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Life Assurance Dividends or Bonuses.

The secretary of Bankers' Life of Des Moines in addressing the Students of a local College drew attention to the source from whence the bonuses or dividends of a life company are derived which they pay to policyholders. In level-premium policies some form of agreement is usually incorporated with reference to the payment of dividends in addition to the amount of the insurance. It is the general experience of companies that the mortality rate is not as high as that assumed in the tables upon which premiums are calculated. The company may also have earned a higher rate of interest than that assumed in the computation. It may also have expended less money than the amount charged for that purpose in the premium. From each of these sources a surplus may be realized over and above the accumulations which are required to provide for the amount of insurance. This surplus merely represents overpayments made by the policyholders, and a portion is usually distributed among them, these distributions being called "dividends." They are in fact only the returns of overcharges which were made by the company in order to collect a sufficient amount for possible contingencies which could not be foreseen. These dividends may be apportioned annually, or the apportionment may be deferred for a number of years, which latter method is now quite generally adopted. These deferred dividends are held by the company for distribution among the policyholders who survive to the end of the period named. Those who die before the distribution forfeit their share. A very wise plan which is now being incorporated in many policies provides for the payment of the insurance to the beneficiary in a certain number of annual instalments, instead of in one entire sum. Many persons receiving the proceeds of life insurance policies are unable wisely to care for the amounts which suddenly come into their hands, and quite frequently the sum is lost by a bad investment. Such misfortune is avoided by the instalment policy. The company becomes responsible for the investment and the beneficiary is assured of an annual payment to meet current needs.

Big and Little Risks.

The extravagant praise given to a small class of life agents who have succeeded in writing large risks is calculated to dampen the ardour of those to whom such good fortune never comes. To land large risks requires not only special gifts, but, perhaps it is more requisite that he has special opportunities. To catch whales a fisherman must go where whales are found and he needs to have the equipment of a whaler, as boats, tackle and skilled helpers. To secure large risks an agent must have the entree to the circle where wealthy men can be approached and talked to on such a subject as insuring their life. Such opportunities are very rare and few there are who have them. When the favourable time comes it takes no more talent to secure a large risk than a small one. An agent's success is to be judged by his catches in the waters assigned to him to fish in. What "The Indicator" says on this question is sound sense: "It is the patient, consistent plodders in life insurance field work who make up the great bulk of successful agents. Success does not consist so much in the occasional landing of a large risk, but in a steady continuance of applications, small perhaps, but in the end, like the steady dropping of rain, making up a considerable bulk in due time. And the man who works patiently, perseveringly and diligently day after day is bound to win eventually. There are different degrees of success, of course, and the man who does not possess great personal magnetism or exceptional powers of persuasion need not expect to attain the same degree as the one who is endowed by nature with these gifts; but he can succeed if he works. The cause of failure in most cases is, we believe, due mainly to a lack of courage, perseverance and hard work. There is no royal road to success, but this comes as the result of hard work. No man who has won for himself a high position or a competence has found any exception to this rule, and none ever will."