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THE NEW INSURANCE ACT.

In our June issue we published in extenso the "New Consolidated Insurance Act, 1886," which is practically, with a few minor alterations, a consolidation of previous Acts hitherto in force. There is less verbosity and greater simplicity in the new Act than in the old ones, and it reflects much credit on Mr. Fitzgerald for the manner in which it is framed.

An effort is made to deal with underground insurance by laying a penalty, under sec. 22, upon every person as well as company who shall endeavor to carry on an illicit business in insurance. There is a considerable amount of fire insurance placed outside of the Dominion to the detriment of the licensed companies, giving the latter just cause of complaint, for in complying with the law and paying taxes, etc., it is only reasonable to expect the support of the law. The Insurance Act practically maintains the doctrine of protection as completely as the tariff on manufactured goods under the National policy, but the law, while protecting the manufacturers against foreign goods by placing sufficient duties on them allows foreign policies of insurance to come into Canada free. The companies issuing such policies not contributing one iota towards the taxes and expenses which the licensed offices have the privilege of paying. The companies, as stated by their representatives before the Banking and Insurance Committee, only wanted to be placed on the same footing as manufacturers. After a severe struggle—for however much manufacturers may virtuously assert that it is patriotism solely which guides them in advocating protection instead of free trade, it is really astonishing how that patriotism oozes out at the palms of their hands and is re-

placed by self-interest the moment their own interest is touched,—after a rather severe struggle we say, the manufacturers gained the day, although it was practically agreed as a compromise that if the insured desired foreign insurance like foreign clothes he should pay a reasonable duty on both. The companies were rather astonished to find that this clause had been afterwards struck out.

If the licensed companies are to be taxed for the privilege of doing business in the Dominion there can be no question as to their right to be placed on an equal footing at least with their unlicensed and untaxed rivals, but this has not been done.

SELECTION OF RISKS.

Our contemporary the *Montreal Star* has of late assumed the role of fire insurance critic, in which capacity it has seen fit to lecture the insurance offices very roundly upon their mode of conducting business in Montreal. It insinuates, although it does not state it in so many words, that the insurance companies are mainly responsible for the heavy losses to property by fire which have occurred of late years in Montreal. The reason assigned for this charge is that the companies are not sufficiently particular in the selection of their risks, from which we draw the inference that in the judgment of the *Star* none but the best and least hazardous risks should be insured at all. Now while we have always advocated the frequent inspection of risks, and also the method of properly conducted schedule rating, so that every risk shall be charged according to its merits, yet we cannot admit the theory that inferior risks must necessarily go uninsured. It is simply a question of price.

It may perhaps surprise our contemporary to learn that printing offices have proved as hazardous risks for insurance offices as saw mills, and though it may be replied that this is because they are not all built after the pattern of the recent structure erected by the *Star*, yet here again the rate should be fixed according to the construction, height, area, and so forth. This is practically what the Canadian Fire Underwriters' Association is fast putting into force, and with very good results in many instances, as property-holders are enabled to see how they can improve their risks, and thus obtain a reduction in rate. Beyond this it is not the province of insurance companies to go; it is quite justifiable for them to write five per cent. as well as one per cent. risks.