thereon, and that policies payable to, or for the benefit of, a married woman, or subsequently assigned, transferred, or in any way made payable to a married woman, or to any person in trust for her or for her benefit, whether procured by herself or by any one else, shall inure to her separate use and that of her children, subject to*

the foregoing provisions as to premiums paid in fraud of creditors. This latter provision is important and somewhat peculiar, as a policy thus payable to a married woman, in the absence of any second beneficiary, would, if she died before the insured, unless previously disposed of by her, pass to her then living children and not to her legal representative.

The statute whereby a policy payable to a married woman, insured, at her death, to her children, which was first enacted in 1844, was not in force as to policies issued between May 20, 1887, and March 15, 1894. During this period, policies so payable to a married woman would, unless otherwise specified therein, become at her death a part of her general estate, instead of insuring to the benefit of her children.

It may be of interest that the Supreme Judicial Court of Massachusetts, in the case of *Tyler, Administratrix, vs. The Treasurer and Receiver General*, decided March 6, 1917, that the proceeds of life insurance policies payable to a named beneficiary, even though the right to change the benefit has been reserved, are not subject to the Legacy and Succession Tax of this State. This question has often been asked, but it is doubtful whether it has ever been squarely decided before by a court of last resort in this country. This decision ought to have great weight in case the question is raised in other states under similar statutes.

EXPENSES

There is no limitation imposed by the laws of Massachusetts on the expenses to be incurred in the management of life insurance companies. It may be noted, however, that all life insurance companies doing business in the State of New York must conform their methods to the requirements of the *New York Statutes* in this respect, whereby certain limitations of expenses are imposed, and therefore such companies

are on an equal footing with New York companies in this regard.

ASSESSMENT COMPANIES

Since *July 1, 1899*, it has been *unlawful* for any *insurance policies* on the *assessment plan* to be issued within the *State of Massachusetts*.

MASSACHUSETTS GENERAL HOSPITAL INSURANCE COMPANY

When the *Massachusetts Mutual Life Insurance Company* received its charter, a clause therein provided that one-third of the *net profits* arising from insurance on lives, *made* during the preceding year, should be paid to the *Massachusetts General Hospital*. The following is the section:

Sec. 9. The said corporation shall, on the third Monday of January, in every year, pay over to the trustees of the Massachusetts General Hospital, one-third of the net profits, if any, which shall have arisen from insurance on lives, made during the preceding year.

Similar or identical provisions are contained in the charters of all *life insurance* companies incorporated under *special laws* in Massachusetts prior to 1856. In that year a general law was passed subjecting *all* Massachusetts companies to the same obligations. These provisions are wholly inoperative as to *mutual* life insurance companies having no capital stock, for the reason that such companies have *no* "profits" upon which any payment to the Hospital could be based. On this account *all general laws* relative to those provisions have been *repealed*. While the charter of this Company has not been specifically amended in this respect, *such repeals in effect constitute an amendment*. By statute in Massachusetts, since

1831 *all acts* of incorporation were granted subject to alteration, amendment, or repeal by the Legislature. Our Company and all other companies have more widely different and increased powers under the general laws relating to insurance than are granted in their charters. For example, there are several provisions in our charter relative to dividends or distribution of surplus, which are now wholly inoperative on account of the change in the general law. Therefore, when the general law, above referred to, imposing this obligation to the Hospital, was repealed in 1887, it was in effect a *repeal* of *this provision* of the *Company's charter*.

No payment has ever been made by the Company to the Massachusetts General Hospital, and *no demand* has ever been made upon the Company by the Hospital for a payment or an *accounting* under the terms of the original charter.

The Company's guaranty capital was finally retired in 1867, and since that time there has been no possible basis upon which this provision could have been operative even if it had continued in effect.

There are many more provisions of the Massachusetts Insurance Laws relating to the organization, control, and general conduct of the business, which, though important, are not of general interest and are not here mentioned.

A copy of the law will give you any specific information desired.

CHAPTER VI

OUR POLICY CONTRACT

A *policy* of life insurance in the *Massachusetts Mutual Life Insurance Company* very clearly explains the obligations imposed upon the Company as the *party of the first part* and the insured as the *party of the second part*. Being in the eyes of the law a *contract*, each party thereto *must* comply *absolutely* with the *terms* and *conditions* stipulated in the policy. A *contract* is made to be *kept*.

The Company furnishes all its agents with *specimen* policies and descriptive circulars. *It is expected* that each representative of the Company who *attempts* to *sell* our policies shall be thoroughly acquainted with all *provisions*, *requirements*, *guaranties*, and *benefits* contained therein.

Ignorance is no excuse for *failure*. The *better* the solicitor knows his *goods*, the more *attractive* he can make their *advantages*. There are many *perfectly wonderful* combinations of options and other features of our policies that a *little* thorough study will *reveal*—a *little more* study will make *available* in field work.

The aim of the *Home Office* has always been to *simplify* the *terms* and *conditions* of our policies so one of ordinary intelligence could *easily* comprehend them. *Nothing complex* or *abstruse* is allowed space on *any* page. To meet *changing* conditions which come with *advancing* years, forms of policies as well as *provisions* and *privileges* therein will be *modified*, *revised*, *improved*—the *better* to fit *every* human need.

The Company has therefore thought it *unwise* to attempt a *comprehensive* analysis of our policies *herein*, believing it would *soon* be *out of date* and *worthless*. *Forms* of contracts are already *elaborated* by circulars—changes will be *bulletined* from time to time as made. A *brief* description of *several* of the more *commonly* used forms will be found under a following heading.

KINDS OF POLICIES

The *Massachusetts Mutual Life Insurance Company* issues all *desirable* forms of *Life* and *Endowment* insurance, with *flexible* benefits to the *insured* and *beneficiary*. Among the *standard* kinds of policies on the *Life* plan are: Ordinary Life, Single Payment, Five Payment, Ten Payment, Fifteen Payment, Twenty Payment, Twenty-five Payment, and Thirty Payment Life. Under the *Endowment* might be mentioned the Single Payment, Ten, Fifteen, Twenty, Twenty-five, Thirty, Thirty-five, Forty, Forty-five, and Fifty Year Endowments; Endowments maturing at fixed ages, and Twenty Payment Endowments maturing at fixed ages. *Term* Policies are issued for varying periods, usually five and ten years. *Joint* policies on two lives are issued on the Ordinary Life, Twenty Payment Life, Twenty Year Endowment, etc. See *Instruction Manual* and *Rate Book* for *particulars*. *Installment options* are placed upon all policies except those issued on the continuous income plan. The *continuous monthly income* feature may be applied to *all* Life and Endowment policies.

COMMONLY USED FORMS IN BRIEF

ORDINARY LIFE POLICY

An *Ordinary Life* policy is one which covers an insurance for the *entire* term of life. The premiums

are payable during the *entire life* of the policyholder. The policy *shares* in the *surplus*, has *cash, paid-up, extended term insurance, loan*, and other values. It also contains various *options* granted by the Company and the *Total Disability* clause if desired. If the insured lives to the age of 96, the Company will pay the face of the policy in full as an endowment.

TWENTY PAYMENT LIFE POLICY

The *Twenty Payment Life* policy is one which covers an insurance for the *entire* term of life but requires only twenty annual payments. It contains *all* the *features* found in the Ordinary Life policy and, in *addition*, the *Endowment option*.

TWENTY YEAR ENDOWMENT

A *Twenty Year Endowment* policy is one which covers an insurance for *twenty* years, and its *face* is *then* payable to the *insured*, if living. It contains *all* the *benefits* and *guarantees* contained in the life policies. Endowment insurance is a combination of *life insurance* and *savings* available for a *definite* amount at a *desired* time. Proceeds of the policy will be paid in installments if desired.

TEN YEAR TERM POLICY

A *Ten Year Term* policy is one which provides insurance for ten years only. It is somewhat like fire insurance. It *expires* at the end of the term *without value*. Disability feature not provided on any term plan.

Study Book of Instructions and Circulars for detailed analysis of all forms of policies.

The *CARDINAL FEATURES* of our present policies worthy of emphasis, and many of them exclu-

sively our own, are enumerated under the following heading:

FACTS WORTH KNOWING

1. *Do you know* that an entire year's dividend is allowed at the end of *each* policy year, whether the premium then due is paid or not?

2. *Do you know* that the dividend can be taken in cash?

3. Or, can be used each year to *reduce* the premium payment?

4. Or, if desired, will buy a *paid-up participating addition* to the policy?

5. And if used to buy additions, *do you know* that these additions may be surrendered for their cash value?

6. *Do you know* that, if preferred, dividends can be left with the Company to accumulate at compound interest? And should the policyholder die while any dividends remain credited to his policy, all such dividends would be paid to the beneficiary in addition to the face of the policy.

7. *Do you know* that the whole or any part of the sum so accumulated may be at any time withdrawn in cash?

8. *Do you know* that, unless so withdrawn, the premium-paying period can be reduced by the use of accumulated dividends?

9. *Do you know* that through dividend accumulations a Life policy can become payable as an Endow-

ment, or the payment of an Endowment policy be hastened?

10. *Do you know* that, without action by the insured, dividend accumulations will be used, if sufficient therefor, to pay a premium that is unpaid at the end of the grace period?

11. *Do you know* that there is a provision for 31 days of grace, without charge, in the payment of all premiums after the first?

12. *Do you know* that the policy will contain, on request of the insured, a waiver of future premium payments if the insured, before attaining age 60, becomes permanently and totally disabled, or loses sight of both eyes, or loses both hands or both feet, or one hand and one foot?

13. *Do you know* that the policy contains an agreement to loan?

14. *Do you know* that if a loan is made, it may be for the entire cash value?

15. *Do you know* that there is a provision for premium loans and that they can be made automatic?

16. *Do you know* that the policy says that the whole or any part of a loan may be repaid *at any time*?

17. *Do you know* that the policy is without restrictions upon travel, residence, and occupation (except military and naval service—see policy)?

18. *Do you know* that the policy is incontestable after the first policy year except for non-payment of premium, and for violation of the military and naval provisions?

19. *Do you know* that the policy provides for cash surrender, or automatic paid-up insurance, or automatic extended term insurance, in case of failure to pay a premium after two annual premiums have been paid?

20. *Do you know* that if *no* choice is made, paid-up insurance will be binding upon the Company **WITHOUT ANY ACTION BY THE INSURED?**

21. *Do you know* that if the policy lapses and becomes paid-up, application for reinstatement can be made at any time?

22. *Do you know* that such paid-up insurance **WILL PARTICIPATE IN DIVIDENDS?**

23. *Do you know* that it may be surrendered for its cash value?

24. *Do you know* that its cash value increases from year to year?

25. *Do you know* that extended term insurance has a *cash surrender value*, and participates in annual dividends if the extension period is a year or more?

26. *Do you know* that if extended insurance is taken and has not expired, application can be made for reinstatement of the original policy?

27. *Do you know* that if death occurs within the extension period, the policy is paid without premium deduction?

28. *Do you know* that if the installment feature in paying the policy is offered, the applicant is given several options to choose from?

29. *Do you know that provision is made for annual, semi-annual, quarterly, or monthly installments?*

30. *Do you know that installments will be paid as long as the beneficiary lives, if desired?*

31. *Do you know that they may be for a definite term of years, to be chosen by the insured?*

32. *Do you know that part of the policy can be paid in cash and the remainder in installments?*

33. *Do you know that an annual interest dividend is paid in addition to the installments?*

34. *Do you know that the policy contains a provision for leaving the proceeds with the Company and the payment of interest thereon to the beneficiary?*

35. *Do you know that the policy is paid immediately on receipt of due proof of death?*

If you do not *thoroughly know all* of the above *thirty-five very important* features of our policies, *study* them until you do.

