

SELECTION AND TRAINING OF MEN FOR CASUALTY AND SURETY FIELD POSITIONS

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It is encouraging to note the increasing interest in educational work in our business. A number of casualty and surety companies now have training schools, and this seems certain of having a most favorable effect on the business in general.

I am sure that other companies find, as we do, that the very fact that they have training courses materially assists them in attracting desirable men to their organizations. The business needs men of good education—men who have been trained to think—and such men will seek to cast their lot with companies which offer them the best opportunities for learning the business and for future advancement.

The company with which I am connected has conducted special courses of personal instruction at the home office during the past several years for the training of men for various types of field office positions, such as special agents, underwriters, bond superintendents and group department representatives. These courses have been conducted along usual school lines by instructors who give their entire time to the classes during the school terms.

DEPARTMENTAL TRAINING

Another type of instruction has consisted of what we call "departmental training." Our accident department has trained a number of underwriters for field offices and our automobile department has given a very thorough training to several men who serve as traveling representatives of that department. Other departments have also trained men for field positions.

We do not conduct schools at the home office for the training of adjusters, cashiers, payroll auditors and inspectors. Such employees receive their training at field offices under experienced men in these branches of the business.

*This paper presented by invitation of the Committee on Program.

HOME OFFICE EMPLOYEES

No training school is maintained for home office employees. Such employees receive the required instruction in the departments to which they are assigned. It would undoubtedly be of benefit to us if this method of instruction could be supplemented by a system of regular study, particularly along lines which would give the employee a broader knowledge of our business than is usually obtainable in the specialized work of the departments.

At least one Hartford insurance company requires all new home office clerical employees to take a short course of training, at the start of their employment, which gives them a general picture of the organization and the nature of the business.

CASUALTY AND SURETY SCHOOLS

In our casualty and surety schools, conducted since and including 1920, we have given training to 255 men, 219 of whom were salaried employees of the company, and 36 were trained in behalf of general and local agencies.

We have three separate courses in the casualty and surety lines; one in accident and health, which runs for nine weeks; another in general casualty lines of fifteen weeks' duration, and the bond course, which also runs for fifteen weeks.

The classes have usually started in July, and we have had only the one school term each year. It is likely, however, that we will have classes more frequently in the future.

We seldom have a student take more than one of these courses. The men are trained for underwriting and production work in the field, and generally speaking, we give more attention to underwriting procedure than to sales work. This is a reversal of our former practice, as we have found it best to give the men a good grounding in a knowledge of the manuals, policy and bond coverages and selection of business, and to give them their agency and sales training largely in the field. In our accident and health course, however, we give more attention to sales work as the men who take this course are usually assigned to sales positions, and as a general rule have had previous business and sales experience.

GROUP SCHOOL

The course of training in our group school, in which home office representatives of the group (life and disability) division

are trained, covers a period of two months. This is essentially a sales training course which involves a short period of field training preliminary to the school work. The group school has been conducted twice a year (January and February—July and August) for the past three years, and approximately 75 men have received training.

SELECTION OF MEN

Before dealing further with our casualty and surety school work, it seems desirable to tell you something of the sources from which we obtain our men, the types of men desired, and the methods used in selecting them. The men employed usually come under one of the three following classifications:

1. College graduates, who have been referred to us by college vocational departments. The majority of our men have entered our schools immediately following their graduation from college.

2. Applicants referred and recommended to us by men connected with the company. A considerable number of our men have come from this source, and we are encouraging the extension of this method in getting in touch with desirable men.

3. The large group of men whose applications for positions have not been invited by us, or who have not been referred to us by members of our organization. We have, in recent years, employed a comparatively small number of men in this group.

I might add here that many of the men we have trained in our casualty and surety schools have not had college educations.

In filling sales positions we of course look for men who have the commonly-known (but not so commonly-possessed) attributes or indications of sales ability. We do not, however, put these "sales ability" factors first in rating the men for our general casualty and surety schools. These men will either temporarily or permanently fill underwriting positions in the field; some of them will later become agency and production men, but we have found that it is best—and here I am speaking only of our casualty and surety men—to train them first, in our schools and in field offices, as underwriters, and then, if desirable, give them agency and sales training in the field. Under these circumstances, we search for men who have not only good personality and education, but who also give some tangible indication of having native

mental ability above the average—men who seem to have the qualities of thoroughness and good judgment necessary in underwriting positions.

We are supposed to have two distinct types of men in business—the “thinkers” and the “doers.” In the insurance business I presume the salesmen would be listed among the “doers,” and the actuaries and the underwriters would be classed as “thinkers.” However, we recognize a third type of man—the combination “thinker-doer”—and this is the type we want for our schools and for our field positions.

