

Du choix et de certaines fonctions de l'inspecteur d'assurances

Arthur Bayard

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Résumé de l'article

M. Arthur Bayard nous communique le texte de deux causeries qu'il a prononcées récemment. Nous en extrayons deux passages. L'un a trait au choix des agents et l'autre à certaines fonctions de l'inspecteur d'assurance auprès des agents et des assurés. On y trouvera des indications et des conseils qui peuvent être utiles, croyons-nous. – A

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par

ARTHUR BAYARD

Chef du Service des agences à la Phoenix Assurance Company, Limited

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I — Du choix des agents

With the principles I have previously expressed theoretically in mind, how does an inspector set out to obtain the services of trustworthy representatives? Having several years of experience in this work I feel I am qualified in making certain recommendations. Appointments are usually required in a new or progressive town or in a center where we may not be satisfactorily represented through lack of income due to an ageing agency, or in an office having too many Company representative, or yet through death, sale of an agency, poor experience and sometimes by collection difficulties. Where to look or go for prospects or successors? One custom, which is too often practiced by inspectors, is that of approaching a well established agency, which as a rule is already loaded with many Companies. In such cases, unless this agency is anxious to represent our Companies, you will find that we will be one of the latest in such an agency and that only a limited income can be anticipated. It is possible, however that the discontinued agency had produced a substantial income and that in our interest it is desirable to make replacement with a good reputed and well organised agency. At this stage it is purely a question of investigation and judgment by the Inspector.

My advice is, however, for the Inspector to endeavour to secure the services of a well educated young man of between 25 to 35 years

of age, of good family, and having some financial means, even if limited, and who through observation by the Inspector can be trusted with our agency. By communicating and interviewing the Branch Managers of local banks you can obtain some good recommendations as these banks know who are the most responsible families in the towns and also are in a position to diligently and satisfactorily represent an Insurance Company. In the old days we could probably get some good pointers from the local hotels and clubs but I would suggest keeping away from these places, at least when endeavouring to obtain the names of candidates for representations as such prospects prove to be too popular spendthrifts. An Inspector may also apply to the Post Office or local Clergymen to have further recommendations. Through these avenues of approach one can expect to at least enlist a suitable agent. If this agent has limited financial means for existence, owing to his youth, it might be advisable to get some responsible party preferably two parties as guarantors for an amount equal to at least six months of the premiums he is expected to produce on our behalf. I doubt whether this practice is followed throughout Canada; in some cases agents prefer to have Fidelity Bonds from Insurance Companies but in the Province of Quebec we have secured such guarantors which have proved helpful, and as far as I know we have seldom been compelled to recover from the guarantors. A request of a guarantee from a new agent may create the impression that we mistrust him at the beginning of our relationship; on the contrary this new agent should feel that this is a good protection and security.

Having obtained the signature of a new agent through a contract, the Inspector must then obtain his full confidence as he is the man who will through his guidance and assistance give him trust and faith in building his Insurance business.

After proper explanation the Inspector should accompany this new agent to prospective clients and help in a general way to familiarize the new agent with the classes of Insurance which would appeal to his clientele and which he should be in a position to sell eventually. I said previously that Insurance is a complex business. For this reason it is needless for the Inspector to try to teach this agent too many classes during the first meeting or during his early visits. Only the lines which are suitable to the population of the town where our agent is established should be explained and developed. Some agents whether

new ones or old ones, prefer to contact their clients or prospects alone. It is purely a matter of opinion and the Inspector should therefore use his discretion. It would seem more practical to accompany the agents as it makes a direct contact with the Company and helps the Inspector to develop his relation with the population.