PROVISION FOR WAIVER OF PREMIUM

In the event of permanent total disability, and after payment of the premiums for the first policy year, and before default in the payment of any subsequent year's premium, and before attaining the age of sixty years, if the insured furnish due proof to the Company at its Home Office that he has become wholly and permanently disabled by bodily injury or disease, the Company will waive the payment of all premium payments due under his policy after the expiration of the then current policy year. Premiums so waived shall not be deducted from the sum payable under the policy. The Company may demand from

time to time due proof of the continuance of such disability, and if the insured shall fail to furnish such proof, all premiums thereafter falling due must be paid according to the terms of the policy. If premiums are waived under this clause, dividend payments continue, and the cash value of the policy increases each year, exactly as if premium payments were being made, and the other benefits provided in the policy are in nowise affected. This provision may be discontinued at the option of the insured. Upon entering military or naval service in time of war, benefits under this provision will immediately cease. No waiver of premium will be attached to *any* policy issued at any age *above fifty-five*. When the insured who holds a policy taken at age below fifty-five reaches age 60, the premium, if any, will be *reduced* to a corresponding premium for a policy *without* the disability agreement. This waiver may be attached to old policies in accordance with the Company's rules. Rates to secure this waiver of premium will be found in the Rate Book. The Company will not grant this provision on any Term policy.

ENDOWMENT OPTION

This feature applies to all *Limited Payment Life* policies issued on and after January 1, 1917.

By means of this option, the insured can convert a *Limited Payment Life* policy into an *Endowment*.

To do so, it becomes necessary to continue payments on the *Limited Payment* policy after the required payments have been made—for a *definite number of years stated in the policy*.

When the required number of extra payments have been made, the Company will pay the

insured the *face of the policy* and any *additional amount* that may be due. See rate book.

In event of *death* during the payment of the *required extra* premiums, only the *face* of the policy, plus any dividend accumulations or paid-up additions, will be paid.

The endowment option may *not* be elected if any premium has been waived on account of *disability*.

The policy to be issued on the *election* of this option will *not* contain the *provision* for *waiver* of premium.

The policy *participates* in the Company's surplus, and contains *loan* and *surrender* values *larger* than for corresponding years under the *original* policy.

Example: A policyholder, age 30, takes a *Fifteen Payment Life* policy for \$10,000, electing the *Endowment Option*. After paying *Fifteen* years, he may continue to pay a premium of like amount for a *further* period of *ten* years. At the *end* of that period he will receive \$10,370. *This* does not include any dividend accumulations or paid-up additions. Should *death occur* during the ten years in which additional premiums were being paid, *only the face of the policy plus any accumulations or additions* would be paid.

This option is most valuable as a talking point.

CHAPTER VII

ANNUITIES

The *Massachusetts Mutual* issues three kinds of Annuities; *Immediate Life*, *Deferred*, and *Joint Life and Survivor*. The following analysis of these forms will aid:

IMMEDIATE LIFE

1. This form *guarantees* a payment to the annuitant as long as he (or she) is alive.

2. The *premium* for this income is a single cash payment due immediately. The cost of this *Immediate Annuity* depends upon the age and sex of the annuitant at the date of purchase. See rate book.

3. The Company must have *evidence* of age before the contract can be issued.

4. The *income* under this form will begin as provided in the contract. If the sum is to be paid the annuitant *annually*, then the first payment will be made *one year* from the date of issue. If *semi-annually*, *six months* from date of issue. If *quarterly*, *three months*, and if *monthly*, *one month* thereafter.

5. The *last* payment due the annuitant is the periodical payment *immediately preceding* his (or her) death.

6. This form does *not* participate in the surplus of the Company.

7. No *cash* or *loan* values are granted.

8. No *refund* in event of death.
9. A special form of application is required, but no medical examination is necessary.

DEFERRED

1. A *deferred annuity* provides an income for the annuitant beginning at the end of a given period, or on the anniversary of the contract *after* attaining a stipulated age, and continuing as long thereafter as he (or she) lives.

2. Premiums are payable for the number of years the annuity is deferred, and the rate varies with the age at purchase, the sex, and the plan. There are two plans of deferred annuities, one with premiums returned in event of the death of the annuitant *before* attaining the *end* of the *deferred* period, the other without return of premiums. See pamphlet giving rates, etc.

3. On default in payment of any premium the deferred annuity will become paid-up for *such proportion* of the full amount as the *number of premiums paid* bears to the number required by the contract.

4. At the time when the *first* regular annuity payment would fall due, a *cash value* is available and may be taken in place of the annuity payments. See rate book.

5. This form of annuity *participates* in the surplus of the Company until the first regular payment of the annuity falls due.

6. *Special* form of application is necessary, but *no medical examination* is required.

7. A deferred annuity, upon payment of an extra premium, can be added to an *Endowment* policy as *old age* protection.

JOINT LIFE AND SURVIVOR

1. Payment of an annuity under this plan is made during the joint lifetime and to the survivor of *two* lives. Payments are made under the same conditions as apply to a single life annuity.

2. Premiums for such forms depend upon the age and sex of the annuitants at date of purchase. Rates can be obtained at Home Office.

3. Evidence of age of each annuitant must be furnished before contract can be issued.

4. This form *does not share* in the surplus of the Company.

5. This form has no loan or cash value.

6. No medical examination of either party required, but a *regular annuity* application is required in *each* case.

SOME BENEFITS UNDER ANNUITIES

(a) It appeals to men and women of ample means who do not wish to be troubled with investments and re-investments.

(b) It provides a larger income than could be obtained elsewhere with equal security.

(c) It frees one from anxious care—no worry in old age.

(d) It enables a parent to care for child, making

income sure from date of issue (or otherwise) through life.

(e) The deferred plan calls for less immediate outlay and so is within the reach of the average man or woman.

CHAPTER VIII

CONTINUOUS MONTHLY INCOME

This form of policy is very popular with insurants. On the Life or the Limited plan it provides for a *monthly* payment by the Company beginning at the death of the insured and continuing during the *entire* lifetime of the *beneficiary*.

On the Endowment plan this *form* provides for a *monthly payment* by the Company beginning at the end of the endowment period, and continuing *during the life* of the insured and *thereafter during the life* of the *beneficiary* named in the application, if said beneficiary *survives* the insured; or beginning at the *death* of the insured, if this occurs *during the endowment period*, and *continuing* during the *life* of the *beneficiary*.

These policies are issued to provide for ten years certain or for twenty years certain,—that is, for 120 or 240 *stipulated* monthly payments.

Under both Life and Endowment policies on the Continuous Income plan, no payments beyond the stipulated payments shall be made except to an original beneficiary. Any substituted beneficiary shall participate in payments only until the end of the stipulated period.

Once a year the *beneficiary* under this *Continuous Monthly Income* policy will receive an *interest dividend* check *in addition* to the regular monthly payment.

This form of policy takes the place of an *executor*—relieves the beneficiary from the *worry* of investment—the monthly payment is *certain, continuous*, and cannot be *diverted*—the *principal* cannot be *wasted* or *squandered* by some *untrustworthy* administrator—in every way, this form must commend itself to insurers. Talk *income!*

CHAPTER IX

INSTALLMENT OPTIONS

GENERAL SUGGESTIONS

Remember that *all* policies issued by the *Massachusetts Mutual* contain installment *option* privileges, except policies on the Continuous Income Plan.

Talk *income* for wife or children to your prospect instead of *life insurance*.

Give every case *special* consideration according to its *needs*.

An *Ordinary* or *Limited Payment Life* policy with *installment* options can be made to fit most conditions *better* than the *Monthly Income* plan.

Do not forget the *interest* item on *deferred* payments—*important!*

Keep in mind the *annual interest dividend* paid under Options B and C in addition to the installments.

The Company will consider the payment of the proceeds of a policy in *many* ways not specified in the policy. Any *unusual* beneficial clause should be *first* submitted to the Company for approval.

The installments can be arranged to cover the lives of *two* persons—and even *three*—under Option B or D.

SPECIFIC SUGGESTIONS

OPTION A

Under this option the beneficiary may be provided with a *fixed* income for a number of years or months,

the *number* depending upon the *amount* of income *chosen* and on the *rate* of *interest* credited by the Company on the annual balance of the installment fund remaining in its possession.

The installment *includes* the full amount of interest credited—no further interest payments would be made.

At 3% interest \$2,000 would provide \$50 a month for 42 months.

At 4 $\frac{3}{4}$ % interest \$10,000 would provide \$50 per month for *thirty-one* years and *ten* months, or \$100 per month for 126 months.

By changing the *amount* of monthly income or the *duration* of the income on *old* and *new* insurance, an excellent argument for increasing an individual's holdings can be made, a *great variety* of combinations being possible.

Among the many possible benefits to be obtained under this option, only four will be mentioned. They are as follows:

(a) Proceeds of the insurance payable to mother in 20 *annual* payments of \$250 each, and balance remaining in Company's hands as a 21st installment.

(b) Proceeds of the policy paid to brother of the insured in monthly installments of \$50 each as *trustee* for the benefit of insured's *daughter*.

(c) Proceeds of the insurance paid in monthly installments of \$40 to wife of the insured—she being granted *privilege* of increasing the installment to an amount *not* in excess of \$100 per month.

(d) From the proceeds of the policy an *initial* payment of \$250 to the insured's *wife*—and from the

balance a monthly income of \$25 to be paid *wife*. If *she* should die *before* the proceeds are exhausted, monthly installments are to be continued to *each* of the insured's *daughters* equally or to the survivor,—the monthly income to be reduced to \$20.

Option A affords a great variety of combinations for the protection of wife, children, and the insured in old age. For additional suggestions write Actuarial Department.

OPTION B

Under this option the beneficiary receives a *definite* amount for a *definite* period of time.

Interest dividends are drawn by way of *extra* payments at the end of *each* year and may be considered as a *bonus*. They grow less as the proceeds of the policy out of which the income is paid are *reduced* each year by payments to the beneficiary,—as the *proceeds* grow *less* the interest earned thereon *decreases*. See table in *Dividend Schedule* furnished by the Company.

Five thousand, five hundred eighty dollars of insurance will give the beneficiary \$100 per month for *five* years—with a dividend each year.

Twenty-three thousand nine hundred dollars of insurance will give the beneficiary \$100 per month for *30* years—and dividends.

An *initial* payment of a larger amount can be provided by adding the amount of such payment to the equivalent insurance value of income desired.

Ten thousand dollars of insurance will provide a monthly income for the beneficiary of \$96.17 for ten years—or \$41.85 for 30 years.

Among the many benefits to be obtained under this option, four will be mentioned. They are as follows:

(a) Proceeds of the insurance to be payable, in event of the *death* of the insured, to wife if living, in 240 monthly installments.

(b) From proceeds of the insurance an *initial* payment to wife of \$1,000, the *balance* of proceeds in 240 monthly installments of \$50 each, the *first* monthly payment to be made on the *first* day of the month *next succeeding* the payment of \$1,000.

(c) The proceeds of the insurance to be payable to wife as *trustee* for son, in *annual* installments as provided under Option B—number of annual installments to be determined by subtracting from 21 the *age* of the said beneficiary at the *time* policy becomes a *claim*. If the son shall have attained the age of 21 proceeds of policy shall be paid him in *one* sum.

