or benefit of underwriters. By the passage of this section such associations as the National Board of Fire Underwriters, National Fire Protection Association, Underwriters' Laboratories and the New York Board of Fire Underwriters, would come under its provisions.

Organizations for assisting in establishing insurance rates: A new section is designed to bring under the supervision of the insurance department all bodies which are maintained for the purpose of assisting underwriting organizations in fixing, formulating or promulgating, applying or maintaining rates. This would include the numerous boards of local agents operating in the state.

THE ONTARIO INSURANCE ACT IN ITS RELATION TO FIRE INSURANCE.

(Mr. John H. Hunter, Barrister, Toronto, before the Insurance Institute of Toronto.)

In February, 1911, while a commission of judges were engaged in the customary ten-yearly revision of the general statute law of the Province a Bill was introduced in the Ontario Legislature which proposed to substitute for the statutory conditions a standard policy law based in a general way on the statutory conditions, but embodying a number of radical changes in the law governing fire insurance contracts.

The Bill did not become law, but was referred to a special committee who, after hearing the parties interested, made a report recommending a number of changes in the old Act. This report was submitted to the Commission of Judges and some of its suggestions adopted. At the same time the Commission extensively revised the arrangement and wording of the old Act in an effort to simplify it and harmonize it with the general law of the Province relating to other companies. In the result, however, some of the new provisions appear to be imperfectly adjusted to the re-enacted portions of the old Act and the widely altered language of the recent statute frequently renders it difficult to ascertain how far (if at all) the Legislature intended to change the old sections.

The present Act became law on April 16th, 1912, as 2 Geo. V., Chap. 33, but the sections which more particularly affect fire insurance only came into operation on August 1st, 1912. The following are some of the more obvious changes which concern fire insurance:

SUPERINTENDENT'S DUTIES.

The Superintendent of Insurance (as he is now to be called) is specifically charged with the general supervision of insurance in Ontario and is required to see that the law relating to the conduct of the business is carried out. (Section 4, sub-sec. 2.) Under this section the Department rule that the forms of policy employed by companies must conform to the Department's construction of the Act. In view of the obscurity of some of the provisions companies will do well to hereafter consult the Department before undertaking any radical revision of their forms.

No cash-mutual companies can hereafter be formed and mutual companies can be formed only to undertake farm and non-hazardous business. (Secs. 15 and 25.). In the United States the mutual principle has been successfully applied to the insurance among themselves of owners of such risks as cotton mills, departmental stores and lumber mills and by specializing on inspection and fire prevention they have been able to show remarkable results from what are ordinarily considered undesirable subjects of insurance. In Ontario, however, the door seems to be closed to any experiments along this line.

Under the old Act Lloyds' Brokers might be registered to transact marine business. Under Section 71 of the present Act this privilege is extended to all classes of insurance upon such terms as the Minister deems expedient. It is understood that these terms include the making of a deposit.

Section 89 of the new Act requires the company, if it intends to dispute a loss claim to give notice both to the claimant and the Department within sixty days after proofs are made. The penalty which may be imposed for non-compliance is suspension of the company's authority to do business.

It is now made illegal for any company to advertise its capital unless the authorized, subscribed and paid-up capital are stated separately. (Sec. 98, sub-sec. 5.). And a provincial company must not issue any financial statement differing from that filed by it with the Department (Sec. 106, sub-sec. 5). Apparently, however, a company incorporated outside the Province may advertise its total assets without showing the amount of its liabilities.

SURPLUS LINES IN UNLICENSED COMPANIES.

Provision is made for licensing brokers to place surplus lines in unlicensed companies (Sec. 100). A broker wishing to be licensed must satisfy the Minister that sufficient insurance cannot be obtained with registered companies at ordinary rates and must put up security to the amount of $5,000 or more as may be required by the Minister. For each risk a broker must file a statement by the assured specifying the rate at which the insurance has been offered to named licensed companies and must make sworn monthly returns of the lines placed by him and must pay the regular taxes on the premiums. The license fee is $25 per annum and the license expires on June 30th of each year.

The arrangement appears to be unfair to the registered companies and defective, as no provision is made for publication of lists of risks going outside as is the case, for instance, in the New York Surplus Line Law. Unless the Superintendent is expected to make a special study of rates and to devote a large amount of time to verifying the statements furnished to him, the sections seem to offer a great temptation to evasion. It is understood that the authorities are dissatisfied with the working out of the provisions and are prepared to consider suggestions for an improved treatment of the difficulty. As formerly the owner of property may himself place his insurance anywhere he pleases without making any return or paying any taxes to the Province, provided, of course, that he complies with the terms of Section 139 of the Dominion Insurance Act, 1910.

An important change has been made with regard to the effect of written applications for insurance. Under the former Act the application was to be considered with the contract and the Courts were to determine how far the company was induced to enter into the contract by any material misrepresentation contained in the application. The rule now laid