MR. BRADSHAW'S NOTES ON THE INSURANCE ACT.

The current issue of the Journal of the Institute of Actuaries contains in full the paper recently prepared by Mr. Thomas Bradshaw, F.I.A., lately actuary of the Imperial Life Assurance Company of Canada, on the Canadian Insurance Act, 1910, together with the discussion at the meeting of the Institute last May, reference to which has already been made in our columns. It may be said at once that insurance men are indebted to Mr. Bradshaw for this commentary. It takes at once its position as a thoroughly sound and informing piece of work, which has rendered future expositions of the kind superfluous. Writing especially for an English audience, Mr. Bradshaw suggests that a closer acquaintance with the principles underlying the new Canadian legislation may encourage those British life offices, which, though nominally having agencies in Canada, are inactive in so far as new business is concerned, and other offices which have not yet ventured across the ocean to seek aggressively for new business throughout the Dominion. And in fact, since Mr. Bradshaw's paper was written, one well-known English office has decided to open up in Canada, to take its share in the largely expanding life insurance business of the country.

Since so large a portion of the new Act—167 sections out of 188—relates to life insurance, Mr. Bradshaw confines his references to life business only. He suggests as the leading principles of the Act, restriction, supervision, uniformity, publicity and protection of home policyholders; restriction as represented by a maximum and minimum valuation and by the regulation of agents and officers; supervision by the annual and other departmental examinations and investigations; uniformity by those sections referring to policy conditions, election of directors, investments, incorporation of new companies; publicity by the requirements for and publication of voluminous and searching annual and semi-annual returns; and protection to policyholders, by those sections relating to deposits, maintenance of minimum assets, allotment and allocation of surplus, policyholders' voting and election of policyholders' directors, etc. Its probable effect he summarises as follows:—(1) the prohibition of rebates will tend to reduce the cost of new business; (2) the wider investment powers will assist in maintaining for some years to come the already relatively high interest rates earned; (3) the restrictive legislation dealing with surplus and deferred dividends, as well as that prohibiting estimates will gradually draw attention away from deferred dividends to quinquennial distribution of surplus; (4) while the lowering of the Government standard of valuation may tend to assist young companies in their early years it may permit weak companies to hold on so long that it may be difficult for them to get any responsible company to take over their business; (5) the legislation relating to election of directors and voting and that dealing with policy provisions, will not have any appreciable effect on the business.

An interesting point mentioned by Mr. Bradshaw is that in his opinion the new Act will unquestionably give a greater scope and a wider influence in Canada to the actuarial profession. Mr. Bradshaw writes:—"The completion of the schedules, the compliance with the provisions dealing with annual valuations, the determination, allotment and apportionment of surplus, the treatment with the many matters involved in the policy conditions, and the keeping separate of the different classes of business, will practically force every company to have efficient actuaries and assistants; even in those offices which have a well equipped actuarial staff, the additional labour now involved will necessitate an increase being made." As regards the future "it is to be expected," says Mr. Bradshaw, "that experience will develop—and it has already done so—a number of defects and inconsistencies in the train of which desirable changes will follow.... Even the Department, it is believed, does not regard the new Act as 'perfection' and after an opportunity has been given to test it legislation will doubtless be introduced to remedy the defects disclosed."

RECENT PROVINCIAL ACTS AFFECTING FIRE INSURANCE.

Mr. Alfred Wright before the Insurance Institute of Toronto Sums up the Provincial Fire Legislation of the last twelve Months—Changes in New Brunswick, Manitoba and British Columbia—Expected New Act in Ontario.

At the recent opening meeting of the Insurance Institute of Toronto, the newly elected President, Mr. Alfred Wright, Canadian manager of the London & Lancashire Fire Insurance Company, in the course of his inaugural address, referred at length to various aspects of legislation in Canada affecting insurance. At the outset of his address, Mr. Wright alluded to the questions at issue between the Dominion Government and the Provinces, regarding powers of legislation, including insurance legislation, which are to be submitted to the Privy Council, and he expressed the hope that this matter would be pushed forward at an early date. "The business of insurance," said Mr. Wright," has become so important and so necessary to modern commercial conditions that it seems desirable both from the point of view of companies and also of the insuring public that there should be one set of laws and conditions for the whole Dominion, and even if the Privy Council should decide that only the provinces have the right to legislate, it would be better that it should be known and the situation thus cleared up. There are other considerations involved and other classes of business than insurance affected, and I find that the Canadian Manufacturers' Association have considered this question of conflicting legislation and it is hoped that the Dominion and Provincial authorities will proceed to lay the case before the Privy Council."

Mr. Wright proceeded to discuss recent and pending legislation by the Provinces affecting fire insurance. He said in part:—

NEW BRUNSWICK.

In April of the present year the Legislature of New Brunswick passed an Act designed to better regulate the placing of insurance with unlicensed companies. The effect of the legislation may be summarized as follows:

Insurers with head offices outside the Province, not being Dominion licensees, are required to pay double the usual tax, namely, $200 per annum and 2 per cent. upon their net premium income in the Province. Sprinkled risks do not come within the Act. A tax is collectable in the case of