(d) Proceeds of insurance to be payable in 240 monthly installments of \$100 each to *executors* for the equal benefit of children, the share of any beneficiary dying leaving *issue* to be paid *equally* for the benefit of such issue, and if any of children decease leaving *no* issue, *his* or *her* share of the proceeds of this policy to *revert* to the *equal* benefit of such of the insured's children as may *then* be *alive*.

Under this option there are many possible arrangements for protecting *wife*, *children*, *grandchildren*, and *one's* old age. Consult the Actuarial Department for further information.

OPTION C

Under this option, the beneficiary receives a *life* income as long as such beneficiary *may live*, with the added guarantee that *in any event* payments will be

made for a *stated* number of years. *Complete* protection may be furnished the policyholder or the beneficiary.

Interest dividends are drawn by way of *extra* payments at the end of each year, *decreasing* as under Option B.

\$25,467 would be sufficient to provide a wife with \$100 a month for *life*, *twenty* years guaranteed, if she was 35 years old when her husband, the insured, died.

\$10,000 would provide \$43.80 per month for *life*, ten years guaranteed, if *completed* age of beneficiary is 40.

The *guaranteed* income payments under this option, *in any event* will give a *substantial* return on account of the policy. If the beneficiary *die soon* after commencing to receive the income, *no large loss* of the proceeds will result.

On an Endowment policy, or by the cash surrender value of a life policy, the insured has an opportunity of securing an *old age* pension for himself.

This option can be *changed* to fit *changing* conditions without affecting the face of the policy. In this regard it has a greater practical value than the *Continuous Monthly Income* plan, under which there is no income option available other than that stipulated in the contract. Dividends and cash values under Option C are relatively *larger* than under *Continuous Monthly Income* plan.

Among the many benefits to be obtained under this option, we will mention three:

(a) The proceeds of the insurance to be payable as provided in Option C, *20 installments* stipulated,

payments to be made *monthly* to Jane Doe, born —, wife of the insured, if *living*; otherwise to *Mary Doe*, mother of the insured, or to said mother's *heirs-at-law*.

The right to change and to successively change the beneficial interest without the consent of the beneficiary is reserved to the insured.

(b) The proceeds of the insurance to be payable at maturity as an endowment to the insured in annual installments, 15 guaranteed, as provided in Option C, any unpaid installments to be payable to the insured's daughters *Mary and Lucy* equally or to the survivor of them. In the event of the insured's death prior to the expiration of the endowment period the proceeds to be payable in similar manner to the insured's daughters *Mary and Lucy* equally or to the survivor.

(c) Make the proceeds of the insurance payable, in the event of the insured's death, as provided in Option C, twenty-five installments stipulated, to the insured's wife *Mary Doe*, born —, if living, otherwise as provided in the Installment Option provisions—said payments to be made monthly at the rate of \$8.45 per month for each \$100 of annual installments as provided herein.

Option C can be *modified* to suit the needs of *individual* cases or to meet changing conditions. There are hardly *any* circumstances in practice where some adaptation of this option would not provide what was wanted. It is regarded by all who are familiar with its possibilities as the *greatest* of Options.

OPTION D

Under this option the *proceeds* of the insurance are left with the Company, and *interest* thereon at not less than *three per cent* is paid the *beneficiary*. The Company further contracts to pay such additional rate as the Directors may determine.

The Company is *primarily* a *life insurance corporation*, whose *chief* purpose is to *pay* claims, but the officers believe it to be within the Company's province to see, as far as possible, that the *proceeds* of our policies are used to the *best advantage* of the beneficiaries.

The Company holds the money, *not* as a trust fund and to be administered as such, but *only* with the idea that it shall be *used* in some more *definite* manner sooner or later. The Company does not wish to *accumulate* funds under this option.

Under this option, no *re-investment* of the fund held by the Company is *required*—no legal expense is necessary in collecting the income—no *direct investment* expense in the form of brokerage—no depreciation in the value of the proceeds—and the *full amount* of the sum insured can be realized *at any time*, if proper provision is made.

Upon the death of the *original* beneficiary, the interest income under this option can be continued to a second beneficiary, or even to a third if such was *born* before the death of the *second* beneficiary.

Among the benefits to be secured under this option, three are mentioned as follows:

(a) Proceeds retained by Company, interest paid *monthly* to insured's wife during her lifetime—at her death, or should she not survive the insured, proceeds paid in *240 monthly* installments as provided under *Option B* to insured's daughters Mary and Jane equally or to survivor. If *neither* daughter is alive at death of wife, proceeds are to be paid to *her* estate. If neither daughters nor wife are alive at *his* death, proceeds are to be paid to *his* estate.

(b) Proceeds to be paid under *Option D*—interest installments to wife during *her lifetime*—at her death the installments to be continued to insured's daughters Mary and Jane, equally, until they respectively attain the age of 25, at which time the share of each daughter *attaining* said age to be paid *her* in annual installments, *25 stipulated*, as provided under *Option C*. In event of death of *either* or *both* of said daughters, prior to death of insured's wife, such deceased daughter's share to be paid in *one sum* to her *executor* for equal benefit of any *surviving* issue, and if there be no surviving issue, then to the executor of the deceased daughter.

(c) Proceeds of the policy to be payable as provided in *Option D*, as follows: The income from the sum insured shall be payable in *monthly* installments beginning *one year* from the receipt of due proof of death of the insured, and shall be paid to the wife of the insured, if *living* when said installments fall due, otherwise to Thomas, son of the insured, if *then* living, otherwise to the *children* of the said Thomas, if any are then living, otherwise to *Jane*, the *daughter* of the insured; it being the intention that said beneficiaries shall *successively* receive said income during *their* respective lives in the order in which they are herein named. If all of such beneficiaries *predecease* the insured the *principal sum* shall be paid to the executors or administrators of the said insured.

The principal advantages of *Option D* afforded the beneficiary are the *security*, *good rate* of interest, freedom from worry, and *flexibility* in the use of the proceeds of the insurance left with the Company.

For more elaborate explanation of *Installment Options*, you are referred to papers and articles in the Radiator published in 1917. Those are both instructive and exhaustive.

CHAPTER X

A FEW TALKING POINTS OF VALUE

The following *tips* have been gathered from the *wide* experience of our *best* solicitors and will prove *helpful* to the *beginner* in selling our policies,—*he* will thus have a *great* advantage over the one who was *never told*.

1. Should the applicant pay the *first* premium at *the time* he makes application, as soon as the Company *approves* same, he is protected from the date of the medical examination, whatever his condition of health may be when policy is delivered. A strong point to *use* for getting *check* with application. Try to get check with *every* application.

2. An applicant can pay a quarterly (or semi-annual) premium in advance, and when the *next* quarterly comes due, can pay *four* quarterly premiums in advance, the Company discounting these to an *annual* rate at the age policy was *issued*. If the insured *continues* so to pay these premiums until *death* or *maturity*, the *quarterly* premium paid in *advance*, *not due* by the terms of the policy, *will be returned*.

By this process he can many times adjust the payment of his *annual* premium to the *day* and month desired—*retain his age* and *not use the preliminary term*.

3. A policyholder can pay in *advance* as many premiums as he desires. The Company will *discount* these premiums so advanced at *simple interest*, giving

the insured an *agreement* that, in event of *his death* the *then present worth* of premiums *not yet due* will be *returned* with the *face* of the *policy*.

4. Should a policyholder make a loan from the Company on his policy, *no time* is set for him to *pay* it back. The Company will accept *partial* payments, *stopping* interest upon *each* one as it is *made*. Interest on the loan is not collected in *advance*, unless the entire cash value is borrowed. Read the loan clause in the policy. Do not *emphasize* the loan feature. Every loan made *lessens* the *protection* intended by the face of the policy.

5. One can take an *Ordinary Life policy*, carry it while needing *protection* for his family, and then under *any of the options* use the cash value to secure a monthly income for his old age. Strong talking point—especially with *large* policies.

6. A proof of death consists of *claimant's statement*, physician's and undertaker's *certificates*. Very simple. No "*Friend's statement*" required. *Emphasize* this. Good plan to *show* proof.

7. When the *accumulated* surplus on an *Ordinary Life* policy (or any other), added to the reserve, equals the face of the policy, the Company will pay the *full face* of such a policy. In that case, the insured doesn't have to "*die to win*." All policy forms that may become *endowments* to the *holder late in life* are worthy of much study.

8. Study the change of an *Ordinary Life* to a *Limited Payment Life*. For example,—after *five years'* premiums have been paid and dividends have been used to *reduce premiums*, find from the table in your rate book what one dollar would amount to at 6 per cent compound interest for five years. Then

multiply that amount by the difference in premiums between the two policies. This will give you the *approximate* amount. Then tell your prospect who is "not ready" to take a *Twenty Payment Life* that he can take a *lower premium* policy and change it over later to the kind desired—*no loss of time, money, or age*. *Fine* closing argument.

9. A man wants to *endow his own* old age, and care for a *daughter* at the *same time*. Endowment on *two lives* is the greatest thing, *ever*. Monthly income *sure*—*no worry*—*no executor*—*nobody's* business. When policy matures, *he* gets a check every month and an *annual* dividend; and when *he* dies, *she* gets a check for the same amount *every month* and an *annual* interest dividend as long as *she* lives. This can be worked out in *other* ways.

10. When a person dies, the state (and possibly the National Government) will collect from his estate an *inheritance tax*. An Ordinary Life policy *sufficiently large* to cover this tax, allowing dividends to remain with the Company, makes a *fine talking* point. A prudent man likes to provide *his* estate with *every* protection.

11. Emphasize the advantage of a *Nineteen Payment Life*, especially if your prospect has an idea that he wants a *Twenty Payment Life*. But *little* difference in premiums,—*cash values* larger,—dividends *greater*,—aggregate cost *lower*, paid-up *sooner* if dividends are allowed to accumulate—mature as an endowment sooner if dividends are left with the Company. *Great* policy to *talk* when a competing company's *Twenty Payment Life* rate is no smaller.

12. The *savings bank* feature of *all* Endowment policies should be accentuated. Money deposited with the Company, *same* as with a bank, with the

added advantage of death benefit—*asset for old age*—Company will pay proceeds of policy in monthly installments—*nobody's business*—*no fees to pay*—*no worry about daily bread*.

13. He has a mortgage (*death grip*) on his home. He *hesitates* about insuring, *fearful* he cannot pay the premium on either a *Twenty Payment Life* or an *Ordinary Life*. He has *about* all he can do to *support* his family and *pay* the taxes. Suggest a *Term* policy while his burdens are so very heavy. It protects his loved ones, and *saves* his rate. Probably within five years he can change it to a better plan.

14. *Co-partnership*—insurance payable *when* partner dies, *prevents hasty* search for another partner—*vexatious* intrusion by obstinate executor—*unpleasant* pressure of creditors—*forced sale* to raise money to buy out dead partner's interest—*stoppage* of credit. At such times, life insurance *transforms* itself into a banker to pay debts—an *investor* to buy new goods—a sales manager who is not deterred from selling the stock—and *everybody rejoices*. Great talking point.

Term policies are well calculated to protect *business interests*, *loans* at banks, *unusual financial risks* for short periods, etc.

There are many other excellent features of our policies that will spring up in your fertile brain and bear rich fruitage as you go about your daily work.

