

# **FURTHER AMENDMENTS SUGGESTED BY LIFE OFFICERS' ASSOCIATION.**

Reference was made a week ago to the Insurance Bill amendments which the Canadian Life Officers' Association will bring up before the Senate Committee on Banking and Insurance. As already pointed out, many of the thirty-odd suggested changes are for the purpose of more exactitude in wording—and by thus removing ambiguity the association is performing distinct service.

The two important changes touched upon in these columns a week ago were: the doing away with the proposed compulsion that all companies should have policyholders' directors, and the removing of restrictions on companies as to their methods of remunerating agents. As THE CHRONICLE remarked a week ago (and has all along maintained), the bill may well refrain from paternalistic meddling in details of management, now that so ample provision is proposed for publicity of companies' accounts.

In addition to the suggested changes above noted, several others call for mention. In the matter of company holdings of securities the term of three years is recommended instead of five years as the period during which dividends must have been paid upon preferred stocks eligible for investment. Similarly, five years is substituted for seven, in the case of common stocks. To the provision now contained in section 59 of the bill defining the classes of securities in which investment may be made, the association recommends that the following entirely reasonable clause be added to subsection 3.

"Any such life insurance company may accept bonds, debentures or stocks not fulfilling the foregoing requirements of this section, provided that such bonds, debentures or stocks be obtained under a *bona fide* arrangement for the reorganization or amalgamation or the acquisition of the stock or property of a company whose securities were previously owned by said life insurance company and in exchange in whole or in part for such securities."

And that the following clause be inserted between sub-sections 4 and 5 and section 59:

"Any such life insurance company may take any additional securities of any nature to further secure payment of any liability thereto, or to further secure the efficiency of any of the securities in or upon which such company is hereby authorized to invest or lend any of its funds"

To section 61, which forbids officials of a life company being connected with the formation of any other company using the former's funds, the following addition is recommended:

"Provided that this section shall not be deemed to prohibit investments in securities otherwise legal if such securities are guaranteed by a company which has been in actual existence for not less than two years."

Section 77, subsection 4, as it stands at present provides that for the purpose of any appeal from the ruling of the Superintendent of Insurance regarding a company's statement, a certificate shall be furnished the company setting forth the Superintendent's reasons for his ruling, "which ruling shall however be binding upon the company unless and until reversed or modified by the Exchequer Court of Canada." In place of the words in quotation marks, the Life Officers would substitute the following, as guarding against possible injustice in interruption to a company's business:

"If the company shall within thirty days after the receipt by it of such certificate notify the superintendent of its intention to appeal to the said Exchequer Court of Canada, then the said ruling shall not take effect unless and until confirmed by said court, provided that such appeal be prosecuted by the company with all reasonable diligence."

Section 85 of the bill baldly states that a company agent shall be considered the agent of the insured. There is good reason for proposing that an exception be made in any case where it can be proved in court that there was fraudulent collusion between the agent and the applicant for insurance.

In the matter of penalties for rebating the Life Officers suggest somewhat smaller fines than those mentioned in the bill, and recommend that instead of half the penalty going to the person suing, it should all go to the expenses of the office of the Superintendent.

Section 94 now provides that any suit or action deemed necessary in the interest of policyholders may with the consent of the Superintendent be instituted against a company by the Attorney-General of Canada.

The additional proviso is now recommended:

"That the court shall not give a hearing until security for costs for such amount as the judge shall think reasonable shall be given, and until a *prima facie* case shall also be established to the satisfaction of the judge"

That these and the various other recommendations of the Life Officers' Association will be given careful consideration by the Senate Committee on Banking and Commerce goes without saying. Careful perusal of the suggestions made strengthens the view that the managers generally are resolved upon doing their utmost in helping to make the Insurance Bill contribute to the best interests of the public which the life companies serve

RIO DE JANEIRO TRAM CO. earnings for November were \$632,568 gross and \$277,172 net, gains over same month last year being \$4,928 and \$20,325 respectively.

Net earnings since January 1st have been \$2,781,691—being a gain of \$276,895 over 1908.