

INSURANCE LEGISLATION AT COAST FORECASTED

Attorney General Farris Addresses Vancouver Insurance Men—Recognizes Value and Promises Hearing

(Special to *The Monetary Times*.)

Vancouver, Sept. 24, 1920.

THE Hon. J. W. De B. Farris, attorney general of British Columbia, spoke upon the question of life insurance legislation before the Life Underwriters' Association of Vancouver at their get-together luncheon to-day. He opened his address with the suggestion that the legislators who were obliged to live in Victoria did not get the "Life Current" to the same extent that they would if they were stationed in the commercial metropolis of Vancouver, and in this connection he spoke of the psychological influence brought to bear upon him by the insurance men who adopted the plan of inviting him to come to Vancouver and investigate the insurance situation for himself, that he might be prepared in the event of possible future legislative measures being introduced by the insurance fraternity. He thought theirs was a better plan than that which, say, the lawyers would likely adopt, who were in the habit of compiling a great mass of facts and figures and coming with them to Victoria for the purpose of placing them before his Department, to be considered by them first-handed without any previous investigation on their part.

New Legislation

He had been advertised to speak on "Future Legislation." No politician would care to do that. He could only express his personal views. However, he could go into details more or less on the legislation the government had passed. They had found by the investigation in the Insurance Department that insurance was being placed on the lives of infants at law—that is, persons under 21 years of age—which was not legal in this province. It was, however, in other provinces. It was decided to pass legislation granting legal sanction to contracts already in force for this form of insurance, and to make it legal hereafter to insure persons from 16 to 21, or for such persons to insure their own lives, the premiums not being limited in amount.

So far as children were concerned, legislation was passed making it legal for parents to insure the lives of children from 1 to 2 years of age, limiting the amount of insurance to \$32.00, and so on up by a sliding scale until 16 years of age was reached. For instance, the maximum amount of insurance for children of 9 to 10 years of age was \$260. Before this legislation was passed, insurance companies had placed no restrictions on the amount. Away back in 1774 insurance was looked upon as so much gambling, and while in subsequent years a man was allowed to insure his own life, he was not legally permitted to insure another man's life. A father could not insure a child, a husband a wife, or a wife a husband. These ideas, however, in this enlightened age are not universally accepted as sound, although in this province, so far as beneficiaries were concerned, if a father placed insurance on his life for the benefit of his family group—his wife and children—he could not change his beneficiaries in the policy of his own accord, nor could the insurance policy be used for liquidating business obligations, although he could change the amount of benefit to be received by the different beneficiaries after his death.

These beneficiary laws again vary in each province, and although they had in this province the machinery and

the desire to conform to the laws of other provinces, they could only legislate for themselves. They had, in fact, fallen in line with the suggestion that there be an annual central convention of lawyers from all the provinces whose duty it would be to look into laws which are dissimilar in the various provinces and submit drafts of new laws on various subjects which shall be uniform in all the provinces. Legislation has been passed empowering British Columbia to appoint commissioners to this convention, and Mr. J. N. Ellis, Mr. Courtenay and Mr. Pineo were the government's choice. In fact, Mr. Courtenay and Mr. Ellis were now in Ottawa upon this very service.

"A word to the wise was sufficient" that central conference is the place to submit suggestions for Life Insurance Legislation. Any suggestion made to him by the Insurance men would be carefully considered by his department, and if it was thought advisable, would be placed before this Central Conference, whose sole object was to labor for the general good of the Province as a whole so far as her laws were concerned.

Licensing Insurance Agents

The primary object of all legislation was to do the greatest good for the greatest number. This must be considered in taking up the question of licensing agents. "Of course," the attorney general remarked jocularly, "we know that all you wish is to pay us a big fat fee so that we may have another source of revenue, and of course the government is out to touch everybody as heavily and as frequently as possible." But there was another side of the question, he said, in continuing—Was it to be for the common good? They had this same question up with different associations.

The real estate men came to them with an act all drawn up to suit themselves. They submitted it to him, to the premier, and it afterwards was up in caucus, and it then came before the House and was turned down cold. This suggested legislation required the government to submit every applicant who wished to sell real estate to an examination as to his competency, and there were so many questions that an applicant would be obliged to answer correctly and on his honor, that one wag suggested that one of the questions be: 'Are you a member of a regularly constituted Liberal Association?' However, as the real estate men seriously wished to have agents licensed, the government passed a law requiring every man who sold real estate to secure a license from the government, the price of the license being \$10.00, but that is not all. The government appointed commissioners in different centres in the province whose duty it was to investigate any charge of fraud or misrepresentation, and if the representations of the commissioner are such as to warrant it on investigation, the government suspends or cancels the license of the erring real estate agent.

Now, the life insurance agents may be assured if they wish to be licensed and protected in other ways, if their wishes were reasonable and for the common good; then let them come to Victoria and meet them around the table. He would not promise them anything. He could not do that, but he could give them his personal views. He believed that if they required an applicant who desired to become an insurance agent to pass a stiff examination before a government board, it would place them in a false and invidious position, but on the other hand some simple examinations, so far as life insurance is concerned, might be arranged. The applicant should know the nature of the business in which he is to engage and to understand the kind of insurance he is offering his prospect.

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