

INSURANCE

LIFE INSURANCE REGULATION NEEDED

Determination of Jurisdiction as Between Federal and Provincial Authority by Privy Council Will Pave Way for Better Regulation of Life Insurance Companies Throughout Dominion.

By J. A. JOHNSON

Under the British North America Act, which created the Dominion of Canada, it is held by the Dominion Government that life insurance comes under Federal jurisdiction. This was undisputed for many years, but recently the Provinces claim that it is a provincial matter. The subject has been before the courts for some time, and both sides look anxiously for the final decision, which will no doubt soon be decided by the Privy Council.

The regulation of life insurance, particularly in the new Provinces, has not received the serious consideration it should. It is a serious matter to a new Province to meet all the contingencies for the protection of the public, and as a rule it requires a period of years to evolve the necessary legislation.

Until very recently, life insurance companies in the Western Provinces were allowed to register under the Joint Stock Companies Act, which should never have been permitted. The Joint Stock Companies Act was never intended for such a purpose. If a company was formed to sell peanuts at a corner of the street, it should register under the Joint Stock Companies Act, but where so much is involved in connection with the insurance business, which may cover contracts running for many years, it is too serious a matter to permit this thing to continue.

A number of irresponsible companies have been able to work in British Columbia, Alberta and Saskatchewan by taking advantage of this lax supervision of this very important business, with the result that many of the citizens of these Provinces not only have worthless insurance stock on their hands, but have insurance policies, which are in some cases of no value. It is the duty of the Government to protect the public.

Insurance is an intricate business based on scientific principles, which requires expert advice for its regulation. It is rather amusing, and sometimes pitiable, to read the twaddle that is given as replies in some papers published in Canada, in answer to queries from individuals regarding life insurance. One would infer that the persons in charge of these departments knew about as much of life insurance as the average man on the street, yet they presume to give advice, which in some cases is unfair, and but exhibits the ignorance of the person who gives it. In other words, it is the blind leading the blind.

Recently the Western Provinces have awakened, particularly the Province of Saskatchewan, to the necessity of regulating this great business which has such a tremendous amount of money involved, and on which the happiness of so many widows and orphans depend.

British Columbia in the past has been taking more interest in the fire insurance companies than in the life.

There was a meeting of the Superintendents of Insurance for the four Western Provinces in Calgary recently, with the object of having uniform regulations for the governing of insurance of various kinds in these Provinces. It is to be hoped that they will enact such stringent regulations that no company will be permitted to transact business unless it is absolutely reliable, and that no agent shall in future have the right to sell life insurance in this Province unless he has a proper license, and that said license should not be granted until a thorough investigation is made as to his reliability, and his character in general.

The Provinces put very onerous taxes on the life insurance companies, which practically takes that much money

out of the pockets of the people who insure their lives for the benefit of their families, and which goes to help out the improvident, and the ones who do not care to look after those dependent upon them. If these taxes were not charged, the policyholders' profits would be increased by that much. As the Government collects large taxes from the companies it only increases their responsibility to see that all wild-catting, so far as life insurance business is concerned, is eliminated.

INSURANCE SUPERINTENDENTS HOLD MEETING

A meeting of the superintendents of Insurance for the four Western Provinces of Canada was held May 13-16 in the Board of Trade rooms, Calgary, Alta., for the purpose of effecting an organization to codify the insurance laws of all the Provinces so that there will be uniformity in the laws of the various Provinces, and in order that all policy contracts will be uniform through out the Dominion. This is the first meeting of its kind held in Canada and it is hoped the next meeting will embrace all the Provinces. Col. E. F. Gunther, superintendent of Insurance of British Columbia, was elected president, Mr. A. S. Fisher holding a similar position in Saskatchewan, was elected secretary. Mr. A. E. Ham, of Manitoba, and Mr. R. S. Nicholson, of Alberta, superintendents of their respective Provinces, are the other members. Recommendations made will be submitted to their respective governments in addition to being distributed to all underwriting boards and to the remaining Provincial officials.

RECENT FIRE LOSSES

Recent fire losses reported to Superintendent of Insurance, Victoria:

Point Grey—530 22nd Avenue West, owner, D. A. McDonald; occupant, D. A. McDonald; wood building; value of building, \$3,000; insurance on same, \$2,500; value of contents, \$2,000; insurance on same, \$1,500. Total damage, \$375.00. Norwich Union Fire, Equitable Fire and Marine, San Francisco.

Victoria—1106 Douglas Street; owner, A. von Alvensleben; occupant, Mrs. Lloyd Jones and Miss Dinsdale; two storey frame; value of building, \$1,000; insurance on same, \$1,000; value of contents, \$1,200; insurance on same, \$1,000. Loss, \$800.00. Alliance Ins. Co., \$1,000; Delaware Underwriters Ins. Co., \$1,000.

Duncan, B. C.—Alexanders Hill, Maple Bay Road; owner, L. H. Hogan, Cowley, Alta.; occupant, C. W. Peters, Duncan; frame building; value of building, \$4,500; insurance on same, \$3,500; value of contents, \$2,500; insurance on same, \$1,000. Total loss, \$2,500. London, Liverpool & Globe Ins. Co.

Vancouver—751 Hornby Street; owner, D. B. Mills; occupant, Claude Degering; 2½ storey frame; value of building, \$4,500; insurance on same, \$2,500; value of contents, \$2,000; insurance on same, \$1,600. Total loss, \$3,462. Phoenix of London; Firemen's Insurance Fund.

Vancouver—Sixth Avenue and Willow; owner, Alberta Lumber Co.; occupant, Alberta Lumber Co.; value of plant, \$125,000; insurance, \$58,000; damage, \$90,000; insurance paid, \$54,000. Total loss, \$90,000. Boston Insurance Co., Wallien & Dutcher, Merchants, Stuyvesant, Lloyds of London, National Benefit.

Vancouver—1024 Harwood Street; owner, Mr. Morris, of Steveston; occupant, F. A. Clark; 2 storey frame; value of building, \$4,000; insurance on same, \$2,500; value of contents, \$1,800; insurance on same \$1,000. Total loss, \$1,879. Western Canada of Calgary, Atlas London Assurance, Law Union and Rock.

Vancouver—1261 Powell Street; owner, Bettschen & Higgins; occupant, Hammond Furniture Mfg. Co.; 2½ storey with basement; value of building, \$3,500; insurance on same, \$2,500; value of contents, \$3,400; insurance on same, \$2,000. Total loss, \$4,000. Royal Exchange, Northern Empire.

Lynn Valley—Langworth Road; owner, F. X. Godin; occupant, F. X. Godin; wood building; value of building, \$3,200; insurance, \$2,500; value of contents, \$1,000; insurance on contents, none. Total loss, \$3,200. Hartford Fire Insurance Co.

Penticton—Jermyn Street; owner, Kettle Valley R. R. Co.; occupant, Mr. Jermyn; frame building; value of building, \$3,000; insurance on same, \$2,000; value of contents, \$2,000; insurance on same, \$1,000. Total loss, \$3,000. Alliance Insurance Co. of Philadelphia, \$2,000; North American Ins. Co., \$1,000.