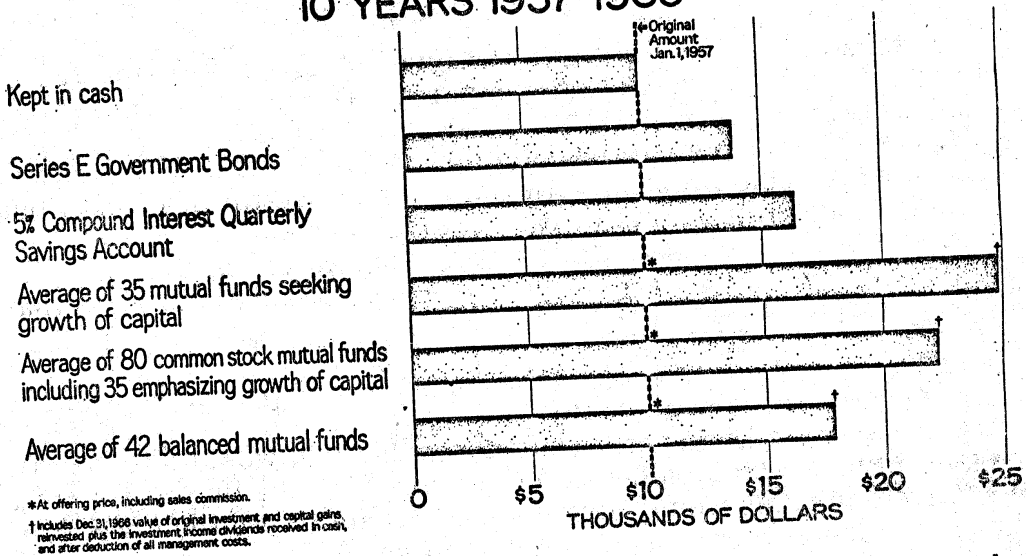


COMPARISON OF VARIOUS SAVINGS & INVESTMENT METHODS 10 YEARS 1957-1966



Mr. KEITH. Mr. Day, I would like to know how you can be a member of the board of directors of several insurance companies without a little bit of conflict of interest if these are really competing companies.

Mr. DAY. How do you mean, Mr. Keith?

Mr. KEITH. I note on page 2 of your statement, where you listed your qualifications:

I have written a number of published articles on life insurance subjects and am a member of the board of directors of several insurance companies.

Mr. DAY. I see what you mean. Six of those are all in the Zurich group of insurance companies which are all one fleet, as you know.

Mr. KEITH. I am sorry to have exposed the relationship there. Isn't that a little misrepresentation. Aren't these all pups of the same parent?

Mr. DAY. Well, I am on the boards of two other companies.

Mr. KEITH. What are the other two?

Mr. DAY. They are not in any conflict with the Zurich operations.

Mr. KEITH. What are the other two?

Mr. DAY. One of them is the People's Life Insurance Co., which is the largest home office company here in the District of Columbia. The other one is a reinsurance company.

Mr. KEITH. I will agree that there is no conflict there. Thank you. If you had an internally managed company, you could use, I suspect, the resources of that company to recruit, train, and pay salesmen over this lean period, is that correct?

Mr. DAY. Well, you could, but the money has to come from someplace. It has got to come from money that is received in from the people who are buying the product, whatever type of—

Mr. KEITH. It could come out of the management company. They are the ones that are really standing to gain by the increase in portfolio.