

would do away with a part—possibly a considerable part—of the rebating now done in the ordinary course of insurance business by agents whom competition has forced into the practice. But among the many there will always be some who are unprincipled. What is to prevent such an agent conspiring with an accomplice to defraud the management of the company employing him? The *modus operandi* would be simplicity itself. The agent would give a premium rebate to some applicant, who might or might not also be an accessory. The active accomplice would then sue the manager and directors of the company issuing the policy, and after receiving his reward would—if there remained sufficient honour among thieves—divide the spoils with the rascal agent. What vistas of graft these provisions of the proposed bill would open up to unprincipled "rounders." Not once but several times probably, could a clever rogue carry out some such scheme, finding new accomplices to bring suit against the different companies with which he might succeed in temporarily connecting himself.

It would require a more than eternal vigilance, upon the part of managers and directors, to secure freedom from loss under such conditions. And the principle is at fault, aside altogether from the grave incentive given to fraud. Even in the ordinary cases of rebating it is far from equitable to put the penalty upon directors who may be doing their utmost to prevent the practice. But whether or not directors discountenance rebating as strongly as they should, the fact remains that the actual practice is carried on between the agent and the applicant. At this point then the chief deterrent should be applied.

So far as the applicant is concerned the act provides—rightly enough—that "no contract of insurance shall have any force or validity whatever, until the whole of the first premium payable thereunder has been fully paid in cash." This means that the acceptance of a rebate invalidates the policy—though it would appear that the policy could be put in force (supposing the illegal transaction to have been discerned) by paying to the company the amount rebated. It is worth considering whether or not it would be wise to enact that the proof of rebate should not only invalidate the policy but should mean absolute forfeiture of whatever portion of the premium had been paid.

The act fails to make any direct provision regarding the other active party to the illegality—the agent who solicits and delivers the policy. The Life Underwriters' Association of Canada in their memorial to the Royal Commission, themselves frankly recommended that any offending agent should be penalized, as well as the policy-holder and the company. That the draft bill overlooks this phase of the matter is cause for surprise. If, in addition to other penalty, an agent guilty of rebating were debarred from soliciting insurance for a definite period, a strong deterrent influence would be effected.

It is too much to hope that legal enactments regarding agent and policy-holder would altogether do away with rebating. No specific evil has yet been entirely banished from society by legislation—however wise and strongly enforced the laws aimed at its removal. But the fact that

measures logically bearing upon those actively implicated would not wholly solve the difficulty, is no justification for inflicting serious penalties upon individuals who, so far as the proposed law concerns itself, may be in no degree cognizant of the offence, and may have adopted all possible means to prevent it. The position of director in a life company would certainly have given to it what the actuaries term a "negative value," if \$1,000 were required every time a rebate chanced to be given by an acting agent who himself had no penalty to fear. So extreme a measure seems as absurdly unworkable as it is inequitable.



#### YORKSHIRE INSURANCE COMPANY.

Mr. P. M. Wickham, manager for Canada, of the Yorkshire Insurance Company, has just returned from a six weeks' trip through the Northwest Provinces and British Columbia. The object of his visit was to arrange for the representation of his company in the different provinces, and also for the necessary Provincial licenses. He found the different Provincial Governments much more expeditious in matters of this kind than either Ontario or Quebec. In one instance after applying for a license (in Alberta) he received it within three-quarters of an hour.

Some of the representatives appointed for the Yorkshire are as follows: Yorkshire Guarantee & Securities Corporation (R. Kerr Houlgate, manager), Vancouver, agents for British Columbia. T. A. Hornibrook, Calgary, general agent for Alberta. Western Financial & Realty Company, Winnipeg, agents for Province of Manitoba. Messrs. Oldfield, Kirby & Gardner, Winnipeg, agents for Saskatchewan. Messrs. Ray, Street & Co., Fort William. I. A. Rapsey, Port Arthur. George McMurrich & Son, Toronto and vicinity. Messrs. Tilley & Fairweather, St. John, N.B., and vicinity. B. R. Armstrong, of St. John, N.B., general agent for Province of New Brunswick. W. K. Rogers, Ltd., general agents for Prince Edward Island. L. Beer & Co., Halifax, general agents for Nova Scotia. Nelson D. Porter, agent at Ottawa. L. M. Gunn & Son, general agents, London, Ontario. Some 70 other agents have been appointed at centres in Ontario and Quebec Provinces. Mr. Wickham speaks very highly of British Columbia, and its future. He appeared especially impressed with Vancouver and its great progress.

As has already been stated the Yorkshire Insurance Company of York, England, was established 83 years ago. The assets of the company exceed \$9,000,000.



#### INSURANCE INSTITUTE OF TORONTO.

On Tuesday evening of this week the Insurance Institute of Toronto held an especially interesting session. The programme was one that contributed matter of permanent value. The papers were:

I.—"The New Features in Personal Accident Contracts." A paper by Mr. B. G. Walker, of the Ontario Accident Insurance Company.

II.—"Re-Insurance of Life Offices." A paper by G. C. Moore, A.I.A., Associate Actuary, The Imperial Life Assurance Company.