

The Canadian Monetary Times

AND INSURANCE CHRONICLE,

DEVOTED TO FINANCE, COMMERCE, INSURANCE, BANKS, RAILWAYS, NAVIGATION, MINES, INVESTMENT, PUBLIC COMPANIES, AND JOINT STOCK ENTERPRISE.

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Insurance.

SYNOPSIS OF INSURANCE LAWS OF CANADA.

Foreign Fire Insurance Companies must be licensed. It shall not be lawful for any Fire Insurance Company, Society, Association or Partnership, whether incorporated or not, unless incorporated by a Statute of this Province, to take any risk or transact any business of insurance of any description within the Province, without first obtaining the license of the Finance Minister. (23 V. C., 33, S. 1, amended by 26 V. C., 43, S. 1.)

Conditions required of Foreign Companies.

No insurance company or agent, or agents of any insurance company, incorporated beyond the limits of this Province, shall transact any business of insurance in this Province, unless such insurance Company is possessed of at least \$100,000 of paid up and unimpaired capital, invested in stocks of at least par value, or in mortgages on real estate worth double the amount for which the same is mortgaged.

Security given before license.—The Minister of Finance shall issue such license as soon as he shall be furnished with satisfactory evidence that the company or agent, applying for such license, has either invested in Provincial Government Debentures, chargeable on the general revenue, or in the consolidated municipal loan fund, or in the stocks of one or more of the chartered banks of this Province, the sum of \$50,000, together with a statement, to be filed of record in the office of the said Minister, shewing how the sum of \$50,000 is made up, which statement shall be verified by the oath of the agent of the company applying for such license, and shall be accompanied by a certificate from the manager or chief officer of some chartered bank or banks of this Province, stating that such securities as aforesaid, with the amount thereof, are deposited by such Company in such bank or banks, or are invested in the stock thereof, or that the agent or person, applying for such license, shall have given security by the actual investment or deposit of \$10,000 in like stocks or securities, that the company for which the license is sought will retain seventy-five per cent. of all premiums to be received on risks effected within this Province until such per centage shall, with the said sum of \$10,000, amount to the like sum of \$50,000, and such deposit and security of \$10,000 shall be liable to be and be forfeited to Her Majesty on the breach, by the company or agent, of any of the conditions hereinafter required to be performed.

When \$50,000 not deposited.—The agent of every company, which may not have deposited the said sum of \$50,000, shall send in yearly, within 30 days after the 1st day of January, of each year, returns as hereinafter provided, under oath, of the amount of premiums received by him or risks effected in this Province, and after deducting twenty-five per cent. therefrom, and the net amount of losses actually paid, shall, with such statement, deposit and invest, as provided in the second clause of this act, the balance of such premiums, until the amount thereof, together with the sum of \$10,000, shall be equal to the sum of \$50,000.

How security may be withdrawn on warrant.—It shall not be lawful for any company, obtaining such license as aforesaid, to withdraw such deposits or investments from the bank or banks where the same have been placed, without a warrant from the Minister of Finance for that purpose; and no such bank or banks shall permit the withdrawal of such deposits or investments without the production of such warrant.

Conditions of granting warrant.—Nor shall the Minister of Finance issue such warrant until fifteen months after the day on which the company may have given notice that they have ceased to carry on business in this Province.

In case of insolvency.—And in case of the insolvency of any such company, the sum, so deposited as aforesaid, shall be applied *pro rata* towards the payment of all claims duly authenticated against such company alike as to losses and premiums on risks unexpired, or on policies issued in this Province, such company being deemed insolvent upon failure to pay undisputed losses insured against within this Province for the space of ninety days after being due, or for ninety days after final judgment; and the distribution of the deposits or investments may, if applied for in Upper Canada, be made by order in chancery, or, if applied for in Lower Canada, may be made by allotment or execution by judgment or order of distribution in due form of law.

Dividend on stock deposited.—The dividend and interest upon all investments may, without the warrant of the Minister of Finance, be paid, and the coupons or certificates therefor delivered to the company or person making such investment, so long as no part of such investment shall have been taken in execution under the act, and so long as such investment shall not have been diminished by the withdrawal of any part thereof. (26 Vic., c. 43, s. 6.)

