

# BEARING OF THE NEW INSURANCE BILL UPON "MISCELLANEOUS BRANCHES" OF UNDERWRITING.

**Measure Evidences Desire to Adapt Regulations to  
Widened Scope of Insurance during Past Decade.**

Signal evidence as to the development and growing importance of what used to be spoken of as the "miscellaneous branches" of underwriting, is afforded by the Insurance Bill now under consideration at Ottawa. In the Act of 1899 guarantee insurance, for instance, was defined merely as meaning "the guaranteeing the fidelity of persons in position of trust." Contract and judicial insurance were thus considered as distinct from guarantee insurance rather than phases of it. The new bill fully recognizes the widened scope of this increasingly important branch of underwriting and defines guarantee insurance as meaning "the guaranteeing of the fidelity of persons in positions of trust, public or private guaranteeing and becoming security for the due performance of any contract or agreement or of the duties of any office; executing bonds in legal actions and proceedings."

Accident insurance, also, has a somewhat wider content than under the existing Act which defines it as meaning "insurance against bodily injury and death by accident, including the liability of employers for injuries to persons in their employment." The new bill substitutes the following: "Accident insurance means insurance against bodily injury and death by accident, including loss or damage from accident or injury suffered by an employee or other person for which the person insured is liable; and the insurance of personal property other than plate or other glass against accidental damage or loss by reason of any cause except by fire or perils of navigation."

Provision is made in the new bill whereby companies now transacting fidelity or accident insurance, as hitherto defined, may have their powers extended to cover the wider field of risks now defined.

Plate-glass, inland transportation and sickness insurance are unchanged as to terminology in the new bill, but the latter—as pointed out a week ago—may now be included, within certain limitations, in life assurance contracts.

Steam boiler insurance is defined rather more broadly than before—the new bill providing for the indemnifying of property damage or loss of life, not only when caused by a boiler explosion *per se*, but when resulting from explosion, rupture and accident of "steam boilers, pipes, engines and machinery connected therewith or operated thereby."

The Act of 1899 contained no specific definitions of burglary insurance, sprinkler leakage insurance—and certainly not automobile insurance. The latter is now defined as meaning "insurance against accidental bodily injury or death to its driver, including insurance against loss or damage from accident to or injury suffered by an employee or other person caused by an automobile, for which the owner is liable; and insurance against loss or damage to property from an accident caused by an automobile, except by fire; and insurance against loss or damage to an automobile by accident, burglary or theft."

Another of the "miscellaneous" activities of the

insurance business unmentioned a decade ago was bond insurance, now specifically mentioned as meaning "guaranteeing the validity and legality of bonds issued by any province of the Dominion or by any city, county, town, village, school district, municipality or other civil division of any such province or by any private or public corporation."

## Groups of Classes in which Business may be Transacted.

In view of the more extended scope of underwriting activity, it is not surprising that a somewhat wider range is now to be allowed companies with respect to the number of classes in which they may transact business. Under existing regulations a license may be granted to a company to carry on the four following classes of insurance: fire, cyclone or tornado, inland marine and inland transportation insurance, or any one or more of these classes. With certain other defined exceptions, licenses are not granted for more than two classes of insurance.

By the new bill provision would be made for licenses as follows:

- (a) Four classes: fire, cyclone, inland marine, inland transportation;
- (b) Five classes: fire, cyclone, sprinkler (when connected only with company's fire contracts), weather, hail insurance;
- (c) Five classes: accident, sickness, plate glass, steamboiler, automobile;
- (d) Four classes: guarantee, bond, credit, burglary.

Excluding the business of life insurance and fire insurance, licenses may also be granted as follows:

- (a) Five classes: accident, sickness and three other classes.
- (b) Any four classes mentioned in the defining section of the bill.

Further, excluding life insurance, a license may be granted as follows:

- (a) Four classes: any one mentioned class in combination with one or more classes of insurance not defined in the bill (as recommended by the Superintendent and approved by the Treasury Board).
- (b) Any four classes not mentioned in the bill, when recommended and approved as above.

In any of the foregoing groups there may, if duly approved, be substitution of one or more minor branches not defined in the bill.

A rather important change introduced by the new bill is the provision for a conditional Dominion license to a provincially incorporated company.

## Individual Underwriters Barred.

According to the new bill, no license can be granted to any individual underwriter or underwriters to carry on any kind of insurance business, except in the case of associations of individuals formed upon the plan of Lloyds, whereby each associate underwriter becomes liable for a proportionate part of the whole amount insured by a policy. Such associations may be authorized to transact insurance, other than life, in Canada—on the condition of complying with all provisions of the Act, except that the statements required to be filed in the office of the Superintendent must be verified in such manner as he may see fit to prescribe.