“IT is the responsibility of a salesman to present a professionally sound picture of a complex subject, to fit it to the needs of his client and thereby to motivate the client to take action which he sees to be in his own interests. To suggest, as some would seem to do, that consumers would be better protected if there was no insurance man, is equivalent to protecting children from bad teaching practice by eliminating all teachers.”

R. FRED RICHARDSON
Chairman Abbey Life

First General Meeting
Life Insurance Association Ltd
London 15th April 1976
PROSPECT

Issue No. 8, April 1976

Published by the Life Insurance Association Ltd.,
Citadel House, Station Approach, Chorleywood, Rickmansworth, Herts.
Telephone: Chorleywood 4672

Administration executive:
Anne Foster

Executive committee members:
President, Clive Holmes
Vice-President and Secretary, Ken Clark
Treasurer, Robert Sheridan

Executive members:
Denis Baker and Colin Newton

Programme General Arrangements Co-ordinator:
6th Annual Life Insurance Congress:
Brian Ragimbeau

Member Relations: Adam Hoberton

Editor: Douglas Bentley
144 Gloucester Place, London NW1
01-723 1827

Associate Editor: Geoffrey Goodwin

Public Relations Consultants:
Douglas Bentley & Partners Ltd.

Bankers:
Barclays Bank Ltd., Park Lane Branch

Solicitors: Brecher & Co.

Auditors: Norris, Gilbert & Stern

Cover Quote:
LIA Ltd., First General Meeting, Caxton Hall,
April 1976.

Printed by Watford Printers Ltd., Vicarage Road, Watford.

CONTENTS

Current Events, by Clive Holmes ........................................... 3
Balance Sheet ................................................................. 6
Income and Expenditure Account ......................................... 7
Roll of Honour ................................................................. 8
General Meeting ............................................................... 10
Get a Track—and stay on it, by Ken Clark ......................... 15
The Underwriting of Impaired Lives, by Keith Sankey ............ 17
Newsletter ................................................................. 19

The First Seven Years, by Peter Rosengard ...................... 20
Bristol and Kent Regions .................................................... 24
LIA Fellows to Benefit from use of Technical Advice Panel .... 26
MDRT News ................................................................. 28
Where there is no Will there is no Way, by J. Colin Newton .... 32
Personalities in Insurance, by Douglas Bentley ................. 34
Dear Prospect ............................................................... 38
As inflation continues to dominate our thoughts, whether we agree with or understand its causes, there is little room for disagreement about its present effects. But we are in the business of making financial provision for the future. This is both the bane and the opportunity of our commercial lives. This explains why people don't come to us, why we have to go to them.

Nobody needs to be told when he's got a pain in his head that he needs to go to the doctor. So the medical profession have no selling to do. Their customers roll up in droves, they can't be kept away. Money has been spent, and will continue to be spent on educating the public to make provision against future health problems because the public are unaware of the need or else suffer too much from laziness to do something about it.

The Sensible Minority

This is analogous to our money situation. People are acutely aware of pain in their present finances and the sensible and responsible minority take whatever action they can to make the pain better. But comparatively few people are aware of future financial needs, possible and certain, or are able to see the future in its present form sufficiently clearly for its reality, possible and certain, to impel preventive or constructive action in the now.

However, in the case of our future financial health, no vast sums of public money have been or are being spent to sell the public on the idea of preventing financial crisis. True, vast sums are spent on advertising individual products by individual companies and considerable editorial space is given to articles on various aspects of our business, but they are all piecemeal, unrelated, and by no stretch of the imagination bring the subject properly within the scope of most people's understanding.

How many of us are recognising the enhanced opportunity of continuing inflation and seizing it. How happy will your client be in 30 years' time with the proceeds of the policy you sold him today for £10 a month? Plans being sold today for £10 and £15 a month may well prove to be the industrial policies of the future.

A Major Problem

We have a major problem that exists now—and that, generally, we're not aware of. We're thinking too small; too small for ourselves and, worse, too small for our clients. Held up against the LIA's ideals and principles, to which all members subscribe, it seems poor service to our clients to condemn them or their loved ones to poverty in the future because we can't keep our thinking up with inflation.

Powerful stuff. But it's good to see the Chancellor at least—and at last—has recognised, and made more than a passing nod of acknowledgement to inflation. His Budget has proposed doubling the principal Capital Transfer Tax exemption from £1,000 to £2,000 a year. If estates are to be preserved, people must be shown the benefits of making these exempt annual gifts. Retirement Annuity contributions have been increased from £1,500 to £2,250, another sign of the times. But these allowances are only good if they are used. That is where we come in!

Because of the recent incorporation of the LIA as a limited company, the title Annual General Meeting was no longer appropriate, but will become so again next year when we report on the new company's first year and first year's accounts.

The re-titled Annual Meeting at the Caxton Hall heard reports from the Executive on how well the past year has gone, how markedly the state of the LIA's finances has improved, and how the Association has expanded its headquarters premises, increased its staff and how "Prospect" itself has been enlarged and improved.

Cause for satisfaction? Yes, indeed, and for praise and appreciation of the dedicated efforts of everybody concerned, especially the hard work put in by all the enthusiasts in the Regions which constitute the real back-bone and strength of the LIA.

The highlight of our Annual Meeting was undoubtedly the brilliant speech by our Guest of Honour, Fred Richardson, in which he put forward creative and devastating arguments for free enterprise life insurance selling. It was public relations material of the highest calibre for our profession and for all the Association stands for.

Developments in Education

One of the main items of interest reported was on the developments on the education front. A lot of work has been going on and the projected programme of lectures to schools, polytechnics and colleges is scheduled to begin formally in the autumn. So the summer months must not be wasted, they must be used by the Regions to prepare for the autumn launch. Each Region will require an Education Liaison Officer whose job it will be to contact the various institutions of learning and ensure that there is no overlapping.
CURRENT EVENTS

continued

There is no time to lose. Schools and colleges need plenty of advance notice to enable any necessary discussions to take place and to fit the lectures into their full timetables.

