

NON-PARTICIPATING POLICIES.

Mr. John T. Stone, of the new Maryland Assurance, recently launched as the Life and Accident Subsidiary to the Maryland Casualty, and which has adopted the Non-Participating basis, says:—

Sells Insurance at Stated Price.

The corporation is frankly in business to make money for its stockholders. We make no pretense to being a mutual association. We believe that, fundamentally, in insurance as in every other business transaction, it is an economic contradiction to be both buyer and seller. We are the seller. And we frankly offer our protection as such.

In so doing, the corporation is consistent. We do not ask the policyholder to assume any of the risk of carrying his own insurance or that of any of his fellow policyholders. We do not ask him to share any of the uncertainties of our own legitimate functions. We do not collect a penny of premium upon the gambling chance of not needing it and, therefore, paying it back in so-called dividends. We collect only the net amount needed to pay for the protection purchased. We insure by our capital and paid-in surplus. If there is a profit, it is ours. If there is a loss, we stand it. Non-participating insurance is a straightforward, consistent business of purchase and sale.

Advantages Claimed For Policyholder.

From the policyholder's viewpoint, non-participating insurance is certain. The premiums are net. The annual cost is stated in the beginning. There is no factor added with the idea of refund later, in the shape of so-called dividends, carrying no guarantee but, on the contrary, the possibility of retention in full by the insurance company. Participating premiums are higher than ours. The policyholder may get a dividend and may not. Under present world-war conditions there is grave doubt. And this advantage of certainty which our policyholders have over those of participating companies is constant. An insurance policy is, in most cases, a contract of long duration. The premium must be paid annually through a series of years. Our policyholders know in advance exactly the net cost for every one of those years. The participating company can give no assurance but only expected deductions. We offer constant certainty over against inconstant expectancy.

How Agent is Helped.

From the agent's point of view, the non-participating plan offers at least two outstanding competitive advantages: First, lower cost. This is an obvious selling inducement. The great advantage possessed by the non-participating form is the lower initial premium. The non-participating policyholder will never pay more, and is not dependent upon the chance element which, after all, decides as to his share of profits in so-called dividend companies. Second, the great majority of life companies do business on

the participating plan. This suggests at once the thought that that plan is more popular. If so, it may prove the cynical saying that humanity likes to be fooled into thinking it is getting something for nothing.

Less Competition in Field.

On the other hand, it may simply prove that the majority of life insurance men prefer to treat their business as a gamble rather than as a scientific certainty reduced to its most definite terms. However that may be, the point for our agents to consider is that in selecting the non-participating plan, we have chosen a field in which there are only a few companies competing, rather than one in which almost every other company would be a competitor. Purchasers of life insurance prefer either the lower non-participating premium with its certainty and constancy or the higher participating premium with its gambling element of uncertain dividends. If they divide half and half by this test, then our portion of the non-participating half, with very few competitors, is much larger than would be our portion of the participating half, with a hundred and fifty or more competitors.

DROP HAIL INSURANCE.

It has been officially announced by Secretary H. Higginbotham that the United Farmers of Alberta will not enter the hail insurance field this year. Last year the association, through an arrangement with one of the larger hail insurance companies, wrote hail insurance for its members, but this year the U. F. of A. was unable to make arrangements which in the opinion of its executive were necessary in the interests of its members, and decided to retire from the field altogether.

ROYAL INSURANCE COMPANY.

The Royal Insurance Company is well named. Its actions are both royal and loyal to a very high degree. This is especially exemplified by its contributions in both men and money, to hasten and assist Great Britain and her Allies to victory in the present great war. The total subscriptions of the Royal and its associated companies to the Liberty Loan and other American and British Government loans for carrying on the war amount to \$23,391,000, or nearly 18 per cent. of the home office assets of the Royal, which aggregate the enormous total of \$130,000,000. Thirteen hundred and ninety-four members of the staffs of the Royal and its associated companies are now fighting in the British and American armies and navies. Canada has contributed its share. One hundred and sixty-one have been killed in action or died of wounds, according to the New York Journal of Commerce.

PERSONAL.

The Insurance Company of North American, has appointed Mr. Norman L. McGloin, agent of the company at St. John, N. B., in succession of C. E. L. Jarvis & Son.