

and a German doctor who lost his salary when the constitution was declared. If sufferers from the old regime and the new are alike to seek redress from Abdul, he should quickly earn the world-title of Champion Defendant.

BRITISH INSURANCE LEGISLATION AND ITS LESSON FOR CANADA.

Making new insurance laws and amending them a year or two later, *a la* New York—such, certainly, is not characteristic of British parliamentary procedure. It was in 1870 that the Life Assurance Companies' Act was passed. After practically forty years it is now proposed to change it—or rather to repeal it. But this is only for the purpose of including all its important provisions (with some amendments that time has shown to be desirable) in a new act that will cover all branches of insurance.

Publicity rather than restriction was characteristic of the act passed in 1870. The principle has been tried and not found wanting. One evidence as to its efficacy has been that wild-cat promoters usually left life insurance severely alone after the passage of the act, and exploited fields not covered by its provisions. Now, however, their green pastures are to be greatly curtailed. The new Assurance Companies' Bill, recently introduced by the Board of Trade, seeks to do for the insurance business in general, pretty much what the older act did for life insurance in particular. Fire, Accident (and Sickness), Employers' Liability, and Bond Investment Insurance Companies have now to publish annual statements of accounts very similar to those issued by life offices under the 1870 Act. This is generally acclaimed as a step in the right direction, and the wonder seems that it was not taken long since.

An admirable summing-up of the bill is contributed to a recent issue of the Pall Mall Gazette, by Mr. Harold Dougharty, F.S.S., F.C.I.S., A.I.A., Actuary of the London & Lancashire Life. He prefaces his remarks by pointing out that the whole aim of the bill appears to be to enforce the fullest publicity, which method of State supervision—giving, as it does, freedom to every company—has proved to be far more effectual than the more restrictive methods favoured by legislators in the United States.

One important feature of the bill affecting fire and accident insurance companies is the deposit of £20,000 required from all new concerns unless a similar deposit has been made by the same company in connection with another class of assurance. In this connection Mr. Dougharty remarks that it seems curious why existing fire and accident companies should have been exempted whilst existing life offices have to deposit this amount.

Unsatisfactory promotions will now be largely prevented. Taking the list of assurance associations registered 1907 to 1908, out of over fifty concerns floated with a nominal capital of anything from £100 to a quarter of a million, 70 per cent. excluded life and employers' liability insurance, avoiding the £20,000 deposit. Before a deposit was required under the Employers' Liability Insurance Companies Act, 1907, the only business in-

variably excepted by new promoters used to be life insurance, but now that under the new bill additional deposits are required for bond investment or house purchase by endowment certificates, and also as stated above for accident or sickness insurance, there are few fields left for promoters to exploit in these directions.

It is very welcome to find the Government extending the courtesy of their attention to underwriters who hitherto have been able to underwrite any class of business, life, fire, or otherwise, without any of the restrictions placed on companies doing these lines of business, although the 1870 Act was stated to apply to persons. As soon as the new bill passes, however, any Lloyd's or other individual underwriter will have to deposit £2,000 for each class of business underwritten, life, fire, accident, employers' liability, or bond investment, and the deposit must remain so long as he has any outstanding liability under any such policy. Further, he must now give publicity by showing the extent and character of each class of business effected by him, and furnish the information in such a form as the Board of Trade may prescribe.

So far as life assurance companies are concerned, the provisions proposed by the new bill remain, with the following exceptions, much as they were under the 1870 Act. As soon as the bill becomes law every life office, existing or new, must deposit £20,000 with the Government, and such deposit is to be permanent. This is a precaution taken to prevent the recurrence of a flagrant case which occurred a year or two since of a foreign company withdrawing from the country, and leaving no available funds for the protection of the British policyholders. The other principal alterations are in the accounts and valuation returns and are calculated to secure still fuller publicity than heretofore. The Board of Trade has the power to communicate with any company, pointing out any inaccuracy or deficiency in such deposited statements, and also to publish in the accounts, etc., laid before Parliament any such correspondence with any note of the Board thereon. Here, again, the pressure of publicity is preferred, and wisely so, to absolute state control. With regard to the annual accounts to be returned by the life offices, separate statements will be required for the business within and without the United Kingdom, and in the valuation summary, which is similar in form to that required under the 1870 Act, separate accounts and valuation results must be furnished in respect of classes of policies valued by different tables of mortality or different rates of interest, and also for business at other than European rates.

While of the opinion that certain proposed clauses are open to criticisms of detail, Mr. Dougharty agrees with actuarial authorities generally in considering the bill as whole a most commendable measure.

Canadian legislators have acted wisely in abandoning the ultra-American features of the draft bill presented by the Insurance Commission two years ago. In passing upon the amended measure next session, the Senate will doubtless keep in mind that British experience has convincingly shown that publicity is a more salutary business regimen than state interference in details of management.