We are delighted to be able to offer a new service in the form of the free subscription we have arranged for Fellows to PIM—the Professional Investor's Manual. This highly valuable service is featured elsewhere in this issue; it provides a highly professional service of expert advice on matters related to our business—life assurance, pensions, investment and unit trusts. The manual itself which is available at a reduced price is regularly up-dated and members/subscribers are entitled to specific answers to specific questions from a panel of experts. To normal subscribers at the full rate, the number of questions is not limited, but in the concessiory arrangement we have negotiated, there is a small charge per question (after the first free one). Associate members, too, may subscribe at a reduced rate.

But what greater benefit could we confer on our (Associate) members than to provide them with such a valuable incentive to up-grade themselves in their profession and qualify for the proud title of Fellow?

Have you heard...

A Growing Family

What makes an enterprise healthy?
NEW BUSINESS

What keeps an Association thriving?
NEW MEMBERS

We don't have to enumerate the benefits of membership to you. But if you tell your friends in the insurance business about the benefits of the Life Insurance Association we're sure they will want to join. Just to remind you—they'll have:

★ The strength and comradeship of fellow members.

★ An authoritative body to appeal to in case of difficulties.

★ Improved status, for which the Association is constantly striving.

★ Prospect magazine, delivered regularly at NO EXTRA COST, a mine of valuable information and a useful sounding board for news and views.

SEND OFF THE COUPON

NOW!

Please contact: ________________________________
Name ________________________________
Address ________________________________
I am sure he/she would be interested in receiving data of the LIA.

... of the LIA?

Alternative Close?
Would you like a RED or BLUE Tie?
It's in specially woven silk, exclusively designed for the Association, with the LIA symbol attractively and distinctly patterned.
Only £3 including postage and packing.
Fill in the box below, and send cheque or PO with order.

LIA Ltd., Citadel House, Station Approach, Chorleywood, Rickmansworth, Herts.
I enclose cheque/P.O. for
£........................................
Please send me:
........................................ Tie/s in blue.
........................................ Tie/s in red.
Name ________________________________
Address ________________________________

Important Announcement

LIA CONSTITUTION RECEIVES MDRT APPROVAL

In a telephone call to Ken Clark, MDRT's Mike Ferguson advised that at their April meeting, the MDRT full Executive approved the new LIA constitution.

As a result, as from the 1978 Year of Membership, UK applicants to MDRT must be members of good standing of the Life Insurance Association. Subscriptions to LIA must be paid by 1st March 1977.

Further details will appear in the next issue of "Prospect".
This thirty-foot pyramid stands on Farley Down near Southampton. It was built in the mid-18th century by a Mr. Paulet St. John in memory of his horse 'Beware Chalk Pit' which lies buried beneath the base.

Riding to the hounds at full gallop one day, St. John suddenly came upon a deep chalk pit. His horse made a stupendous leap of twenty-five feet to the other side and saved both their lives.

By this act it earned its appropriate name and remarkable resting place.
LIFE INSURANCE ASSOCIATION

BALANCE SHEET

as at 31st December, 1975

ACCUMULATED FUND

Excess of Income over Expenditure for the Period ........................................... £1,786
Less: Provision for Taxation .................................................................................. 32

Less: DEFICIT brought forward .............................................................................. 1,754

SURPLUS CARRIED FORWARD TO NEXT YEAR ................................................ £1,746

Represented by the following NET ASSETS:

FIXED ASSETS

Fixtures, Fittings and Office Equipment at Cost:
As at 1/7/74 ............................................................................................................ £1,364
Additions .................................................................................................................. 773

Less: Depreciation to Date .................................................................................... 2,137

CURRENT ASSETS

Debtors and Prepayments ...................................................................................... 1,140
Stock as certified by the Treasurer ........................................................................ 2,000
Cash at Bank and in Hand ...................................................................................... 1,505

Less: CURRENT LIABILITIES

Creditors and Accrued Charges ............................................................................ 4,646
Taxation ................................................................................................................... 54

NET ASSETS at book value .................................................................................... £1,746

Clive Holmes, President

Robert Sheridan, Treasurer
# LIFE INSURANCE ASSOCIATION

## INCOME AND EXPENDITURE ACCOUNT

**for the period of 18 months**

**from 1st July, 1974 to 31st December, 1975**

<table>
<thead>
<tr>
<th>INCOME</th>
<th>£</th>
<th>£</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscriptions Receivable</td>
<td></td>
<td></td>
<td>22,645</td>
</tr>
<tr>
<td>Sales—Books and Ties</td>
<td></td>
<td></td>
<td>1,391</td>
</tr>
<tr>
<td>Bank Deposit Interest</td>
<td></td>
<td></td>
<td>91</td>
</tr>
</tbody>
</table>

