

THE INSURANCE CHRONICLE.

April 18th, 1908.

FOOD FOR THOUGHT.

The present year will be a memorable one from an insurance standpoint. It will, with practical certainty, witness the enactment of new legislation by the Federal Government and the introduction into the Province of Quebec of an Act which the effectiveness of the existing law and the growth and exigencies of the business there have long rendered necessary.

In the framing of its proposed bill Quebec has been wise in utilizing the knowledge gained from past experience, both inside and outside its own borders. Experimental measures would have been ill-suited, and, with the abundance of serviceable material available, without justification.

Since it passed into the statute books eleven years ago, the Ontario Act, which Quebec has selected as a model, has proved efficient. Where it fails, a legitimate grievance has arisen, although more from the method of application, or non-application, of the law than from any inherent weakness of its own.

By an amendment added in December, 1892, none other than properly registered companies are permitted to undertake any contract of insurance in the Province under a penalty not exceeding \$200 and costs, or, in default, a term of three months with or without hard labor. But if it be proved satisfactorily that no insurance, or not sufficient insurance, can be obtained at the ordinary rate of premium from the registered corporations, the Insurance Registrar has power to issue a permit for the placing of the required amount of insurance with one or more foreign unregistered corporations, for a term not exceeding twelve months, on payment of a fee of \$2. A similar provision is embodied in the Quebec bill.

This provision fairly meets the case, and would, if properly and vigorously applied, remove one of the greatest difficulties that insurance companies doing business in the Province have to face. Some expression of their complaint has been given in the last few issues of the Monetary Times.

The trouble is that, with regard to the section quoted, the Act seems to have been allowed to become virtually a dead letter. The officials of the Insurance Department apparently do not put the law into operation on their own initiative. Facts may, and do, come to their notice concerning underground companies. But unless someone is willing to come forward and prosecute, no steps are taken, and the outlaw is given what amounts to an unwritten license to pursue his way unmolested. The law is there, but it rests with the public to set it into motion.

There is no method of reasoning by which this state of affairs can be defended. Carry the thing to its logical conclusion and its absurdity is at once apparent. Either companies shall be allowed to transact business in the Province without a license or they shall not. The law as it stands says they shall not.

LIFE, ACCIDENT, AND CASUALTY NOTES.

The Bill to incorporate the London & Lancaster Guarantee & Accident Company of Canada has received assent.

Mr. T. Marshall Ostrom has stated he is retiring from promotion of any companies for some time to come. One report says that "he intends to rest and devote time to settling his own affairs." We believe the Security Life Insurance Company is in course of organization, and that it has been possible to find Mr. Ostrom at the offices of the company.

"The Romance of Life Insurance" is the title of a series of articles to be published in The World To-day of

Chicago. The author, Mr. William J. Graham, F.A.S., is an authority on life insurance, and is using his pen on this occasion "not for the benefit of any particular company, but solely for the purpose of creating a deeper interest in the whole subject."

Important announcements as to changes among the officers is made by the Canada Life Assurance Company. At Monday's meeting of directors, Mr. Frank Sanderson, joint general manager, was appointed a director of the company. The following appointments from the head office staff are also announced:—To be secretary, Mr. A. Gillespie; to be chief inspector of agencies and editor of company's literature, Mr. J. K. McMaster; to be manager of Central Ontario branch, Hamilton, Mr. G. D. Burns; to be chief accountant, Mr. C. R. Acres; to be cashier, Mr. C. W. Ricketts. All gentlemen in the above list, have been in the service of the company for from twenty to thirty years, and have earned their promotion by faithful service in various posts from junior upwards.

CANADIAN GUARDIAN LIFE COMPANY.

Regarding the statements that a special investigation was to be made of the affairs of the Canadian Guardian Life Insurance Company, we understand that Mr. Blackadar, Actuary of the Department of Insurance at Ottawa has been in Toronto, and has made an examination of the company. This, we learn from Mr. Fitzgerald, superintendent of the Insurance Department, was "merely the usual examination."

The company was promoted by Mr. James Spence and received a provincial license in February, 1901, with a capital of \$1,000,000. Associated with Mr. Spence were five other incorporators, two of whom, Major J. J. Craig and J. W. St. John, resigned in 1905. In that year, Mr. Spence, who had previously been acting as manager under a five years' agreement, took over the combined office of president and manager, and the incorporators became directors, each subscribing twenty shares.

QUEBEC INSURANCE BILL.

Notes of the Proposed Measure and Amendments that have Been Suggested.

The legislators of Quebec have taken a leaf out of the book of their confreres at Ottawa and set to work on insurance law reform. The shortcomings of the Act at present regulating the insurance business in the province have long been apparent, and the introduction of the new measure is generally considered as very desirable. The manner of its drafting, too, has met with less criticism of an adverse character than is usual when the legal foundations of such extensive interests undergo a change. In its original form, the proposed bill, part of which is copied from the Ontario Act, presented many weak spots. It was consequently withdrawn after passing the second reading in the Legislature last session in order that it might be further considered. Amendments have since been suggested, some of which have been adopted. Other features are still being discussed.

Life Companies Want Greater Restrictions.

As a whole, the life insurance companies regard the amended bill favorably. Their chief objection to the original draft was the exemption of provincial life companies from making a deposit with the Provincial Treasurer. This, they considered, necessary both in the interests of policyholders and creditors. The sum originally suggested by them was \$25,000, to be deposited by companies not licensed under the Dominion Act.

Provision is made in the bill for deposits by all life companies except those licensed under the Dominion Insurance

INSPECTOR FOR FIRE OFFICE

Applications are invited for the position of Inspector for British Fire Office, for Manitoba, Alberta, and Saskatchewan. Must have good, practical, general training in the business; one with some experience in field work, preferred.

Apply stating age and experience.

P. O. Box 2349,

Montreal.

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