

LUNCHEON MEETING

SIGNIFICANT DEVELOPMENTS IN INSURANCE EDUCATION

Chairman: DAVID McCAHAN

Preceding the opening of the session, each one attending the luncheon introduced the person sitting on his left.

REPORT OF COMMITTEE ON COLLEGIATE PREPARATION FOR LIFE UNDERWRITING

PRESIDENT McCAHAN: Dr. Riegel suggested to me this morning that I call attention to the availability of the Educational Research Bulletin dealing with college and university instruction in insurance and related business subjects, as evidently there are some who are not familiar with it. If there is anyone who hasn't a copy and would like one, won't you please let me know and I will see that it is sent to you? We want to be sure that everyone in insurance educational work has an opportunity, if he desires it, to receive a copy.

Our discussion this morning was very interesting to me because it called to mind some of the correspondence I had in making that particular study, when teachers from various parts of the country raised questions regarding the objectives of the general or survey course, the texts which would be most suitable, the teaching methods which should be employed, etc.

One of the most difficult problems was to draw a line between a general or survey course on the one hand and a special course on the other. To some extent that problem arises from lack of uniformity in terminology. It reminds me of my four-year-old boy who went over to the airport with me when I came out to Chicago last month. He had never been in a transport plane before so I took him aboard and showed him what I knew about it, and then the stewardess gave him a stick of chewing gum. As he came out, my wife asked him where he got the stick of gum, to which his reply was: "Well, it was from the aeroplane's daughter."

We may talk about different things under a variety of different names, but one thing which impressed me this morning was that we are all thinking in terms, let us say, of a general student who may not specialize in insurance, or who may not go into insurance as a vocation. Also, that we possibly ought to take into consideration the fact that much of our insurance teaching is governed by the textbooks that have been prepared in the past, and much of it is governed by the particular slant, the distinctive background, from which the teacher has approached it. If he is an actuary, he has approached it as a mathematical subject. If he is a

lawyer, he has approached it as a legal subject, etc. And that has been a problem.

But there is still another problem which is related to one of the subjects that is scheduled for this afternoon. That is, just what ought the college or university do in preparing men who are to go into insurance careers? We discussed this morning what it should do for the general student who will, in all probability, not go into insurance. But from the standpoint of the man who is going into insurance, what preparation should he get in the college or university? What additional training ought the insurance institution to provide for him? What procedure can be worked out to open up the avenue from the college or university into the insurance institution so that there is a normal, logical development and so that we may avoid any overlapping of functions which might come from the educational institution attempting to do things which presumably ought to be done by the insurance companies and agencies, or vice versa?

That problem came to the fore initially in our thinking in connection with the people who are preparing for life insurance, especially those who are going into field work. We have never had a well-defined channel from the colleges or universities into field work which would enable high-grade men to go into that on a career basis as they might go into law or accounting. This is a matter with which I have been personally concerned for a number of reasons, since some satisfactory plan would not only constitute a means of helping graduates to get placed and to be able to develop after they are placed, but also, it would be a means of providing the insuring public with adequately educated advisers.

Before we ask for Dr. Loman's report, I should like to read a statement which I made to the Committee on Training of the Association of Life Agency Officers two years ago with regard to this. Judging from the correspondence which I have had during the past year with various college and university teachers, I know that there are a good many who share these sentiments.

“. . . If the institution of life insurance, through your Association of Life Agency Officers, should formulate a plan for inducting and developing college graduates who possess a broad education in C. L. U. subjects, and who are able to meet certain high standards as to initiative, aptitude, judgment, etc., and if this plan should be presented, let us say, to the deans of the 48 members of the American Association of Collegiate Schools of Business with the assurance that a given number (possibly varied according to the size of the school) of its graduates who meet the requirements would be given an opportunity to start on a salaried basis under the supervision of men especially selected for their man-building abilities, you would secure amazing results. Such a plan might well provide for a preliminary selection at the end of a student's Sophomore year in order that those who are strong in personal qualities desirable for life underwriting may be urged in their remaining years to include all the C. L. U. subjects which they have not thus far studied. My personal belief is that such a proposal would be far-reaching in its