**Less: EXPENDITURE**

<table>
<thead>
<tr>
<th>EXPENDITURE</th>
<th>£</th>
<th>£</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases—Books and Ties</td>
<td></td>
<td></td>
<td>3,192</td>
</tr>
<tr>
<td>Less: Stock at 31/12/75</td>
<td></td>
<td></td>
<td>2,000</td>
</tr>
<tr>
<td>Salaries, Secretarial and Book-keeping Expenses</td>
<td></td>
<td></td>
<td>5,128</td>
</tr>
<tr>
<td>Rent, Rates and Services</td>
<td></td>
<td></td>
<td>1,142</td>
</tr>
<tr>
<td>Insurances</td>
<td></td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>Fares and Travelling</td>
<td></td>
<td></td>
<td>621</td>
</tr>
<tr>
<td>Telephone</td>
<td></td>
<td></td>
<td>355</td>
</tr>
<tr>
<td>Editorial and Printing Costs of “Prospect” Magazine</td>
<td></td>
<td></td>
<td>5,990</td>
</tr>
<tr>
<td>Printing, Postage, Stationery and Advertising</td>
<td></td>
<td></td>
<td>4,501</td>
</tr>
<tr>
<td>Seminars and Meeting Expenses</td>
<td></td>
<td></td>
<td>2,489</td>
</tr>
<tr>
<td>Repairs and Renewals</td>
<td></td>
<td></td>
<td>205</td>
</tr>
<tr>
<td>Sundry Expenses and Cleaning</td>
<td></td>
<td></td>
<td>237</td>
</tr>
<tr>
<td>Legal and Professional Charges</td>
<td></td>
<td></td>
<td>(200)</td>
</tr>
<tr>
<td>Audit and Accountancy</td>
<td></td>
<td></td>
<td>184</td>
</tr>
<tr>
<td>Bank Charges</td>
<td></td>
<td></td>
<td>282</td>
</tr>
<tr>
<td>Depreciation:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixtures, Fittings and Equipment</td>
<td></td>
<td></td>
<td>200</td>
</tr>
</tbody>
</table>

**EXCESS OF INCOME OVER EXPENDITURE**

| £1,786 |

## REPORT OF THE AUDITORS TO THE MEMBERS OF LIFE INSURANCE ASSOCIATION

In our opinion the annexed balance sheet and income and expenditure account give a true and fair view of the state of the Association's affairs at 31st December, 1975 and of its surplus for the period ended on that date.

Dorland House,
18-20, Regent Street,
London, SW1 4PY
March, 1976

NORRIS GILBERT, STERN & CO
Chartered Accountants
The Association is pleased to announce that the following have qualified to use the designatory letters F.L.I.A.

J. T. EVANS
P. C. ESCOTT
S. P. ETHERIDGE
A. S. EASTON
D. N. DIXON
F. H. DARROCH
H. DA COSTA
J. D. COLLINS
D. G. CHRISTIAN
J. A. CHAPMAN
D. W. R. CARTER
A. V. CAPON
J. S. DUNCAN
K. D. CAPLAN
J. R. BURNS
T. D. L. BOWDEN
J. BLOCK
P. D. BINDING
J. ASHWORTH
J. E. BARLOW
G. D. N. AGNEW
J. C. AGER
K. CLARK
K. I. DOFFMAN
A. A. A. FALLART
D. GREENBERG
R. DE GROOT
J. HALE
F. HAMILTON
H. C. J. HIGGS
D. S. HILLS
A. V. HOWARTH
G. K. JANES
A. T. JEFFERIES
J. E. V. WALKER
R. N. KAKAD
S. C. PERILLI
J. E. KEEVIL
D. E. LANE
D. LATCHFORD
J. E. LAW
L. G. LEE
G. LEWIS
K. J. LOWES
R. W. MABBUTT
D. N. MARKHAM
C. McCANN
A. MACLEOD
A. W. MIRAMS
M. G. MOORE
B. MURRAY
C. C. MYERS
M. A. NEAL
J. C. NEWTON
G. R. NORTON
J. F. PAGE
I. R. PARMAR
D. R. ROBINSON
M. ROBINSON
T. G. RUSBRIDGE
P. A. SAYERS
J. SHAPIRO
D. SHAW
J. J. SIMMONS
R. D. J. SPICER
H. J. SUTCLIFFE
S. SUNSHINE
F. TAYLOR
P. J. TEMPLEMAN
R. G. TOWELL
A. M. TUCKMAN
G. H. TURNER
T. W. VIALL
M. VITHLANI
J. R. WALLIS
C. S. WILLIAMS
M. D. TITE
A. CHARVONIA
N. V. ALLMARK
W. F. SIBLEY
M. J. BOON
G. A. FRASER
A. A. WARD
J. I. SHAND
M. J. SWANN
F. V. ROBBINS
I. M. ROSS
J. PHILLIPS
M. PATEL
N. J. PERROTT
M. A. A. OSBORNE
E. B. E. NWANKPA
R. NEILL
A. M. MARTYROSSIAN
J. T. K. MCKENZIE
W. K. MOLLISON
P. C. NOBLE
I. E. JACOB
R. W. SHERIDAN
S. ALTMAN
D. BAKER
C. H. BENTLEY
H. C. J. BROOKS
S. S. BLITZ
J. C. COLLINGWOOD
F. P. CLEMENTS
J. F. CASH
D. EDGINTON
L. F. G. FOX
B. M. HAMILTON
C. J. HOLMES
A. T. JOINER
K. W. GALLAGHER
K. SANKEY

The following have qualified to use the designatory letters A.L.I.A.

L. F. ALFREY
G. BOTTOMS
R. F. COLOUHOUN
A. B. GREENAWAY
C. J. KINGSLEY-STUBBS
M. J. KING
R. M. LEASK
C. P. MARLOW
R. MOORE
D. M. OGDEN
B. C. PACK
D. J. T. PEPPERELL
J. M. SIMPSON
S. B. WOOD
T. W. McCURRY
D. ROUTLEDGE
M. H. WOOD
P. J. LOWRY
J. E. W. LEE
K. G. BRADSHAW
V. C. THOMAS
F. N. SHERLEY-PRICE
G. C. SELLEY
G. RATCLIFFE
A. F. ARCHER
G. J. ASHBY
P. R. B. BOWMAN
D. F. DAMP
D. F. K. FORBES
F. R. FROST
Are you too busy thinking about your company's future to think about your own

Directors of companies and those who are self-employed are the first to see the sense of investing for the company's future.

But all too often, they forget about investing for their own future and saving tax at the same time.

To overcome this Abbey Life have designed two new Retirement Plans: both are simple and flexible.

