

## UNAUTHORIZED INSURANCE COMPANIES

Their Representation is Prevented by Licensing of Agents  
—Incompetence and Dishonesty

Interesting comments from state insurance commissioners, regarding the licensing of insurance agents, were read by Mr. A. E. Ham, Manitoba insurance superintendent, at the life underwriters' convention at Winnipeg last week.

Mr. Charles O. Austin, commissioner of insurance of the State of Texas, says: "The agent's law generally has been satisfactorily received by all persons at interest, and we have heard no complaint against it. We believe the law to be highly beneficial to the agent as well as to the companies and the public generally."

Mr. Bruce T. Bullion, commissioner of insurance of the State of Arkansas, says: "To this date, we find the agent's law working satisfactorily. It requires agents to be more carefully chosen, and has a tendency to prevent 'fake' agents that sometimes infest this State from imposing upon the people."

Mr. F. B. Patrick, deputy superintendent of insurance of the State of Ohio, says: "The working of the agent's law has been so satisfactory that at the urgent solicitation of agents and companies, the last legislature passed an agent's qualification law, which provides rather exacting qualifications on the part of the agents to transact the business of insurance in this State."

Mr. W. N. Van Camp, commissioner of insurance of the State of South Dakota, says: "The licensing of agents secures for the department a certain amount of control over the operations of the agent, in that we are able to prevent wrong acts by the agent, and so safeguard the interests of the insuring public. On complaint, the agent is given a hearing, and if found guilty, his license for the solicitation of insurance is taken away from him. You can readily see that the licensing of agents has good effect."

## It Prevents Misrepresentation.

Mr. F. W. Potter, superintendent of insurance for the State of Illinois, says: "The fact of the agent's law in this State naturally is to prevent the representation of unauthorized insurance companies, and this is quite beneficial. I am of the opinion that each State should have a law providing some qualifications for insurance agents, and making it possible through this means of eliminating insurance agents whose transactions have shown them to be dishonest and unreliable."

Mr. J. C. Luning, state treasurer of the State of Florida, says: "The agent's license law in this State has been very satisfactory. The fact that agents must have a license has raised the standard of the men in the insurance business in this State. The license law of Florida does not give the insurance commissioner the authority to recall an agent's license once it has been issued. If our law did give this authority, it would be more effective."

Mr. Burton Mansfield, insurance commissioner of the State of Connecticut, says: "The agent's license law in this State tends very much to promote the quality of the agency force as a whole, and, of course, that is the purpose of it. The companies and the department work together in the matter, and objectionable people are oftentimes weeded out."

Mr. Jesse S. Phillips, superintendent of insurance of the State of New York, says: "With watchful care on the part of the department, under this law, the standard of life insurance agents in this State has been decidedly improved. The business in itself—that is, the business of a life insurance agent—is becoming more of a profession. High-grade men are going into the business and with the help of the underwriters' association, which we have throughout the State, results in better conditions. To secure absolutely satisfactory results, there must be real co-operation on the part of the companies, and they must exercise judgment in approving or countersigning the application. It is the duty of the company, primarily, to satisfy itself that the applicant is a worthy man. Certainly an agent's licensing law of the character we have in this State is a benefit to the agent, to the public, and to the State."

Mr. F. H. Hardison, insurance commissioner of the commonwealth of Massachusetts, says: "The licensing provision has seemed to work well in this commonwealth, as it results in the weeding out of many persons who, by reason

of their incompetence or dishonesty, are unsuitable to hold licenses as agents."

Mr. Emory H. English, commissioner of insurance of the State of Iowa, says: "Relative to the operation of agent's license law in this State it is not that there is any tendency at all to return to the old system of unregulated agents. I am heartily in favor of any legislation that will serve to raise the standard of character and qualification of those employed by the various companies, although I think that such legislation should always fix the responsibility with the individual company rather than any department of state for the qualification and activities of the agents."

Mr. Otto L. Kaluss, state auditor of the State of Indiana, says: "I might suggest that this department would not be willing to have the agent's license law eliminated, and open the field of agency licenses to persons over whom the department would have no control. The tendency is, of course, toward higher standards, and this would be impossible of accomplishment except through control exercised by virtue of the license law."

## ALBERTA'S BONDS SOLD IN CANADA

An issue of \$1,000,000 5 per cent. 5-year province of Alberta bonds has been placed with Canadian investors. The price was 94.70 and accrued interest, yielding 6½ per cent. The bonds are a direct and primary obligation of the province, and are payable from its general revenues. The legislature of the province has power to supplement, if necessary, the ordinary sources of revenue by levying a direct tax upon all the assessable property within the province to provide for the payment of the principal and interest of these bonds. No such tax has ever been levied by the province, however, the ordinary revenues having hitherto sufficed. The bonds are free from all succession duties, taxes and impositions levied by the province. Temporary debentures are to be issued pending delivery of the definitive bonds.

The total outstanding debt of Alberta at December 31st, 1916, was:—

4%	Debentures, due 1938, issued for purchase of telephone system .....	\$ 2,000,200.00
4%	Debentures, due 1922 (convertible into 30-year stock), four-fifths for telephone expenditure and one-fifth for public expenditure .....	4,804,373.33
4%	Debentures, due 1922, issued for telephone and public expenditure .....	133,333.34
4%	Registered stock (converted), issued for telephone and public expenditure .....	62,293.33
4½%	Registered stock, due 1943, issued for telephone and public expenditure .....	4,866,666.66
4½%	Debentures, due 1943, issued for telephone and public expenditure .....	133,333.34
4½%	Debentures, due 1923, eight-eighths for public expenditure, five-eighths for telephone expenditure and five-eighths for elevator expenditure .....	3,600,000.00
4½%	Debentures, due 1924, all for public expenditure .....	7,400,000.00
5%	Debentures, due 1925, for public expenditure and other purposes .....	4,000,000.00
5%	Debentures, due 1926, for public expenditure and other purposes .....	2,000,000.00
		\$29,000,200.00
	Less sinking fund .....	368,190.72
	Net debt as of December 31st, 1916....	\$28,632,009.28

Of the above debt there is practically \$13,000,000 in remunerative investments on which the province does not have to provide interest.

The purchase of the bonds from the province was negotiated by the Dominion Securities Corporation, Toronto, and the issue was placed entirely in Canada. The attractive price brought a very satisfactory response from the Canadian market. Despite the high income yield, however, the United States market failed to respond. This is a significant indication of the condition of the money markets there, a situation which is becoming more acute, United States war loans having the right of way.