

were paying an excessive rate. He insisted that as the bill was aiming at making all companies pay a big license fee, it was only fair that there should be an enquiry into the risks and losses of each company in British Columbia, so as to see if there was a guarantee of sufficient security.

Protection of Policyholder

Mr. Bodwell was of the opinion that Mr. Shallcross' enquiry should be limited as to whether any change in the law was necessary as to getting better security for the insured. He claimed that if the Act he proposed was made into law the policyholder would be amply protected. Mr. Shallcross agreed to put in a requisition of what was wanted.

Mr. Chris. Spencer, of the dry goods firm of David Spencer, Limited, Victoria and Vancouver, was called by Mr. Shallcross. Mr. Spencer said that at one time he carried a great deal of insurance with the local companies, about \$50,000. At the time of the fire at their stores they had some difficulty in getting the amount awarded by the adjusters. Some of the companies cancelled their policies after the fire. They got their necessary insurance from Lloyds, \$75,000 worth, and had it not been for Lloyds they would probably not have had any. At the Nanaimo store, the insurance was carried in local companies; at Vancouver it was scattered some business being given to the mutual companies. The maximum rate paid in Victoria was much less than that of the board companies. Asked if he had had difficulty with foreign companies as a result of the recent Vancouver fire, he answered in the affirmative, and explained that the amounts carried by four companies had not yet been paid. He did not know if these companies were licensed to do business in Canada, and he believed that if they had been represented by an adjuster there would have been no trouble. He had not lost faith in foreign companies and was not in favor of shutting out foreign companies, and claimed that his business would suffer if it were done.

Proceedings Against Foreign Companies

Replying to Mr. Bodwell, Mr. Spencer said legal proceedings had been instituted for the collection of the amounts due from these foreign companies, about \$8,000. In regard to Victoria, the loss had been adjusted as quickly as possible, though he knew of cases where less time had been occupied. If the rates were satisfactory, they would get all their insurance from board companies, but they got better rates now owing to the competition from outside companies.

Mr. Bodwell explained that the proposed Act did not stipulate that a firm could not go outside the province for insurance if the local companies did not wish to take the risk.

Col. Hall, of the Victoria Chemical Works, was opposed to the proposed bill, which in his opinion aimed at creating a monopoly. He wanted to do his business as he wished, especially where he was prepared to assume the risk. He was against any special privileges to any particular line of business. He cited his experience with board companies and foreign companies, corroborating the views of other witnesses that better rates could be obtained from outside companies. He had found Lloyds satisfactory. He claimed that the board companies, if not a monopoly, were aiming at establishing a monopoly, and gave at length his company's experience with the Vancouver Island Board of Fire Underwriters.

Mr. J. A. Sayward, who recently retired from the saw-milling business, gave evidence along the same general lines as Mr. Palmer.

Never Got a Blanket Policy

At the opening of the session on the morning of Saturday, 5th instant, Mr. Shallcross put in a written request for the data he had asked for on the day previous.

He called Mr. W. H. Wilkerson, jeweller, who for a long time had been manager for the jewellery firm of Challoner & Mitchell. This firm required blanket insurance from the time goods were shipped and after they were in the store. Such a policy covered fire, robbery, intransit through the mails, etc., which could not be had from local companies, but was got at Lloyds. In his opinion they had lost business by not patronizing local agencies. In his own business, he had never got a blanket policy, insuring with local agents, as he found the goodwill of the community a factor in the case. He did not know what the premium on a blanket policy was.

Hon. E. G. Prior, head of the firm of E. G. Prior & Company, doing business in different parts of the province, said he carried a good deal of business with outside companies, which were non-board concerns. The Indemnity Exchange gave a very low rate. While he had had no fire losses, he was confident that he would be able to collect for any loss. All big companies in Canada were carrying policies in the Indemnity Exchange. He had no knowledge of his premises being inspected by these outside companies.

