

### THE SENATE COMMITTEE AND THE FIRE CLAUSES.

The Senate Banking Committee has appointed a sub-committee to "put in effect" its views as to fire insurance in unlicensed companies. In brief, these views are:—that citizens and firms shall be allowed to insure fully in unlicensed companies without payment of any premium tax to the Government; that they shall be obliged to send annual returns to the Superintendent of Insurance as to the amount of insurance so placed, but not as to the amount of premiums paid thereon; that unlicensed fire companies shall be prohibited from having representatives in Canada for the purpose of soliciting insurance, directly or indirectly.

It will be seen that, practically, the proposed regulations differ little from the existing Act, except for the requirement that returns of insurance placed abroad shall be made to the department. It is to be expected, therefore, that before the bill is finally disposed of by the Commons, the underwriters will endeavour to obtain further consideration of their views.

The main principle at stake is clearly enough defined to merit instant recognition. It is, that all companies transacting fire insurance business in Canada should be on the same footing so far as Government regulation is concerned. To argue that this would mean a stifling of all competition, and an undue limitation of insurance facilities is to overlook one important consideration. If outside companies were once to be effectively barred from doing underground insurance in Canada, the stronger ones among them would seek to enter the field in a legitimate way. That this would occur can scarcely be doubted; but, in any event, the licensed companies are entirely willing that the bill should make provision for the placing of surplus lines abroad where it can be shown that property-owners cannot find sufficient facilities at home.

But a demand for absolute free trade in insurance, such as the extremists opposing the underwriters have made, comes strangely from those who would be among the last to advocate commercial free trade for Canada—and who would not be the last to put the law in motion against any one seeking to evade the anti-dumping provision of the customs tariff.

Under the existing Act there has been but little let or hindrance to underground insurance—in practice the theoretical restraints have been of slight avail. If Government regulations and requirements are not to apply to all concerns transacting insurance in Canada, should they apply to any? Licensed companies are subject to Government supervision in matters of investment, are required to make deposits and maintain full reserves to meet all liabilities to the insured, pay taxes, must maintain offices and staffs, and largely invest their funds within the Dominion itself. Under present conditions, however, they are subjected to practically unrestricted competition with "carpet bag" companies who acknowledge no allegiance to Canadian law, and are unhampered by heavy expenses which regular companies cannot escape.

Certainly the profits of fire underwriting in Canada, year in and year out, have not been excessive in the case of the licensed companies as shown in the Government reports. The conflagration hazard has always to be reckoned with—fires such as have occurred from time to time at Quebec, Ottawa, Toronto and Montreal, may wipe out in a day millions of dollars. It is to the interest of the public, as much as of the companies, that no legislative hampering should interfere with the maintenance of reserves available for conflagrations.



### MISSISQUOI & ROUVILLE MUTUAL FIRE COMPANY.

This year, the Missisquoi & Rouville Fire Insurance Company will have completed three-quarters of a century of an honourable career. With pardonable pride the directors' 74th annual report refers to the company's being one of the oldest native fire offices. The statement submitted at the annual meeting held at Frelighsburg, Que., on the 10th inst., covers sixteen months of business, owing to the new Quebec Insurance Act changing the end of the insurance year from August 31st to December 31st. In conformity with the requirements of the same Act a deposit of \$25,000 was made with the Provincial Treasurer in April last; and on the basis of insurance in force at the close of 1909, this deposit will now be duly increased to \$42,500.

It will be recollected that the Missisquoi & Rouville Company has been one of the three mutual companies of the province that have year by year voluntarily maintained substantial reinsurance reserves. It was certainly not on account of such companies that provincial regulations as to mutual companies have lately been made more stringent.

As pointed out a year ago, those in charge of the affairs of this company have very wisely refrained from over-expansion of its business. In another respect too they have shown their practical realization of the limits within which a mutual office of this type can hope for any measure of success; they have not made the mistake of actively bidding for risks where the conflagration hazard inheres.

The financial statement as at December 31, 1909, shows total assets of \$108,978—some \$74,458 of which consisted of a balance of unpaid premium notes, cash basis. In high class municipal bonds the company holds well on to \$110,000—an increase of nearly \$25,000 in this one item, as compared with the preceding report.

The sum of \$5,036 was paid in dividends to holders of mutual policies expiring during the sixteen months, being 18 per cent. of the premium notes; and making a total of \$24,580 paid to mutual policyholders during the past eight years. For the coming year this dividend is being increased to 20 per cent.

The Missisquoi & Rouville has a strong local board of directors, with Mr. E. E. Spencer as president and manager.