The selection of men for our casualty and surety schools is handled in different ways. In some instances the men are employed upon the recommendation of managers, general agents, supervisors or others in our field organization, and in other cases they are employed at Hartford after interviews with officers and others.

We have established valuable contacts with a number of colleges (and I might say that we have given preference to colleges which have well-developed business courses) and our present method is to have two of our field supervisors visit these colleges each spring and interview applicants referred to us by the college vocational departments. In this connection, let me say that the colleges keep in touch with their graduates and usually know whether the men have been given the opportunities as represented by the employer. If, in this respect, the record is favorable, the continued cooperation of the college in placing men may be counted upon.

In most instances the applicant is interviewed by both supervisors. The applicant's record in college is carefully reviewed, and in this connection it is interesting to note that almost without exception the men we have employed have earned 50% or more of their college expenses.

If the applicant makes a particularly good impression, the supervisors may employ him immediately, subject of course to satisfactory reports from his references. In other cases the matter of employment is held open for a few weeks until we can check all of the applications and select the men, within our school quota, who seem to be best qualified.

Each supervisor interviewed from 300 to 400 college undergraduates this year. It should be understood that all of these

men did not apply to us for positions, but that they were interested in learning something of the opportunities in our business. Following the interviews, applications were given to probably 60 or 70 men, and of these 42 were employed. Incidentally, this group came from 28 colleges.

THE NATURE OF THE CASUALTY AND SURETY COURSES

The success of any school training plan of course depends to a very great extent upon the ability of the instructors, and we believe that we have been very fortunate in having instructors who have had extensive field experience and who have developed very good ability as teachers. It might be of interest to note here that our instructors are the supervisors who visit the colleges and select the men for their respective schools.

Following are the schedules of subjects—and time given each subject—of our casualty and surety courses, together with specimen detailed outlines of certain subjects:

General Casualty Course

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| 1. General Introduction | Three days |
| (a) Talk by Vice President | |
| (b) "Opportunity for a Career"—Saturday Evening Post ad (read) | |
| (c) "Business Insurance a Universal Need" (read) | |
| (d) The <i>Ætna</i> Year Book—President's Report (read) | |
| (e) Historical sketch of companies— <i>Ætna-izer</i> magazine | |
| (f) The Theory of Risk—by Willett | |
| (g) The Law of Average—by Hoffman | |
| (h) Insurance Education—(article by Henry Moir) | |
| 2. Accident and Health | Two weeks |
| 3. Burglary | Two " |
| (a) Study of all policy contracts and endorsements | |
| (b) Study of manual and applications | |
| (c) Practical rating problems | |
| (d) Circulars and advertising material | |
| (e) Article—Burglary Insurance—A. C. Skaife | |
| (f) Study of pamphlet—Burglary Insurance—Casualty Actuarial Society by Michelbacher and Carr | |
| (g) Sale of Bank Burglary policy—Field Supervisor | |
| (h) Lecture—Department Secretary | |
| (i) Final Examination | |
| 4. Plate Glass | Three days |
| 5. Combination Residence | " " |

6. Water Damage	Three days
7. Sprinkler Leakage	" "
8. Liability and Compensation	" weeks
9. Automobile	" "
10. Check Forgery	" days
11. Engine and Electrical Machinery	" "
12. The Aetna Plan of Insurance and Bonding Protection	" "
13. Branch Office Procedure	" "
14. General Review	" "

Bond Course

1. General Introduction	Two days
2. Fidelity Bonds	Three weeks
(a) Read Mackall and Lunt on Fidelity Bonds	
(b) Study the use of Fidelity forms (about 60 forms)	
(c) Study and memorize Aetna Fidelity Bonds	
(d) Study manual and problems	
(e) Read actual files (about 300)	
(f) Read miscellaneous articles on Fidelity Bonds	
(g) Read Aetna Fidelity and Surety Lecture course on Fidelity Bonds	
(h) Read claim files	
(i) Read circular letter on Fidelity Bonds	
(j) Examination	
3. Public Official Bonds	Three days
4. Fiduciary Bonds	Two weeks
5. Court Bonds	One "
6. Contract Bonds	Two "
7. Depository Bonds	Three days
8. Miscellaneous Indemnity Bonds	One week
9. Bankers Blanket Bonds	" "
10. Blanket Fidelity Bonds	Three days
11. Burglary Insurance	One week
12. Compensation and Public Liability	" "
13. Review of Bonds	" "

We make a special feature of the study of actual cases, taken from our files, which illustrate various points we want to bring out. Lectures are given frequently by home office department heads and by field representatives. Oral and written examinations are frequently held, and each student is given a list showing the standings of all students. The students are required to

devote from ten to twelve hours each week, outside of school hours, to reading assignments given them.

