

BRITISH COLONIAL FIRE INSURANCE COMPANY.

Outlining the plans of the British Colonial Fire Insurance Company to THE CHRONICLE this week, Mr. Theodore Meunier, managing director, stated that the Company looks to the increasing of its paid-up capital to at least \$200,000 during the coming year. The first of an annual series of 5 per cent. calls upon the subscribers will be probably made in the autumn and continued until the paid-up capital reaches \$500,000. A 5 per cent. call on the subscribed capital represents \$50,000. The backing of the Company includes wealthy French insurance interests, who are represented on the directorate and who, Mr. Meunier informs us, have recently expressed their confidence in the management of the company, and their anticipations that it will have a successful future.

The recent acquisition of the Central Canada of Brandon's business is justified, in Mr. Meunier's opinion, as a measure of business policy for the development of the British Colonial's western business. Through the re-insurance of the Central Canada Fire, the British Colonial secured a desirable class of business, 75 per cent. of the risks assumed being on farm property or three-year risks. At the same time, an exceedingly valuable and good class agents' connection was obtained as a result of the transfer. A considerable proportion of the agents of the Central Canada have now been connected up with the British Colonial, the results of this connection being already seen in the fact that the British Colonial's western business so far this year is more than equal to that which it transacted in the three prairie provinces during the whole of 1914. In view of the intensely keen competition among the fire insurance companies operating in the western provinces, the fact is interesting as concrete evidence that the connection secured by the British Colonial from the Central Canada is a valuable one.

It is noted in the recent annual report of the Company that the proportion of three-year risks in force at December 31 last was over 70 per cent. of the whole insurance in force. The policy of acquiring this class of business, in addition to the acquisition of the Central Canada's business at the close of 1914, is responsible for the large increase in the reserve last year, amounting to over \$150,000, from \$32,196 at December 31, 1913, to \$186,727 at December 31, 1914. Results of a character beneficial to the Company, will, in Mr. Meunier's opinion, accrue as a result of the new business which has been acquired, while the systematic increase in the paid-up capital will result in the steady development of the Company's resources.

WHAT EACH DOLLAR DID.

For each dollar of cash income in 1914 the New York Life accounts as follows:

Paid for death claims, 21 cents; paid to living policyholders, 36 cents; set aside for reserve and dividends, 31 cents; total, 88 cents.

Paid to agents, 5 cents; for branch office expenses, agency supervision and medical inspection, 3 cents; for administration and investment expenses, 3 cents; for insurance department taxes, licenses and fees, 1 cent; total, 12 cents.

Grand total, 100 cents.

"DIVIDENDS."

Everyone in the Life Insurance business who "knows his business" is tired of the word "dividends," and a great army of the formerly insured people who have cashed in their policies are so much more wearied that it would seem high time for "Mr. Business Man" to apprehend the fundamental fact that there are not, cannot be, *dividends* for policy holders, as the word "dividends" is usually understood in commercial life.

Insurance Companies do not *make* money for their patrons. They are really tax collectors, for life insurance is absolutely and simply a tax voluntarily imposed upon themselves by far-sighted individuals for their own future benefit, or by that greater multitude who gladly pay a part of their present income so that when they have departed from this vale of tears their families may be spared the affliction of want or poverty. Life insurance companies save your money. If they are well managed, as most are, they find at the end of each year, or period of years (and the latter is preferable) that the tax they have collected from you is somewhat in excess of the amount actually required to meet the purpose for which you taxed yourself. And they make a refund. They do not pay you a dividend or a profit.

It is high time that the wild statements of agents made in the "bad old days," and made, too often, with the sanction (expressed or silent) of company officials, should receive final interment, and that everyone who sells life insurance should impress upon his clients two fundamental facts which are (by way of definition):

"Premium"—A deposit voluntarily and wisely made; a tax payment to meet the draft which Father Time will ultimately draw upon you (and it will be a "sight draft" too, in all probability).

"Dividend"—That portion of your yearly payment that the company to which you pay your tax is able, by careful management, to save without impairing the maintenance of the sinking fund for future contingencies to which you are contributing.

J. L. KENWAY.

TORONTO FIRE DEPARTMENT RE-ORGANIZATION.

Col. J. G. Langton, of the Militia Department at Ottawa, has been nominated by the Toronto Board of Control, fire commissioner for Toronto, at a salary of \$5,000 per annum. This nomination follows an investigation into charges against John C. Noble, ex-Deputy Fire Chief, and the staff in general at the Portland Street fire hall. Judge Denton holds that "the charges are proven and the need of the hour is a complete reorganization of the Fire Department under a new head, who will be free from all social, fraternal or political influences, and able by his position and power to gather up the loose reins and effectually stamp out the evils that exist and restore the force to a state of efficiency."

QUEBEC FIRE ASSURANCE COMPANY.

The figures of this Company's business for 1914, received too late for inclusion in the summary tables published in our last two issues, are as follows: Net cash received for premiums in Canada, in 1914, \$247,651; net losses incurred in Canada in 1914, \$102,206; ratio, 41.27 per cent.