One important feature in the organisation of an agency is for an Inspector not to become too friendly. He must first aim at getting the trust of his new agent and through his efforts in trying to sell or explain some Insurance business on his behalf he should gradually develop confidence which would result in a secure tie. It would not seem advisable for a Company representative to entertain a prospective agent. This formality can wait until the completion of an agency contract but no celebration should be overdone as any lavish entertainment at an early stage might create a wrong impression and leave the new agent with the belief that he can expect almost anything from the new Company he has agreed to represent. Through continuous follow-ups and visits agents and Inspectors are bound to create a certain friendship. With common sense such association should be advocated but any Inspector would be well advised not to brag about what he is doing or what he has done. He should keep his personal troubles out of any conversation as it is bound to bore the agents and hurt the chances of the Company in his office. Sometimes when calling on agents I have crossed Inspectors attached to other Companies and when the Inspector had left the office, I got the impression that he was regarded as a nuisance, as instead of having talked business he had more or less told him about his personal life and that he was not too eager to travel. This is considered very poor taste. Inspectors should at all times be courteous and if they notice that the agent through overwork, sickness or other causes, does not wish to be disturbed, he should offer his services, but if they are not required at the moment, leave immediately with the intention of calling at some later date. It is most inadvisable for Inspectors to become friendly with members of the staff of agents. I am referring particularly to the female members.

Do not acquire any agency by accepting a sub-standard risk merely to accommodate the agent. It is generally a risk which involves a large sum of insurance and an agent needs the representation of several Companies for the placing of same. If it is fire risk, it may mean the spread of his Fire Insurance income and no Company in his office can

hope to receive a satisfactory amount of yearly premium which would justify an accommodation for our entry into this agent's office. Promises which are then made of a share of good business are very seldom kept and usually turn out to be a source of annoyance and embarrassment. Failing to keep this promise of a good share of desirable business for this so called accommodation, the Company has no alternative after one or two terms but to discontinue the accommodation, hence the poor relationship developed between the agent and the Company. The same will apply to the acceptance of Casualty and Inland Transportation risks. In discussing with an agent the possibility of an agency, it would be wise to inform him just what classes of business are undesirable. The agent will probably enquire as to our writing of farm risks. As you know, this is not a class we desire but there might be the odd case that we would consider as fair and the Inspector should therefore instruct the agent accordingly without making any definite promises.

An Inspector might be a wonderful fellow and an easy mixer but these are not the virtues and qualities that make him a reliable adviser in the eyes of an Insurance agent. The greatest asset that an Inspector can possess is a thorough knowledge of the Insurance business which he can use to advantage when calling on agents. He should endeavour to educate agents by keeping them up-to-date on all changes made by the various Underwriters Associations in their rules and regulations and their forms of cover. Of course, there are so many classes that Insurance to-day becomes complicated and it cannot, in all fairness, be expected that an Inspector has all of these on the tip of his fingers. If an Inspector is a specialist on one class, say Fire, Use & Occupancy, Declaration policies, Lumber Insurance, Casualty Insurance, Accident and Sickness Insurance, Fidelity Bonds, Inland Transportation, etc. he should apply his knowledge to derive the most profitable return possible. There have been so many modifications and new forms of cover in recent times that an Inspector may not be entirely familiar with these and during the course of his visit an agent may ask some explanation. A false or indefinite explanation might be the cause of this particular agent losing a valuable connection. For this reason if an Inspector is not too conversant, he should not hesitate to consult his manuals or Head Office. I cannot but again stress the importance of knowing the business thoroughly. This will impress the agents who will eagerly await the visit of our Inspectors for assistance and guidance.

2 — De certaines fonctions de l'inspecteur

The information given to the buyer by the seller is generally to some extent persuasive, in that it leads to the perception of values not previously appreciated and thus moves the customer to buy. The salesman may, and frequently does, go much further in his attempt to motivate a prospective purchaser. Such tactics may be defended on the basis of social desirability of the protection afforded by Insurance, but we are not here concerned with that aspect of the situation. The problem is whether or not the salesman who employs such methods renders an economic service. The answer must be that he does so if, as a result of his efforts, the buyer realizes a "want" and the utility of Insurance in satisfying that "want". The fact that the "want" was dormant until the salesman brought it into activity by his persuasive appeal is irrelevant.