CHAPTER XI

SALESMANSHIP

GENERAL

In the broad range of commercial activity, *expert salesmanship* takes precedence over all other branches. The *successful salesman* is admired by all. In these *wonderful days*, he is *abroad* in the land. Selling *life insurance* is a *fine art*, calling for the *highest* type of manhood, backed by the *largest* degree of efficiency. As a *vocation* it knows no creeds, no boundary lines, no impossibilities.

Old forms of *drumming* and *drinking* to sell our goods have been thrown on the scrap heap, to make way for greatly improved, high-class *professional* methods. Since the essential steps in every sale, by all authorities, consist in *enlisting attention—arousing interest—awakening desire—obtaining decision* and *securing action*, the life agent becomes *more* than a salesman of merchandise—*more* than a *mere salesman* of policies. In his work he acts a varied role. He gives valuable advice—acts as a friend—serves as a banker, trustee, attorney, or judge for *every* one he solicits. The *extra* qualities of head and heart employed in so versatile an occupation give the business a *delightful flavor* peculiarly its own.

Any man of *average* ability, by *earnest* work and *strength* of character, can secure in the life insurance business a satisfactory *income* and an imperishable place in the community. To engage in this work, one does not need to have money, a strong pull, or a university education; but he *will* need to energize his *brains*—he will need to bring into constant action

all the *affections* of the heart—not less must he preserve and conserve his *health*, because good health is both forceful and magnetic. His growth in *power, skill, wealth, influence, and happiness* will be in *proportion* to the degree with which he *uses* these *faculties*. Every successful salesman of policies in the *Massachusetts Mutual Life Insurance Company* may have the assurance that he can take his place in the *social and economic* life of the section where he lives—*no one* should rank above him. He can assuredly *feel* and confidently *express* the *dignity* of the *great* business in which he is engaged, because of its *beneficent* and *remedial* effect upon his neighbors. He can *cherish* the feeling that he has diagnosed big commercial affairs and guarded them from *death-destroying consequences* by proper indemnity. His heart should get big when he reflects what *crimes* he has *prevented*,—what *poor houses* he has *closed*,—what *institutions of learning* he has *endowed*,—what *hospitals* he has *equipped*,—and so on. Verily the salesman of *Massachusetts Mutual* policies has the right to *stand erect* and *glory* in his *work*.

PRACTICAL

In a more practical presentation of *life insurance salesmanship*, and by way of a *good foundation*, let us consider briefly the *policy* or the article we are to sell, the *customer* or the one induced to buy, and the salesman or the one who *solicits* the business and *makes* the sale.

THE POLICY

Massachusetts Mutual policies are *clearly* written—*easily* understood—*generous* in their terms—cover every condition of human need—*one price* to all and at a *low* net cost—proceeds paid when *due*—have *never* been *repudiated*, have *never* been conjectural or contained an *element* of *loss* to the *holder*—*up* to the *minute* in *conditions, options, and benefits*,—are *very popular* wherever known,—*praised* by our *com-*

petitors,—approved by the *Insurance Departments* of the various states—*honored* by the *daily press*—*commended* by *thousands* of *beneficiaries*—and in all *respects without a superior*.

Various kinds of policies issued by the Company are listed under another heading.

The *Massachusetts Mutual* as an institution has always been *devoted* to the *service* of *policyholders* and *beneficiaries*. The purpose of its founders was to make its policy contracts *fit* the *needs* of *policyholders* in *every way*.

THE CUSTOMER

Here is the material on which we work. Every person who is *eligible* for insurance is a *possible* customer. By “eligible” is meant one who is *able* to pay the premium, and who measures up to the Company’s standard of insurability, and *in whose life somebody* has an *insurable interest*. Every such customer should have *some* insurance, *more* insurance, or *better* insurance—“better” than the *quasi* insurance offered by *assessment companies*. No two customers are *exactly alike*. They differ in *so many ways*, it would be impossible to mention them. But these *various* differences furnish a diversified and interesting experience *much more* enjoyable than otherwise. The number of customers is *rapidly increasing*, which is an *earnest* that the *field* will *never* be exhausted. Each generation offers *new opportunities* for the salesman with the *need* of protection greatly emphasized. This is due to the *growth* in population and wealth—the *widespread* educational processes at work through *institutions* of learning, *general advertising*, the *public press*, and *field work* done by thousands of solicitors—and the *disbursement* of millions of dollars in *dividends*, *cash values*, and *death and endowment claims* by the companies doing business. But *our* customers do not “come in” to

buy insurance as they would groceries or clothing—*not as a rule.*

Because—

1. They are *careless* or *too engrossed* in their personal affairs and so *delay.*

2. They *hate* to buy something which they think will yield a *return* only *after* they are *dead.*

3. They are *too hard up* and prefer to *wait* for a "more convenient season."

4. They do not *fully appreciate* how much they *need* insurance—nor the *danger in delay.* So—

They must be *selected, interviewed, interested, and persuaded.* Work of this kind is the "beau ideal" of salesmanship—and to this end each solicitor is *earnestly* striving. He aims to be *versatile* enough to handle successfully the *brusque, square-jawed, determined person* as easily as he does the *high-browed thinker* who reasons everything out. He studies to be *flexible* enough to *deal successfully* with the *lackadaisical, devil-may-care* fellow who *does* or *does not* care for protection (depends on the *weather vane*), and considers it not *too hard* to solicit the *ignorant, bigoted* chap who has to be *educated* before he is written. He must study *character, environment, family, wealth,* and many other *customer-determining* factors. Customer study is the GREATEST TOPIC in our business. *How* to secure prospects, methods of interviewing, how best to interest them in our policies, and ways and means of closing, will be *briefly* discussed under the topic of "Selling."

THE SALESMAN

The *one* who brings *policy* and *customer* together. He must *know* the *policy*—he must *know* the *customer.*

Knowing the policy is comparatively easy—but *learning the customer* is difficult,—the most *difficult* of all his work. The salesman must have brains enough to keep all his *senses alert*—must have a body *well* enough and strong enough to make itself *felt*—must have a heart *big* enough and *kind* enough to convert buyers into *friends*. Or, in other words, he must have *average ability, great endurance, a disposition to work* and a good moral character. These qualities are easily trained, if the salesman only *will*. Under proper environments and careful cultivation their growth is rapid. There is a great variety of life insurance salesmen. We can characterize a few of them as follows: big ones, little ones—faithful ones, false ones—enthusiastic ones, indifferent ones—upright ones, untrustworthy ones—and we might go on. Each earnest salesman can *elect* himself to any class *he desires, in spite* of outside influences. In other words, he is, in a great measure, the *architect* of his *own* future and so can build *well* or *otherwise*. *Study, observation, and work*, backed by a praiseworthy ambition, will make a *first-class insurance man* out of him. The *ideals* he must choose—how *best* to inform himself on plans and methods—*what* to see and hear as he labors—*approved* and *well-tried schedules, projects, and suggestions* about field work, are referred to more in detail under “Selling.”

CHAPTER XII

SELLING

Under this heading, we will outline the actual *securing of applications*, dividing the subject for convenience into the following headings:

- I. *Preparation.*
- II. *Means of Increasing Acquaintance.*
- III. *Prospects—Where Found—How Found.*
- IV. *Some Methods of Approach.*
- V. *Suggestions About Closing.*
- VI. *Following Up.*
- VII. *Practical Suggestions.*

PREPARATION

TWENTY-FIVE SUGGESTIONS

1. *Keep yourself clean and well dressed. The impression you make may tip the scales in your favor; besides, it increases your own self-respect.*
2. *Free your mind absolutely from any other business or professional cares. You can't do two or three things successfully at the same time. Read your contract with your General Agent—keep your promises.*

3. *Read your Book of Instructions provided by the Company and then obey orders.* It is the only way to avoid asking foolish questions. It is the quickest and surest way to learn the Company's wishes.
4. *Study the forms of policies and the circulars, literature, etc., published by the Company.* The Ordinary Life, Twenty Payment Life, and Twenty Year Endowment policies *first*, then other forms as you grow more into the business.
5. *The Rate Book needs a lot of attention.* This book belongs to the Company—it is simply *loaned* to you. It contains rates, values, tables, and other matter of *great value* to you in your *field* work. You can study this for *many* years and *still* find something *new* and *helpful*. It can't be exhausted.
6. *As you get farther into the work, read every book and pamphlet on field work you can secure.* Every suggestion from successful *men* or *methods* will enable you to sell *more* Massachusetts Mutual policies. And read them *over* and *over* again.
7. *Secure a copy of the Massachusetts law relating to life insurance companies chartered by that commonwealth, and read it.* You will then *better* understand its equitable provisions for the policyholder, and more *fully* realize the many safeguards which surround Massachusetts companies for the policyholder's protection. It is referred to elsewhere.
8. *Learn a little (not too much) about other companies with which you may sometime have to compete.* As their forms of policies, rates, and values are constantly changing, it will hardly

be necessary to study them in too *minute* detail. *But*, always have books at your command from which you can get *up-to-date* information. This is very important.

9. *Be the Massachusetts Mutual's champion and safeguard its interests* under every circumstance. You are an integral factor in this great corporation. Fidelity to the trust reposed in you by the Company *is most assuredly expected*. You have a *right* to be the *proudest* individual who carries a rate book.
10. *The "party of the first part"*—to your contract—the *Manager or General Agent in charge*—is entitled to your loyal support. Give it to him freely, cheerfully. He will reciprocate.
11. *Your relation to those you insure*. Get a clear conception of what you are to them. They are to be *instructed, guided, assisted, and befriended* in every way. This is most important. *Never let go your hold on them.*
12. *Close your ears to the "siren songs" of those representatives of other companies who would lure you away*. If you changed, some *other* company might induce you to make another change and so on—spelling *Death*. No! Stay by—build up your reputation. You will *never* be sorry.
13. *Set your mind, your will, your heart, upon becoming a successful salesman of the Massachusetts Mutual's policies, if it takes you ten years to do it*. Never mind ordeals, trials, losses, disappointments—they will make you *stronger, surer*—and success *sweeter*. Many have done it—you can. *Be determined.*

14. *Study continually only those methods and plans that will give you greater inspiration and make you more efficient. Inspiration and efficiency mean income and happiness. Our own Radiator and other insurance journals are full of suggestions and plans that have been successfully tried out. Try 'em yourself. Write out your own successes. Write 'em over again and so on.*
15. *Shun drink, gambling, profanity, and anything else that would besmirch your character. As you are the exponent of the Company, a debauched life could hardly be called a proper representation.*
16. *Speak well of your competitors. It pays to see the good in others and, if called on, to mention it. Especially say nice things about them to the man you are soliciting, should you find it necessary to mention them at all.*
17. *Keep your head clear, your blood in proper circulation, and your digestion perfect. Else you cannot be vigorous, buoyant, forceful, magnetic. Guard your health with jealous care.*
18. *The Company's field force have an association called the "Agents' Association of the Massachusetts Mutual Life Insurance Company," which holds one session annually at the Home Office in Springfield. It will pay you to join the Association, attend those meetings, and take part in the proceedings.*
19. *If there is a Life Underwriters' Association organized near where you live, join it. Mix. Touch elbows. Exchange ideas and secure the benefits of organized co-ordinated team work.*

20. *Systematize* your work by a card index or otherwise.
21. Be thorough. Take great pains with whatever you undertake. Study to do *more* than is expected and do it *better*. Study to do your work *more quickly* than is expected, and to keep doing business at the old stand *longer*. So will you become more *efficient*.
22. *Look* and *work* for *big* applications—but do not *pass* a small one.
23. *Never acknowledge defeat*—rather say, “He won’t do it *now*, but I will get him *yet*.”
24. Never misuse social, club, or lodge privileges. Use your acquaintance *only* to *enlarge* it.
25. *Don’t scatter in your work.* Never skim a place—a factory—a wholesale house—a big department store—a village—a city block—a township—*work each to the bottom.*

CHAPTER XIII

MEANS OF INCREASING ACQUAINTANCE

A large acquaintance is the *only* foundation for extensive and effective work in selling insurance. It isn't to be accomplished in a week, or a month, but rather a desired end to be worked towards—a *purpose*. To be *well* acquainted is also essential. How best to meet the *best persons* in a community is the problem. The following suggestions may be helpful:

MIX

- I. You must, if you wish to "get next." No hermit ever accomplished *anything, anyhow, anywhere, any time*. You must get *into* the social and business life and *know men* and women. Join some secret society of your liking, the Club, the Chamber of Commerce, the Guild, etc. And when you become a member, *attend* the meetings, social functions,—meet the members and *keep meeting* them until you *know them* and a *lot about them*, and they know you. You will soon possess a *fine stock* of valuable information and a *fine group* of acquaintances—most valuable assets.

