

A SHORT HISTORY
OF
THE SOUTHERN 1752 CLUB

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A SHORTENED HISTORY OF THE SOUTHERN 1752 CLUB

NOTE: IN 1989 OUR HISTORIAN MARION SIMMONS COMPILED A CLUB HISTORY BASED ON CLUB MEETING MINUTES. THESE MINUTES BEGAN FROM THE FIRST CLUB MEETINGS HELD IN 1939 AND CHRONICLED THE COMINGS AND GOINGS OF MEMBERS DURING THE YEARS ALONG WITH SOME PERTINENT ITEMS OF HISTORY SUCH AS DUES STRUCTURE (FIRST MENTION OF DUES WAS \$3.00) AND COMMITTEE REPORTS. BUT MUCH OF THIS EFFORT WAS LARGELY REPETITIVE IN NATURE. THE FOLLOWING REVISION WILL ATTEMPT TO EXPLAIN THE EFFECT OF EXTERNAL FACTORS ON CLUB OPERATION AND ACTIVITIES DURING ITS HISTORY.

THE STORY OF THE SOUTHERN 1752 CLUB IS A 60 YEAR EFFORT BY A GROUP OF INDIVIDUALS IN THE CAROLINAS AND VIRGINIA TO PROVIDE EDUCATION, NETWORKING AND FELLOWSHIP FOR ITS MEMBERS AND EDUCATIONAL SERVICES TO A DIFFERENT YET RELATED GROUP IN THE PROPERTY AND CASUALTY DISTRIBUTION SYSTEM. THESE INDIVIDUALS WERE ALL FIELD REPRESENTATIVES FOR MUTUAL PROPERTY AND CASUALTY INSURANCE COMPANIES WITH A COMMON BOND TO THAT DIFFERENT YET RELATED GROUP, THE INDEPENDENT AGENCIES THAT THEY SERVED.

SINCE ITS HUMBLE ORIGIN IN A NORTH CAROLINA HOTEL ROOM IN 1938, OUR CLUB HAS SURVIVED A WORLD WAR AND NUMEROUS ECONOMIC AND INSURANCE INDUSTRY CYCLES TO REMAIN AS ONE OF THE FEW REMAINING OF THAT SPECIES KNOWN AS INSURANCE "FIELD CLUBS". FROM ITS CREATION BY MUTUAL -ONLY FOUNDING FATHERS, THE CLUB HAS STRUGGLED THROUGH "DEMUTUALIZATION" TO OPEN THE CLUB TO ALL THOSE WITH THE COURAGE TO DO FIELD WORK FOR THE MANY DIVERSE COMPANIES IN TODAY'S INDEPENDENT INSURANCE MARKETPLACE.

IT WAS NOT EASY BEING MUTUAL IN THE FIRST 65 YEARS OF THIS CENTURY. ALTHOUGH THE MUTUAL INSURANCE AGENCIES AND COMPANIES WERE JUST AS INDEPENDENT AS THEIR STOCK COMPANY COUNTERPARTS, THEY WERE SEEN AS AN UNWELCOME MUTATION IN THE INSURANCE DISTRIBUTION SYSTEM AND PRESUMED TO BE DIRECT WRITERS. THUS THEY WERE EXCLUDED FROM MOST INDUSTRY TRADE AND RATING ASSOCIATIONS UNTIL THE 1960'S.

IN A SPIRIT OF RETALIATION, OUR CLUB'S FOUNDING FATHERS ALSO PRACTICED EXCLUSIVITY BY REQUIRING THAT ALL MEMBERS BE AFFILIATED WITH A MUTUAL INSURANCE ORGANIZATION. DESPITE EARLIER EFFORTS AT REMOVAL, THIS FOUNDING PRINCIPLE REMAINED STRONG IN THE CLUB UNTIL THE 1970'S. ANOTHER DISTINCTIVE FEATURE WAS THE 'ALL LINES' MAKEUP OF THE CLUB WITHOUT THE TRADITIONAL PROPERTY-CASUALTY SPLIT SO PREVALENT IN THE "STOCK" ORGANIZATIONS.