THE MAJOR FEATURES OF THE PLANS ARE:

TAX RELIEF. Payments qualify for full tax relief at the highest rate paid.

A TAX FREE SUM is available on retirement as well as an income for life.

LIFE ASSURANCE at attractive rates, with an option to continue the cover after retirement at standard rates, irrespective of your health. And written, for Directors, so that payments are free of Capital Transfer Tax.

HIGH INVESTMENT from the outset with either the "100% Allocation Plan" or the "Maximum Allocation Plan", which, depending on your age, allocates up to 130% of your contribution.

INVESTMENT CHOICE. Investment can be made in one or more of the Property, Equity, Managed or Security Funds and you may change your investments every year if you wish.

GUARANTEED BASIS. Alternatively for complete security you may invest on a guaranteed basis, where the whole of your money is invested at rates up to 13% per annum, or with the Maximum Allocation Plan up to 17% per annum.

DISABILITY BENEFITS are an optional extra to give you an income if you're unable to continue working.

FLEXIBILITY OF PREMIUMS: you may vary payments each year, depending on your circumstances.

The Personal Retirement Plan is designed specially for the self-employed while the Directors and Executive Retirement Plan is designed to reduce corporation tax liability by providing those at senior managerial levels with all or some of the above benefits out of Company profits.

Do not delay. Contributions must be made before the end of your Company's financial year if they are to be offset against profits in that year or within six months of the date your tax assessment becomes final, if you are self-employed.

For full details contact your usual insurance advisor.
LIFE INSURANCE ASSOCIATION LTD.
GENERAL MEETING 15 APRIL, 1976

The LIA has become incorporated, known as the Life Insurance Association Ltd, and the event at the Caxton Hall, London designated the General Meeting. From next year there will start to be annual general meetings.

The stage has been decorated with the LIA symbol at either side, tastefully standing out in white on a green background.

First up to the microphone was Clive Holmes to give the President's Opening Address. There was to be a review of the past year, and a preview of the year ahead.

Good Wishes
 Telegrams of good wishes had been received, from the MDRT President, the Life Underwriters Associations in New York City and Canada, with congratulations on the growth in stature and strength of the Life Insurance Association.

Clive Holmes announced that the guest speaker was Fred Richardson, Chairman of Abbey Life, and then he introduced the Chairman of the meeting, Ken Clark.

Ken Clark took charge as efficiently as ever, and with no more ado introduced Robert Sheridan to give the treasurer's report.

Since this is bound to be of major interest to members, as everyone likes to know what is being done with their money, we are reprinting this in full.

Denis Baker followed with a report on Regional Activities. He had, during the past year, visited many areas of the country in both the north and south, to participate, and observe what was taking place.

He reported that a new committee had been formed in the Kent area, the Newcastle area and also in Scotland, where the Regional Officer was Charles McCann.

Denis Baker also reported 90 meetings were being prepared throughout the country, as well as pilot schemes and projects.

The Speakers Bureau was growing daily. He then introduced John Barlow, who gave a report on the Oxford Region.

Ken Clark spoke next, and said the immediate overriding aims were:
1. To strengthen the Association’s financial position.
2. The continued expansion of membership.
3. To provide more membership benefits.
4. To enjoy increased impact as a professional representative body.

There were some very important projects under way for the next 12 months, but their success depended totally on membership involvement.

Professional Reputation
 A bulletin was being made available to members for their own use and this would assist in creating a professional reputation.

“Prospect” magazine could get bigger and required more advertisements. Members could bring in advertisements wherever possible, and also contribute to the magazine by sending in articles and letters to the correspondence columns.

He gave news of a conference to be held in July, of which there is mention elsewhere in the magazine, in which the LIA had linked with the CII College of Insurance to present an inspirational and informational programme of speakers from the USA and Great Britain.
The meeting was closed by Ken Clark, Vice-President of the Association.

Treasurer's Report
by R. W. Sheridan

Robert Sheridan

It is my responsibility to give you a report on the financial situation of the LIA. The last report I gave you covered the 18 month period prior to July '74, this report July to December.

The first item of interest is subscriptions totalled £22,645. This, compared with the subscriptions on the last account of £9,607, shows us to be growing strongly.

We augment membership fees by selling books and ties and whilst obviously we look only for a small profit, the sale of these items totalled £1,391, so with bank deposit interest, our total income was £24,127.

We moved offices and recently managed to get an additional two rooms for a modest increase in rent which will comfortably accommodate us for at least two years.

All of our equipment at HO is paid for, including a reconditioned photo-copier, which we recently bought at a bargain price.

Other main items of expenditure were salaries—secretarial and book-keeping totalled £5,128. We will shortly be taking on another Administration Officer to join Anne Foster at HO. Rent, rates and services were only £1,142.

"Prospect" magazine accounted for £5,990, but the advertising revenue is increasing all the time and we expect to be able to put out the magazine with the same regularity and to subsidise the cost by the advertising revenue.

Printing, postage, stationery and advertising accounted for £4,501 and Seminars and Meeting expenses throughout the country amounted to £2,489.

As you can see, the expenditure totalled £22,341, leaving us with a healthy balance of £1,786—a little different from the last report, when we only had £14 in hand.

A full copy of the Association’s audited accounts will be published in the next issue of “Prospect” magazine, which is due out now. (See pages 6 and 7.)

In conclusion, I would like you to rest assured that your subscriptions are being invested on a closely monitored and carefully controlled basis, with an earnest endeavour to give you value for money.

A great deal, you will appreciate, has been spent on getting our Head Office and Administrative systems equipped to give you an efficient service and having now done so, we expect to be able to invest on your behalf, in an LIA technical information service—a country wide PR campaign to promote the concept of LIA members having a professional standing.

