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## [The Capital City Insurance Company]

Rewritten in accordance with Mr. [Cutter's?] suggestions. THE CAPITAL CITY  
INSURANCE COMPANY

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J.H. Robertson (Negro)

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Samaritan Building

West Washington Street

Athens, Georgia

Manager, Atlanta Life

Insurance Company

### G.M. THE CAPITAL CITY INSURANCE COMPANY

The young Negress, who sat at her desk in the reception room of the Capital City Life Insurance Company's local office, was industriously thumbing through a sheaf of papers when I entered. She stood up at once when she saw me, and when I expressed a desire to talk with the manager of the office, she said, "Just have a seat, and I'll see if he is busy." As she left me to open a door marked "PRIVATE" I noticed her straightened hair, combed back from her very black face and arranged in a smooth coil on the back of her head. Her neatly fitted frock was made on the tailored lines of appropriate office costuming for women.

She returned promptly, saying, "Mr. Smith will see you now." She led the way, and on entering the small private office I saw a young Negro man dressed in an impeccably tailored and freshly pressed dark blue business suit. "I'm Sam Smith," he greeted me, standing beside his desk, "What can I do for you?"

He laughed when I asked him to relate some of his experiences and problems in his occupation as an insurance man. "We 2 do have a good many problems," he admitted, "and our experiences might fill a good many books. But first, won't you have a seat?" He saw that I was comfortably seated before a table, then began his story.

## Library of Congress

“Maybe you'd better start asking me questions, for I don't know just what it is you want, and then, I'm not very good at telling things anyway,” he suggested.

“Then tell me about your early life,” I replied.

“Well,” he said, “I was born in [?] a small town in South Georgia, in 1905. The folks down there may not consider it so small - they even have a daily paper there - but after spending so many years in Atlanta and Athens, and visiting other larger cities, I came to realize that I am from a small town. My father worked at sawmills and consequently was away from home much of the time, for when one lot of timber was cut the sawmill had to be moved to another tract.

“One of my earliest recollections is my determination to earn money. I wanted to have my own money and to be independent. I hardly know just how old I was when I began work as a bootblack. It's really surprising how many nickels and dimes a small boy can earn blacking shoes. During my grammar school days I was on the lookout for any little chore by which I could earn money between school hours. After finishing grammar school in Moultrie, I began 3 high school studies at Americus Institute in Americus, Georgia, but after one school year there I went to Morehouse College, in Atlanta, where I completed high school studies, and I remained there until I graduated from college. About twenty percent of the students at Morehouse did part-time work to earn some of their expenses. I was one of that group, and I also began the fall term every year with quite a tidy sum saved from wages and tips paid me at summer resorts during the vacation period. I waited on tables, did bellboy service, or 'most anything that came to hand at summer hotels.

“When I finished college my plans were already definite. I wanted to go in the insurance business, for I could think of no other field that offered as promising opportunities to a young man of my race.

## Library of Congress

"I didn't step out of college into a high salaried executive job. My first work was the humblest that this business has to offer. I was an agent's helper. That means I made the rounds with the agent to keep up with the literature that was distributed for advertising and selling insurance. I wasn't allowed to do any collecting and neither could I try to sell any insurance until I /was promoted to the job of assistant agent. Even then I was given long and careful training by the agent before I was permitted to discuss any matter of collection or selling with a policyholder or a sales prospect. It takes someone who is 4 plenty interested in insurance to stick through the long training period that begins with the lowest chore of our work and takes in every detail of our routine just as rapidly as the learner can attain the degree of efficiency required of our agents.

"I can tell you it was hard on me during my first experience in trying to keep up the quota required of all agents and their assistants. There were days when it seemed impossible to make even a small increase in the volume of sales and collections. I would have given up then but I very well knew it was only by means of bringing in more business than the other agents that I could hope for promotion, and I was firmly determined to get it. The agent with me knew I was doing my very best and that I wanted, more than anything else in the world, to make good at insurance work, so he did everything in his power to encourage and assist me. It was his kindness and understanding that enabled me to successfully pass through the trying period of training.

"When dark came, the other agents would call it a day and they would go out for an evening of pleasure and frolicking around at dances and shows, but I worked right on. That was my time for contacting those of our people who couldn't be reached in the daytime because of their jobs. It was this night work that enabled me to pile up a higher total of insurance sold than the others in my district, and eight years ago it won me my place as manager.

