

HOW TO OBTAIN A DOMINION LICENSE.

Mr. G. D. Finlayson, Dominion Superintendent of Insurance, has recently issued an important memorandum of instructions for companies desiring to apply for licenses in Canada under the Insurance Act, 1917. In view of the additional interest, among underwriters abroad, attaching to the requirements of the Dominion department owing to the fact that British and foreign companies can no longer operate in Canada under provincial license, this memorandum is herewith reproduced, particularly in the interests of the many readers of THE CHRONICLE, in the United States and overseas, and for general easy reference:—

Any company desiring to apply for a license authorizing it to transact business in Canada under the Insurance Act, 1917, should, as preliminary step, forward to this Department:—

(1) A copy of its charter, Act of incorporation, Articles of Association or other instrument of incorporation, together with all amendments thereto to date. If the company is incorporated by Articles of Association, or by letters patent under a general Act, a copy of such general Act or of extracts therefrom affecting the insurance powers of the company should be included. If the insurance powers granted by the instrument of incorporation, in whatever form it may be, are enlarged or abridged by any general Act, a copy of such general Act or applicable extracts therefrom should also be included.

(2) A copy of the company's latest annual financial statement rendered to the Government of the state or country by which it is incorporated, or if no such statement is required to be rendered, a copy of the financial statement submitted to the shareholders or members of the company at the last preceding annual meeting.

From an examination of these documents the Department will be able to ascertain whether a license for the classes of insurance desired can be granted. If so, a form of application with full instructions will be sent to the company.

RULES AND REGULATIONS.

Attention is drawn to the following provisions of the Act and regulations and decisions of the Treasury Board:—

(a) The documents required to be filed before the issue of a license are:—

(i) A copy of the company's charter, Act of incorporation or Articles of Association certified by the officer in charge of the original. In the United States this officer is usually the Secretary of State or the Insurance Commissioner of the State, and in Great Britain, the Registrar of Joint Stock Companies. For companies incorporated by the Parliament of Canada and for provincial companies, if incorporated by special Act, a copy of the charter bearing the imprimatur of the King's Printer for Canada, or for the province, as the case may be, will be accepted.

(ii) A copy of the company's latest financial statement as in (2) above, signed by and verified by the oaths of, the president and manager or other proper officers thereof. A certified copy of such a statement is not sufficient.

(iii) A Power of Attorney to a chief agent in Canada. The form for this document will be supplied by the Department.

(iv) A certificate from the proper court official that duplicates of the three documents above mentioned have been filed in one of the Superior Courts of the province or district in which the Head Office or Chief Agency in Canada is located. (Secs. 22 and 25).

DEPOSIT REGULATIONS.

(b) Deposits:—

(i) The amount of ordinary initial deposit for a license to transact fire or life insurance throughout Canada is \$50,000. (Sec. 14). If the charter of the company authorizes the transaction of classes of insurance which cannot be combined in one license under the Act, such as, for instance, fire and life insurance, (Sec. 8), an excess deposit in addition to the ordinary initial deposit may be required by the Treasury Board. The necessity for the excess deposit and the amount thereof, not exceeding \$200,000, is usually determined by the financial strength of the applicant company. The amount required has not in the past exceeded \$50,000. (Secs. 9 and 10).

(ii) The amount of initial deposit may be reduced in cases in which the license is limited to one or more of the provinces of Canada. (Sec. 14, subsection 2). The Treasury Board has in the past authorized the following deposits in such cases:—

Provinces covered by License.	Initial Deposit for License throughout Canada.	Deposit Authorized for limited License.
British Columbia.....	\$50,000.00	\$20,000.00
Ontario.....		
Manitoba.....	80,000.00	50,000.00
Alberta.....		
Saskatchewan.....	60,000.00	30,000.00
British Columbia.....		
Manitoba.....		
Alberta.....		
Saskatchewan.....		
British Columbia.....		

(iii) The amounts of deposit which have been required by the Treasury Board under Section 131 of the Act for the various miscellaneous classes of insurance are as follows:—

Accident (including employers' liability).....	\$40,000
Automobile.....	20,000
Burglary.....	10,000
Explosion.....	10,000
Guarantee.....	50,000
Live Stock.....	20,000
Inland Transportation.....	10,000
Plate Glass.....	10,000
Sickness.....	10,000
Sprinkler Leakage.....	10,000
Steam Boiler.....	10,000
Tornado.....	5,000

The foregoing amounts are, of course, subject to change, but may be taken as indicating the practice in the past.

SECURITY DEPOSITS.

(c) The securities which may be deposited under the Act are the following:—(Sec. 15).

(i) Securities of, or guaranteed by, the Dominion of Canada, or any province of Canada, or the United Kingdom, or any British Colony;

(ii) Securities of the Government of the country in which the company is incorporated;

The Treasury Board has power to accept securities other than the foregoing, (Sec. 16), and in the

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