OUR FOUNDING FATHERS ALSO NOTED THAT MUTUAL INSURANCE AGENCIES WERE BEING EXCLUDED FROM ANY FORMALIZED INSURANCE EDUCATIONAL OPPORTUNITIES. THEY ALSO CORRECTLY SAW THAT AGENT EDUCATION COULD PROVIDE A BASIS ON WHICH CLUB EFFORTS COULD BE SUBSIDIZED BY THEIR MUTUAL COMPANY EMPLOYERS. MOST OF THESE COMPANIES WERE SMALL WITH FEW RESOURCES FOR TRAINING EITHER THEIR OWN EMPLOYEES OR THEIR AGENTS. THIS LINKAGE OF DISCRIMINATION AND EDUCATION WAS USED VERY EFFECTIVELY TO BUILD THE CLUB INTO A POWERFUL FIELD EDUCATIONAL FORCE .

DURING THE FIRST THREE DECADES OF OUR HISTORY, STATE RATING BUREAUS MANDATED RULES, RATES AND FORMS FOR THE INDUSTRY; AND THEIR MAJOR CHANGES CREATED THE NEED FOR TRANSMISSION OF THESE CHANGES TO THE AGENCY FORCE. MUTUAL AGENTS ASSOCIATIONS WERE SMALLER AND THEN MORE CONCERNED WITH POLITICS AND MEMBERSHIP ISSUES THAN EDUCATIONAL ACTIVITIES. CONSEQUENTLY, THE CLUB OFTEN ASSUMED THE POSITION OF EDUCATIONAL ARM FOR THESE ASSOCIATIONS IN OUR THREE STATES.

FOR MANY YEARS FALL AND SPRING EDUCATIONAL MEETINGS FOR AGENTS OR "CLINICS" WERE HELD IN VIRGINIA AND THE CAROLINAS ON A STATEWIDE BASIS. THESE CLINICS USUALLY INCLUDED A VARIETY OF PROPERTY AND CASUALTY TOPICS, INCLUDING BOTH DISCUSSION OF FORMS AND RATING ELEMENTS. BEGINNING IN THE LATE 1950'S THE VARIOUS STATE RATING BUREAUS INTRODUCED MULTI-LINE PACKAGE POLICIES; AND CLINIC PRESENTATIONS DEALING WITH HOMEOWNERS AND SPECIAL MULTI-PERIL PACKAGE POLICIES WERE HUGE SUCCESSSES FOR THE CLUB WELL INTO THE 70'S. STRONG COMPANY FINANCIAL SUPPORT AT THAT TIME MEANT THAT THESE CLINICS WERE ALWAYS HELD AT LITTLE OR NO COST TO THE AGENTS. TOTAL ATTENDANCE AT A SERIES OF STATEWIDE CLINICS WAS OFTEN IN THE HUNDREDS.

IN ORDER TO ADVANCE IN THE CLUB, A MEMBER HAD TO PARTICIPATE IN CLINIC ACTIVITIES. AS MENTIONED ABOVE, THE CLUB RESPONDED TO RATING BUREAU CHANGES WITH STATEWIDE CLINICS. MANY A YOUNG ROOKIE FIELDMAN WAS QUICKLY THROWN INTO CLUB ACTIVITIES THROUGH PARTICIPATION IN THESE CLINICS AS CLUB MEMBERS USUALLY PROVIDED THE CLINIC "SPEAKERS BUREAU". PREPARATIONS HAD TO BE MADE AND BUTTERFLIES OVERCOME. BUT THE IMMEDIATE RESPECT, OFFERED TO A YOUNG MEMBER BY HIS PEERS IN THE CLUB, COMPANY AND AGENTS UPON SUCCESSFUL PARTICIPATION IN HIS FIRST SERIES OF CLINICS, WAS UNRIVALED IN THE INDUSTRY.