An educational lecture programme to be included in schools’ curriculums is being devised and we will aim to get to grips with Banks and Building Societies on certain aspects of obtaining insurance business.

Fred Richardson’s Speech to the LIA

My 25 years spent in the life insurance industry has included close involvement with the insurance men who market insurance products on 2 continents, and I have had, accordingly, ample opportunity to acquire a view on the role.

I would like, at the risk of being controversial, to discuss some of those aspects of your role as insurance men which have drawn critical comment in our contemporary UK society.

We have entered a “consumer protection” phase in our society. The insurance man, like everyone else, must, and I am sure does, accept that this reality will influence public attitude to our service. It will also mean some extension of Government control and supervision to insurance service activities.

The principle of consumer protection, (like motherhood, and life insurance) is, of course, a worthwhile objective. We must not assume, however, that, in the absence of sound
effort on your part, the resulting controls will necessarily be in the long run interests of the consumer. If what emerges is to be in the best interest of the consumer it is vital that the public and the legislators should not be misled about the fundamentals.

First, to keep the issue in perspective let us face squarely, the two main areas where consumer service can be most seriously abused: where you, as insurance men, must be ever vigilant in improving your own standards of performance.

Ethical Standards are Important

The first is the ethical quality of service and advice; the second is the competence of that service and advice. Ethical standards are important in all forms of business and social affairs. In the conduct of a business involving life savings, retirement pensions and family protection such standards are vital. Our business deals with financial matters not readily understood by all clients. We deal in a product which must be carefully explained. The client must understand, and, through understanding become motivated to purchase the services which are offered. In short, it is a product which must be sold.

A complex product that must be sold provides openings for the weak salesman to indulge in unethical practices of presentation. The fact that this service involves long term financial commitments makes any such unethical practice a most serious misdemeanour.

The elimination of unethical practices that lead to any misrepresenation of our service whether by outright deceit or clever omission, is, in my books, a prime objective of consumer protection. It is also my view that this can be most effectively carried out from within the industry.

Nevertheless we should welcome sound supportive legislation which provides the necessary framework within which to make our combined efforts work.

If we could achieve an industry wide standard of ethics then legislation could be worded in a manner more suitable and less draconian than the existing clauses on misrepresentation.

A Constantly Changing Business

Let us turn now to the competence of the advice offered. This is another area which calls for concern and effort on the part of insurance men. From considerable experience in other jurisdictions, I can assure you that the competence of insurance advice is beyond the capacity of any Government to enforce or even to seriously improve by whatever legislation. Ours is a constantly changing business, not a static one. It demands the professional approach of sound basic education, and, continued study of developments. The provision of such professional training will require the maximum co-operation within the industry itself. Clearly the LIA and its members have a role to play in this development of the professional approach. I was impressed and encouraged to hear the reports of your Regional activities. It is clear that you are making it a key objective. Stick to it! It is very important.

An Excellent Result

If the pressure of the consumer protection phase in our society has pushed and is pushing us in this direction, then that has been and will be an excellent result. I believe that the general pressure will assist you in the LIA to encourage your members to persist in professional development. All to the good!

There are also certain fundamentals of the insurance man's role, which we must not permit to be misrepresented to the public, in the current rush to protect the consumer.

A sustained media campaign could impact public attitudes. We should recognise this danger and act to minimise the damage which such a campaign could do to our capacity to provide consumer service.

We must begin by separating in our own minds those areas where improve-
Members enjoying a tea break at the LIA Ltd General Meeting at the Caxton Hall, London on 15th April, 1976
THE PIM CLUB

THE KEY TO

* Enhance your Professional Approach
* Improve your Knowledge and Ability
* Further your Personal Growth

WHAT IS THE PIM CLUB?
It provides three basic services:

1 PIM No. 1 is the Manual
This gives essential information on all forms of life assurance, taxation, investment and property. The manual contains over 400 looseleaf pages of material, written by eleven experts, indexed and cross-referenced for easy information retrieval, in a permanent handsome binder.

2 PIM No. 2 is the UPDATING Service
As legislation changes, new updating pages are issued for insertion in the Manual. Books get out of date; the PIM Manual is always up to date.

3 PIM No. 3 is the TECHNICAL ADVICE PANEL
If you have a question to which you cannot find the answer, a client situation to which you do not have the key, you can write in to the Technical Advice Panel, who will provide the expert answer. There is no limit to the number of questions you are entitled to ask.

A SPECIAL PRICE FOR L.I.A. MEMBERS

For 1976, the regular price of £40.00 has been specially reduced to £32.50 for Associates of the L.I.A. Only the L.I.A. has this privilege.

By joining now, you will receive the latest edition of the Manual and the updates and Technical Advice service for a period of 12 months from the date of joining the Club.

ACT NOW. Read the article on page 26 and fill in the coupon below:

L.I.A. MEMBERS APPLICATION
PIM CLUB, 354 Fulham Road, London SW10 9UH
Telephone: 01-351 3522

Please tick appropriate box.
☐ I would like to join the PIM Club at the special price of £32.50.
☐ I would like to receive PIM No. 1 and PIM No. 2 only at the price of £18.00.
☐ I would like more information on the PIM Club. Please send me your brochure.

I enclose my cheque for £ pay able to PIM Club
OR Please debit my ACCESS ACCOUNT NO.
OR Please debit my BARCLAYCARD NO.

Subscriber’s Name:

Company Name:

Address:

Telephone Number:

Signed: ____________________________

Date: ____________________________
Get a Track — and stay on it

by KEN CLARK

Everybody wants to sell a million—
not by that I mean a million pounds of life assurance in a year. My experience has shown me that you cannot achieve the level of production if you work in a haphazard way. To quote from Ben Feldman—“and he is a good man to quote from”—“You must have goals and deadlines—goals big enough to get excited about and deadlines to make you run. A track to run on: set a quota big enough to get excited about.”