effects by (1) encouraging deans and other educational leaders to study educational needs of life underwriting in order to round out their curricula for meeting these needs more adequately, (2) changing the point of view of students as to the opportunities for the educated man in life insurance, thereby inducing a larger number of abler men to prepare for underwriting as a career, (3) transforming generally the attitude of college men toward life underwriting through campus and fraternity house discussion which centers about the fact that this institution has a real place for college and university men—"if they're good," and (4) stimulating the general education of all lay students in life insurance by making teachers and students alike "insurance conscious." . . ."

The agency officers were asked if they would appoint a committee to consider this and the American College of Life Underwriters appointed a committee from its Board of Trustees and then, as you will recall, Dr. Riegel appointed a committee from this Association at the last annual meeting. Arrangements were made to have a joint meeting of those three committees in September. Dr. Loman, who is the Chairman of this Association's Committee, will report on the progress so far.

DR. LOMAN: Mr. Chairman, members and guests: I would like to submit the following report. The Committee is known as the Committee on Collegiate Preparation for Life Underwriting. Before retiring from the presidency of the A. A. U. T. I., Dr. Riegel appointed a committee consisting of Dr. Ralph H. Blanchard, Dr. Edison L. Bowers and Dr. Harry J. Loman on "College Training of Insurance Agents." Later it was deemed advisable to change the title of this committee to "Collegiate Preparation for Life Underwriting."

The origin of the committee was at the suggestion of Dr. McCahan, who informed your Executive Committee in December, 1939, that in the near future the Life Agency Officers were likely to consider a plan for the training of college men for life underwriting careers. The general objective of this plan was to overcome obstacles inherent in the present method of selection and training. Such an action would be important not only to the insurance business but also to the educational institutions and their students. It would be especially important to teachers of insurance. Therefore, in order that the Association of Insurance Teachers could be associated with such a movement, it was decided that the present committee should be appointed to act in an advisory capacity in the event the Association of Life Agency Officers decided to go ahead with a plan of training.

Your committee heard no more about the matter until they were invited to attend, on September 24, 1940, a joint meeting of the Educational Committee of the Life Agency Officers' Association and representatives of the American College of Life Underwriters. The chairman of the A. A. U. T. I. Committee was the only member of that Committee who was present at the joint meeting. Dr. Bowers could not arrange to be present and Dr. Blanchard's invitation had been mis-sent. I want to call the attention of those present to the fact that it was not the Chair-

man of the A. A. U. T. I. Committee who sent out the invitations. Those invitations came from the Chairman of the Life Agency Officers' Committee and he apparently felt that Dr. Blanchard was still connected with the University of Pennsylvania.

At this joint meeting the Chairman of the A. A. U. T. I. Committee was asked to present his views concerning the training and selection of college students for life underwriting careers. Since these remarks were the personal views of the Chairman of your Committee, they are not incorporated in the body of this report but are submitted as an appendix. Their pertinence to this report is partly due to the fact that a statement of present obstacles to college men choosing life underwriting as a vocation served as a challenge and stimulus to the Life Agency Officers' Association committee to take some action, and partly because of general agreement on some of the features of a suggested plan of training aimed to overcome these obstacles.

The Life Agency Officers' Committee has had three meetings since September 24th for the express purpose of discussing the ways and means to carry out the general ideas of the plan. They now have created three subcommittees to work on specific phases, namely, a committee to set standards for participating colleges, a committee to consider the procedure for selecting students, and one for setting standards for companies and agents to follow in their training procedures. The reports of these committees will be acted on early in February and it is anticipated that some definite plan, at least on an experimental basis, will be announced some time early in the Spring of 1941.