INVEST

- II. *Buy* a share or two in the *local bank*—the creamery—the manufacturing plant—or any other corporation made up of the *best men* in your location. *Buy it*, if you have to *borrow* the money. And then *attend* stockholders' meetings and so *get acquainted*. One of our *best producers* gets *his best* business from the *stockholders* in the companies where he has

invested small sums. It took him *several years* to do this, but *now* he belongs to a *dozen corporations* and knows nearly *every* stockholder. Take your time but *do it*.

TALK ABOUT SOMETHING ELSE

III. Your introduction would be practically worthless if you "*boned*" a man for an *interview* the *first* time you met him at a *social* or *business* function. One of the *best ways* to win a man's respect is to talk with him about *things* of *public* or *mutual interest*—and talk intelligently. *Good manners* and *brains* will make you a *larger* and *better* acquaintance, *if properly used*, than everlastingly *harping* on insurance whenever you meet a man. Meet him halfway on *whatever may be* of interest to *him* without boring him. The *opportunity* will come for you to present *your* proposition. Possibly you can tell him something that will be of *value* to *him*. Be on the *look-out*. *Big business* is frequently secured *this way*.

INTRODUCTION BY POLICYHOLDER OR EXAMINER

IV. This is a valuable method of enlarging your circle of acquaintances. This is not to be done *wholesale*—but a *little* at a *time*—whenever opportunity offers. Men whom you have insured *right* will help you to get acquainted with other *good* men. Much depends upon how you do *your* work, if you expect *co-operation*. You won't insure *all you meet*, but properly introduced, *each* one will *pass* you on to *his* friend, who may *prove* to be a *prospect*.

PROMISCUOUS CANVASSING

V. Among those *nearest* you—wherever you feel inclined to go. By this method you will need to make your business *known* when you enter his

office, shop, or home. A *straight canvass*, while not yielding such *large* results as some other methods, will open up a *vast* field of *possible* acquaintance and among *good men*, if you *choose* to seek them and are *able* to secure an interview with them. This method of getting acquainted is *arduous* and subjected to many *disappointments*. It is not the *best*.

CHAPTER XIV

PROSPECTS—WHERE FOUND—HOW FOUND

In considering this subject, let us first define a *prospect*. To a man who writes \$50,000 of new business per annum, a "prospect" is a *person with whom he has had two or more interviews and who seems interested*. To the one who writes \$250,000 per annum a "prospect" is *any one who will give him a respectful hearing*. To the one who writes \$1,000,000 or more per annum a "prospect" for insurance is a *person who can pass the regular medical examination, can pay the required premium, who hasn't all the insurance he ought to carry, and in whose life some one or something has an insurable interest*. Salesmanship transforms such a one into an *applicant*.

Now, among *what classes* of individuals will you be *most likely* to find the *best* prospects—and *how* will you *proceed* to do so?

THE MOST LIKELY CLASSES

I. (a) Young men and maidens—from fifteen to twenty years of age—through their *parents*. Brief reasons: to get *early start*,—*low cost*,—while in *good health*,—if Endowment is taken it matures *early*,—Limited Life policies *paid-up while insured* is *still young*,—in case of *early, untimely death*, parents reimbursed for money spent in education, training, care, etc. A wonderful field and worthy the most careful cultivation.

(b) *Women*. Widows with *dependent children*, wives whose *husbands* are *uninsurable*,—single women

who hold remunerative positions like stenographers, clerks, saleswomen, school-teachers, artists, doctors, nurses, lawyers, women of wealth or in business with large responsibilities, etc. *Brief reasons:* care for *old age*,—protect a *loved one*,—*secure* an investment, *save money*,—safeguard estate or business, etc. With a large and increasing number of women who are *wage earners* or in business for themselves, the scope of possibilities among this class is unlimited. Some of the *best* solicitors the life companies have are women themselves. They have added *tone* and *character* to the business.

(c) *Young Men Starting for Themselves.* Those *graduating* from college or *soon to graduate*,—*just going into business*,—*entering* religious work,—*commencing* practice of law or medicine, etc. College men in *groups* or *classes* for benefit of college or fraternity,—members of religious bodies in *groups* to *secure a mortgage*, etc. *Brief reasons:* forces saving and stimulates *thrift* and *economy*,—best form of *collateral*,—*policy well under way* when he marries, —*rates low*,—increases his *self-respect*,—*fully paid-up* in his *prime*, etc. Opportunity for business among these classes of young men is *tremendous*.

(d) *Business and Professional Men.* Merchants, manufacturers, bankers, lawyers, physicians, financiers, capitalists,—*big men of every calling everywhere*. Such men are frequently easiest to handle and *very* satisfactory persons with whom to do business. Our best salesmen, who place a half million or more a year, work *chiefly* among *this class*. *Brief reasons:* creates an *immediate* estate, —many times does away with *need* of an executor, —gives *additional* security to creditors, —*perpetuates* a father's care by *monthly income* through one or two generations, —protects *sacred* interests, —endows colleges and other institutions, —takes *funds* out of

speculations,—pays *inheritance* and *other taxes* imposed at death,—*endows* old age, etc. Perhaps the greatest possibilities in *all your field* are to be found in this class. Men herein constitute the *keenest*, most *experienced*, most *rational*, most *able* of all. It is a great pleasure to do business with them.

(e) *Farmers—Artisans—etc.* *Thrifty farmers* who read the papers, and *skilled mechanics* who get good wages. Protection for loved ones and other usual arguments. These men are usually thoughtful and reasonable. Policies will not be *large* in this class, but they will *stick*. In case of *mechanics*, see book of instructions.

(f) *Partnership and Business.* *Joint Life* payable to survivor, an official's life to *preserve* business in case of death,—on heads of departments, employes in banks, etc. A wide territory for *intensive* work. *Brief reasons:* one's *knowledge, connections*, and good will are hard to replace,—capital might be *withdrawn* from business,—creditors become *uneasy*,—*perpetuates* the earning power of the *deceased*,—*valuable collateral* when *more capital* is desired,—*protects* endorsers,—buys out a retiring partner's interest,—prevents disruption or disorganization of business.

HOW TO FIND THEM

2. (a) *Read the Daily Papers*—for information about those with whom you are acquainted. You should note promotions with increased salaries—announcements of engagements or marriages—persons coming *suddenly* into *wealth* because some relative *died*—death of a *citizen* whose son you know—*rich* men or women you know elsewhere moving into your town—*graduates* from local colleges or schools—lawyers who have won notable cases—doctors who have performed *great operations*, etc. All such

information helps you *convert* an acquaintance into a *prospect*. Get after them *quickly, don't wait!*

(b) *Those already Insured in the Company.* They know the value of insurance or they never would carry it—they have *once* been accepted, so will *likely pass* again—they *believe in our Company*, and are undoubtedly *satisfied* with the treatment received—you know *their ages and occupations—when their rate changes, when they pay a premium, just after recovering from a successful operation or a fit of sickness which would not make them uninsurable—when a baby is born, etc.* Among *those you or your predecessors* have insured will be found a most fertile field. Especially is this true with the *Massachusetts Mutual*, in which every policyholder is so well *pleased*. Many *young men and women* have proven good prospects to the salesman for *policy after policy* as they grew older. Watch out and let none of them be *seduced into another company while you sleep. Remember, if sold right, your policyholders become your best customers.*

(c) *Through Help from Old Policyholders.* When a person is pleased with your treatment—and the Company's treatment—even if *fully insured himself*—he will be very glad to *boost your business*. He will, if properly *coached*, be on the lookout for prospects for you, and will *locate many* you would otherwise never have known. Properly insured and trained, *every one* you have written should furnish you at least *ten good prospects* per year—both among people you *know* and those you have *never met. Work this out.* No other source of securing prospects, especially for *big business*, compares with this. Write them occasionally very briefly thanking them for past favors and suggesting that they don't forget you. Just a few words. See "*Following Up.*" *An autograph book*—in which each one

you have insured writes a word of praise for the Company and tells what he has done—*over his signature*. Great! Can't get them *all* to sign, but you can secure enough to make the book very helpful—*letters of recommendation* serve the same purpose.

(d) *Use of Company's Circulars and Pamphlets.*

Take notice that *all* literature furnished by the Company is merely an *aid*, and is not in any sense to take the place of a *personal* interview—*nothing* will. Know *every* circular the Company provides. Never send any one an *unmarked* leaflet. Blue pencil some *one clause* you desire to have read and he will *probably* read it—not otherwise. Don't swamp any one with circulars. *Kill* your chances, *sure!* When sending out these leaflets have careful regard to age, sex, business, financial conditions, etc. And remember that *circulars followed up with a personal call* lead to prospects—they don't *bring* them to you except in very rare instances. Sending circulars as a general practice is a poor way to get prospects.

(e) *Special Occasions.* When you pay an Endowment or death claim, it becomes a *wonderful* prospect-getter if used *correctly*. The man himself (if an Endowment), the widow, a brother, a sister, a son, an employe, a partner, the nurse, the undertaker, the doctor, etc. *Wonderful!* Then *birthdays* can be used to great advantage—wedding anniversaries, business anniversaries, birth of a baby (keep a list of babies and dates of birth and send some little token each year)—payment of dividends both when the insured is paying *renewal* and after a policy is *paid-up*. Payment of yearly installments (or *monthly*) to beneficiaries—all such times and occasions should be *prolific* in prospects.

(f) *Straight Canvass.* By this is meant soliciting without introduction or other preliminary assistance. Such work is more nerve-trying and demands *far more skill* than any other method, but, *if done properly*, some splendid results may be secured and the solicitor attain a *high degree* of efficiency. A few suggestions may help:

1. Find out everything you possibly can about the person before you seek the interview. Get information about *his family, home, politics, religion, business, wealth, insurance, health, etc.* Everything you can find out. Be prepared.
2. See that you *yourself* are prepared. Be clean-shaven—well dressed—shoes polished—senses alert—stout hearted.
3. You *must* get into his office, or presence. Unless guarded by secretary, clerk, or other person, *walk in*. If *necessary* to send in card, send it, but write some little *catch phrase* that he will surely see. For example: "*Have a business proposition to make you, will take five minutes.*" "*Your daughter needs what my company furnishes.*" "*Life is uncertain but my goods unfailing.*" Very many others—use your *capital* in brains.
4. If *shown in*; don't enter like a *trespasser* or a man out on *parole*. Be bold (but not too bold), pleasant, polite *always*. Sit *near* him. Don't begin by asking *him* a lot of questions. You should know his *age* and a *good deal* more. You can get what *else* you want *later* in the interview. Put a clear, definite proposition before him, *on a tablet*—so you will interest *both* eye and ear. Say nothing about *cost* until he asks about it. Now, listen, you are there to interest him—to *sell him*. Don't let him *put you off*,—insist on his *immediate* action for a *dozen* reasons, but do

it so winsomely—so graciously—he cannot take offense. Any agent who can walk into a man's office and sell him a policy of life insurance on the first interview is a *prince* of salesmen.

