

given to the same, it will conserve the best interests of the policy-holders of this and all other companies doing business; this alone has prompted this communication.

Your obedient servant,

E. MARSHALL,
General Manager.

METROPOLITAN LIFE INSURANCE COMPANY.

NEW YORK, April 6, 1909.

The Chairman,
Banking and Commerce Committee,
House of Commons.

Re Section 52 of the Proposed Insurance Act.

DEAR SIR,—The Metropolitan Life Insurance Company suggests that the first paragraph of section 52 be altered to read as follows:—

‘52. Any life insurance company which is within the legislative power of the Parliament of Canada may amalgamate its property and business with those of any other life insurance company, or may transfer all or any portion of its policies or to reinsure the same in such other company, and may transfer its property and business, or any part thereof, to such other company, or may reinsure the policies, or any portion thereof, of such other company, or may purchase and take over the business and property, or any portion thereof, of such other company, and such companies are hereby authorized to enter into all contracts and agreements necessary to such amalgamation, transfer or reinsurance upon compliance with the conditions hereinafter in this section as set forth.’

We would also suggest that there be added to subsection 2 of this section the following:—

‘or to reinsure its policies, or any portion thereof, in such other company; or to sell and turn over its business or property, or any portion thereof, to such other company.’

These changes would make it possible for a Canadian company to amalgamate with or reinsure a portion of its business with other than domestic companies, if it was so desired.

We would also suggest that there be added another subsection to this section, reading as follows:—

‘There shall be nothing in this section which will apply to the reinsurance of a portion of any individual policy.’

We would also suggest that subsection 4, 5, 6, 7 and 8 of section 52 be eliminated. This may seem like a radical suggestion, but it has for its basis the fact that the Treasury Board having full authority to investigate all the details of any proposed amalgamation, transfer or reinsurance, is in itself better qualified to judge the merits of any agreement and to protect the interests of policy-holders than the policy-holders themselves.

In this connection we beg to call your attention to section 72 of the Insurance Laws of the Commonwealth of Massachusetts, which, while very brief, is at the same time very comprehensive. It reads as follows:—

‘No domestic life insurance company shall reinsure its risks, except by permission of the Insurance Commissioner; but may reinsure not exceeding one-half of any individual risk.’

Yours truly,

J. M. CRAIG,
Actuary.