

# INSURANCE

## Injustice of Taxation

**Policy-holders Stand to Suffer Most by Increasing Provincial Taxation. Benefit of Insurance to Community and Individual. Heavy Fire Losses for United States and Canada.**

Colonel E. W. Wilson, Montreal, manager of the Canada Life, in a recent interview published in the Journal of Commerce, combating the excessive provincial taxation in force in Quebec and Ontario, made a strong statement of the benefit of life insurance. He said in part:

"In common with other life assurance companies in Canada, we are continually receiving grateful letters from those who have taken out life policies. For the man in moderate circumstances, absolutely no better investment can be made than life insurance. In proof of this, I may cite a case which is but typical of innumerable policies which this company has in force. In 1848, the late David Stirton, of Guelph, took out insurance in the Canada Life for \$4,000 on the whole life plan. The yearly premium was \$97; but from 1880, the guaranteed yearly cash dividend was greater than the premium, and in each year since that date, the policy was a source of revenue to the assured. He paid as total premiums \$2,243; the cash surplus returned to him amounted to \$4,758. Thus, this policy was not only self-sustaining since 1880, but the surplus returned exceeded the total premiums paid by \$2,515. In addition, \$4,000 of insurance protection was granted the assured for sixty years, and his estate received \$4,000 at his death. I cite this case in order to emphasize several facts. First, that investment in life insurance is a sound business proposition for the man in moderate circumstances—an investment which not only protects his wife and children against the contingency of death, but also one which will yield the assured a considerable annuity if he lives. In the second place, the taking out of a life insurance policy virtually compels the individual to save, while if he should trust himself to deposit a fixed annual sum in the bank by way of savings, the attraction of spending this money in different ways would probably prove too much for him. In the third place, life insurance performs a great social service. It relieves the state of the possibility of having to provide for its citizens in their old age,—a possibility which may involve the spending of enormous sums on old age pensions, such as is done in England.

"Ontario has joined the procession of the provinces in placing a high taxation on life assurance companies. Ontario and Quebec both levy a tax of  $1\frac{3}{4}$  per cent. at the present time on the gross annual return from premiums paid to life companies. The man who places savings in the bank goes scot free, while the father in moderate circumstances, who is struggling to provide for his wife and children against the possibility of want through his death, is penalized through taxation by the State. What I mean to say is, that profits which are returned to the assured and which reduce the cost of insurance will henceforth bear a heavier burden of taxation. There is a possibility, too, that if this taxation scheme is broadened, insurance in the future will cost more than at the present time. That is to say, the industrious, the thrifty, and the intelligent elements in our population are penalized because of their very thrift, and are subjected to burdens which the rich man, who

places his savings in the care of the banks, escapes. This is class legislation of the worst type. It simply means that those men who have the capacity, the industry, and the foresight to protect their wives and children, are penalized; while the very rich on the one hand, and the prodigal classes on the other, escape any such tax burden. When the people of this country realize both the injustice and the economic fallacy of such taxation, I am convinced that such a protest will be made to the authorities concerned that this iniquitous legislation will be wiped off the statute books. It is idle to say that the tax falls upon the rich corporation, well able to pay. As a matter of fact, 90 per cent. of our profits is distributed among policy-holders, and the tax falls mainly upon them, and not upon the stockholders of the corporation."

### RECENT FIRE LOSSES.

Recent fire losses reported to Superintendent of Insurance, Victoria, B. C.:

Vancouver, July 8th.—422 Eighth Ave. W.; owner, James Erskine, Jr.; occupant, Mrs. Helmerston; one-storey frame dwelling; value of building, \$500; insurance on same, \$400; value of contents, \$1,600; insurance on same, \$700. Total loss, \$1,449. Cause unknown. California, London Mutual.