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A difficulty arises, however, from the fact that the individual has many "wants" and cannot satisfy all of them. The prospective buyer of Insurance, for example, may have a strong "want" for a new automobile. The latter desire may for the moment have diverted his attention from his wish to provide for the future of his family. When the Insurance agent brings this neglected "want" into consciousness, a mental struggle may ensue. This clash of motives may be exceedingly uncomfortable. The man feels frustrated and perhaps experiences a strong irritation, which is directed, not at himself, but at the agent or the inspector who has thus disturbed the equilibrium of his impulses. To rationalize his anger he may say, and perhaps believe, that he does not want Insurance. Thus, as a result of the seller's efforts the buyer may actually come to attach less value to the product or service. In such instances selling is clearly unproductive. The salesman who, by persistence, over-aggressiveness, or unwise persuasion, arouses irritation, not only loses an opportunity to profit but does an economic injury to the prospective buyer by causing him to reject a want-satisfying protection or service.

Suggestions can be made of drafting a new Fire Insurance schedule embodying and covering all properties thus making all policies concurrent. These policies might be divided amongst several Companies and different agents all in preference to several policies each insuring a separate risk.

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Among the possible clients to be visited either alone or with our representative, are Church or school trustess, bursars of colleges, schools principals, managers of hospitals or other public buildings. These risks are usually underinsured and do not carry adequate limits for Public or Elevator Liability Insurance. It might be worth the while for an Inspector to suggest an examination of the present policies and make recommendations for a readjustment, property insurance protection in line with increases in building and equipment costs of to-day, especially where the co-insurance clauses form part of the Insurance contract. In connection with Fire Insurance, a Guaranteed Amount in lieu of co-insurance might be found advisable to outline as well as the staggering plan of payment of the premiums. As you probably know, this plan was approved by the C.U.A. some years back with a view to assist these institutions in their budget. It gives them an opportunity to pay every year, $1/3$ of their three year fire premiums with a proviso that the policies issued for the term of one year and two years, will be renewed on expiry with the carrying Company for another term of three years. These risks are also eligible for a Comprehensive Liability policy.

There are other occasions where the Inspector might develop his talent of Insurance salesmanship when driving or walking about town either alone or with a representative. If he observes a new construction he could suggest calling on the builder or prospective owner with a view to canvassing some of the Insurance covers I have already mentioned elsewhere, or which might be required for this particular type of risk. If the construction contract of this building has been given by the owner to a contractor, Contingent Liability and Property Damage might be sold. The Company does not expect the Inspector to sell Insurance only to the public. The agent is the first man to contact in this connection and whenever a building Insurance line whether dwelling or mercantile is given to the Inspector during the course of his visit, the Inspector should immediately enquire as to the possibility of Public Liability, Plate Glass, Elevator Liability if any, and other classes which are usually needed on these types of property. Suggestions for such protection should be made on every opportunity.

I have said before that a salesman was either born or made through study, education and contact. Some are more fortunate inasmuch as they have an extraordinary personality on which they can bank at all times. For this reason, if an Inspector has been gifted with such a per-

sonality he should realize that he has a tremendous pull and selling power with the public. He should be cautious however, and advantage of his selling talent should only be taken where it might be of valuable interest to his Insurance Company. What I really mean is that only desirable business should be gone after. On the other hand, if an Inspector is more a technician than a salesman, he should use his knowledge and try to get business by proper explanation of the various Insurance contracts and to be a good adviser. During the course of his interview with an assured or prospective client the Inspector may discuss some defects discovered after a thorough inspection of a plant, store or property and by making suggestions for improvement he helps to obtain a reduction in the existing Fire Insurance rates. Through official authorization, he can consult the C.U.A. and confirm in writing to his agent what saving can be made by remedying defects and making other improvements. The same remark applies to a risk under sprinkler protection. With respect to Public Liability, Elevator, Automobile Fleet Insurance, if the assured or prospective client has a profitable record over a period of years, the Inspector might be successful in obtaining a merit rating, thus effecting a substantial saving. Although the foregoing may not incur much time or labour, such service will greatly assist the sale and retention of business.

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No fieldman or Inspector should work with an inferiority complex, in that he feels he has no personality or Insurance salesmanship. Given the work, the determination not to be beaten, and the fundamental faith and belief that the whole system of Insurance is conceived for the public benefit as much as for private profit, any Inspector who can master the theory of selling Insurance ought to succeed in the practice. If he wants to study the proper selling technique there are many magazines available treating on Insurance selling opportunities; these magazines are published chiefly in the United States. You will find in them a lot of valuable ideas to adapt and enlarge upon. You do not have to overdo this, but receiving such magazines monthly should be beneficial.