UNFORTUNATELY, THESE CLINIC ACTIVITIES PEAKED IN THE MID-SEVENTIES AND THEN BEGAN TO DECLINE DUE TO:

- (1) THE RISE OF INDEPENDENT EDUCATIONAL ORGANIZATIONS SUCH AS CPCU, CIC, ARM, ETC.
- (2) "DEMUTUALIZATION" OF SPONSOR COMPANIES.

- (3) THE DEMISE OF STATE RATING BUREAUS.
- (4) DECLINE IN NUMBER OF FIELD PEOPLE AND SMALLER AGENCIES.

CIC, CPCU AND OTHER ORGANIZATIONS FOCUSED THEIR SERIES OF SEMINARS ON THE GOAL OF A PROFESSIONAL DESIGNATION . AS STATE RATING BUREAU INFLUENCE DECLINED IN THE FACE OF NEWLY-PASSED OPEN COMPETITION LAWS, STATE AGENTS ASSOCIATIONS QUICKLY SEIZED THE OPPORTUNITY TO BECOME LOCAL SPONSORS FOR THESE DESIGNATION PROGRAM SERIES. THEY QUICKLY DEVELOPED VIGOROUS EDUCATION COMMITTEES AND DIRECTED THEIR EDUCATIONAL EFFORTS ALMOST EXCLUSIVELY TOWARD THESE PROFIT-MAKING SESSIONS. PROFIT- MAKING SPIN-OFFS SUCH AS CISR AND CPSR WERE QUICKLY DEVELOPED, DEPRIVING CLUB CLINIC ACTIVITIES OF MUCH OF THE AUDIENCE IT HAD TRADITIONALLY SUPPORTED AND INSTRUCTED - AGENCY CSR'S AND PRODUCERS. A FEW OF OUR MEMBERS VALIANTLY CONTINUED AS SPEAKERS, PRIMARILY TO SMALLER GROUPS SUCH AS INSURANCE WOMEN . BUT THE DAYS OF LARGE CLINIC GATHERINGS HAD COME TO AN END.

AT THE SAME TIME SOME SPONSOR MUTUAL COMPANIES BEGAN TO MOVE AWAY FROM THE DISTINCTION OF BEING "MUTUAL". THESE COMPANIES HAD NOW RESPONDED TO OPEN RATING LAWS AND HAD FILED THEIR OWN RATES AND FORMS WHICH IN LARGE PART BYPASSED THE STATE RATING BUREAUS. SOME MUTUAL COMPANIES THAT PREVIOUSLY SUPPORTED THE CLUB NOW DENIED SUPPORT IN TERMS OF TIME AND MONEY TO THEIR EMPLOYEES, AS THEY CONSIDERED SUPPORT OF THE CLUB TO BE SUPPORT OF THE COMPETITION. PLUS FIELD MARKETING FORCES SUFFERED HEAVILY AS COMPANIES RESTRUCTURED THEIR OPERATIONS TO TAKE ADVANTAGE OF MORE IMMEDIATE FORMS OF COMMUNICATION SUCH AS TOLL FREE PHONE AND FAX LINES AND COMPUTER HOOK-UPS.

OTHERS BECAME CONCERNED THAT PARTICIPATION IN INTER-INDUSTRY ASSOCIATIONS MIGHT BE INTERPRETED BY REGULATORY AUTHORITIES AS COLLUSION, ALTHOUGH NO ALLEGATIONS WERE EVER MADE AGAINST THE CLUB IN THIS REGARD. AS A PRECAUTIONARY MEASURE, RATES AND FORMS WERE NO LONGER DISCUSSED DURING CLUB MEETINGS. ANOTHER EMERGING FACTOR WAS THE PASSAGE OF STATE CONTINUING EDUCATION LAWS. AS WITH CIC, STATE AGENTS ASSOCIATIONS WERE QUICK TO TAKE ADVANTAGE OF THIS NEW OPPORTUNITY TO PROVIDE A NEWLY-MANDATED EDUCATIONAL OPPORTUNITY AT A PROFIT. THE CLUB PROVIDED A FEW SPEAKERS TO AGENT ASSOCIATIONS' CONTINUING ED PROGRAMS BUT NEVER PUT ON A CLUB-SPONSORED STATEWIDE CONTINUING EDUCATION PROGRAM.

