

operation of the General Insurance Companies Act. In order to prevent, as far as possible, the confounding of this class of companies with what are termed the old line companies, there is a special provision made that upon all the policies, and it is carried so far as to say upon all circulars that the company may issue, no matter of how trivial a character, and in all advertisements published in newspapers, the fact that they are mutual insurance companies, or coöperative life insurance companies, must be placed in bold type upon the face of all these documents; so that every precaution was taken by the committee to prevent the confusion to which the hon. gentleman has alluded. Provision is also made for reserves and for a deposit, and for the increasing of that deposit when the business of the society warrants it. So far as provision could be made to protect the public in dealing with this kind of coöperative insurance companies, it was taken by the committee. In fact, the provisions have been made so stringent by the committee that those who are in favor of this system of insurance have taken very great objection to them. If the committee will look at the provisions of the Bill recognising the right of this class of companies to do business, they will come to the conclusion that provision has been made for the protection, as far as is possible by Act of Parliament, of those who insure in such a company.

Sir RICHARD CARTWRIGHT. Perhaps it is not quite in order to refer to what passed in the committee, but myself and the Minister of Customs, and all the members of the Government who were present, were outvoted in reference to a number of precautions which we desired to introduce.

Mr. BOWELL. That is true, but we have to deal with the Bill as it is sent to the House by the committee.

Mr. DAVIES. I do not propose to reopen the very lengthened discussion which took place before the committee on this Bill, but I understood that the members of the Government would not consent to the Bill as it left the committee. It seemed to me that the contention made by those who represented the regular insurance companies was a sound contention, and it received the assent of those who acted for the Government in that committee, the Minister of Finance and the Minister of Customs. They said that they did not desire to throw any obstacles in the way of these assessment insurance companies doing business in Canada, but they said that the principle upon which these assessment companies proceeded to do business was an experiment, a doubtful experiment at that, and therefore they should do business in such a way that those whom they solicited to take policies in their companies should know exactly and fairly the principles of the company in which they were taking out the policy, and they contended that it was not fair to place them, as it were, in the same boat with the life insurance companies, under the same Act, because the result would be that a large mass of those who entered into that very important contract, the insurance of their own lives for the benefit of their families, would, in the hurry of business and in the absence of special knowledge in reference to the matter, be unable to make the distinction between the insurance company proper and the insurance company under the new system. They further contended that the old security was an ample security, and that it was unfair that they should go into the same boat with those new companies, and that the latter should have the same Government sanction and approval. What does the Bill do? What evidence had we before the committee? I desire to call attention to the very important statement made by the Superintendent of insurance before that committee. He was examined and cross-examined at length as to his views of the safety of the principle upon which these new assessment companies conducted business, and I find in an insurance

journal, the *Budget*, published, I think, in Toronto, which seems to have taken a great interest in this matter, that Professor Cherriman is reported to have replied to the following question by Sir Richard Cartwright:—

“Are we to understand that, so far as your experience goes, you do not know whether these companies are safe or not?”

Now this is the answer given by the Superintendent of insurance. I regard them, he says, in exactly the same light as the Superintendent of insurance for New York does. He says:

“I regard them in exactly the same light as the Superintendent for New York does. He says he regards them as experiments. I accept that view. I know very well the system of old life insurance companies is undeniably based upon scientific principles, and that it has been tested and proved by long experience. I cannot say with regard to these assessment companies that their principles have been proved by experience. They have not had a long enough experience to enable me to form an opinion whether they will be ultimately pronounced sound, or whether they can be permanent.”

Well, I say in view of that statement made by the Superintendent of insurance companies, it does seem curious to me that the Government should allow these new assessment companies to go forth to do business in Canada, stamped with the imprimatur of the Government, with the sanction of the Government, when their own Superintendent of Insurance tells them that the principle upon which they do business is not one which he can recommend, which is purely experimental, and he does not know whether it is sound or not. This is a very serious business for those who insure. The majority of those who insure their lives are men engaged in the worry and hurry of business. They have not time to examine carefully the principles of the company with whom they insure. They imagine, and I do not know but they are right in imagining, that if the Government undertake to license an insurance company, authorising them to do business, the insurer has a right to assume that the Government have satisfied themselves thoroughly that the principles on which the company does business are safe and sound. I know of no more lamentable thing in life than that after a man has insured in a company, his family find, when the man's life drops off, that the company is unsound. Now, by this Bill a foreign insurance comes into Canada makes a deposit with the Government of \$50,000, and when it does that it has authority from the Government to transact business. Now, what security has the insurer got? He imagines that he has the same security as when he insures in the old life line, because the Government licenses both companies to do business alongside each other. It has been contended, and I think the contention was reasonable, that when the Government authorised these companies on this untried system, which has been described as an experiment by the Superintendent, that they should ear mark those companies so that the person who insures should know what company he is insured in. The Minister of Customs has stated, and stated correctly, that the committee, in one or two of its amendments, made an attempt to carry that out, and to some extent they have succeeded; but the broad fact remains that they are licensed just the same as any other company, that they are allowed to make a deposit which is in one sense an illusory guarantee, and that they go forth with the same sanction as the old life line companies do, which are bound to hold reserves sufficiently to meet liabilities on every policy they issue. I think myself the contention is not a sound one. I think the Government have made a mistake in mixing the two up together and putting them under the one Act. I think it is calculated to deceive, to allow those who insure in these companies to be deceived as to the character of the company in which they will insure, as to the securities which that company will offer them, and as to the place in which they do business. I repeat that in the face of the official state-