While it has nothing to do with the Insurance business I think that you will find the popular edition of Dale Carnegie's "How to make Friends and keep them" most interesting and suggestive for our sales of Insurance protection.

Adaptability Secures Business

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You will realize how important adaptability is in securing business. An Inspector should be constantly familiar with events taking place in different Communities and which may have a bearing on possible sales of Insurance during his visits. Catastrophes due to large fires, explosion, conflagration, tornadoes, windstorms, collapse of buildings, accidents are always good selling opportunities and a reminder to the public that a revision of existing Insurance might be opportune. In November and December the approaching chill of the winter and the icy streets, roofs covered with snow and icicles make the public particularly susceptible to Liability, Property Damage and Accident Insurance. Many an enterprising agent in a locality and even an Inspector with the least observation will keep his eyes open to canvass or sell these classes of Insurance during the proper season. He will also note who are getting new model cars and when they are delivered so that he may ask to be allowed to arrange the Insurance. He may find that the vendor has handed over a 12 month policy with the car; in this case a note in a diary by the agent will help him to make a fresh attempt to secure the Automobile policy when it comes due for renewal. Personal Liability and Golfers' policies can be suggested for sale during the Spring, when the public begins to indulge in its favourite summer sports, golfing, fishing, bathing, tennis, etc.

To augment an Inspector's propaganda for selling he might carry with him clippings from newspapers and various periodicals in connection with judgments that have been handed down by the Courts. These can be used to impress agents or their clients of the importance of carrying adequate protection and higher limits of Liability coverage. In a democratic country like Canada where freedom of voting prevails, more so than other countries, an Insurance Inspector is well advised to refrain from siding with one political party. He at all times retains his right to vote as he sees fit but he should be discreet and not allow his personal feelings to cause him or his employers any embarrassment by carrying the banner for any one group. Municipal, Provincial and Federal Governments will come and go, but the ideal Inspector should always have "other irons in the fire", should stay on the fence and be in the happy position of having political friends irrespective of who is in power. This conduct will ease his work should he ever have Insurance dealings with any Government Minister or Deputy Minister.

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Most Insurance agents like to get letters from their favourite Inspectors assuring them that they really want to be of service not only when they are selling Insurance but at any other time. Such letters whether for business or congratulations for some special event or birthday cards are highly appreciated by our important clients and agents. The sending of these letters and greeting cards is recommended.

During his canvass for selected business an Inspector may find that he is not competent enough to complete a sale especially in a case where it involves a very important risk and large premiums. The Inspector should not hesitate, though it may hurt his pride, to refer such affair to the Agency Manager or Agency Superintendent, who with more experience and knowledge of business will be in a position to satisfactorily close the transaction. After all "two heads are better than one"; the initial efforts made by the Inspector will still be appreciated and in the end the premium obtained will increase the income of his territory.

In concluding this lecture let me tell you plainly that a real problem for the Inspector is to induce agents or brokers to go out and look for possible insurers, in short, for good business. It is usually found that these agents or brokers know some one who is contemplating Insurance of one kind or another. It is heartbreaking work for the Inspector because, in the face of all kinds of opposition and stiff competition, it is full of disappointments as a curious fate seems to dog an Inspector's early efforts. The Insurance man, let it be Inspector or Agent, who means to make good, will not let disappointments worry him unduly. He should study dispassionately the reasons for the refusals. He must therefore, if he has elected to be an Inspector of an Insurance Company of the highest standing, realize that he has to reach that position by the exercise of the greatest care in selecting risks, and that to him, as an Inspector, the preservation of the Company's high standing is an asset which strengthens his position amongst his agency connections. Some Inspectors are reputed to have unorthodox or tricky methods of salesmanship. Some get away with these schemes of selling but others employing the same tactics find themselves in hot water. Therefore my advice to present and future Inspectors is to be aggressive, persistent, patient, have a sound judgment, be a good mixer, and at all times remain above board.