Copy of charter to be filed.—Every insurance company obtaining such license as aforesaid shall, before the transaction of any business of insurance, file, in the office of either of the superior courts of law and equity in Upper Canada, if having its chief agency in Upper Canada, or if the chief agency be in Lower Canada, with the prothonotary of the superior court wherein such chief agency is established, a certified copy of the charter, act of incorporation or articles of association of such company.

And power of attorney.—And also a power of attorney to the principal agent or manager of such company in this Province, under the seal of such company, signed by the president and secretary thereof, and verified as to its authenticity by the oath of the principal agent or manager of such company in this province, which power of attorney must expressly authorize such agent, manager or sub-agent, so far as respects risks taken by such sub-agent, to receive process in all suits and proceedings against such company in this Province for any liabilities incurred by such company herein, and must declare that service of process on such agent or manager, or sub-agent, for such liabilities, shall be legal and binding on such company to all intents and purposes whatever, and waiving all claims of error by reason of such service.

Power, how verified.—The power of attorney referred to may be verified by the oath of any person cognizant of the facts necessary for verification.

(To be continued.)

INSURANCE ITEMS.—The number of Hartford insurance companies has been increased by the addition of the "Etna Live Stock." It was chartered by the legislature of Connecticut at its last session, has a paid-up and secured capital of \$150,000, and commences business under unusually favorable auspices.

—Hartford has 10 Fire Ins. Cos. with capitals amounting to over.....\$7,000,000
 6 Life do. do. do. 24,000,000
 3 Accident do. do. do. 1,100,000
 2 Live Stock do. do. 250,000
 1 Steam Boiler Insurance Company, with capital of.....\$100,000

The Charter Oak Fire Insurance Company, which suffered so severely by the Portland conflagration, has resumed operations by a vote of its stockholders and directors.

—The Insurance Commission for Connecticut has revoked the certificate of the Provident Life Insurance and Investment Company of Chicago.

A LIVE STOCK INSURANCE CO.—To the Editor of the Insurance Chronicle. Sir: As hard times are now gone by in a great measure in Canada, and money is now plentiful, and is seeking investments at the great centre of trade in the Dominion, any secure mode of investing a portion of the money now lying idle in the hands of farmers and others, and at the same time conferring a benefit on the community at large, will, I hope, lead to a consideration at least of the subject matter of this communication.

There is now in the Dominion an immense amount of money invested in horses, cattle, sheep, &c., and as yet we have no Native Live Stock Insurance Company. That such an institution is absolutely necessary is proved by the fact that two American Live Stock Insurance Companies are now doing business in the Dominion, and doing (one of them at least) a good paying business, at rates considerably higher than a native Insurance Company could do the same.

It is a well known fact that Live Stock (horses especially) are better taken care of in Canada, and the average of life is consequently longer than in the United States, and consequently a business could be done here more safely, and at lower rates, than there, and a large business can be done here, by a native company. The great objection you hear urged against the companies now doing business is that they are American, and the law makes no provision that any deposit shall be made in this country for the security of policy holders in life companies, whether for insuring human life or the lives of horses, cattle, &c.; even as it is, thousands of dollars are being annually paid by Canadians to "American" Live Stock Insurance Companies, to secure the owners of live stock, (especially horses) against loss by theft or death, or both. I think there is energy and business capacity and capital enough in Canada to organize a company of our own, and do the business among ourselves.

A company with a capital of four hundred thousand dollars in shares of ten dollars each, on which a deposit of five dollars per share, at the time of subscribing should be paid, would give ample cash capital to commence with, and afford a sufficient guarantee to policy holders. The funds of the company might (or a portion thereof) be invested in the new class of securities now about being originated by the government.

I am satisfied the necessary amount of capital can be raised, and that it would be a good investment, and it certainly would be a boon to owners of valuable live stock, especially to the breeders of thorough bred horses, cattle and sheep.

The Hartford Live Stock Insurance Company has this year done a business of about \$400,000, and has paid losses to the amount of about \$90,000, which leaves a large margin for profit, after deducting all the working expenses, and this, I think, is the second year of its existence.

Hoping these hastily written lines will have the effect of drawing attention to the subject, I remain, yours, &c., INSURANCE AGENT.