

**A SOUND PRINCIPLE IN LIFE INSURANCE
LEGISLATION.**

On Tuesday of this week, the Commons Committee on Banking and Commerce received back the Insurance Bill from sub-committee. On Wednesday the measure was put in shape to report to the House; and it is the expressed hope of the Finance Minister that the bill may be passed on to the Senate without further delay. It is not surprising that the Hon. Mr. Fielding and the members of the committee in general should now be desirous of getting this matter off their hands. There has been an arduous task—long and patiently attended to. We are well informed, however, that it is not probable the Senate will pass the bill this session. And in view of its general importance—and the inclusion, still, of certain clauses open to possible objection—it is not to be regretted that the legislative fathers are likely to make haste slowly.

Among the many amendments adopted in committee, none is of greater importance to the business of life insurance than the dropping of clause 53, with its restrictive interference in the matter of expenses of management.

There are other considerations than those of sentiment for the following of British rather than United States legislative precedents in this matter. The making and mending of insurance laws in New York and other states, within the past two or three years, have given practical proof of the unlooked for ills that may follow even the best-intentioned restrictions. All provisions for adequate publicity are retained by the amendments. Returns as to investments bought, sold and held, are to be submitted to the Superintendent of Insurance half-yearly—the committee having recognized the companies' contention that to make returns so often as quarterly would involve labour and expense that must in the long run bear upon policyholders. A gain and loss exhibit is to be required yearly (the date of filing being fixed at April 1), there being some variation in respect of this in so far as British companies are concerned.

The Banking and Commerce Committee has given practical recognition to the principle for which THE CHRONICLE has all along been doing battle, namely, that with adequate publicity provided for, the details of managerial methods and expenditures may best be left to the working-out of those directly responsible for the conducting of life insurance in Canada. That the general body of the Dominion's legislators will adopt this carefully considered recommendation of the committee is certainly to be hoped.

A DELEGATION of Winnipeg business men is today at Ottawa, urging a land grant in aid of the Selkirk Centennial Exhibition.

MISCELLANEOUS UNDERWRITING PROBLEMS.

In the realm of so-termed "miscellaneous insurance," new underwriting problems necessarily arise in unending succession. While air-ship collisions have not yet come within any category of everyday risks, they are not far from it. Meanwhile the dealing with automobile collision insurance gives the companies worries enough. What with "joy-riding" on good roads, and steering mishaps on bad, the frequency of smash-ups has upset some preliminary calculations as to underwriting risks involved.

Lately, the United States casualty companies writing automobile collision insurance have held several conferences and expect to be called together again shortly to consider further the matter of reaching some agreement as to a basic rate and the extent of coverage to be given. They have heretofore and are at present practically using the experience and adopting the methods used by the marine companies, allowing an owner of an automobile to insure for 80 per cent. of its value at 1½ per cent. for the risk of damage sustained and 2 per cent. for both damage sustained and damage done.

As reported by a New York exchange, the plan now advocated is to require insurance to the full original value of the car at a rate of 2 per cent. for damage sustained only. It is also suggested that the practice of allowing for deterioration in renewing the collision insurance in subsequent years be discontinued, the car being covered at its original valuation on the ground that any damage calls for replacement of parts at new values, whereas under the present system with deterioration allowed, a two-year-old car originally insured at \$5,000 might be insured the second year for \$2,500 and meet with a collision which, while causing only 50 per cent. damage, would result in a total loss to insurance if replacement of broken parts was undertaken. The idea of the advocates of the new plan is that the car be insured for full value when new, and if the collision results in total loss or irreparable damage settlement be made on the basis of the actual cash value of the car at the time of the accident.

It is held that under the present system the companies are frequently called upon to pay for 1909 parts at full values to make replacements in 1906 cars, insured for only 40 per cent. of original value, which have suffered comparatively slight damage.

THE FINAL REPORT of the South Africa Union Convention was carried unanimously at Bloemfontein this week. Proportional representation was dropped, but otherwise there were extremely few amendments.