

wholly without point or relevance to the real issue, namely, whether or not Lloyd's Underwriters should be relieved from the requirement of making deposits in Canada as a condition of becoming registered to transact insurance business in Canada. For the circular raises no objection to Lloyd's Underwriters as such; neither does it question the security of a Lloyd's policy, from the view point of Canadians, under the conditions upon which it is proposed to permit Lloyd's Underwriters to become registered in Canada. Moreover, no single objection that it does raise, or purports to raise, would in any sense be removed or mitigated if Lloyd's Underwriters were required to maintain deposits in Canada. It is, nevertheless, desirable that the proposals of the Bill, in this regard, should be clearly understood.

The object of deposits is to provide security for Canadian policyholders. In cases where Canadian policyholders are sufficiently secured, deposits become unnecessary and irrelevant. In the case of Canadian Companies, for example, the deposits maintained are nominal in amount for the reason that these companies maintain their assets at their Head Offices; the circumstances do not make it of importance that they should maintain more than nominal deposits.

In the case of British and Foreign companies, while they may be required in their home jurisdictions to maintain themselves in a solvent condition, they are not required to maintain assets on deposit there equal to their liabilities to policyholders everywhere; they do in fact maintain deposits in other jurisdictions in compliance with the laws applicable to them. It cannot be said, in respect of some of these companies at any rate, that they are in such a strong position as to warrant their admission into Canada without a deposit; if a deposit were not required, they would simply have to be ex-

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