I have frequently said there is no such thing as an original idea. We all make the best ideas we come across and adapt them to our own use and frequently we find these ideas in unexpected places.

My hobby, when I have time for it, is flying and I doubt there are many people reading this article who have never been in an aeroplane. You may not have sat “up front” but by watching instruction you will know about the way you use check lists to run through their procedures and systems before take off and we can follow the same policy in our business.

Take Off Checks

In the more simple world of private flying we use something called “Mnemonic” to help us remember the basic take off checks in case we forget to take the printed list with us. In fact I even remember a mnemonic I learned at school which was “No plan like yours to study wisely”. The first letters of each word give you the name of the Royal Houses in their order, i.e. Norman, Plantagenet, Lancaster, York, Tudor, Stewart, Hanover, Windsor.

I have a mnemonic to help me sell life assurance and it is “My great plan aimed at personal success”, the letters stand for:

Motivation, Goals, Prospecting, Approach, Presentation, Service.

This gives me a track to run on and it could help you to sell that million this year.

Motivation

Before you can start to sell a million you must have motivation. You need to know why you are going to do it and the best way to find this out is to turn the tables on yourself. The text books tell us that we should ask our clients disturbing questions; the same technique works in reverse and here are a few which you might like to think about.

Why do I want to do it?

Is it worth doing?

Why do I sell life assurance?

Is it just a job, a way to earn a living?

I believe the selling of life assurance has to be a total commitment, something you have to think, breath and live, plan all day and every day and if you are not prepared to do this you will never achieve your million, or any real success, because not only are you not trying, you obviously do not think it is really worth trying.

There are plenty of statistics available if these are the sort of figures which you find motivating but personally I need to put flesh and blood on statistics, otherwise they are meaningless.

Do you remember Ben Feldman’s description of a life insurance policy?

“A piece of paper, a drop of ink—and a promise”.

Promise to pay

It is the promise we should concentrate on and if you have not examined a life insurance policy recently I suggest you do so. The “promise to pay” is the important part and this should set you thinking about the circumstances which will exist when that promise is redeemed by the company.

It will be at a time of personal tragedy; a time when a family has come to an abrupt halt, when there are tears and sadness, confusion and bewilderment. That is the time when you will walk in to bring at least some sanity back to a situation which to the participants seems to have no sense.

You will bring with you not just money, but a house, clothing, food, security because that is what you are providing with your life insurance policy.

If you have not yet had the traumatic experience of delivering a cheque for a death claim then listen to Rulon Rasmussen’s presentation at the Montreal Annual Meeting of MDRT. Believe me it will give you direction and motivation.

Goals

“Goals big enough to get excited about and deadlines to make you run. One is not much good without the other”. Ben Feldman again and he goes on to tell us how we should break our goal down into small packages and suggests a target of three applications a week.

Well if you can make your average sum assured £10,000 and you achieve three applications a week that’s one and a half million pounds a year. One and a half million sounds enormous doesn’t it, and yet three applications a week with an average sum assured of £10,000 sounds achievable. Is it not amazing they add up to the same thing in the end?

Goals are the best way of measuring your performance. Being motivated is not sufficient by itself. It is so easy to slacken off after the good week or a good month and very difficult to pick yourself off the floor again when you have had one of those slumps through which we all pass from time to time.

Having goals will keep you on track and you can add your personal goals such as self improvement, getting physically fit, industry involvement continual education and the like.

Remember though somebody once said that the average salesman is over
educated and under worked. When you have finished reading this article, therefore, make sure you turn it to your advantage otherwise you will be wasting your time.

**Prospecting**

In his book “The Critical Path to Sales Success” Frank Sullivan says “I use to apologise whenever the conversation turned to prospecting. I assumed that some salesmen were natural born prospectors and I was not. I do not apologise any more even though I am still not satisfied with my prospecting because I am convinced now there is no such thing as a natural born prospector. I know I can prospect as well as the next man when I discipline myself to follow a organised prospecting procedure”.

The piece I have underlined is the really important part. You must have an organised prospecting procedure, and you must work it. Whether you employ direct mailing, telephone approach, referred leads, bulletins, advertising or whatever it is, you must have it organised, it must be a procedure which becomes second nature to you and then you will find yourself doing it all the time.

Our business runs in cycles doesn’t it? In fact I think of it as being circles all of which are overlapping so you are prospecting, making approaches, making presentations, giving service, on a continual basis because if you do not do this you will quickly end up in a slump.

Decide what is likely to work for you. Because I have close on 2,000 clients now I can expect a large percentage of my business each year to come from this source and in fact in 1975 nearly 60% of my business came from existing clients. However, you cannot rest on that source alone. You must continue to generate new clients because you will not be able to sell 60% of your clients every year.

I still try to do those things which enabled me to build up those 2,000 clients in the first place and believe me it is very easy to get away from the basic simple ideas which worked so well in the past and will continue to work equally well in the future.

**Approved**

Personally I cannot approach via the telephone but I greatly admire those people who can. I still think it is a very frustrating and unrewarding way of going about our business but that is a personal opinion based upon my failure to succeed in this area.

I have accepted this fact of life and only make an approach as a follow up to a direct mailing or an issue of my bulletin.

Once again you have to decide what works for you and make it a habit, second nature, and do it automatically.

**Presentation**

This is where all your previous efforts are going to make or break the sales.

Do you remember John Savage’s story about the Juggler on the Ed Sullivan Show? The man had just 1½ minutes to make his presentation and when he got there he did not tell jokes, he did not tap dance, he did not sing, he juggled and for 1½ minutes that was all he did. He had practiced 8 hours a day for this moment and he was not about to waste it.

You see you do not get a second chance to make a first impression so whatever you do it has to be right.

What are the critical factors in presentation?

