

thousand, and this in spite of our having made considerable improvements in our building.

This firm has been insured for over fifty years without ever having had the least claim, and we maintain that the Canadian Fire Underwriters Association are doing their business in such an unbusinesslike way that they are forcing insurers to look elsewhere, in fact, 20 per cent of the insurance premiums goes to the broker as his profit now, and this broker is entirely unnecessary. You will understand that of our former rate, 13 out of 67 would go to the broker, who will now get 41 out of the \$2.05 for the same class of work.

It is natural, therefore, for all the insurance brokers to keep up as high a rate as is possible. If any other business man would charge 20 per cent commission, besides his regular business expense, to sell his goods, he would soon be out of business, because there is plenty of opposition ready to do the business cheaper.

We hope, if the proposed new Insurance Law will be put into force, that no more monopoly and combination of price arrangements can be possible.

Yours respectfully,

DORKEN BROS. & CO.

WEST TORONTO, ONT., April 8, 1909.

Chairman,

Committee on Banking and Commerce,
Parliament Buildings,
Ottawa, Ont.

DEAR SIR,—We are deeply interested in the Bill brought before your committee to make illegal the placing of insurance with companies not licensed to do business in Canada. Mr. McIntyre, Deputy Speaker of the House, and a member of your committee, being a friend of ours, we wrote him giving our views on the matter, and understand our letter was read by him before the committee when the deputations from Toronto and Montreal were present, also that Mr. J. B. Laidlaw, representing the Toronto Board of Fire Underwriters, stated that the reason our rate was advanced was that we would not install a fire pump and tank. Not having an opportunity to reply to this statement in committee, we thought it well to bring the facts to your attention briefly.

As stated in our letter to Mr. McIntyre, we consulted with the Underwriters frequently during the preparation of plans and construction of building, advising with them on all points of importance. After consideration of our plans and the equipment which we proposed to install, they made us a rate of 50c. on the buildings, machinery and contents. This was quite satisfactory to us, and we completed the equipment in every detail. We had only been operating the plant a short time when the Underwriters advanced our rate 50c., giving us as their reason for so doing, the fact that the city water pressure was inadequate. We can state without fear of contradiction that this pressure was at that time and has since continued to be, fully equal to, if not higher than the pressure maintained at the time the plant was under construction, when the rate was made, and the underwriters were fully aware of this fact.

When they found that we would not submit to the exorbitant advance in rate, and intended placing the business outside of Canada, they proposed to restore the old rate if we would install a fire pump and large underground tank. We felt it was unjust for them to expect us to expend the large sum of money required for this extra equipment, merely for the purpose of maintaining the rate which we had already earned by installing the former equipment, and that if we installed the extra equipment it should only be in consideration of a reduction in the rate first quoted, on account of the increased protection which it would afford.

Finding that companies outside of the local combine and by the way companies of world-wide reputation, were quite satisfied to insure our property with the equip-