

AS TO INSURANCE LEGISLATION.

Address by Mr. H. C. Cox before Hamilton Life Underwriters Association.

On Monday evening the Hamilton Life Underwriters Association held a largely attended and most successful banquet. Mr. H. White occupied the chair, and the principal speaker of the evening was Mr. H. C. Cox, president of the Life Underwriters Association of Canada, who dealt ably with the matter of proposed life insurance legislation at Ottawa. In part his remarks were as follows:

HOW TO DEAL WITH REBATING.

There are a few points in the proposal of the Royal Commission which should be considered, as they will be much in evidence and of much importance when legislation comes up. Taking the more important of these in the order in which they appear we find first the suggestion, as a remedy for rebating, of the penalizing in the sum of one thousand dollars each of the managers and every director of the company whose agent allows or offers to allow a rebate. Suit may be entered by anyone and if the offence is proven one-half the penalty is payable to the person suing. The thought of the commissioners was evidently that the company managements would be more anxious to remove an abuse if the punishment for removing it struck sharply at their own pockets, but it will be readily seen how the remedy may be misused and abused by the collusion of an agent and applicant. A clause can surely be formulated providing a penalty for the company or its officers, if you wish the agent, and the assured, which will meet the difficulty without opening to the unscrupulous agent a door for further misdoing.

HOW DIRECTORS ARE HAMPERED.

Section 58 proposes to restrict very materially the class of security in which the companies may invest, limiting them to bank stocks and certain debentures, bonds, etc. It should not be impossible to enlarge the list of permissible investments, still retaining all due and reasonable safeguards over the funds.

Section 65—"No transaction by way of purchase, sale or loan shall take place between any such life insurance company and any other company in which any director or officer of such life insurance company is a shareholder." I have not been able to ascertain in how many of our Canadian corporations the directors of all our life insurance companies are interested as shareholders, but I find that about eighty-five per cent. of these directors are directors, and, therefore, shareholders, of other institutions. Were this clause to be included in our statutes it would virtually mean that the life companies could have no directors of responsibility or standing, since it would be necessary to sacrifice them in order to place investments within the limits proposed. This would be a dilemma in which I am sure it would not be the desire of Parliament to place the companies.

OBJECTIONS TO ANNUAL DIVIDENDS.

Section 92 provides for the payment of dividends to policy-holders annually. This is presumably to overcome what is claimed to exist in the present

method of deferred dividends—namely, the application of a portion of surplus earnings of older policies to the securing of new business. Would this have the desired effect? I think not. It is well known that no policy earns surplus in the first years of its existence in view of the initial expense, however moderate, of placing it on the books, of providing the Government reserve, etc., and were it necessary to pay to the policy-holder at the end of the first year a dividend or profit, this would have to be borrowed from the earnings of older policies, and the difficulty which it is sought to overcome would be thereby rendered unavoidable.

BE FOREWARNED BY NEW YORK.

Many of the suggestions and proposals of the commissioners are identical with those of the Armstrong Committee of New York, which have not been found to work as well as had been anticipated. Some of the mistakes made are being brought to the attention of Governor Hughes and his colleagues, with every hope of relief, and it is very important that we should, in framing any new laws in Canada, profit by the errors of others who have essayed the same task.

I believe we can and should bespeak for it from our legislators and the people the broadest possible consideration, entirely free from any personal or political bias. It says much for the common sense and judgment of the people, and when all is said and done for the soundness of the great institution of life insurance, that so far as can be ascertained every Canadian company expects to show an increase in new policies effected this year.

OTHER SPEAKERS.

Interesting speeches were also made by Messrs. T. G. McConkey, W. S. Milne, J. C. McCartney, Samuel Barker, Robert Junkin, Maycr Stewart, Allan Studholme, M.P.P., and R. A. Thompson, M.P.P.



FIRE AT MEAFORD.

A fire occurred on the 19th instant, in the factory of the Seaman-Kent Company, manufacturers of hardwood floorings, Meaford, Ont. In the appended list of insurance, it will be seen that the new "Central Canada Manufacturers Mutual," figures prominently, and gets so far as we can learn, its first baptism of fire.

British America, \$7,500; Connecticut, \$2,500; Hartford, \$5,000; Liverpool & London & Globe, \$5,000; \$2,000; Mercantile, \$3,000; Norwich Union, \$2,000; Queen, \$3,000; Royal, \$12,500; Waterloo, \$2,000; Hand-in-Hand, \$7,500; Montreal-Canada, \$3,500; Traders, \$2,500; Monarch, \$2,500; Anglo-American, \$5,000; Equity, \$5,000; London Mutual, \$5,000; York Mutual, \$5,000; Millers & Manufacturers, \$5,000; Metropolitan, \$2,500; Independent, \$2,500; Stanstead Mutual, \$2,500; Perth, \$1,500; City of Hamilton, \$1,500; Ontario, \$2,500; Dominion, \$5,000; Rimouski, \$5,000; Yorkshire, \$2,500; Central Canada Manufacturers Mutual, \$10,000. Total, \$126,500. Loss about 75 p.c.