SUGGESTIVE

Among *productive* fields of work by the *straight* canvass, the following tips will be helpful:

Overheard conversation on street car or elsewhere.

Table talk at some function or cafe.

Lists of members of *exclusive* clubs.

Farmers who have had *good* crops.

Society news.

Year books of *private* schools for boys and girls whose *parents* might consider *income* insurance.

Lists of property owners, especially *large* tax payers.

Lists of *school*-teachers.

Those *just* elected to office.

Physicians *just* appointed to positions in hospitals, etc.

News of *employes*, *promotions*, *newcomers*.

Trade and other *journals*.

Every solicitor should have a *definite* object—*fixed purpose*—every working hour. *Go somewhere to see some one who looks likely. Never remain idle a minute.* So will you develop personal *poise* and *skill* in dealing with them.

CHAPTER XV

APPROACHING THE KNOWN

Under this topic we will refer briefly to the times and methods of *bringing up the subject of his insuring*.

There's a fitness in this work. There are occasions when the subject will suggest itself. There is a *psychological* moment when *mind* and *heart* are receptive. There are methods which if properly employed will *put one* in a receptive mood. Each case requires *careful* study. The idea is to secure the application with the *least* resistance.

OPPORTUNE TIMES

Supposing you *know* him and he *appears* like a *good* risk and able to pay the premium:

- (a) When his heart is *full* of *love* for his dear ones—*you* can tell.
- (b) After attending the funeral of a *friend*—*you* might possibly be there, too.
- (c) When his bank has asked him for a *little additional* collateral and he tells *you*.
- (d) When you have been able to do him a *kindness* and he thanks you *heartily*.
- (e) When he is acting as the *executor* of the *will* of a friend.
- (f) One day when you lunch together and *he* asks *you* about your business.

- (g) When he has a *narrow escape* from a serious accident.
- (h) When you have *just paid a death loss* to the widow of a *friend* of his.

If you are *wide-awake* and your senses alert you will not lack for opportunities. They appear every day to the solicitor with the "Open Vision"—if he is *on the job*.

SOME METHODS—(UNDER PRECEDING CONDITIONS)

- (a) "I greatly admire you for loving your family, Bill, but have you *thought* about *their* care, if *you* were suddenly taken?" This will *open* the question for discussion.
- (b) "Do you know, John, I was thinking of *you* while the friends were viewing the *remains*." Just *after* the funeral his *heart* will be *receptive*.
- (c) "I had a friend who used *his policy* as collateral at a bank. Maybe you could do so, *too*, if you *had* one." Will enable you to *press* the matter.
- (d) "That's *all right*, my boy, you needn't thank *me* for the *little* courtesy shown you. *Just* protect *that little* daughter of yours against her *papa's untimely death*. That will be thanks enough for *me*."
- (e) "You are closing up Henry's affairs, aren't you, Joe? Well, *how* about your *own*? Have you made *your will*? Why not let our Company take *care* of your *family*?" (It can be done under our Continuous Monthly Income policy or under the Installment Option Provisions.)—While he is finishing his work as executor.

- (f) "Yes, Charlie, business is *good*. I wrote two applications yesterday. I *could* do more. *You* haven't done *your* duty yet, old man. Why not *to-day?*"—*While at lunch.*
- (g) "If that automobile accident *you* were in doesn't make you *realize* how *uncertain* human life is, George, I don't know what *will.*" An entering wedge just after he has recovered.
- (h) "Here's a photograph of a check I just handed Jennie Brown. You know Jennie. Well, Arthur is dead, but he was a wise boy and protected his wife." He will think about *himself* and his *wife*, and—there you are.

Once more study *men* and the *events* and *things* that *move* them. The study of *men* will yield *larger returns* than the study of *methods* or theories.

CHAPTER XVI

APPROACHING THE UNKNOWN

Among methods of approaching those you do *not* know, let me offer a few suggestions, and *bear in mind* they are *epitomized* and *only* suggestive:

1. Hand the person a circular. He will usually say, "No, thank you! Don't want any." Reply: "I haven't called expecting to protect your home to-day, but simply to ask you for *permission* to put you *wise* to our *recent* policy in *ten* minutes to-morrow at *noon*. I am *too busy* to-day. I am *fully* aware that you do *not* want any insurance *now*, but you may take more *before you die* and I want you to know a *little* something about our Company. I will not solicit your business, if you do not want me to, but it will do you no harm to see my goods, and it may mean much to you later on." You may get an appointment.
2. Another: "Beg pardon, sir, but I am representing one of the *greatest* institutions in the world, and while I *know* you have *some* of my goods (I have just had a short talk with Dr. X), I want very much to see if you are in *physical* condition to get *more*—supposing you *want* it after we have determined your eligibility. Here's a bottle, please give me a little specimen. I will have a *microscopical* examination made and report to you to-morrow. No expense. If when you receive my report you don't want anything further to do with me, you are under no obligations." With *big* men who know how easily kidney and other diseases creep into the system, this will not infrequently work.

3. "Is this Mr. Jones? Well, my name is Blank. I have a draft on a New York bank which I wish to have *cash*ed. Dr. B. couldn't leave his office to accompany me to your bank, so I could not be identified, but if you will *call* his *office* you can *assure yourself* that I am the *man named* on the draft. I will wait. *Thank you.* Before I go let me *open an account* for you with *our* bank in *Springfield*. I mean, let me give your *widow* a draft backed by our entire assets that will be *good* when *presented* for *payment* in *one week or forty years* hence. The rest will be *up to you*—and it's easy." Then ask him for an interview.
4. "Am I addressing Mr. C.? Well, my name is Blank. I understand you have a *daughter* eight years of age. As the representative of one of the *oldest* financial institutions in this country, I am engaged in providing a *fixed monthly income* for *little daughters* like yours. Several of your *neighbors* have already made such arrangements. I would like the *privilege* of showing you my plan."

There are *hundreds* of other methods of approaching strangers in a straight canvass,—but space forbids. This much can be said however, "*The proper study of mankind is man.*" If the solicitor will study *men more*, the proper approach will suggest itself to his fertile mind, naturally, suitably.

Here's a straight tip: Many a wall of *opposition* in front of a man *looks impregnable*, but it's made by a bunch of human folks just like us. There's many a solicitor for the *Massachusetts Mutual* who would be astounded at how easily he could *drive* his personality through the thickness of the *obstruction* in his path to success, if he'd only *get over* being *afraid* of a thing on account of *its size* and get a *square look* at *its quality*.

CHAPTER XVII

SUGGESTIONS ABOUT CLOSING

Closing a person consists chiefly in overcoming objections to immediate action. By *closing* is meant—getting signature to the application, securing *settlement* for the first premium, getting the person *examined*, and delivering the policy when issued. There is *no* objection or argument against taking a policy *now* but that can be *honestly* answered and successfully *refuted*. Not all of these objections can be considered in the space allotted, but suggestions will be made that will *prove* to be praiseworthy if employed.

Before entering into details, you are hereby served with *six injunctions*:

1. *In all your soliciting, tell the truth. Lies are unpleasant bedfellows. Honesty is the best policy, but, if it isn't, stick to it just the same.*
2. *Sell the policy—not the Company, not an investment, not dividends—the policy.*
3. *Talk protection,—altogether, everywhere.*
4. *Give every person with whom you do business a square deal.*
5. *Talk and act so that policyholders and others will be glad to see you.*
6. *Talk with four persons, about insuring, each day,—
PROMISE!*

"NOT NOW"

This is so common a statement from one with whom you have labored hard to insure, that it might be said, "*You can expect it in 90 per cent of all cases.*"

The following excuses will be offered:

1. "*I am not ready*"—perhaps not, but when you are the Company might not want you. It takes two parties to make a contract of insurance. Cite cases of men both of you know, who are ready but no company will take them. What do you mean by *ready*? You certainly can't mean you are now *uninsurable*, you seem *so well*, but are you *sure*? Let the doctor look you over. You certainly can't mean you are not *financially* able, because the premiums can be made payable to suit you. You must mean you haven't *made up your mind to insure*. Yes? Then the *protection* of your *home* and the *dear ones* is a *whim*, a sentiment, a mood, an emotion. Do your duty. There is only one time to do one's duty, and that is NOW!
2. "*Must wait until I get my home paid for.*" Then what? You are *older*, perhaps *uninsurable*, and the time that you make the last payment is *uncertain*. Besides, who would pay for it if you died? Why ask your *wife* to carry the *risk*? Take out a policy and *assign* part of it to the man who *holds* the *mortgage* or contract—so *relieve* your wife. Nearly every man who dies leaves a *mortgage* or other *debts*—but *most* of them make provision.
3. "*Have enough already.*" Dare say! But *cost* of living is *increasing*—you can't tell *how much* your *last* sickness will cost,—your *wife's income* after your death will not be *so large* as *yours* now,—then your *creditors* must be considered, cost of administering your estate, etc. What you *now* have invested

at five per cent less *income tax* and *other taxes*—is it much, now is it? Stop, think! You *can* add another policy—why not NOW?

4. “*Later perhaps, but not just now, my wife objects.*” So! If she *objected* to your *buying* something for the *children*, you wouldn’t buy it. Your wife’s *objection* doesn’t *discharge* your duty to *her* or the *children*. Your wife doesn’t fully understand the proposition, or she wouldn’t object. *Women* don’t view things as *men* do. If she were sick and needed a doctor and told you *not to get one*, would you? If you *had* a policy, and should *die*, would she be *sorry* you didn’t let *her* tell you what to do?—would she use the money? Never fear, you *love her* and the *children*,—*do it NOW!*
5. “*I like your policy, and will give you my promise to take a policy when I get ready.*” Don’t do it. You *always* keep your promises. Now, suppose *I held you to it*, and you refused to do business with *all the other* solicitors, before I could get to you, and you *got sick* or *died*,—eh? What’s the *use?* NOW—while you *can*—is the *only time* to keep your promise. No better company—no better policy. How would *three p.m.* do?—he could examine you in *fifteen* minutes. Thank you!

We could multiply these suggestive methods of closing *indefinitely*, but must leave you to *work* them out.

The following objections are a few of the most common ones you will meet in your work:

“Never was in *better* health,—don’t need it.”

“Want to take a *big* policy when I take any.”

“I am in sore financial straits.”

"I have no children."

"My wife has money of her own."

"Have *all* I can possibly carry."

"It costs too much."

"My business takes *all* my money."

"I'll carry my own insurance."

"See me *after* January 1."

"Can put my money to better use."

"Suppose the Company *fails*?"

"I *won't* sign a note, and I *can't spare* the money *now*."

"Expect to live to be 85. Father did."

"Won't *leave* a lot of money for my *wife's second* husband."

"I can *save* and *invest* my money as *well* as the Company *can*."

"I can get insurance in my *lodge* cheaper than *your Company* can furnish it."

"I have *no confidence* in life insurance agents."

"Suppose my wife should *die* before *I* did?"

"My family is *well protected* by investments."