## Library of Congress

“Now we have a regular training school for young men of twenty-one and over who want to enter the insurance business. We take twenty or thirty of them and start training the group. They don't have to have college education for this work, for we teach them according to our own ideas. Do you know that some of the best executives in the insurance business are men that never finished high school, and some of the top-notchers never even finished grammar school? Education is a great thing, but that old school of experience beats 'em all, because that's where you have to work for yourself. That's one school that will make you put out all there is in you.

“We start our agents off with small salaries, plus a commission on all business above a certain quota. That's an incentive to work, for they realize that the amount of their earnings depends on their own efforts and resourcefulness, and they usually dig in and get the business. After an agent is appointed and his territory assigned he becomes responsible for the business in that definite area; not for just one type of policy but for all the different kinds of insurance that we write. All the special problems that arise in that particular territory - and believe me there are plenty of problems coming up all the time in any territory - the agent is expected to settle by himself as far as possible. It seems as if a week never 6 passes that some policyholder doesn't let a policy lapse for one reason or another. The agent who can keep in sufficiently close touch with his policyholders to be able to persuade them to let no insurance lapse is considered exceedingly good and is in sure line for promotion. Sometimes the lapses will total more than the new business, and that's when we get discouraged and feel like giving up.

“Of course we investigate every risk as well as we can before we write the insurance, and then do more investigating before we pay any claim that appears to be in the least doubtful, but even at that we do get caught sometimes. Things aren't always as they appear on the surface and its not possible to accurately judge the physical condition by casual inspection of outward appearances. People who want to collect on sick benefit claims will swear to anything that they think they can get by with. When they want to get

## Library of Congress

a policy written, they'll swear they have never had to see a doctor, at least not for the last 5 or 10 years, when all the time they're just planning to cash in on some disease already present in their bodies and which they may be able to conceal from us long enough to get the insurance written and in effect. We've learned that there are almost as many speculators as there are honest people. This is especially so on the sick and accident policies. Some of our policies carry 7 sick benefits that run as high as twenty-five dollars a week, and persons have tried to collect as soon as the policy was in force. Then again we have had some that have carried these policies for years, and have never put in for the first claim.

"I'll never forget the time when a woman who held one of our sick and accident policies, paying \$5 a week in the event she was confined to bed, tried to swindle us. We paid the first week's claim without hesitancy after I had personally visited the home and found her in bed apparently very ill. When the claim for a second week came in I made my formal visit of investigation at an hour when she did not expect me. Suspecting there there was some reason for the excessive delay in permitting me to enter the home, and noticing that the cover pulled up closely about her neck on that sweltering July day was probably to conceal the fact that she had gotten into bed fully dressed, I remained by the bedside administering simple remedies and sympathizing with the patient until the limit of her endurance was reached. That was after I had awkwardly mixed up quantities of freshly ironed clothes with piles of unironed garments and had apparently accidentally, dropped them on the floor and trampled on them, as I directed a neighbor woman to apply hot water bottles to the feet of the patient and mustard plasters to her chest. She rose up out of bed, fully clothed, even to her shoes, and said she did not want that \$5 a week if she had to go through all that to get it.

8

"But you know I don't believe she ever did suspect anything other than that I was just extremely solicitous about her. That story spread through the district and it gave me a

## Library of Congress

good reputation for looking after the sick people who hold insurance with me. If anyone else in that district ever tried to swindle me in a sick benefit claim I never did find it out.

“Now don't get the idea that we're reluctant about paying just claims. We very readily pay all just and honest claims, but because of the great number of speculators who are always ready to take any and every advantage of us, we must /at all times be very careful in our investigations of claims.

“The worst feature of it all is that these speculators sometimes find doctors low enough to help them in their efforts to swindle life insurance companies. However, I'm happy to say that this doesn't happen very often. We always learn when these cases do show up, that the policyholder has promised to divide the benefits with the doctor when, and if, the claim is paid. I don't think they ever gain by this practice in the long run, for if they win once they invariably keep on trying to work the same gag, and sooner or later it makes a lot of trouble for them, if not a jail term.”