NOTE: MANY OF OUR PAST CLINIC PROGRAMS WERE FAR SUPERIOR TO WHAT NOW OFTEN PASSES AS CONTINUING EDUCATION.

THESE INDUSTRY CHANGES LED TO AN EFFORT BY THE CLUB TO CREATE A NEW EDUCATIONAL MISSION. AS A RESULT, A SCHOLARSHIP PROGRAM WAS ESTABLISHED TO OFFER FINANCIAL SUPPORT TO AGENCY INDIVIDUALS WISHING TO ATTEND RECOGNIZED EDUCATIONAL PROGRAMS SUCH AS CPCU, CIC, ETC. THE CLUB WAS NOW IN THE POSITION OF SUPPORTING THOSE PROGRAMS THAT HAD LED TO THE DEMISE OF ITS OWN CLINIC ACTIVITIES. THE CLUB EVEN TRIED TO HAVE CONTINUING EDUCATION PROGRAMS FOR ITS MEMBERSHIP AT REGULAR MEETINGS. BUT AFTER ONE ATTEMPT, THIS IDEA WAS DROPPED AS TOO MUCH TIME WAS TAKEN AWAY FROM NORMAL MEETING ACTIVITIES. HOWEVER, THIS IDEA MAY YET BE REVIVED IF REQUIRED TO MAINTAIN INTEREST IN CLUB MEETINGS.

IN THE NEW MILLENNIUM THE CLUB CONTINUES TO WELCOME NEW MEMBERS AT EACH MEETING; AND SUPPORT FROM SOME LOYAL COMPANIES HAS CONTINUED IN SPITE OF THE CHANGES DESCRIBED ABOVE. HOWEVER, LACK OF STABILITY IN THE INSURANCE INDUSTRY AND GEOGRAPHY KEEP NEW MEMBER RETENTION LOW. OVERALL ACTIVE MEMBERSHIP REMAINS IN THE 70'S (DUES NOW \$25.00), WITH ATTENDANCE RANGING FROM 20 TO 40 AT MOST MEETINGS. DUE TO INDUSTRY CHANGES AND DEPARTURE OF THEIR FRIENDS FROM THE INDUSTRY, MANY LIFE (RETIRED) MEMBERS DO NOT ATTEND CLUB MEETINGS AND NO LONGER PROVIDE THE VITAL LEADERSHIP AND SUPPORT TO YOUNGER MEMBERS THAT THEY ONCE DID.

RESPONSE TO THE CLUB SCHOLARSHIP PROGRAM HAS BEEN MIXED . IN SPITE OF EARNEST EFFORTS AT DISTRIBUTION TO POTENTIAL SCHOLARSHIP APPLICANTS, VERY FEW APPLICATIONS FOR SCHOLARSHIPS ARE RECEIVED. IT HAS BEEN SUGGESTED THAT THE SCHOLARSHIP FORM BE REDESIGNED AND THAT APPLICATION DISTRIBUTION BE MADE AN ASSIGNMENT FOR NEW MEMBERS.

CLUB CAMARADERIE AND GOLF CONTINUE TO BE OUTSTANDING, BUT A REDEDICATION TO OUR EDUCATIONAL MISSION - OUR HISTORICAL REASON FOR BEING - NEEDS TO OCCUR - NOW. THIS IS THE ONLY WAY IN TODAY'S CLIMATE THAT WE AS A CLUB CAN FULFILL OUR PRIMARY MISSION AND REACH THOSE PERSONS WHO STILL NOW, AS IN THE PAST, NEED EDUCATIONAL OPPORTUNITY THE MOST - AGENCY CSR'S AND PRODUCERS.

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