The appendix to this report is merely in outline form and, as I pointed out, this represented the personal views of the Chairman of the Committee, namely, myself, and, no other member of our Committee being present at the meeting, when I was called upon to make a statement of my attitude, I made this statement. The other two members of the Committee, Dr. Blanchard and Dr. Bowers, have agreed with the report that I have given so far. That is the Committee's report. The appendix contains my personal views and is pertinent to the committee report because it apparently did serve to some extent to get the Life Agency Officers' Committee to take some action. As the latter part of the report points out, they have had three meetings and they have appointed three subcommittees, which presumably will take some action of a favorable nature in the near future.

You may be interested in these comments in outline form. They may be incorporated as an appendix to the report and I might read them to you now:

1. Obstacles to getting students to major in insurance for the purpose of becoming life underwriters:

- a. College student not impressed with the permanency of employment. (Large turnover of insurance underwriters is well known.)
- b. Parents of students not conscious that college education is needed by life underwriter.

- c. Those who recruit (general agents, etc.) have ignored the nature and quality of work done by college men. Too much emphasis on "whom you know" rather than "what you know."
- d. No clear-cut route or routes into permanent career of underwriting, as in law or accounting.
- e. Teachers hesitate to exert influence on students to prepare for life underwriting when they, too, have doubts about the conditions of employment.

2. Features of a suggested plan of training of career underwriters. That is, if they wished to adopt a plan, I personally favored these particular features:

- a. Adopt some basis of selecting business administration students at the end of the sophomore or junior year to major in insurance.
- b. Central organization to give tests, e. g., the Association of Life Agency Officers. In the course of the meeting, John Marshall Holcombe pointed out that most likely the Life Insurance Sales Research Bureau could take care of that particular job.
- c. Use the results of these tests to recommend that students major in insurance. You see, this test would be given at the end of their second year and they would have two more years in which they could take subjects, either in insurance or others that were considered necessary to the training of one who was going to enter insurance as a life profession.
- d. Indicate the nature of the work to be taken in college. Colleges can teach background courses and fundamentals of insurance but not the techniques. I placed considerable emphasis on the fact that too many of the general agents who were doing recruiting came to the colleges and sought men on the basis, first, of whom they knew, and secondly, if they had insurance training, they wanted them to have very technical insurance training. They wanted them to know sales techniques, for instance, and I emphasized the fact that I didn't believe that was a thing that could be taught in the university and that we would do better to stick to the teaching of the fundamentals of insurance, associated subjects, and the general business background.

The specialized vocational training to be given after graduation is something they would have to agree to take care of. That is, any plan that would be worked out in conjunction with the colleges would involve a plan whereby they would agree that they would be responsible for a certain part of the training, i. e., the agencies and the home offices would be responsible for taking care of a certain part of the training, and the colleges another part of it. We would have to agree on the division and I would emphasize that all of that which was specialized vocational training did not belong in the colleges.

- e. Have the student serve an internship under the supervision of an experienced underwriter. Instead of trying to turn him loose in the field, or instead of depending on him to be trained by the colleges to take care of the actual underwriting of insurance, let him serve an internship under the supervision of some experienced person.
- f. Guarantee him a minimum salary for a period of 12 months. This is based pretty largely on the fact that life underwriters have a very difficult time for the first few months they are in business. Other than tapping their friends, they most likely do not produce and unless a man is given some assurance of a steady income during the period of 12 months when he is getting adjusted, he most likely is not going to stay in that business beyond the period when he has been tapping his friends.
- g. No person should go into this program of training without meeting the specified conditions. The thought behind that was that possibly some of the general agents would have men that they would like to squeeze into a plan of this kind, especially the part for which they were responsible. That would immediately lead to the breakdown of the system. Unless there is a definite agreement that the men who are trained in the colleges have taken certain work that they are supposed to take as prerequisite to entering the vocationalized work given by the companies, it means the same old mixture that they have always gone through and the group of men coming from the colleges will have no particular incentive to prepare in the way that I have indicated here.
- h. Limit the plan at first to students in colleges which are members of the American Association of Collegiate Schools of Business. Of course there might be some other standard, but at the time I couldn't think of any other satisfactory standard that we might apply excepting the Association of Collegiate Schools of Business.
- i. Let each student select his own company. When it comes to this matter of recruiting, there should not be a plan in effect whereby the companies would have decided who they were going to get at the end of the second year, for instance, of a man's career in college. The student would do his selecting from all the companies that had entered the plan, at the end of his four years of college work.