“Are all your insurance payments weekly?” I asked.

9

“In town, yes; or that is, most of it is paid by the week in town. It can be paid by the month by special arrangement. Out in communities where we don't keep an agent all the time, we send a representative once a month to make collections, and those clients are usually very prompt, for they know that if they don't have the money ready for him, they'll either have to buy a stamp and money order to mail it in or let the policy lapse before the agent calls again. It's counted a serious matter to risk loss of money by letting insurance lapse.

“Perhaps our greatest collection problem in rural communities lies in the frequency with which our policyholders move from one farm to another, and we've never been able to make them understand the importance of notifying us whenever they plan to move. Some of them move about so much. They will stay probably a year on one farm and then get dissatisfied for some reason. Usually they think they haven't been treated right, didn't get

## Library of Congress

enough pay, or the people they rented from didn't advance them enough during the year to get by with their bills until the crop was sold. Sometimes it's the illness or death of the main breadwinner in a family that's the reason for the move, but they scarcely ever stay in one place over a year or two at the most, for they're always thinking they can do better at some other place.

"Sometimes they move into a county where they're not known, and it's a problem to locate them then. I've known it to take 10 several months to locate one policyholder. They just don't cooperate with the agent. After all that work in locating them, when we ask, 'Why didn't you let us know where you had moved?' we got this answer, 'I just never thought about it.'" He laughed and continued, "But you know that's about the truth of the matter, they just don't think; that's one great fault of my people - they don't stop to think.

"I don't know if you know this or not, but one of the greatest mistakes our people make is when they let a policy lapse, they'll sometimes just drop that one and take out a new policy with another agent. I've known this to happen many times, and I've occasionally known them to die before the new policy is in force. If they had only kept the old policy in effect by keeping it paid up they would have received its value. It's hard to make them understand this. Of course, if they just move from one town to another it's very easy to transfer them to the agent in that town if they notify us, but the point is, they seldom do this.

"People with high incomes don't need insurance like those who work on small, uncertain salaries. I really don't know, just what my people would do in some emergencies without their insurance, for it's one thing on which they can depend. Take the washwomen, cooks, maids, and all the others that work for two and three dollars a week. What do they have to depend on? Their 11 earnings are not even enough for the necessities of living, and if sickness should come they couldn't get a doctor to come unless he knew he would get his money, and it's the same in case of death. They'd have to lay out until enough money was raised to pay burial expenses. But if they have a good insurance policy they can get the doctor to come, and if they should pass out the doctor, as well as the undertaker,

## Library of Congress

would get his money. Yes, a good policy is something they can depend on, and if they can possibly get the money to keep it in force, they won't knowingly let it lapse.

“Another feature of insurance which has brought up many questions and caused some lawsuits is the minor child beneficiary. Of course we can't turn the money over to a child, and sure as the world when the uncles and aunts of the beneficiary learn that it has money coming from insurance, they all fall out about who is to be the guardian. Each one of them will want the child as long as they expect it to receive money. In most of these instances we have turned the money over to a court, whose duty it was to appoint a guardian for the child and its money. Now we refuse to write policies that name children as beneficiaries unless the policyholder specifies a guardian in the application for the policy.

12

“As to the matter of production, we divide the business area into districts, and in each district we set up a local office in some central town. A manager is appointed to take charge of the business of the district and to handle the affairs of the local office. The personnel of the local office includes manager, assistant manager, cashier, clerk, inspectors, supervisors, and agents. Each supervisor has from four to six agents working under him. Each agent has a quota to make, and this quota must go over and above his lapses.

“For instance, it's worked out this way: if you're collecting on 25¢ policies and you lapse four, that would mean a lapse of \$1 a week, and for every dollar lapsed you have to write \$1.25 in new business to keep up your quota. That makes it very much to the interest of the agent not to permit policies to lapse, and how they do work to keep up their quotas and to exceed them! They know that'll count more on their records and will bring promotion quicker than anything else can.