"Suppose I failed to pay the *third* premium?"

"When are you coming around *again?*"

"Go over and see *Jones*, if *he* does, *I* will."

"I am a member of the *United Brethren* church."

"Too *busy* to-day, but will take it *to-morrow*."

"Wait until I *gather* my *crops*."

"How much will you discount the first year?"

And we might name *many* more excuses. *Make up your mind* in advance to hear these objections, and *don't* let them *dampen* your ardor. *Every* one can be *refuted*, and you can *soon learn* the arguments.

CHAPTER XVIII

FOLLOWING UP

Understand, please, *this* does not mean *trailing* a man as a hound follows his quarry—*before* you secure his application. No! Your *ambition*, your desire for *commission*, your *pride* will spur you on to secure business. But *after* you have by *hard*, *persistent*, *tactful* work put his name on your books, what *then*? Well, *several* things.

1. *Drop him a line*—a dozen words—once a month;—enclose a *calendar*, a *souvenir*, a circular *marked*. No *dawdling*! Be businesslike and *be sure* that what you write or send will either *help* him to understand his insurance *better* or *inure* to his *personal* advantage.
2. *Call on him about every sixty days*—when you get a *large* clientele this will be *impossible*. Shake hands, congratulate him on his *health*, his *business*, his *work*, his *new baby*, the size of his dividend *just after* he gets his *renewal* notice, his crops, etc. Find something to say that will make his *heart warm*. Remember that *all the world likes a Jolly*. And don't "*bone*" him for additional insurance *every time* you *call*. You can *talk* and *act* so that *he* will bring up the subject. There's where salesmanship shines.
3. *Tactful courtesies towards him*. Not only to develop *loyalty* to the *Massachusetts Mutual*, because of which he will *insure in our* Company, but to make him *your friend*. Invite him to your home—to lunch—to a golf game—a fishing trip—et al. *Get under his waistcoat*. For example: An agent

of *another company* called one of our solicitors by phone one day. This is what he said: "I understand that Mr. F. is going to place a *large line* of insurance. Knowing that *you are his close friend*, I thought you would *know about it and advise me whether I had better call on him or not.*" Our agent replied that he didn't think Mr. F. was going to insure, but he could call upon him if he wanted to and he didn't need to have permission either. He said, "*No! I could not do anything with this man without your co-operation.*" See? Our agent saw his *friend* a few days later, and this is what he said after he had related the circumstances: "*Do you think I would take insurance anywhere else in the world without first talking with you? No, indeed!*" Our genial solicitor had been *enshrined in his heart*. He had *followed him up right!*

4. *Until he boosts for you.* By a process of *suggesting, instructing, and training*—a little at a time, but none the less *sure*—until our Company is *engraved on the tablet of his affections*. Until *Massachusetts Mutual* and its *virtues* come to his *thought and tongue* the instant any one says, "Life Insurance." He will send his *son, daughter, brother, sister,* and other relatives to you—*ready to insure*. He will talk to his friends when you are not around, will *advertise* the Company more *effectually* than some agents can. The *combined support* of one hundred such "boosters" cannot be measured.

CHAPTER XIX

PRACTICAL SUGGESTIONS

1. Carry a *list* of prominent policyholders insured in *our* Company. Sometimes it talks *louder* than anything *you* might say. Autograph book referred to elsewhere is just as good.

2. In many states a *discount* is allowed on the inheritance tax if it is paid *within* a specified time *after* death, or an interest charge is made if it is *not* paid within a certain number of months. Persons leaving *large* estates can avoid the sacrifice of valuable securities, and can save money, by insuring so as to pay such taxes *promptly*. Great talking point with *rich* men. Use it.

Complete protection can be secured through life insurance, as policies payable to a definite beneficiary, instead of to an estate, become exempt from the operation of the Federal Inheritance Tax Law. Another argument which can be forcibly used with people of means.

3. In your daily work, have a *large fund* of *illustrations* of the benefits of insurance, the folly of delay, the uncertainty of good health, the saving in early rates, etc. And have them *ready* to use. If you haven't any, *look about* and *get some*,—the busy world is full of them.

4. Many applications have been secured by *getting the prospect to let the Examiner see him at 12 noon*. Have the blank *filled out* as completely as possible from data secured *elsewhere*, and let the *doctor* get his *signature*

when he examines him. Talk—"Can you pass?"—and press it home by many questions.

5. Deliver all your talk with *feeling*. Mean it—put *life* into it—you *must* sustain the interest. Remember you are a *business man* discussing a matter of *vital importance* with another business man. You *lose* if you *weaken, stammer, grow pale, or get nervous*.

6. *Monthly income* for wife or for children is the *opening wedge* to many fine applications. The *Massachusetts Mutual's* contract duty consists quite as much in *caring for* the insured's family as it does in paying the claim *promptly*. When a monthly income is *properly* provided under our options, it cannot be *commuted* or *collected faster* than authorized. No lawyer needed to interpret benefits and secure fees, no executor to *squander* proceeds, no need of *seeking* safe investment for the *proceeds* of the policy, no *loss* through *ignorance* of business matters. These points can be elaborated, and they seldom fail to arouse keen interest.

7. Be on the lookout for corporations with *valued officials* and *employees*—or *co-partners* who have *large* interests to protect—*dependent* upon both—or business men who depend in *great* measure upon some *one* employee.

Commercial life insurance furnishes a lucrative field for the wide-awake solicitor, but he must *develop* it.

8. Be *resourceful*. Help *load* hay—*tend* the baby—*assist* in unpacking goods—*lend a hand* wherever and whenever you can to assist a *busy* or *needful* man or woman. You will be surprised at their *willingness* to listen to you when you *present* your proposition.

9. *When business does not come as fast as you wish*, don't blame everybody and everything but *yourself*.

There are plenty of *excuses* that answer the summons—*paltry excuses*—but don't allow yourself to use them. Some other man in the *same field* is writing *twice* what you are, and he isn't any *better* man than you, only *he* has been studying *himself* and has remedied his weak points and *strengthened* his strong points. *Self-analysis* is what you need—and a *lot* of it. You may have lacked energy—system—tact—imagination—reason—courage. *Examine* your *failures* and compare them with your *successes*—and then *correct* them. *So will you grow.*

10. *In proportion* to the care you give the *beneficiaries* under policies you have placed, *maturing* by *limitation* (if *Endowments*) or *death*, will you appreciate the *greatness* of your work and increase your influence for good. Help them with proofs—take drafts to them—advise them about the use of the money, etc. *Make yourself useful*—large returns, not only in new business, but also in the great joy which comes from *real service*.

11. *Settlements*—when the application is *written*—just after the examiner has passed *favorably* upon the applicant—when the policy is *ready* for delivery. *Best time* is when application is *written*—*best form* of settlement cash—*best amount*, *full annual premium*. Here's where the *rub* comes. A man isn't *sold* life insurance until the salesman gets the settlement. Don't get "balled up" with a lot of notes—get *cash*. A "*Not Taken*" policy hurts your record.

12. *Don't appeal* to *friendship*, *charity*, *lodge*, *church*, *club*, or any other motive or connection. Be independent. Use all of these and more, but *never* as a *favor* or *plea* for business. *These* are to *widen* and *strengthen* your *acquaintance*. When you reach the *personal* appeal for business, *put it on its merits*,—the *individual's need* and the *superior quality* of the

Massachusetts Mutual's contract. These are enough to make every sale.

13. Never allow yourself to *recount* your failures with *groans* which cannot be uttered. Don't get *fussed up* because some one turned you down. There's a *law of average* in soliciting. Out of a *given number* of *prospects* one is bound to make *some sales*. If you call on but *two* men a day and *both* turn you down, it is discouraging, *but* if the number is *twelve* and *ten* turn you down while *two* buy, you are *happy*. Get this idea of average well rooted in your mind.

14. Make your job *joyful*. *Dwell* on the *bright spots*—*cherish* the *friendships* you have made—*talk* about your *successes*—carry a *light heart* and a *smile*. Happiness *attracts*. You have the best *company*, goods, territory, friends, chances, times. *Blessed* is the solicitor for the *Massachusetts Mutual* who knows, feels, and expresses the *joy of his job*.

15. Put *yourself* where your *prospect* will *likely* be ten, twenty, thirty, or more years hence. You must *anticipate* conditions if you *expect* to *pry open* stubborn wills. Is he in *debt*?—what would you do? Has he *great business* cares?—how would you feel? Is his *wife* an *invalid*?—how would you *act*? Has he children to *rear* and *educate*?—what would you *think best*? And so on. *Then* you can see from *his eyes*—*then* you can *fit* him with the *right policy*. Get into *futures*.

16. A word about *risks*:

1. If you think your prospect's *business* is hazardous—and it *doesn't* come under the list printed in Instruction Manual—*get advice* from the *Home Office* before writing his application.

2. If you think there is the *slightest reason* why a person would not *pass* because of some *slight physical* ailment, talk it over with the local examiner before making the Company the expense of medical fee. Besides, a favorable opinion of the local doctor might help you *close* him. The Home Office appreciates such *care* and *thoughtfulness*.
3. If the Company rejects an application, get all the additional information possible and ask your manager to send it in. Possibly the Home Office has misjudged the man. It is as anxious for *good* business as *you* are.
4. If the individual has been previously rejected by our Company, *before* writing *another* application submit additional *information* through your Manager and *wait* for permission.
5. If the person has been previously rejected by *another* Company, get all the information possible and refer same to the *Home Office* *before* submitting application. So will you save the Company *expense* and yourself *rejections*. Put yourself in every instance in the position of the party who is to *pay* the face of the policy, and you will *feel* the importance of *great care* in selecting risks.

CHAPTER XX

STUDY

Every solicitor for the *Massachusetts Mutual* must be a careful student, if he would be a success. Your study must be conducted along four lines:

1. *Your Business, its purpose, plan, development, growth, destiny, etc.* There is much in this to broaden your horizon and make a bigger man of you. Literature of all kinds is available, and a few minutes a day will give you a large fund of valuable information.
2. *Your Company.* You must know this well. Read *Book of Instructions*—this *Textbook* again—visit the Home Office *every year* when the *Association meets*, and examine the *workings* of the different departments—read *The Radiator* all the way through *every month*,—and any other *material* whereby you may become *more fully* acquainted with our Company. The *more* you study it, the *better satisfied* you will be as its field representative. We have a most *wonderful* history and a *remarkable* record.
3. *Your Work.* This means *plans, policies, times, men, other companies, insurance journals, competitors, territory, systems, etc.* You will need to study *your work as long as you live*, for there are *new plans* and *new things* to learn being presented continually. If you can't *learn*, better quit *this* business.

4. *Yourself*. A *big* field. You know your *faults*—they should be corrected. You know your *virtues*—they should be developed. Your *moods, impulses, nerves, feelings, energies, mentality, affections, influences*, etc., are worthy *most thorough* analysis. Know *yourself*. Many applications have been lost because the agent was not in proper trim. His *personality* and *labor* did not *co-ordinate*.

Study—learn—use—keep.

CHAPTER XXI

WOMEN

In keeping with the terms of its Charter, the *Massachusetts Mutual Life Insurance Company* since its organization in 1851 has insured, at the same rates as men, women who were eligible. Single women and widows with *dependent* beneficiaries will be considered on all plans except the Term. *Married* women are *only* accepted *jointly* with *husband* (limit \$2,500 and on any plan *except Term*) *when there are children*. However, the *limit of amount* is *varied* under *exceptional* circumstances. *Married* women *professionally* or *commercially* engaged are, ordinarily, *acceptable* risks. Disability feature is not granted to women applicants, *except* those who are *actual wage earners*.

