

## UNIFORMITY IN INSURANCE LAWS

## Superintendent Fisher, Saskatchewan, Makes Important Suggestions With That Object in View

Can we have uniformity in the laws relating to insurance contracts throughout Canada? This was the question discussed at the Canadian Underwriters' convention, Winnipeg, last week, by Mr. A. E. Fisher, insurance superintendent of Saskatchewan. His answer, in brief, was that much can be done in that direction, if the proper steps are taken. Mr. Fisher pointed out that provincial insurance laws, generally speaking, deal with the following items: (1) The incorporation of insurance companies, both stock and mutual; (2) the licensing of provincial and extra-provincial companies, including Dominion licensees; (3) deposits for the security of the policyholders of provincial and extra-provincial companies, and the administration of these deposits in case of necessity; (4) licensing of agents; (5) regulation of mutual companies; (6) laws relating to contracts of insurance as issued by the companies, and procedure in case of loss; and (7) penalties.

Discussing these items with a view of seeing how far uniformity is necessary and how far it can be attained, Mr. Fisher said:—

**Incorporation of Companies.**

1. Incorporation of companies.—This is a matter which pertains to each province and its own particular needs. In Ontario the organization of insurance companies is governed by the insurance act. In the western provinces they are incorporated by special acts of the legislatures. Uniformity in this item does not seem expedient owing to the difference in the general financial condition of the various provinces. If the requirements as to the capitalization of companies which are to be found in the Ontario act were incorporated in the laws of the western provinces, whether in the insurance act or in the special acts, we would have no insurance companies, a field of operation or investment, as the case may be, being thus rendered difficult for our citizens.

2. Licensing of companies.—The matter of licenses has now become substantially a question of the imposition of taxation. At the present time there does not appear to be any hope of uniformity as the amount of the fees payable rests entirely with the legislature of each province. However, the documents to be filed are substantially the same throughout the west.

3. Deposits.—There is uniformity in this respect throughout the west, both as to the amount and the method of administration. I fail to see, however, how such uniformity can be made general throughout Canada owing to the difference in development of the various provinces. The minimum amount of deposit required by the insurance acts of the western provinces is lower than the minimum required by Ontario. The reason is patent. We in the west could not, in view of western conditions, adopt the Ontario standard. The safety of the policyholders is of paramount importance from the viewpoint of the insurance departments, and as the amount of deposit over and above the minimum varies directly with the amount at risk, each province must safeguard its own policyholders. The field of operation is not so large in the west as in the east, hence uniformity of deposit requirements would unfairly affect either the east or the west. No advantage would be derived by such uniformity except by two or three companies.

4. Licensing of agents.—There is at the present time uniformity in the western provinces and Ontario in the general principles of the system, the method of carrying out the provisions of this branch of the law being somewhat different, due entirely to local conditions.

**As to Mutual Companies.**

5. Mutual Companies.—As mutual companies in the majority of cases operate within the confines of the province by which they are incorporated, there is not the necessity for uniformity here as in other matters. Generally speaking, the laws at the present time re mutual companies are practically the same in Ontario, Manitoba, Saskatchewan and Alberta.

6. Laws relating to contracts of insurance.—This is the particular subject matter on which there undoubtedly should be uniformity throughout Canada. The statutory conditions which must be incorporated in every contract of insurance other than life, the general question of beneficiaries and other matters pertaining to life insurance companies, and the method of procedure for recovery of a claim are covered by this branch of our laws. In other words, the benefits not only to the companies but to the people as well, to be derived from uniformity in this department of law are most patent, and it should be the aim of all the insurance superintendents to do all in their power to bring it about.

Having briefly dealt with the general subjects covered by provincial laws let us consider what steps have already been taken towards uniformity. Special reference will be made to the progress made in this regard in the different classes of insurance.

**Fire Insurance Matters.**

Fire.—In May, 1914, the superintendents of insurance for the western provinces held a meeting at Calgary at which were present representatives from the fire insurance companies, both stock and mutual, and as a result of that conference there has been placed on the statute books a standard policy of fire insurance, thus securing uniformity in that important class of insurance in Manitoba, Saskatchewan and Alberta. Our statutory conditions in the west are practically the same as those in the east, with this exception, that the time allowed for notice of cancellation is longer in the west owing to mail service here not equalling that of the east.

Hail.—All contracts of hail insurance in Manitoba and Saskatchewan are uniform and, although a standardized hail contract does not appear on the statute books in the province of Alberta, yet the deputy superintendent of insurance has approved of the standard form, and policies in accordance therewith are being issued by the hail companies in that province. Consequently there is practically uniformity in this class of insurance in the prairie provinces.

Accident and Health.—At the present time negotiations are under way for the standardization of these contracts. Mr. Ham, superintendent at Winnipeg, has been requested by the western superintendents to collect data relating to accident and health insurance, and we are at the present time arranging for a meeting at which this question will be discussed. The Ontario department has expressed a willingness to join the western provinces in the conference, and undoubtedly uniformity will be secured at an early date.

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