

## A BUSINESS HISTORY OF THE BUSINESS MEN'S ASSURANCE COMPANY

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This study is a business history of the Business Men's Assurance Company of Kansas City, Missouri, a leading life, health, and reinsurance firm, which this year celebrates its sixtieth anniversary. BMA's 1968 life insurance sales totaled a billion dollars, and the company had over \$4.5 billion of life insurance in force. The firm ranks 41st in life insurance written and 50th in life insurance in force in the United States. This places Business Men's Assurance within the top three percent of the life companies in the nation. In addition, BMA's accident and health business produced nearly half of the company's income last year. Sales territory includes forty-three states, Puerto Rico, and since 1967, Australia.

BMA, originally called Business Men's Accident Association, was founded by a Kansas pioneer, William Thomas Grant, who had several years of insurance sales and management experience behind him when he decided to form his own company. BMA was first organized as a mutual assessment firm. Through the years many of the leading businessmen of Kansas City have been members of the board of directors, and at the outset most directors took an active part in day-to-day decisions of the company. Grant himself was a supersalesman. He not only sold prospective board members on the idea of the new company, he also personally obtained 531 applications with \$10 premiums representing \$2.5 million of accident insurance in order to form the company and get the \$5,000 policy reserve required by the state of Missouri. The charter was granted July 1, 1909, and Grant became secretary.

BMAA's first years were difficult ones, and the company might well have floundered except for the officers' willingness to seek advice from insurance examiners and other experts and to forego short-term personal gains for the long-term possibilities they saw in the company.

Early sales were conducted largely by mail, but gradually the years saw the emergence of departments customarily found in an insurance company. At the end of ten years BMAA was licensed

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in eighteen states, had a 100-man sales force, and was covering Missouri, Oklahoma, and Kansas thoroughly. The mutual assessment association competed well with the stock companies by means of lower premiums possible because of economy of operation. While policy settlements were generally liberal, investment of funds was conservative.

The prosperous times of 1919 and 1920 were ideal for growth and change. Founder Grant convinced the directors that the mutual association should be reorganized as a stock corporation and a legal reserve life insurance company. He felt that accident policyholders would form a ready-made market for the new life department. The directors concurred, a new charter was granted under the name Business Men's Assurance Company of America, and Grant was elevated to the presidency in 1922. When BMA entered the life business and again when the company offered group insurance, Grant led the way for his salesmen with outstanding personal production.

The hiring of J. C. Higdon in 1923 was a personnel change of great significance. Through the years Higdon advanced from an assistant secretary to vice president of sales and succeeded Grant as president in 1945. Higdon was trained in the science of insurance and possessed tremendous organizational ability. Grant and Higdon made a complementary top management team—the super-salesman and the organizer.

The BMA reinsurance department was one of the first in the nation when it was organized in 1921, but it did not contribute greatly to the growth of the company until the founder's son, W. D. Grant, assumed responsibility for this function after World War II. Today W. D. Grant as president and chairman of BMA must look with great satisfaction on a department that contributes nearly half to the total life insurance in force of the Business Men's Assurance Company.

Three factors have been primarily responsible for the amazing growth of Business Men's Assurance Company. First, the BMA's sustained development can be explained by the constant emphasis on the sales function. Second, the public has regularly been offered unique insurance plans designed for changing needs. Finally, the consistently high quality of management personnel has been responsible for the company's success.