1. **Where the presentation is made**

   In your office or in the prospects home? In your office, you can control the outside influences because there is no television set and you can arrange for the telephone to be silent. Against this the prospect often feels more comfortable in his own home and I must confess I see more of television in other peoples houses than I ever do in my own.

   As Ron Barbaro says the important thing is to create favourable circumstances and the ‘where’ is very much a part of it.

2. **When**

   It has to be the right time. It has to be a time when the client is not under pressure so the best thing to do, in my view, is to say to your prospect ‘I would like one hour of your time to make my presentation’. Be specific and ask for one or one and a half hours, or whatever time you think you are going to need but tell him how long you want. Remember he is a busy man as well and it will help his arrangements and get the pressure off him so he can concentrate on what you are going to say.

3. **How**

   Personally I do not believe in learning sales presentations parrot fashion, but I do believe in having a planned track to run on. If you are going to make a presentation to a man about an individual pension arrangement you should have your illustration ready and you should know what you are going to talk about and in what order you are going to talk about it. However, the words you use will depend upon the character of the man you are talking to and this is where you move into the realms of simple psychology.

   You see you cannot hope to sell to somebody something they do not want and the more you try the more resentful you build up and the less likely you are to do business with that man. What you have to do is to find out what is important to him, what does he care about, how does he see life in his own environment, what makes him tick?

   Take a simple example; there are some people who do not care at all about ‘Keeping up with the Jones’ and therefore, it is no good saying to this man ‘Mr. Smith all the Mr. Jones in this world are going in for the directors pension arrangement idea’. That is more likely to turn him off than it is to turn him on. The last thing he wants to be is another Mr. Jones because he is just not interested in feeling part of a group.

   However, he may be a man to whom family is all important and by emphasising the value of the four times life insurance cover you finish up by selling him the same contract as you have sold Mr. Smith but for an entirely different reason. The same illustration, the same basic presentation, but a different approach to it.

   Frank Sullivan uses a circle divided into three segments to illustrate this point taking the first fifteen minutes for his warm up during which he is trying to find out how the man thinks and what disturbs him before he moves on to the actual presentation.

**Service**

Some people might ask what has this got to do with selling a million? In my view it is going to help you sell not only this million but the next million as well and it is probably the most important word of all.

Service starts the whole process all over again. It puts you back to the ‘M’ in motivation and takes you down through the headings that I have gone through. Service is the rent you pay for being in the life assurance business and yet good service repays itself time and time again.

The man who is prepared to go that extra mile on behalf of his clients; the man who puts his client first and himself second; the man who will go over and beyond the point where other
The Underwriting of Impaired Lives—

HYPERTENSION (HIGH BLOOD PRESSURE)

by

KEITH SANKEY, F.C.I.I.

Assistant General Manager, Hodge Life Assurance Ltd.

Introduction

I am sure we all know at least somebody who has a “touch of blood pressure” and who is taking “pills” for it. Hypertension or high blood pressure is a common condition and all life assurance salesmen must in the course of their working lives encounter many clients who suffer from and who are receiving treatment for it.

What actually is Blood Pressure?

It is the pressure exerted at a particular moment by the blood stream upon a given point in the circulation system—the heart, arteries and veins of the body. Blood pressure is normally recorded in the brachial artery at the bend of the elbow in the following way:

1. The doctor applies an inflatable cuff, rather like a small rubber tyre, to the upper arm and inflates the cuff to stop the flow of blood to the brachial artery completely. The cuff is connected to a manometer which indicates pressure in terms of the height of a column of mercury in millimetres.

2. He then places his stethoscope over the brachial artery at the bend of the elbow and gradually deflate the cuff. When the flow of blood to the brachial artery recommences, tapping sounds are heard through the stethoscope and the pressure at this point is called the systolic pressure. This is the pressure when the heart is “in systole” as it contracts to pump blood through the arteries of the body.

3. The cuff is deflated further until the sounds become less distinct or even disappear. This is the second phase.

4. When the loud tapping sounds reappear the third phase is reached.

5. When these loud sounds suddenly soften the diastolic pressure, fourth phase, is attained.

6. The fifth stage diastolic pressure is characterised by the disappearance of the sounds completely.

Diastolic pressure is the pressure in the arteries when the heart is “in diastole”, the period of relaxation between contractions.

In the UK diastolic blood pressure is usually recorded at the fifth phase but some doctors record it at the fourth. Others record it at both the fourth and fifth phases.

The level of the blood pressure in the arteries depends upon the force applied by the heart as it pumps blood through the arteries and the elasticity of the arterial walls.

What is Hypertension and how does it affect mortality?

Various investigations carried out within the medical profession and within the life assurance industry, particularly in North America, have shown that when blood pressure readings exceed the average range for a person’s age and sex there is an increased incidence of sickness and untimely death. Most of the early deaths are attributable to coronary heart attacks, strokes and kidney disease. There is no generally agreed dividing line between “normal” blood pressure and “high” blood pressure or hypertension. The decision whether a patient’s blood pressure levels are “within normal limits” or in need of treatment is a subjective one and doctors tend to differ one from another in their opinions.

In arriving at its acceptance terms a life assurance company compares
HYPERTENSION

continued

a range of its clients’ blood pressure readings with tables which have been prepared over the years from life assurance statistics and show the relationship between various blood pressure levels and average mortality.

Hypertension may be secondary to other disease, particularly kidney disease or it may be present as an apparently isolated condition—the patient may be suffering from no other disease or complication (essential hypertension). Very severe hypertension is sometimes referred to as “malignant hypertension”.

Malignant hypertension is a very serious condition with a high mortality risk but essential hypertension can be treated and usually is successfully treated by modern drug therapy. Certain sufferers from mild essential hypertension can be treated by rest and tranquillisers alone whilst others need treatment by more powerful drugs.