“Then too, the agents are supposed to make so many calls each day. The required number of calls is rated according to the size of territory and the amount of business

## Library of Congress

done in that territory. While we understand that not every prospect called on will take out insurance, we do expect our agents to land at least three out of every ten they call on. Each agent has his prospect book, and in this is kept the names of all the people he calls on, 13 the date of each call, and a notice of when he expects to see each prospect again. Sometimes it takes weeks for the agent to make just one trip to each of his prospects, but whether they want him or not, he hunts them up and calls regularly, just as a matter of persistence. Do you know that in the end these regular calls usually win out for the agent?

“Our larger towns are divided into what we call zones, and each agent has his own zone to work. Their work is so carefully outlined and systematized that they run on schedule time, just like postmen. That schedule is important to the prospect as well as to the agent, for they know just what time the agent is due to arrive for his money.

“From time to time the company puts on contests, and the prizes are, as a rule, nice trips. For instance, a winner of one of our latest contests got a trip to California, and another won a trip to the World's Fair in New York. There were many other smaller prizes in the contest that were well worth working for. These contests make agents feel like putting out their best efforts to win those fine prizes, and the efforts of the agent compose the lifeblood of the organization, not only of our own, but of any business organization.

“Few people on the outside realize the valuable services we render to morticians. You know the collection end of their 14 business is bound to be difficult, for they are compelled to bury the deceased even if they never get anything for their services and merchandise. As a usual thing people are inclined to request expensive funerals for their relatives, whether they can pay the bills or not. We encourage the proprietors of undertaking establishments to call us as soon as they are notified of a death, so that we can let them know whether or not the deceased has insurance with us. Most of the other insurance companies extend the same courtesies.

## Library of Congress

“When they know in advance how much cash will be available, the morticians are enabled to make a more sensible deal with the family. They can show only what they know can be paid for.

“It's an established fact that unless they get at least a substantial part of the cost before the interment, it will be difficult for them to collect at all. After they have rendered services to the best of their ability, furnished burial robes and casket, and used their hearse, automobiles and other equipment, there is little that they can do toward collection after the body is under the ground. They had better get a claim on what insurance exists before they even start to work on the corpse.

“We don't have very much time for recreation, and there's very little in that way to do here, but our agents usually go in for whatever amusements are popular in their territories, for 15 it's /a good policy to mix with the local people. That helps business. We don't have any ball teams among our workers as is customary in many other organizations, but that's because we don't know all the time where we will be located. We do try to cooperate with each other in anything that comes up, and in that way we do really help each other in many ways.

“Personally, I have very little time for recreation. I do enjoy swimming and billiards, also a good game of tennis in the late afternoons, and I think we all like a good picture show. I visit all the churches very often and attend their different entertainments, for, as I told you, I consider it a good policy to mix with people. Though I'm a Baptist myself, our policyholders belong to different churches, and it makes them feel better to know that we want to be with them.

“I married an Alabama girl soon after I came here to work as a manager. I have no children, and just a short time ago - it really seems ages - I lost my wife. Since she passed away I'm left without any family. I get lonesome, for we were so happy, but I know that I'll

## Library of Congress

have to go on some way and I'm trying to take it as she would have me to. I'm glad I stay so busy that I don't have time to brood and worry so much.

“There are so many problems of our people, and many have tried to find their solutions. The white folks are working 16 on these things now, and I hope and believe that at some time in the near future there will be better understanding between the races. The South is the home of the Negro, and our people are beginning to realize it more and more in every way. Of course some of them, in fact a great many, have gone North and have made a success of their work at the better salaries paid there, but after all, that doesn't mean so much, for it takes all they can make to live up there.

“Housing conditions can be blamed for many of the problems of my race. Our agents have found that these conditions are worse in small towns and rural areas than in the more thickly settled sections. Rain comes in through leaky roofs and they can't keep the cold out. Continued exposure in cold, wet, and unsanitary living quarters brings a notable increase in pulmonary disorders. Pneumonia flourishes in areas where these conditions prevail. In fact, the majority of our sick claims are based on this disease. As a general thing there is a trend toward improvement of housing conditions throughout the section of the country that I frequent. Our people are beginning to take advantage of the plans offered by various Government bureaux for financing improvement of houses. Marked improvement in rural areas in coming from the aid and encouragement now given tenant farmers toward purchase of farms and building of farm homes.