Vancouver, July 2nd.—False Creek, foot of Birch Street; name of owner and occupant, A. Cotton; one-storey frame, 2 buildings, shingle mill; value of building, \$4,250; insurance on same, \$2,750; value of contents, \$8,400; insurance on same, \$4,000. Total loss, \$12,650. Cause unknown; apparently spontaneous combustion. Pacific Fire, Stuyvesant, Boston.

Empire Manufacturing Co.—One-storey frame pattern shop; value of building, \$600; insurance on same, \$400; value of contents, \$1,500; insurance on same, \$600. Total loss, \$2,100. Northern Assurance; London & Lancashire; Liverpool, London & Globe; Royal Exchange.

Canadian Pacific Railway.—One car, loss \$300. Both caused by adjoining Cotton fire

Vancouver, July 5th.—4 Eighth Ave. W.; name of owner, Mrs. C. McLean; name of occupant, A. G. Campbell; two-storey frame dwelling; value of building, \$3,500; insurance on same, \$2,500; value of contents, \$500; insurance on same, nil. Total loss, \$990. Cause, sparks from chimney. Alliance Assurance.

Vancouver, July 7th.—1908 Commercial Drive; name of owner, A. H. Keepings; name of occupant, Stuart & Company; one-storey frame store and dwelling; value of building, \$2,500; insurance on same, \$700; value of contents, \$5,100; insurance on same, \$2,100. Total loss, \$2,332. Cause unknown. Montreal, Canada, Guardian Assurance.

Vancouver, July 6th.—299 Nineteenth Ave. E.; owner and occupant, A. R. Burns; two-storey frame dwelling; value of building, \$1,000; insurance on same, \$800; value of contents, \$600; insurance on same, \$500. Total loss, \$688. Cause, overheated stove pipes. Firemans Insurance Co., Imperial Underwriters Corporation.

Chilliwack, July 7th.—Young Street; owner and occupant, T. H. Henderson; wood dwelling; value of building, \$400; insurance on same, nil; value of contents, \$200; insurance on same, nil. Total loss, \$500. Cause, boys playing with firecrackers.

Victoria, June 7th.—Fort Telegraph Street; owner, Leeming Bros.; occupant, Scott & Peden; one-storey frame hay warehouse; value of building, \$1,500; insurance on same, \$800; value of contents, \$1,200; insurance on same, \$1,000. Total loss, \$1,412. Cause, carelessness. Union Ins. Co., Mercantile Ins. Co. \$1,000.

Ladner, June 28th.—Owner and occupant, Marcum Lumber Co.; wood metal roof lumber mill; value of building, \$2,200; insurance on same, \$1,000; value of contents, \$2,300; insurance on same, \$1,000. Total loss, \$2,300. Cause unknown. Anglo-American-Pacific Underwriters, Stuyvesant Insurance Co.

Burnaby, July 11th.—Hastings St. E., Capitol Hill; owner and occupant, A. O. Knight; wooden frame dwelling; value of building, \$4,500; insurance on same, \$3,000; value of contents, \$2,500; insurance on same, \$1,500. Total loss, \$4,000. Cause unknown. New Jersey Fire Ins. Co.

Burnaby, July 1st.—Stride Ave., Edmonds; owner and occupant, Arthur Roe; wood dwelling; value of building, \$1,600; insurance on same, \$1,000; value of contents, \$700; insurance on same, \$500. Total loss, \$2,300. Cause, defective chimney. National Benefit.

Kelowna, July 4th.—Eli Avenue; owner and occupant, K. Iwashita; wood frame dwelling and store; value of building, \$1,300; insurance on same, nil; value of contents, \$2,200; insurance on same, nil. Total loss, \$2,200. Cause, supposed electric wires.

### "CANADA ACCIDENT ASSURANCE COMPANY"

Personal Accident, Health, Automobile and Employer's Liability Insurance

POLICIES UP-TO-DATE CLAIMS PAID PROMPTLY  
Assets Aggregating \$124,500,000, Guarantees All Policies

J. J. HANLEY, Agent, 470 Granville St., Vancouver, B.C.