

MANAGER WANTED

The new "Fire Prevention Board" of Nova Scotia wants a man to assist in organization to manager its affairs, and to carry out the Provisions of the "Fire Protection Act" of Nova Scotia being chapter 30 of the Acts of 1919.

He must have executive and administrative ability, good address, and a general knowledge of business affairs.

Initial Salary \$3,500.

As the work expands salary will respond if the manager develops with the work.

Applicants will please give following particulars:—Age, education, business experience, and such other particulars as in their opinion show qualifications for the appointment.

Reference to accompany application. A copy of the "Fire Prevention Act" above referred to may be had upon application to the Deputy Provincial Secretary, Halifax.

W. E. Thompson, Hon. Secretary,
Thompson, Adams & Co. Ltd.,
166 Holliss St., Halifax, N.S.

WANTED

By a fire insurance office mapping clerk.
Apply to,

B. C.,
Care The Chronicle,
Montreal.

DETERMINING FIRE UNDERWRITING PROFIT

In a pamphlet issued by the National Board of Fire Underwriters on "What constitutes Underwriting Profit" and "Method of Determining Same" in such a hazardous business. On the method of determining underwriting profit, whether on a paid or earned premium and a paid or incurred loss and expense basis, the pamphlet says in part:

"The laws of the several States very properly require that the portion of the premiums unearned be set aside in a reserve fund and until such earnings accrue. Since the company's surplus is augmented only by the portion of the premiums earned and removed from such reserve and only the portion earned can be treated as an element in computing the profit result as shown in the annual statements, made in accordance with such legal requirements, companies should not be expected to return the full amount of premiums paid in, but only such amount as is earned.

"As to losses, the principle is even more obvious that incurred losses, and not paid, is the only

THE MONTREAL CITY AND DISTRICT SAVINGS BANK

NOTICE is hereby given that a Dividend of Two Dollars and Fifty Cents per share has been declared on the Capital Stock called and paid up of this bank, and will be payable at its Head Office in this City, on and after Friday, the Second Day of July next, to shareholders of record, Tuesday, the 15th of June, at 3 o'clock p.m.

By order of the Board,

A. P. LESPERANCE, General Manager.

Montreal, 28th May, 1920.

proper basis. A simple and convincing illustration of this principle is afforded by the case of a company which suffers a conflagration loss or losses of considerable magnitude just prior to the end of the year. In reporting on a paid basis such losses would not appear at all, owing to the fact that there had not been sufficient opportunity to adjust and pay them before the end of the year, consequently the result would be wholly inaccurate and misleading.

"Expenses incurred are usually also paid, but at the end of the year there are quite large sums, particularly of Federal, State and other taxes, which companies have incurred by doing business for the year then ending, but which are not payable until some date in the following year and which have not even been determined when the year closes. Necessarily reserves have to be set up for items of this character, whether taxes or otherwise, and to this extent incurred expenses should be allowed for."

As to whether in such calculations income and excess profits taxes are to be allowed as an expense, the pamphlet says in part:

"It is idle as well as unjust to compute a paper profit from which further deductions must be made before an actual profit is available as a result of doing business to the parties whose capital is hazarded in the enterprise. All deductions of losses and expenses should be made before the production of any figure regarded as profit.

"No corporation organized for profit and depending for its existence upon a reasonable return to its stockholders from its operations could continue if due credit were not given for all costs of operation which go to reduce the amount of its net income upon which its return to stockholders is predicated."