I have a comment on this scheme, as follows:

Such a plan as that briefly outlined implies (1) there can be agreement on the subject matter which the student will get in college; (2) that the employer will assume the responsibility for teaching the techniques of the business; and (3) that the companies will indicate the approximate number of graduates that they are willing to absorb

each year. Some of these points are bones of contention that will have to be straightened out and call for a great deal of negotiating before the plan as outlined could be put into effect.

PRESIDENT McCAHAN: Thank you very much, Dr. Loman.

I would like to add in connection with Dr. Loman's report that in presenting this matter to the agency executives, we have kept before them the idea that they have to make an entirely fresh approach to the recruiting of young college men; that they have to forget the methods that have been used in the past (both in recruiting and in training), and that possibly the best way to get at it is to analyze what they expect from a life underwriter who is to be permanent, who is to render a really professional service and who is to perform that service on a dignified basis over a long period of time. After knowing what they expect the underwriter to do, they should be able to determine the equipment which is needed to do it.

I personally visualize in professional terms the quality of service which I believe the insuring public should receive. And in those terms, the essentials for success of those who would render such service appear to fall into four groups.

First, a group of personality qualities on the part of the individual which a person ought to have if he is going into any form of distribution work where he is coming in contact with the public, such as initiative and resourcefulness, a liking for people, and other things of that kind.

Second, a broad understanding of his environment and of what he is trying to do therein—an understanding of the whys, if you like. We might express this another way by saying that he should have a sound basic education in the social sciences, in insurance and in all related business subjects.

Third, an understanding of the what and the how—the techniques, the skills, etc., that are necessary to apply his knowledge effectively. This could be expressed another way by saying that he should have adequate training or drill in handling cases so that he develops a higher degree of proficiency therein.

Fourth, a growing body of worthwhile associations with people who have confidence in him and who will need, utilize and value his services—or, if you like, good personal contacts.

Now, if men are picked only on the basis of the contacts that they have, or the contacts plus, let us say, some of the personality qualities, as has been the case frequently in life insurance, and the educational background is ignored, then everything in which we are interested as insurance teachers is out of the picture. Furthermore, such a procedure is particularly unfair to the recent college graduate when he is put into competition with men who have been in the business world for a time because his contacts are on the campus among people whom he will probably not be able to sell, not only because they will doubtless be widely scattered after graduation but also because their incomes for a

few years are apt to be small. Therefore he is handicapped since he can't capitalize on the contacts that a man who has been out of college eight or ten years in some other business might capitalize on.

Even if he has prepared for life insurance as a career he is often handicapped by the fact that older men in the agencies are prone to refer to his educational background derisively if he doesn't do something sensational. He doesn't understand what the real trouble is, and they don't. He gets discouraged because he hears them coming back and grumbling about this and that and he never gets a chance to develop the type of contacts which would enable him to use the education and the personal qualities which he has to his best interests and to the best interests of the insuring public.

We have proposed to agency executives that, basically, there are certain things which should be done as regards college graduates. One is to have the educational institutions give them the "why" in those subjects which will help them most in life underwriting. In other words, be sure they start with a good understanding of business principles and of the environment in which they live. The second is to have the companies set up a training plan which is based upon giving them the skills and the techniques and which will help them in contact building; in other words, supply what is necessary to help them over that initial trying period until each can build his own clientele and build it in the right way on good service and in a dignified manner. The third is to finance them on a basis which will cover living expenses until they have begun "to find themselves." The fourth is to see that they are under the supervision of people who understand the problem and know how to meet it as young recent graduates just can't be handled on the same basis as older college graduates who have had eight or ten years of business experience, even if personality qualities and educational background are identical.