The Home Office and many Agency Managers realizing the *ever-widening* field for new business among women encourage and make contracts with women to become *solicitors* among *other women* whose *occupation, profession, or other conditions* give promise of good results.

Women agents have carried the *standard* of the *Massachusetts Mutual* into the *ever-enlarging* ranks of *independent womanhood* for many years, thereby bringing blessings to thousands of lives.

The Company desires to pay tribute to the *high character* of its women representatives, and most heartily commends to *every* agency the establishing and maintaining of a *Woman's Department* to handle this *rapidly developing* branch of our business. It believes—

1. That *women* are becoming, more and more, a part of the business fabric of the world and *need* insurance protection as do men; and *we* should have them.
2. That *women* solicitors can secure such business *better* than men, and *we* should have them.
3. That, when possible, *women physicians* should be appointed *examiners* for *women* applicants, and *we* should have them.

The advent of *thousands* of women into positions formerly filled by men indicates the *wise foresight* of our Company in opening its doors without rate restriction to this class of insurants, thereby providing a delightful and lucrative field for hundreds of competent solicitors.

The *general information* and *specific instruction* contained herein apply to the work among *women* as well as among *men*.

CHAPTER XXII

TIME

Every underwriter has the *same* number of hours each day, but not all use them in the *same way*. If one sleeps eight and plays eight, few enough remain for *intensive work*. Many successful men, however, do *not cease* labor under *twelve to fifteen* hours per diem.

Agents seldom comprehend the *full value* of the rapidly passing hours until some *emergency* or *crisis* arises which arouses them to a *deeper* appreciation of this *priceless* possession. "*Time is money*," and the solicitor who *fully* realizes this will not waste *any* of it.

The *proper use* of time makes a man a *leader* instead of *one led*. Makes him a *signal success* instead of a *dismal failure*. When *properly* employed, time will *more than compensate* for all defects in *education, opportunities, or connections* either social or business. The *most* capable—the *best* educated—the *strongest* connected—the *richest* in opportunity, will *ingloriously* fail if time is *lightly* thrown away.

The *Massachusetts Mutual* makes no *hard* and *fast* rules to *govern* an agent's *use* of time. It takes for granted that its representative will have *energy* and *ambition* sufficient to improve *each working* hour. It believes that *efficiency* in the *use* of time will do in *one month* what *quackery* cannot accomplish in *one year*. It urges *each* agent, *not only* to *use* all his time simply to *fill up the hours*, but to do so *consistently*. It suggests a *specific* plan for *each day*—a *schedule* of *trips, appointments, correspondence*—and *living up to it*.

A hit-or-miss, indefinite scheme of daily work—not knowing where you are going next,—*results* in nothing but *nervous exhaustion*. *Two hours* with each of *four* persons *each* day would be *ideal* and *multiply* your production by *two, three, possibly four*—*double* the Company's volume and *no one* be a bit *overworked*. It takes some *head* piece to do this, but it will pay.

Study out a system—use *card index*—*make appointments ahead*,—until you get where the days are not long enough. *Thrift* of time will give every *capable* solicitor in *this* business a *net profit* beyond his *fondest* dreams. *Idleness* is the *surest* road to *failure*.

CHAPTER XXIII

FIFTEEN RULES OF HEALTH

ADAPTED BY THE NATIONAL SAFETY COUNCIL

Air.

1. Insist on having fresh air in your home and where you work.
2. Wear light, loose clothing.
3. Spend part of your time in the open air.
4. Have lots of fresh air where you sleep.
5. Breathe deeply.

Food.

6. Don't eat too much.
7. Eat various kinds of food.
8. Don't eat much meat.
9. Eat slowly—chew your food well.
10. Have your bowels move each day.

Habits.

11. Stand, sit, and walk erect.
12. Don't dope yourself with drugs.
13. Keep away from contagious diseases.

Activity.

14. Work hard, but play and rest, too.
15. Be cheerful. Try not to worry.

CHAPTER XXIV

A SALESMAN'S PRAYER

The following contains *much* that every salesman needs. Read it every night after the day's work is done.

Teach me never to wish for things, but to set out to attain them instead.

Teach me to speak only of happiness and pleasure, and never to cry for the moon.

I pray that I may never become diseased with the malady of meddling into the private affairs of other men.

Teach me to dilute my work with play, to brighten my seriousness with jest, and never to take myself so seriously that I crowd from my life the joys and pleasures that are mine by heritage.

Teach me to get the most from the companionship of the stars and trees and from my walks and talks with men.

Teach me to be greater than my blunders and to absorb the philosophy that folly gives me the vision to acquire.

May I never prophesy failure for other men,

And may I always remember that one divine moment or hour carries us further along on our way than the tide of a day misspent can carry us back.

Teach me to be more just and considerate of others, in order that I may have the sympathy to influence and direct them,

And may I never discuss the character of any man behind a closed door—

Thus giving him no opportunity to defend himself from the sin I have committed against him and against my finer and better self.

May I never lose control of myself because other men do not believe as I do.

May I always judge a tree by its fruit and men and women by their work and by the things to which they aspire.

Teach me never to make myself a nuisance by advising other men how to live, the style of clothes to wear, and what to eat and drink.

May I understand more and more that an agile tongue is the evidence of a shattered and sickly mind—a mind saturated with suspicion for my neighbor and for those whom I pretend to love and befriend.

Teach me to forget the mistakes I have made and the mistakes of other men,

And may I learn that it is best to write the failings of men and women in the sand, near the water's edge.

Teach me never to wear the double smile and never to go tiptoeing about with moccasins to malign and criticise and to carry "news," for these things ill become men and women.

May my imagination never grow dim, and may there always be a place in my mind for the Butterfly of Fancy to spread its wings and fly.

—*Salesmanship*.

A FINAL WORD

Have a *definite statute* of morals, and *live up to it* in your daily thoughts, words, and deeds. Shackle your vanity, else you might become a conceited coxcomb; husband your speech, lest a single word fails to reach its mark; cherish your convictions, that they may abide with you vigorous and true, but, *at the right time and place*, let yourself out with the earnestness of perfect faith in your energies and principles. If you are possessed of knowledge—*common* knowledge of common things learned from study, observation, and experience—you *will* not only *not fail*, but you *will achieve your full measure* of success.

INDEX

	PAGE
Acquaintance, How to Increase.....	88
Actuary.....	17
Advance Premium Receipt.....	23
Agencies.....	21
Agent's Book of Instructions.....	115
Amount at Risk.....	23
Annual Dividends.....	46
Annuities.....	61-64
Benefits Under.....	63
Deferred.....	62
Immediate Life.....	61
Joint Life and Survivor.....	63
Armstrong Investigation.....	44-45
Assessment Insurance.....	34
Principles of.....	34
Unlawful in Massachusetts.....	50
Assets.....	23
Assignee.....	23
Assignment.....	23
Beneficiary.....	23
Cash Surrender Value.....	23
Changes.....	24
Closing.....	103-107
Committees.....	19
Continuous Monthly Income.....	65
Counsel.....	18
Definitions.....	22-37
Digest of Massachusetts Insurance Laws.....	41-51
Directors.....	16
Discounting Premiums.....	24
Dividends.....	24
Elizur Wright.....	38-40
Endowment Option.....	59
Endowment Policy.....	25
Errors.....	25
Excuses Offered.....	104-107
Expectancy.....	25
Expenses.....	49
Extended Insurance.....	25

	PAGE
Final Word.....	124
Following Up.....	108
Gross Premium.....	25
History of Life Insurance.....	7-9
Incontestable.....	26
Industrial Insurance.....	26
Inspection.....	26
Installment Options.....	66-73
Option A.....	66
Option B.....	68
Option C.....	69
Option D.....	71
Insurable Interest.....	26
Investments.....	19-20
Bonds.....	19
Mortgage Loans.....	19
Policy Loans.....	20
Joint Life Policy.....	26
Kinds of Insurance.....	34-37
Assessment System.....	34
Level Premium System.....	36
Mutual.....	37
Natural Premium System.....	35
Stock.....	37
Lapse.....	26
Laws of Massachusetts.....	41-51
Acts of 1858 and 1861.....	42
Act of 1880.....	43
Act of 1887.....	43
Act of 1894.....	44
Acts of 1896 and 1900.....	44
Act of 1907.....	45
Non-forfeiture Laws.....	42
Legal Reserve.....	27
Level Premium.....	27
Level Premium Insurance.....	36
Liabilities.....	27
Life.....	6
Life Insurance.....	22, 34-37
Basic Principles of.....	22
Kinds of.....	34-37
Assessment System.....	34
Level Premium System.....	36
Mutual.....	37
Natural Premium System.....	35
Stock.....	37

	PAGE
Limited Payment Life Policy.....	27
Loading.....	27
Loan Value.....	28
Massachusetts	
Digest of Laws of.....	41-51
First Commissioner of.....	38
Inauguration of Insurance Department.....	39
Peculiar Benefits of Laws of.....	48
Massachusetts General Hospital Insurance Company.....	50-51
Massachusetts Mutual Life Insurance Company	
Aims.....	10-12
Capital Stock.....	12
Character.....	14-15
Charter.....	12
Growth.....	13-14
Home Office.....	12
Officials.....	16-19
Maturity.....	28
Medical Director.....	17
Medical Examiners.....	21
Mortality.....	28
Mortality Table.....	28
Mutual Company.....	37
Natural Premium.....	29
Net Premium.....	29
Non-forfeitable.....	29
"Not Now".....	104-107
Objections Offered by Prospects.....	104-107
Officers of Company.....	16-19
Actuary.....	17
Counsel.....	18
Directors.....	16
Medical Director.....	17
President.....	16
Secretary.....	17
Superintendent of Agents.....	18
Superintendent of Loans.....	18
"Old Line" Company.....	29
Ordinary Life.....	29
Paid-up Additions.....	29
Paid-up Value.....	30
Policy Contracts.....	52-53
Annuities.....	61-64
Cardinal Features.....	54-60
Endowment Option.....	59
Kinds.....	53
Ordinary Life.....	53

	PAGE
Ten Year Term.....	54
Twenty Payment Life.....	54
Twenty Year Endowment.....	54
Valuation.....	47
Policy.....	30
Premium.....	30
President.....	16
Prospects.....	91-97
Provision for Waiver of Premium.....	58-59
Radiator.....	115
Rebate.....	30
Renewable Term.....	31
Renewal Premium.....	31
Representatives of Company.....	11
Reserve.....	31
Restoration.....	31
Reversionary Additions.....	31
Risks.....	113
Rules of Health.....	121
Salesmanship.....	78-82
Salesman's Prayer.....	122-123
Secretary.....	17
Selling.....	83-114
Approaching the Known.....	98-100
Approaching the Unknown.....	101-102
Following up.....	108
Means of Increasing Acquaintance.....	88
Methods.....	99-100
Practical Suggestions.....	110-114
Preparation.....	83
Prospects.....	91
Suggestions about Closing.....	103
State Supervision.....	31
Stock Company.....	37
Study.....	115-116
Superintendent of Agents.....	18
Superintendent of Loans.....	18
Surplus.....	32
Talking Points.....	74-77
Taxes.....	33
Temporary Term Insurance.....	33
Term Policy.....	33
Time, Use of.....	119-120
Trustee.....	34
Valuation of Policies.....	47
Women.....	117-118
Wright, Elizur.....	38-40

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