

It is evident from above figures that the fire companies have paid dividends not out of the profits of their business, but out of the revenue derived from their investments. This is the same as if a bank had no profits made by the business to distribute, but simply paid to its shareholders what was yielded, practically, by the investments representing its reserve fund. How far this would be satisfactory need not be said. Why should the shareholders of an insurance company be satisfied to have no dividends from the business operations? A fire insurance company cannot safely conduct business without reserves. These funds are, more or less, in jeopardy every moment. The policyholders benefit by them, as it is for their protection that reserves are accumulated and not, as some seem to imagine, to yield a revenue for dividends so that fire insurance business may be conducted without any profit. It is quite a misnomer to style interest earnings by investments as "profits." In speaking of fire insurance business the word "profits" ought to be restricted to the excess of premiums over losses and expenses.

CITY AND DISTRICT SAVINGS BANK.

The above institution, which is the largest of its class in Canada and one of the oldest financial institutions in the Dominion, held its annual meeting on the 6th inst. when a statement was presented which will be found on a later page in this issue.

The prosperity prevailing in this city is well reflected in the large increase of deposits last year which rose to the extent of \$989,068, which made the total at close of 1901 \$13,119,646. The accounts open number 58,121, 1,730 of which were added last year. What is also significant of good times and increase of saving habits is that the average amount due to each depositor was increased last year from \$215.11 to \$225.56. The number of depositors in this institution is much above the ordinary proportion to the population. When the deposits in the City and District, the Government Savings Bank, and in the chartered banks are taken into consideration, it will be found that the people of this city and district are more than ordinarily thrifty. This bank stands in a very strong position as most of its assets are readily convertible into cash, about one-half being made up of municipal bonds and other securities, the other half being short loans on stocks and bonds, all of which assets, exceeding the deposits, are marketable or collectable at short notice. Since the last meeting the Bank has lost two directors, Messrs. E. J. Barbeau and F. T. Judah, whose seats have been filled by Messrs. Henri Barbeau and R. Bolton, Mr. A. P. Lesperance

being the manager. A new branch is to be opened next month at corner of St. Denis and Rachel streets. The retiring directors were re-elected at the recent annual meeting with Sir William Hingston as president.

THE COMMERCIAL UNION ASSURANCE COMPANY.

The report of the above Company for 1901 shows the business of last year to have been growing and satisfactory in results. In the fire department the net premiums amounted to \$8,322,035, which is an increase of \$1,261,885 over 1900. The losses paid were \$4,951,790, which is 59.51 per cent. of the premium income. This department is credited with receipts from interest to amount of \$200,820, which raises the total fire income to \$8,522,855. The sum of \$522,220 was appropriated to the purchase of the "Palatine" business which was taken over in May, 1900. After this amount and all expenses were paid there was \$98,495 to be added to the Fire Fund, which, at close of 1891, stood at \$6,888,990. The total assets of the Commercial Union amount to \$30,200,765. The Company had a net amount at risk in Canada at close of last year of \$44,229,834, against \$41,120,690 in 1899. As net cash received for premiums was \$424,009, against \$343,388 in 1899, and the net amount of losses incurred during the year was \$306,826, against \$252,328 in 1899. The Commercial Union is well and ably represented in Canada by Mr. James McGregor who enjoys public confidence and the respect of the policyholders to a marked extent.

LONDON AND LANCASHIRE FIRE INSURANCE COMPANY.

The accounts of this progressive Company for 1901 are published showing handsome gains in income, surplus and reserve.

	1900.	1901.	Increase. 1901.
	\$	\$	\$
Fire Premiums.....	4,778,530	5,671,065	892,535
Excess of Fire Premiums over Losses and Ex- penses.....	687,640	742,365	54,725
Funds owned by the Co..	7,072,605	7,452,280	379,675

During the three years 1899 to 1901 the Company has increased its Fire Premiums by \$1,488,585; paid dividends to shareholders \$800,355; paid for purchase of "Equitable" \$426,265; increased its Reserve Funds by \$1,364,195.

This would be a remarkable showing under ordinary conditions, but is especially so when it is remembered that the past three years have been unfavourable to Fire Insurance generally. General Manager Rutter may well be congratulated on such a magnificent showing.