

"INTENSIFYING UNJUST TAXATION."

With reference to the article under the above heading which appeared in our issue of February 10, we have received the following letter from Mr. E. J. Sloan, secretary of the Aetna Insurance Company, of Hartford:—

To the Editor of THE CHRONICLE:—

Sir—We are so well impressed with your strong article in issue of the 10th instant under caption "Intensifying Unjust Taxation," that it gives us pleasure to promptly advise you of our feelings. You give the crux of the situation in the paragraph reading:—

"We suggest to Mr. White that he can very effectively raise a substantial amount of funds towards his war financing by taxing the unlicensed insurance companies, making those who place their insurance in these companies responsible for the tax. Those who patronize unlicensed insurance companies at the present time are performing an unpatriotic action and doing Canada economic harm. They are trying to escape paying their share of the cost of the war and the sooner they are got after the better."

Why should the way be left open for these insurance pirates to freely plunder the business at the expense of companies competing lawfully? Why should the public consequently lose one per cent. in taxes on premiums of business placed in companies operating unlawfully?

We believe to make such a law effective that, coupled with your suggestion of requiring the assured to report business for taxation, there should also be incorporated a clause requiring all persons, brokers and agents writing, or causing to be written in unlicensed companies, either directly or indirectly, insurance on property located in the Dominion of Canada, to report before a specified date in each year, all such business on a proper form, and failure to comply to be treated as a misdemeanor and punishable. Under such conditions the Government would have something they could check and undoubtedly enforce. All of which is respectfully submitted.

Yours very truly,

E. J. SLOAN,
Secretary.

Aetna Insurance Company,
Hartford, Conn., February 25th.

By the Dominion Insurance Act of 1910 (Section 139, sub-section 2), every person insuring property in Canada in unlicensed companies is required under penalty to "make a return to the Superintendent giving the location and a brief description of the property insured, the amount of the insurance; and whether insured in Lloyds, or in some similar association, or in mutuals, reciprocal, or other class of insurers, such return to be made by delivering or mailing it in a registered letter, addressed to the Superintendent not later than the first day of March in each year for the year ending on the preceding thirty-first day of December." Mr. Sloan's interesting suggestion is for an extension of these returns to a basis which would give sufficient information for purposes of taxation.

Mr. J. Gardner Thompson, Canadian manager of the Liverpool & London & Globe Insurance Company, has left Montreal for a six-weeks' business trip in the North-West.

WHERE IGNORANCE IS BLISS.

About the funniest thing in the Honorable Mr. McGarry's stump speech on the subject of life insurance taxation was his reference to the American life companies, who *pace* Mr. McGarry "feel it their duty to the State that protects them to pay their taxes," even to the extent of $2\frac{3}{4}$ p.c. on their premiums.

The Ontario Treasurer hasn't heard yet that for years the American life companies have been moving heaven and earth to get the burden of these taxes lightened. When he hears of the fact, no doubt he'll refuse to believe it.

A TRIBUTE TO THE CANADA LIFE.

To the Editor of THE CHRONICLE:—

Sir—No Company, anywhere, has a more dignified and honourable title than "The Canada Life;" not one sails its appointed course under a nobler flag (with all that implies of necessity—loyal service, fair dealing, truth and honesty); and not one does more to merit its high standing and to justify its continued prosperity.

I always feel it a pleasure, as a policyholder in this sterling Company, to receive and read its annual report. No humbug there nor extravagance of language or statement—a plain story plainly told of a trust faithfully and intelligently administered. *Esto perpetua!*

Yours truly,

A POLICYHOLDER IN THE U.S.A.

New York City, March 1st.

TRANSFER OF INTEREST IN INSURED PROPERTY ANNULS FIRE POLICY.

Mr. Justice St. Pierre, sitting at Montreal, has ruled in the case of Barlow vs. German-American Insurance Company, that the transfer of interest in an insured property forfeits the fire insurance policy covering it. On the 24th April, 1912, the plaintiff's premises situate on Peel Street, Montreal, were badly damaged by fire. On the previous day a judgment had been rendered in a case taken by the Consolidated Optical Company against Barlow under an agreement signed by him with that company, which stipulated that, in default of his liquidating his indebtedness to them, they were entitled to claim the ownership of his business and enter into possession thereof. As he failed to effect settlement in the time stipulated, the Optical Company sued him, and on the very day before the fire, judgment was rendered declaring the company owner of the business, including its stock-in-trade, fixtures, etc. On being sued for the amount of the policy the German-American Insurance Company pleaded that plaintiff was not owner of the assets insured at the time of the fire; the judgment having effected a transfer of the ownership of such a nature as to cancel the policy and the insurers not having been notified of or consented to such transfer. Further, the plaintiff had not given the notice required by the statutory conditions endorsed on the policy, nor had he made the proofs of claim required by law. Mr. Justice St. Pierre held that the transfer of interest in the insured property forfeited the policy, and that the giving of notice and filing of proofs of claim constituted conditions precedent to the institution of the action by the insured. The action was therefore dismissed.