Therefore, the net loss on forty years' fire underwriting in Canada is $14,727. This is an indisputable reply to those who talk glibly of the "huge profits" made by authorized companies transacting business in the Dominion.

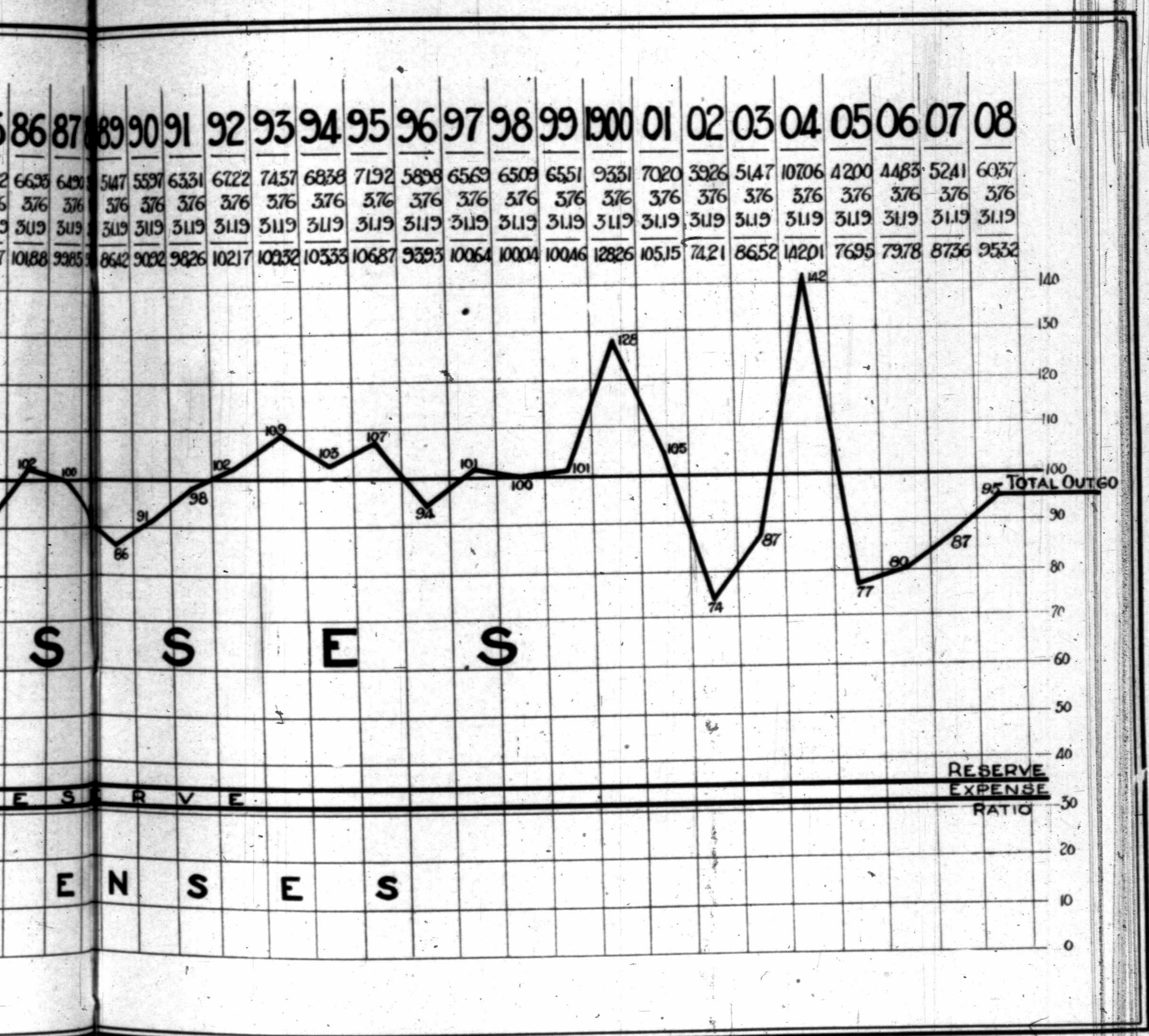
That citizens and firms of Canada will be allowed to insure freely in unlicensed companies, that such unlicensed companies shall be prohibited from having representatives in Canada and from soliciting insurance in the Dominion either directly or indirectly, that Canadian citizens or firms shall not be taxed for sending their risks to outside companies and that they shall make an annual return to the government of the insurance placed with such companies are four points which have been decided by the Senate banking and commerce committee.

The licensed fire insurance companies in Canada are obeying the law, are helping to maintain the insurance department and are doing good educative work through the medium of underwriters' associations and otherwise in helping to reduce the fire hazard and consequently fire rates. They report directly to the Canadian government and therefore have a first claim to the consideration of the Canadian business community when risks are placed. On the other hand, the insurance act will give all citizens freedom as to where they send their insurance premiums.

Marine Insurance Exempted

It will be remembered that section 139, which was the sententious clause, provided that a firm may go out of Canada for fire insurance by paying 15 per cent. on the pre-

re U[n]derwriting in Canada.



End of Controversy

The decision puts a senatorial end to the heated controversy which has been waged between manufacturers and licensed fire companies for several months.

In some measure, the decision is a compromise. From Canada it shuts out the actual operation of and solicitation for insurance by unlicensed companies. At the same time, the business man may seek insurance where he will. Either he can place his risks with legitimate and licensed companies doing business in this country or with unlicensed companies across the boundary line.

Frequently in the latter case, he will probably find trouble in obtaining payment of insurance, as has been experienced in the past. The licensed fire insurance commiums. The Senate Committee's decision deletes this phase.

Senator Cox asked the committee to say whether the annual return to the government should show the amount of premiums paid for outside insurance. The answer was "No."

Senator Beique said that a strong case had been made to exempt inland marine insurance from the operations of the act and he offered a motion to that effect. This was carried.

The insurance bill will go back to the House of Commons and it is generally thought unlikely that drastic changes will be made there. While the decision in some ways is a compromise it is not welcomed by the licensed insurance companies. They have fought for the principle of protection, urging that if it is admitted good in trade and commerce, it should likewise be recognized in underwriting.