To give you a better idea of the scope of the work, part of one of the casualty examinations is given below:

Part I—Without Manuals or Notes

1. State the eligibility requirements for experience rating a Compensation risk in Illinois.
2. Define the credibility factor.
3. What is the maximum number of policy years experience that is used in Illinois in figuring experience rates?
6. Give the formulas for obtaining the experience modification factor.
7. How is the maximum influence of a single claim limited in the experience rating plan?
8. How is the maximum effect of a catastrophe limited in this plan?
9. What effect do losses which have occurred during the expiring policy year have on the renewal rate?
10. (A) What is the maximum charge it would be possible to obtain from the experience rating plan?
(B) How would you answer an objection based on limits imposed by this plan as to possible rate reductions and rate increases?
11. State the eligibility requirements for schedule rating a compensation risk in Illinois.
12. Name the sections which the schedule rating plan provides for the determination of risk pure premiums.
14. What is an interim inspection?
15. Which of the following classifications could be schedule rated:

1. Electric light plant operation	6. Department stores
2. Paving	7. Wire nail manufacturing
3. Paper hanging	8. Cement quarry
4. Printing	9. Oil refining
5. Typewriter manufacturing	10. Flour milling
16. Is the application of the experience rating plan mandatory?
21. Give the manual rule for the division of payroll into different classifications for compensation insurance rating and name the standard exceptions.

22. Define governing classifications.

23. State the coverage provided, the limits, and the major obligations imposed upon the insurance company by the Universal Workmen's Compensation policy.

25. What is the extra-territorial provision in some compensation acts? Is the Illinois act extra-territorial?

32. Give the manual rule in the compensation manual dealing with additions, alterations and repairs.

37. (A) In general is the employer legally responsible for the acts of independent contractors?

(B) Name five exceptions to the general rule cited by Moll.

38. Is it possible for a claimant asking damages to sue both the contractor and the insurance company carrying the contractor's public liability policy for limits of 40/40,000?

43. In Liability Department's letter to the field under date of June 11, 1926 seven important points were listed which must be followed in accepting compensation risks. Name the points mentioned.

46. (A) State the coverage provided by an employers liability policy.

(B) How is this coverage sold as to medical aid?

(C) What states have no compensation act?

48. (A) What are base limits for druggists liability insurance?

(B) Is Physicians Liability Insurance sold to all physicians, or what limitations are placed on its sale?

(C) Why is it possible to sell Physicians Liability policies on the group form at reduced premiums?

49. Name five major points which in practice make the inter-insurance principle of handling insurance risks fundamentally unattractive to a subscriber as explained by Burns in his article on this subject.

Part II—With Manuals

(This section consists largely of rating and classification problems.)

The casualty written examinations this year consisted of a total of 894 questions and problems.

TRAINING IN THE FIELD

When we have completed the preliminary training of the men at Hartford, we assign them to field positions and endeavor to see that they are given well-directed training under experienced field men. The results under this method are usually very satisfactory, and we follow up the work of the school men by having the school instructors spend some time with the men at the field offices.

Our school men are encouraged to continue their study of the business, and are informed as to various sources of information which are available to them. There are a number of excellent publications which we have recommended to our men, and we have found that it has paid us to give attention to this matter.

THE PROBLEM OF FURTHER TRAINING ALONG ADVANCED LINES

There is unquestionably a need for a definitely organized system of training along advanced lines for the men who have completed the usual instruction courses for beginners. We are now planning a field instruction course—to be conducted at field offices—for our special agents and others, which will be based upon lesson material furnished by the home office. Most of our field offices now have regular meetings for the instruction of their men, but much of this work does not follow any very definite plan.

In some instances we bring field office men to Hartford for training along special lines. For example, we have given a number of our field office underwriters and inspectors two or three weeks of special training at the home office in workmen's compensation business. This has involved a study of rate-making, a study of manual classifications, and rules governing payroll division, etc., a study of the policy contracts, and of the functions of the claim, medical and payroll audit departments. Attention is also given to causes of accidents in various types of industry. We have found this short course of instruction very useful, and it is possible that as time goes on we will make greater use of this method in providing additional training in other lines to our field men.

IN CONCLUSION

It is not possible here to go into detail regarding all features of our school work. I have said very little about our group school,

which we believe has accomplished excellent results, and I have not touched on any particular features of our accident and health sales training school, in which many of our most successful field men in those lines have received their preliminary training. School training is a comparatively new thing in our organization, and we still have much to learn regarding this work.

We have welcomed the opportunity to explain our school system in the hope that it may lead to a broad and open discussion of the subject by all companies which are interested.