The Underwriting Requirements

When presented with a proposer who is suffering from hypertension, my own company usually calls for the following:


We have a special questionnaire for the GP to complete as well as answering the questions on the basic PMA report. In it we want him to tell us precisely when the condition was diagnosed and the blood pressure level at that time. Did he notice any haemorrhages or weaknesses in the small blood vessels of the eye (this could point to more general blood vessel deterioration)? Is the hypertension secondary to some other impairment such as diabetes mellitus or kidney disease? Are there any complications affecting the heart, the brain or the kidneys? What treatment is the proposer receiving, if any, and have there been any changes in treatment since the diagnosis was made? If so, why were such changes made?

We want our GP to let us have a schedule setting out the blood pressure readings taken since treatment commenced. We also ask for the results of any investigations such as ECG tracings and chest X-rays. Finally and very importantly, we want to know whether the proposer is aware of the severity of his condition and the need for him to follow his treatment regime religiously. Poor control of the condition as a result of the slovenly attitude of the patient can lead to complications—possibly with fatal consequences.

2. A Medical Examination by an Independent Doctor.

We ask our examining doctor to let us have a range of blood pressure readings taken at 10 minute intervals. The readings have to be taken in both the sitting and the lying positions since certain of the more powerful drugs used in the treatment of hypertension have different affects upon blood pressure levels depending upon the posture of the patient. We also want our doctor to take particular care in reporting upon any signs of cardiovascular deterioration and in describing the nature of the clinical heart sounds—where is the apex beat of the heart situated, are there any murmurs present, etc?

For “jumbo” proposals we ask our doctor, who will be of consultant status, for ECGs before and after exercise and a chest X-ray examination. Because of the possible existence of kidney involvement we also ask for a microscopic urinalysis (an examination of the urine specimen under the microscope) and in certain cases an intravenous pyelogram, which is a form of kidney X-ray.

How much does the Client who has Hypertension have to pay for Life Assurance?

In writing this section, I can obviously only talk of the attitudes of “Hodge Life”. Clients who suffer from malignant hypertension with kidney involvement may be unassurable. If we can offer any acceptance terms at all they are likely to be very severe.

On the other hand the patient, who has been successfully treated for essential hypertension over a period of four years or more, whose current blood pressure readings are “within normal limits” and who has no complications, can be accepted, even for whole life assurance, without any extra premium.

This series of articles could be of benefit to members of the LIA who are studying for one of the examinations in the new LIA examination syllabus:

“LA4 Life Assurance, its applications and underwriting.” 

INTERNATIONAL INSURANCE EVENT
IN LONDON

In conjunction with the CII College of Insurance, the Life Insurance Association is presenting an International Life Insurance Sales Conference and Workshop at the New London Centre, Drury Lane, London WC2 on 12th, 13th and 14th July, 1976.

The first summer event of its kind, this will be a unique opportunity to meet and learn from the top men in insurance selling from both sides of the Atlantic.

Such famed names and insurance producers as Backhouse, Barbaro, Blessman, Clark, Dane, Feldman, Freeman, Holmes and Wolper will be advising on how they achieved success, and how they stay there.

They will be talking on a wide variety of subjects, covering such things as business insurance, estate planning, time planning, and Keys to Great Sales.

Any one of the sessions could be an enriching experience and the whole programme will provide a rewarding, mid-summer break, concluding with a lunch for all the delegates.

The fee of £25 includes Conference facilities, and the final lunch, and booking details are available elsewhere in this magazine.
Newsletter

A number of our members have asked whether they could purchase copies of the Newsletter which we published with Prospect in order to send them to clients, centres of influence and prospects.

We are prepared to make this service available to our members and to re-design the format so that it can be personalised.

The Newsletter would appear in the form of a four paged folder and individual members could purchase a supply and have their own name and address overprinted on the heading sheet. This overprinting would be done in colour and will enable you to despatch copies as though it were your own publication.

Many of you all know of the tax letters which a number of the American life assurance salesmen use and our format will be somewhat similar.

The size of the folder will be 11½ by 8½ printed in black, on double impact white paper, folded and trimmed. The costs will be as follows:

<table>
<thead>
<tr>
<th>copies</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>5.00</td>
</tr>
<tr>
<td>150</td>
<td>7.00</td>
</tr>
<tr>
<td>200</td>
<td>9.00</td>
</tr>
<tr>
<td>250</td>
<td>11.00</td>
</tr>
<tr>
<td>300</td>
<td>13.00</td>
</tr>
<tr>
<td>350</td>
<td>15.00</td>
</tr>
<tr>
<td>400</td>
<td>17.00</td>
</tr>
<tr>
<td>500</td>
<td>20.00</td>
</tr>
</tbody>
</table>

posting and packaging extra.

To show you what we have in mind the current issue of a newsletter has been prepared on the new basis. We can immediately arrange for copies to be made available to you provided enough members wish to avail themselves of this service.

Would you be good enough to complete and return the coupon indicating your order and enclosing with it, either a copy of your letterheading or details of the personalised heading you wish to appear at the top of the front page.

I wish to place a regular order of __________ copies at £____________ of the Association’s Newsletter and will pay on receipt of an invoice.

I enclose details of the personalised heading I wish to use on my newsletter.

NAME (Capitals) ____________________________________________________________

SIGNED _________________________________________________________________

ADDRESS (Capitals) ________________________________________________________

Tel. No. __________________________

19
CANTERBURY LIFE
Endowment Investment Plan

★ Premiums invested in LLOYDS BANK second unit trust
★ 100% cash in value of units after 25 years
★ By return acceptance
★ Commission £3%-two-thirds indemnity for established brokers

For details, write to: General Manager,
Canterbury Life Assurance Co. Ltd.,
Watling House, Watling Street, Canterbury, Kent CT1 2UN
or Tel: Canterbury (0227) 69343