The committee to which Dr. Loman referred has been working on different angles of this proposal and the fact that it has had meetings—one here in Chicago in October, another in Hartford in November, and a third scheduled for New York in February—to which men came from all parts of the country is most encouraging. The fact that these men have spent so much time, that they have carefully studied various angles and that they are recognizing the responsibilities which such a project implies is an indication that they are trying to make an entirely fresh approach to the problem of recruiting college men. After all, what Dr. Loman told them about the attitudes on the campus was very mild in comparison with what they found out themselves in a survey they made among placement officers. They received some very frank comments about the good will and public relations aspects of the way that they have been handling college men, so that they really want any new plan to meet these criticisms squarely.

Before we open this subject for discussion I want to read you a letter that came from one of our own members, Mr. G. F. Michelbacher, Vice-

President of the Great American Indemnity Company. Without knowing anything about this other project, he says:

"In my opinion, most of the available university courses in insurance are designed merely to give a business man a working knowledge of the principles and practices of the insurance business. That is, of course, a worthy cause, but I have a feeling that the insurance business as a whole would welcome another approach to the problem, and that is the development in at least a few of our universities of courses designed to train men for active participation in the insurance business. I think your Association might well consider not only the desirability of sponsoring courses designed to train men for insurance careers but also appropriate ways and means of accomplishing this result."

Then he goes on to suggest approaches to the problem.

We plan to take up tonight at the business meeting a proposal in connection with professional standards for property and casualty insurance. It occurred to me in connection with this that maybe the time has come to broaden the scope of Dr. Loman's committee and make it "Collegiate Preparation for Insurance Careers." There is a big field for such a committee, not only in working out the plans by which graduates can get into the right channels to lead them into insurance careers, but also in formulating just what the colleges and universities ought to do in a more specific way, so that we don't duplicate company training work and so that the men who go into insurance will be able to build from where they are when they finish college or university.

I know that some of you have views on this and I am sure that it would be helpful to all of us if we might have your suggestions. Is there anyone who particularly would like to make some comment or who has any questions? Or who has some difference of opinion that would perhaps be even more illuminating?

DR. HEDGES: Mr. Chairman, I would like to raise a question in connection with Dr. Loman's point about internship. He made the point that there should not be selection in advance of the particular persons who are to go with a certain company. That seems to me to involve certain practical difficulties. I don't know whether this group is ready to consider those practical difficulties at this time or not but I am just wondering how you can accomplish training under a qualified life underwriter; as you mentioned it, without some advance commitment. I can see that it may be possible but it is going to involve a change in the point of view of the life insurance people, it seems to me.

PRESIDENT McCANAN: What do you mean by advance commitment?

DR. HEDGES: Well, the matter of some commitment on the part of the student that if he works with, or rather that if a life underwriter with a particular company devotes time to training that student in his earlier years, there will be some advance commitment that that particular boy will go with that company when he finishes.

DR. LOMAN: It is not my thought that the company would do anything about training the man until after he completed his college career.

He would decide to major in insurance at the end of his second year. He would be a major the last two years but not be employed as a life underwriter during those two years. If he is employed during those two years, it seems to me we are mixing two plans. If the colleges are to assume a responsibility for taking care of a certain portion of the training and the companies agree to take care of another portion of the training, I think we had better keep them apart, and the company training should not be given during the college career of the student. Also the student should be allowed to select his company near the end of his college career. If companies can go in and pick the men at the end of the second year, let us say, just as soon as the aptitude tests have been taken, I think the whole plan is likely to break down.

PRESIDENT McCAHAN: One other comment which might be interesting to you there, Dr. Hedges, is that this matter of selecting men and determining just how they are to be handled is one which has perhaps received more consideration in the committee meetings with the agency officers than anything else. In other words, they recognize that, if you like, it is up to them to make good and to see that they help these men to make good, and there have been a number of ideas expressed as to the ways in which this might be done.

