

RECENT CANADIAN INSURANCE LEGISLATION.

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The Dominion Insurance Act, while safeguarding the business to the extent of requiring publicity and providing for a proper audit and valuation, has left the management comparatively unrestricted. The moot question of the value of government inspection has been brought to a head by recent events in Canadian life insurance, but whatever our opinion may be, I think we must conclude that inasmuch as good faith and common honesty are pre-requisite in any business, we cannot hope that by using the most rigid system of inspection we may protect the public against every form of delinquency.

In Canada and in England we have not yet accepted socialistic standards of legislation, and we are for some time to come largely committed to an individualistic form of government. Whether or not some of the vexing problems which have concerned our management would have been partly solved by certain legislative restrictions, I hold that it is in the interests of the business and the public that we should continue to base our legislation on comparative freedom of action, personal managerial responsibility and true publicity with proper means to ensure the same.

While there have been no radically important changes in our insurance legislation, there have been a number of minor bills presented in the last few years affecting the business.

BILLS MET WITH DEFEAT.

In February, 1911, a bill entitled "An Act to Amend the Insurance Act" was introduced before the Senate of Canada. The object of the bill appeared to favor the borrower by providing that if a mortgage was due it might be paid at any time to suit his convenience by giving one month's notice and paying a bonus of one month's interest. As matters stood the borrower had the privilege of paying off his mortgage at any time before maturity by paying a bonus of six months' interest. This bill met with defeat.

In March, 1911, a bill entitled "An Act to Amend the Corporation Taxation Act" was introduced into the legislature of the province of Manitoba by the provincial secretary. By it it was proposed to impose a tax of three-quarters of one per cent. on investments in the province in addition to the one per cent. tax on gross premiums. This bill was strenuously opposed by the life insurance interests, and while it was not withdrawn entirely, the tax was reduced to one-quarter of one per cent. on the gross income from investments of all kinds in Manitoba.

In March, 1911, a bill was introduced in the province of Nova Scotia entitled "To Supplement the Revenues of the Crown." The new bill provided that every insurance company transacting business in the province should pay a tax of one per cent. calculated on the gross premiums received in the province. A strong effort was made to have the tax reduced to one-quarter of one per cent. and for the inclusion in the act of a provision giving the companies relief from municipal and local taxation. The original tax was, however, allowed to remain, the government agreeing to amend the municipal act so that no further tax would be imposed upon the companies, though leaving still in existence the tax imposed in the cities of Halifax and Sydney.

FOREIGN COMPANIES IN ALBERTA.

In the early part of 1911, information was received to the effect that foreign companies had been soliciting business in the province of Alberta without the necessary license authorizing them to do so. Steps were taken and legislation procured to prevent this form of poaching, and it was enacted that after the first of January, 1913, no foreign company would be allowed to carry on business in that province until such company furnished the provincial secretary with evidence that it was conducting its business satisfactory to the Dominion Government.

In the same year, legislation was also enacted by the Ontario Government in the form of a revision to the Insurance Act. This was introduced as a part of the recommendations of the special judicial committee appointed to revise the statutes of Ontario. While the alterations suggested were, for the most part, of minor significance, there were one or two sections involving principles which it was thought proper to assert; for instance, special exception was taken to the clause—placing in effect policies as soon as delivered. While in drafting the section the committee no doubt had in mind classes of insurance other than life, still no effect was given to the representations of the life interests. The position taken by the government was that it could not very well interfere with the work of its own commission, however much they might appreciate the effect of our position.

In April of this year, new insurance acts were passed by the legislatures of the provinces of British Columbia and Alberta. Companies operating under a Dominion license were not affected to any extent.

PROOF OF AGE.

In March last the following amendment to the Ontario Insurance Act was introduced:—Where the age of a person is material to a contract of insurance such age shall be inserted in the policy issued at the time of the issue, and in the absence of fraud such age shall be binding on all parties to the contract of insurance, unless within one year from the date of the said issue an error in the age so inserted is discovered, when the said policy may be rectified accordingly. The proposed amendment met with defeat at the hands of the special parliamentary committee, although the amendment which went into effect on July 1st was not much more satisfactory to the life insurance interest. This is as follows:—

"Every insurance corporation registered under this Act shall send to every person with whom the contract is made within one month thereafter a printed notice mailed to the last known address of the insured in such form as the superintendent shall approve, and annually thereafter until the proof of age is admitted, stating that the age of the insured is material to the contract and evidence that the age stated in the application is the true age of the insured will be required before the policy is paid."

This notice was also to be printed in red ink in type not smaller than ten point upon all notices to the insured and upon all receipts for premiums.

LIFE INSURANCE TAXATION.

While on the whole we may agree that our Provincial and Dominion legislation on life insurance is sane and fair, we cannot overlook the fact that life insurance taxation is not only improper but entirely inimical to the best interests of the public whom the