Mr. D. R. Ker, president of the Brackman-Ker Milling Company, produced a guarantee from Lloyds as to the solvency of the Mount Royal Assurance Company, which Mr. Bodwell said was a brokers' scheme. This elicited the reply

from Mr. Shallcross that Lloyds knew the insurance business pretty well.

The chairman said he failed to see that there was any broker's scheme as suggested, and Mr. Bodwell said that later he would offer some evidence in justification of his remark. As the chairman said the point was an important one, Mr. Bodwell gave the total assets of the Mount Royal company from the blue book as \$301,705, and said he would show that it was controlled by Messrs. Willis, Faber & Co., of Montreal, a firm of insurance brokers.

Will Inquire Fully

Mr. Ker declared the company to be in first-class shape, and Mr. Shallcross read from the blue book to show that it was a thoroughly reliable concern.

The chairman remarked that the commissioners would enquire fully into this point.

Replying to the chairman, Mr. Bodwell said the Mount Royal company was not in the insurance business, but was only used as a factor in getting business for Lloyds. There was a very considerable stirring up at Lloyds over this matter, the speculators responsible for this practice being criticized severely. He agreed that the insurer would be protected by Lloyds, but the system was one which enabled rate-cutting, which was vicious. The signatories to Lloyds policies were being deceived by their brokers.

As this was a serious statement, Mr. Ker asked that Mr. Bodwell be asked to prove it while Mr. Shallcross said ample evidence had been given that Lloyds insured without any other company being on the risk. He also asked for proof.

The reply of the chairman was that the commission was governed by some evidence and any statements had to be corroborated.

Mr. W. J. Short, manager for Challoner & Mitchell, testified that his firm was insured in Lloyds and that there was no Canadian company on the policy. He could not produce the policy as it was on its way to London, the firm having to return it once every year to show that they claimed no refund.

Mr. Shallcross said this comprised the evidence of the objectors to the bill and presented an argument summing up. In reply to the chairman, he said that if the board companies wanted to frame regulations for their own guidance they could do so, as long as the public was allowed to purchase its insurance where it wished.

Government Regulate Business?

"Why should not the government regulate the business?" the chairman suggested.

Mr. Shallcross was of the opinion that the government could frame whatever regulations it chose as long as it did not prevent the public from getting insurance where it liked.

The chairman said that was all right, but members of the public who had been injured by a faulty system should be protected.

Mr. Shallcross was opposed to a tax on insurance companies as the public had to pay it in an indirect way.

The chairman expressed the opinion that all would admit that the government ought to have some control over the insurance companies.

Favored the Open Door

Mr. E. Ulin, manager of the Taylor (Saw) Mill Company, was the first witness called at the session on Monday, and his testimony was in favor of the open door for insurance companies. His company had held policies in Lloyds without any indemnity clause and they were satisfied with the security afforded on such policies. They had never insured with board companies and were perfectly content to go on with Lloyds under existing conditions. Mr. Ulin declared that if the insurance business in the province was restricted it would be detrimental to his firm's business. He put in as an exhibit a policy of Lloyds for his firm on which no tariff company appeared as leader. This was submitted to refute the intimation of the insurance companies that Lloyds required companies of good standing on a policy before they would accept it.

Mr. F. Elworthy, secretary of the Victoria Board of Trade, told of his own knowledge and from the minutes and records of the board what action that body had taken in respect to fire insurance. Questioned particularly as to an amendment to an amendment proposed by Mr. Shallcross at a special meeting of the board called for an expression of protest against the proposed insurance act of the underwriters, Mr. Elworthy said it had been defeated. He then read the ayes and nays and gave the occupation of each voter. Mr. Shallcross called the attention of the Commission to the fact that most of those who had voted against the measure were connected with insurance companies. Mr. Bodwell added that at the same time they were among the heaviest insurers in the city.

Was the Meeting Packed?

The chairman asked Mr. Ker, who had made some comment on the inference to be drawn, if he would go so far as to say that the meeting in question had been "packed." Mr. Ker would not make that statement, but he would say that