The president of one company, and a very aggressive, able man, believes that perhaps the best way is to start these men in the cashier's office. His thought is that this specialized training be given concurrently; that is, the graduate would work on certain types of cases with different underwriters, seeing their applications go through and how they handle problems, etc. Thus, he would get something of the feel of the whole thing and ultimately would begin to think, "This or that underwriter is able to make a success by selling certain classes of people in particular ways. I wonder if I couldn't do the same thing just as well, or even better."

Then there is the view that these men should be in a separate unit. Henry Faser, a general agent in Boston, whom some of you know, had a separate college man's unit in New York, one which worked out very satisfactorily. He told me that when he went to Boston and tried to combine recent college graduates with older men, the results were not good. He concluded that the trouble was that he was trying to combine two groups of people in his training plan who had different characteristics and he had to segregate, if you like, the college graduates, the recent men, and handle them on a different basis and with a different type of training.

There are some who think it would be a good idea to bring recent graduates into the home office agency department for a certain period of time and move them around in different branches thereof so that they get acquainted with the whole field of work. In fact, there are doubtless many well-reasoned views as to the ways in which agency executives can gradually get these men into life insurance, or let's say, ease them over the initial period while they are acquiring the techniques and the skills,

and building up a clientele. But many executives recognize that they just cannot—and I think that is one of the important achievements that this Committee has accomplished—put recent college graduates in immediate direct competition with a group of older men who have been inducted because of their broad contacts and expect these young men who are just off the campus to make a good showing at once. It is only the unusual person who can.

MR. JONAS: Is this plan just for the commissioned men alone or for salaried men too in the various companies?

PRESIDENT McCAHAN: Our approach initially was in connection with field representatives.

MR. JONAS: But they are still on the commission basis.

PRESIDENT McCAHAN: Not necessarily, because they would be started on a salary. In other words, we have suggested that the companies definitely guarantee a salary for at least a year. The amount hasn't been settled, but it might be possibly \$100 or \$125 a month. It would not be a drawing account; it would not be charged back against commissions or anything like that; it would be a straight salary.

MR. JONAS: You probably had in mind that you might include casualty in the same way. Would that same theory hold true for the man who goes into the general agency business for casualty, fire, etc.? You would put him on a straight salary basis in the first year?

PRESIDENT McCAHAN: We haven't gotten quite so far. That is a different problem but one which is very closely related, and which ought to be brought within the scope of our committee. This whole problem of collegiate preparation for insurance career is one that should receive a good deal of attention and study. Just how it would work out in fire or casualty I don't know. I wouldn't even want to express my own views right now. I have some definite views on a plan for life insurance as to what might be done and as to how it might be done, but I am not quite certain they are fully applicable in the other fields of insurance.

DR. LOMAN: Mr. Chairman, to keep that clear, let me say that question did come up and I refer you to the first paragraph of the report, in which the title of the Committee is referred to as a "Committee on College Training of Insurance Agents." Since we had only one task that we were working on currently and other questions might come up that couldn't be answered in the same way as they can in life insurance, this next sentence says, "Later it was deemed advisable to change the title of this committee to Collegiate Preparation for Life Underwriting." So this present task is confined entirely to life underwriting, not to confuse the issue, because there might be some differences.

PRESIDENT McCAHAN: Are there any other comments?

DR. DICKINSON: It seems strange that I should be sitting here, having discussed some of the questions presented by Dr. LOMAN with the Dean of my college on several occasions within the last month. I don't quite

understand some of the mechanics of this arrangement, or see how it fits in with the plan that we have been evolving for our own purposes.

The first thing is, I had to earn my salary at one time by rounding out my curriculum by teaching personnel administration, so that phrase "aptitude tests" carries with it a considerable amount of dynamite. As I understand the report of this committee, there would be developed some aptitude tests by some agency such as the Life Insurance Sales Research Bureau, Mr. Holcombe's organization. The first question I should like to ask is, in the preparation of those aptitude tests, is there to be any participation by Dr. Loman's committee? I am sure that there would be a question of jurisdiction involved.