“Our company sponsors lectures and assemblies for 17 teaching improvement of health by means of diet. We began this several years ago when an amazing number of sick benefit claims, based on varying degrees of prostration accompanied by a peculiar roughening of the skin, came in from a section in South Georgia. We investigated and found this malady to be pellagra. Our workers in that territory concentrated their efforts on convincing the sufferers of the benefits to be gained by properly varied diet to such an extent that we think more cures were effected by the change of food habits than by medicines. By means of

## Library of Congress

the county agents, nursing projects, and other facilities the government has done splendid service in teaching the essentials of proper diet to the people of your race and mine.

“It would probably be hard for you to believe what we found to be the main obstacle in our efforts to help pellagra victims in the area I've just mentioned,” he remarked.

“Go ahead and tell about it,” I urged. “It should be known.”

“Well,” he continued, apparently unaware that he had lowered his voice until I had to lean forward to catch the words that followed, “in this section almost every landlord would forbid the tenant to plant a garden for his own use saying, ‘I want you to put all of your time on your crop, so I'll plant a garden big enough to feed every family on this plantation. You plant your crop on every foot of land I've rented you.’ So the tenant had no garden, no potato patch, no watermelon patch, no chickens, and 18 no hogs or cows. Sure enough the landlord would plant a grand garden, but everything the tenant, used from it was charged to his account at a price that enabled the landlord to make an excellent profit and it usually left the tenant in debt to his landlord at the end of the year if he used anything from that garden. So the poor tenant learned to do without vegetables, milk, and fresh meats. He lived chiefly on cornbread, syrup, and fatback, and consequently became susceptible to pellagra. Some of our people in certain sections still find themselves hampered by restrictions like that, and so they keep moving from place to place. They're trying to get away from such things.

“Most of us can remember the time when people of my race had few opportunities for higher education. Now we have excellent high schools and colleges, as well as much improved facilities for grade school education. If young people of my race want to be educated, there is nothing to prevent them from going ahead and getting whatever training they desire.

“I'm proud of these educational institutions, for they have been the means of giving us better preparation for our work. Even the cooks need to know how to read and write, and

## Library of Congress

the same knowledge enables the maid to answer your telephone more intelligently and take down the messages that come for you in your absence. Nursemaids give better service in the care of your children when they are trained for their work. In fact, there is no line of work - no matter how humble the service - that cannot be improved by even 19 a little education.

“The relationship between our people and the white folks in the South is on a sounder basis than in the North. I know that many thoughtless things have been done by our people, and some of them have been terrible in their effects on the harmony of the races. These things have made hardships for the rest of us. We are working in cooperation with the good white people to prevent such things from recurring, and it will all be straightened out eventually. It takes lots of time to solve problems concerning the human race, and much more time to work out those solutions sufficiently to see improvement.

“Only the Negroes who have means can make money and progress in the North. The ones that have nothing can't get along. I know many who couldn't live in the North. Eventually they'll all want to come back to the South where the majority of them were born. The South is their home. Here they have their own friends, relatives, churches, and schools. If they can just learn to get ahead, then they'll be on the road to greater advantages.

“I know many that sold their farms and moved to the North because they thought they couldn't make a go of it on the farm. They didn't know how to do much of anything except to raise cotton and corn. Now there's no excuse for the farmer not to make a good living if he's willing to work. The Government has all these farm projects and agents to teach them what to plant and how to cultivate the ground to the best advantage. They are learning that cotton is not the reliable /money crop they once thought it was. They know there are many other crops that will bring in more money, without the work and risk of one-crop farming.

## Library of Congress

“They are getting along better, having more to eat and wear than ever before on the farms. The Government has really been a blessing to the farmers, yet many of them can't, or rather just won't, admit it. It isn't just teaching them to till the soil that counts. The agents are showing them how they can make money raising cattle for the market as well as for their own use. In this way they no longer have to depend on one crop for cash, and that keeps them from getting discouraged so easily.

“What political party do I belong to?” An honestly puzzled expression came over his face that was quickly followed by another expansive smile, as he confessed, “I don't know. I was reared in a family of Republicans without knowing very much more about that party than the story that President Lincoln was a member of it and that he become a martyr soon after he signed the document that sealed our emancipation. It seemed natural to us that there was no better way for Negroes to pay tribute to the man who gave us our freedom than to vote his way, and there was no other party that seemed as much interested in our welfare as the Republicans did. Since the present Mr. Roosevelt was first elected his remarkable achievements have made me do some serious thinking. I'm 21 reluctant to vote against the old party, but I cannot ignore the fact that my people have had more consideration from the present administration than from any in the past. Please don't ask how I'll vote in 1940. I really don't know. I admire our President,” he said in conclusion.

