

CCOPY/T.

SENATE "BILL F" - TO AMEND THE CANADIAN AND BRITISH
INSURANCE COMPANIES ACT - 1932

This Bill proposes to license Lloyd's London Underwriters under certain conditions without requiring any deposit such as is required to be made under the Act by British and Canadian Companies.

Canadian, British and Foreign Insurance Companies have deposited with the Receiver-General of Canada \$98,261,970.00.

Lloyd's Underwriters maintain no office in Canada. There is not, nor will there be, any way by which the Dominion Superintendent of Insurance can check their actual liabilities in Canada.

The Licensed Companies in Canada have nearly five thousand Canadian people employed in their various offices.

The return of the Superintendent of Insurance for 1932 (the latest available) shows that of the total amount of premiums collected in Canada for Fire and Casualty there was disbursed in Canada in the form of commissions, salaries, travelling expenses, taxes, \$33,532,305. Of this sum, taxes paid to the Dominion and Provincial Governments and to other Bodies in Canada amounted to \$3,306,350.

The number of Agents in Canada in the year 1933 licensed by the various Provincial Governments totalled 24,922.

Lloyd's Underwriters maintain no office in Canada, therefore employ no Canadians. Lloyd's pay no taxes in Canada. Lloyd's maintain no offices, disburse no monies by way of salary, office, travelling and general maintenance expense. Lloyd's do not support an Agency plant. To allow them entry into Canada without a deposit is a gross injustice to thousands of Canadians who benefit directly or indirectly as agents, employees and recipients of monies spent by the Licensed Companies in Canada.

To permit Lloyd's Underwriters to register in Canada without maintaining any deposit or any Head Office and agency plant in Canada would be to discriminate most unfairly against the Licensed Companies who for many years have maintained ample deposits with the Receiver-General, maintained Head Offices in Canada with appropriate staffs and paid large amounts in taxes to Dominion and Provincial Governments, and in fact complied with every requirement of the laws of both the Dominion and the Provinces.

Lloyd's Underwriters escape paying taxes because of the peculiar manner in which they operate. Each Underwriter, being a separate entity, can only be sued as such, and as lately as March 2nd Premier Taschereau stated on the floor of the Quebec Legislature that "Lloyd's was not a Company but a group of Englishmen who join in taking risks of various natures but do not constitute a Company which could be sued and the profits of which could be taxed."

At the same time it will deprive many worthy agents, who are rendering highly specialized service to the insuring public of Canada, of a great part of their income.

Lloyd's Underwriters can and do maintain deposits in other countries. They have during the last six months been compelled to make a deposit in the State of Illinois, U.S.A., for the protection of their Illinois policyholders.