So far as my own college is concerned, for the past several years the percentage of insurance jobs filled has been lower than that of any other demand for college graduates. That is, the demand in relation to the supply has been more completely out of line. We can't possibly fill the demand for salaried jobs that are offered our college graduates, so we are up against this proposition of taking some presumably out of foreign trade and banking, etc., and directing them into insurance, and we wish to do that by some sort of an interview system at the end of the sophomore year.

Now, I should like to know if these aptitude tests are to be brought into a college and become in some way sponsored by the college. It seems to me that the agency making up those aptitude tests should at least invite participation, perhaps not by the particular college concerned, so that there would be a feeling that those tests were not tests of public attitudes towards the T. N. E. C., to use an illustration, which doesn't necessarily represent my own slant on the thing but might represent the slant of some others. So I am wondering just how your control will work out in the matter of bringing right into the heart of an educational institution a plan to divert attention of undergraduates to insurance from some other course that they might have followed.

DR. LOMAN: Professor Dickinson, the matter of the aptitude tests would not be college sponsored at all in my estimation. They would be something given by a central organization. I first suggested that the Life Agency Officers should give the tests but Mr. Holcombe suggested the possibility that the Life Insurance Sales Research Bureau might make such an examination. They would be given just the same as any other tests are given by any other prospective employer who may go around to a college and say to the man in charge of placement, "Now, if you have certain students who should be interested in a plan that I have, I would like to have the opportunity of giving them an examination. You post a notice to the effect that all those who care to take such an examination may do so. It may lead to a job."

This involves, you understand, an agreement on the part of the life insurance business to take a minimum number of persons each year. It would have to go into effect two years after the beginning of the aptitude tests. From that time on, they would agree to take a certain

number of men. That would be, again let me say, on a salary basis. You mentioned your men being on a salary basis at the present time. Is that in life underwriting?

DR. DICKINSON: Several have gone into life underwriting.

DR. LOMAN: On a salary basis, not on a drawing account?

DR. DICKINSON: That is right.

DR. LOMAN: That is a little bit unusual. Most of them are not employed under that plan at the present time. Part of the plan which I suggested calls for a change whereby they get a minimum of 12 months' salary and it is not on a drawing account basis at all. They serve an internship during that period. Again let me remind you that this specific part of the plan is not the committee's statement but my statement, and it is certainly subject to many modifications when working out the details, but I didn't contemplate the college supervising or having control over that which was the aptitude test. The prospective employing companies through a central agency would have to determine whether, in a given institution, there were persons who might fit into this business, and then they would be encouraged to complete a training program with the understanding that in a given year, 1943 or 1944, the insurance business would take a stated number of persons.

There might be 150 who would specialize and the companies might agree to take only 100 persons. In this case 50 of them would be entirely out of luck, just as they are now under the Bethlehem Steel or General Electric selective plans or any of the others. They take only the number that they can use. The same thing would apply here.

PRESIDENT MCCAHAN: May I add that at an informal discussion held during the meeting of the Association of Life Presidents several weeks ago, one of the members of this committee commented on the above point about as follows: "Well, maybe the way to handle it would be for us to provide such tests and if the college or university wants to guide its own people, let it apply them. If it wants to use ours, it may do so, or it may use whatever other tests it considers more suitable for guidance purposes." That matter is still under discussion and it does raise some problems. Of course, Dr. Loman's committee was trying to meet a situation with which you are all familiar; that is, a whole lot of general agents and managers going on a campus with each trying to conduct tests for the same group of students.

I am sorry that our time for discussion of this subject has come to a close but I know that Dr. Loman and the other members of the Committee, Dr. Bowers and Dr. Blanchard, would later welcome any further suggestions or comments which you may have on the work of this Committee.