“You've probably heard of our Mr. Henley, the remarkable man who founded our company,” he queried, looking up at a large framed photograph.

“Everyone has heard of him, and I can very well remember seeing him for I passed his barber shop in Atlanta almost every day, about thirty years ago,” I replied, “but I'd like to hear his story from you.”

“Well,” Smith continued, “he was born a slave, in Monroe County, Georgia. After freedom came he went to Atlanta and started to work for a barber. That he made a success of his work is shown by the large business he built up. His best customers were among his

## Library of Congress

white friends. Before 1900 his barber shop had more than 20 chairs in it, and that shop is still going today long after his death. A list of his patrons would sound like a roll call of Atlanta's most prominent and important business men. It may be that his daily contact with successful business men had something to do with his own success. His ambition to do something to enable the members of our race to prepare for the financial crises so often brought about by sickness, accidents, and by death, led him to organize his first little accident and sick benefit 22 company. It's probable that the purity and unselfishness of his motives in starting his insurance business were factors that led Providence to permit it to prosper so that in 1905 he was able to buy out several other companies, organize a great business, and put up a \$5,000 cash bond in accordance with a law enacted that year by the State Legislature for the protection of insurance beneficiaries. Prior to that time there had been several small companies doing business in accident and sick benefit insurance that carried death benefits of from twenty to thirty dollars, and not one of these little organizations was able to raise the cash bond. Mr. Henley's purchase of these small companies and merging them with his original insurance business was the beginning of the Capital City Insurance Company, and our home offices are still in Atlanta.

“Our little mutual company, that before the merger in 1905 paid sick benefits of from two to three dollars a week, has grown and improved until we have more than 300,000 policyholders, and we're now one of the largest insurance organizations among our people, we write any kind of insurance now, from sick, accident, straight life, and paid-up, to endowment. In fact, this is an industrial as well as an ordinary life insurance company, and we're more than proud of our business.

“Our records show that in 1939 we paid out more than \$800,000 to our paid-up policyholders and to beneficiaries in 23 general. This, of course, includes loans on policies, sick and accident benefits, dividends, and final payments after the death of the insured. After making these payments totalling considerably more than three-quarters of a million dollars, we still had a surplus of more than \$980,000 on hand. At the beginning of this year we raised the amount of capital stock from \$100,000 to \$500,000. Our one hundred and

## Library of Congress

four employees include our managers, clerks, inspectors, and field agents. That'll give you some idea of how our business has grown.”

There was a proud and satisfied look on his face when he asked, “Now do you like our new home?” As I looked about me, he continued, “We've just recently moved into these offices. We'd simply outgrown the old place and just had to have more room. I'll have to admit we're rather proud of our new home.”

The modern offices were well furnished and equipped. Venetian blinds shaded the windows facing the street, and the walls and woodwork were immaculate in their fresh coats of light tan paint. “You have every reason to be proud of these lovely offices,” I assured him, “and they have the advantage of being centrally located and convenient for your workers and clients.”

“Thank you,” he answered, “and now I think I've just about covered everything of interest about my insurance experience. I don't have to explain that practically my whole scheme of living is bounded by insurance now. There is no other business that I know of that brings the worker in such close contact with the great mass of our race as does insurance, and through it we are able to have insight into the most personal problems. While a child is still very young, some insurance man is going to be there to see about writing a policy on its life, an insurance man will investigate practically every condition that effects the health and welfare of his policyholder throughout his life, and when he has died the insurance man comes around again to make settlement. Everything that the insurance man does to improve health conditions and to take care of his policyholder is actually an economy in the narrowest means, for in that way he is lessening the payments of sickness and death claims, but I still maintain that our Mr. Henley founded this business for the purpose of helping the people of his race.

## Library of Congress

“I'm hoping that you'll find at least a part of the information I've given you usable. If in the future there are questions that arise in regard to our race, I hope that you'll let us try to help you compile the information needed.”