for 1908—judging from company reports thus far published. And it is to be noted that this comparative showing would undoubtedly be still more pronounced, but for the increased market values of the security holdings among the companies' assets.

That the proportion of policy loans to total assets, shown at the close of 1909, will be considerably lower than 12 per cent., is to be hoped—and to be expected, if industrial and business conditions continue to make gradual recovery.

That the demand for policy loans in the United States should have been even more pronounced than in Canada, is not surprising. Taking the joint figures for three New York "giants," policy loans at the close of 1907 made up 12.1 per cent. of total assets, and 13.2 per cent. at the close of 1908.

## BEARING OF NEW INSURANCE BILL UPON FIRE UNDERWRITING.

### Other Provisions of Interest in Addition to those Relating to Unlicensed Companies.

Provisions of the new Insurance Bill relating to "underground insurance" have been those most discussed by fire underwriters. But the proposed measure is not without other important changes from the existing Dominion Act.

According to the new bill, no license can be granted to any individual underwriter or underwriters to carry on any kind of insurance business, except in the case of associations of individuals formed upon the plan of Lloyds, whereby each associate underwriter becomes liable for a proportionate part of the whole amount insured by a policy. Such associations may be authorized to transact insurance, other than life, in Canada—on the condition of complying with all provisions of the Act, except that the statements required to be filed in the office of the Superintendent must be verified in such manner as he may see fit to prescribe.

The new bill states more specifically and forcefully the actions which constitute infringement of the Act; and for which fine and imprisonment are the penalties, as under the existing Act. No one is permitted to deliver any fire policy or interim receipt thereof, or collect any premium or inspect any risk, or adjust any fire loss, or carry on any business of insurance on behalf of any individual underwriter or underwriters, or on behalf of any unlicensed insurance company. It was the provision relating to risk inspection and fire adjustment that came in for "chiefest blame" from manufacturers and mercahnts when discussed in the Banking and Commerce Committee at Ottawa. But if what is worth doing is worth doing well, there would seem good reason for trying to make more effective the law against unlicensed companies transacting business in Canada. To meet any possible objection that licensed companies are unable to fully supply the demand for insurance protection, the underwriters themselves have suggested an amendment allowing outside insurance to be sought if affidavit is made to the effect that the full protection sought is not obtainable within the Dominion.

While the amount of the Government deposit required of companies licensed to transact fire and inland marine insurance remains unchanged ($50,000 from domestic and $100,000 from foreign companies), the new bill allows a somewhat wider range of securities. It provides that the backing of any security by Government guarantee (United Kingdom, Dominion, Province or foreign country), shall put it on the same footing as a security direct. Also it is provided that British as well as Canadian securities, as above defined, shall be allowed for deposit by a Canadian company.

A license limited to one or more provinces of the Dominion may be granted under the proposed bill, in which case the initial deposit may be of less amount. Specific provision is made for the licensing of fire companies to transact tornado insurance and inland transportation insurance.

The annual statement required from a fire company is to be in accordance with schedule as at present, but it is to be noted that the enlarged powers of the Superintendent of Insurance permit of any changes in the form of report that may be deemed necessary. Under the proposed bill, the Superintendent is specifically given all the powers and privileges of a deputy minister, as regards matters relating to the administration of the Act. As before, he is empowered to address any inquiries to a company's management in relation to its assets, investments, liabilities, doings or conditions, it being the duty of any company so addressed to promptly reply in writing to such inquiries. But existing regulations to this effect are now to be strengthened by the addition of a clause stating that in the case of *any violation of the provisions of this Act* (aside altogether from the question of solvency), it shall be the duty of the Superintendent to report the same to the Minister, who may then cancel or suspend the company's license. An appraisement on real estate, or a special audit of accounts can be required by the Superintendent. An appeal from the ruling of the Superintendent as to the admissibility of any asset, or other matters under the Act, may be made to the Exchequer Court of Canada.

The new bill, like the existing Act, provides that any fire insurance company which derives its corporate powers, or any of them, from an Act of the Parliament of Canada, or which is within the legislative power of the Parliament of Canada, may invests its funds, or any portion thereof, in the purchase of any of the bonds, stocks, debentures, or other securities in which a life insurance company is by the Act authorized to invest its funds, except annuity contracts or life, endowment or other policies of life insurance; or may lend its funds, or any portion thereof, on the security of any of such bonds, stocks, debentures or other securities aforesaid. The changes proposed for life company investments have already been dealt with in detail in these columns.

A clause is added in the new bill to the effect that a Canadian company may deposit outside of Canada such portion of its funds and securities as is necessary to the maintenance of any foreign branch or branches: Provided that all other funds and securities of such company shall be held at the head office of the company or elsewhere in Canada.

Other important provisions of the new bill, as relating to fire insurance, define reserve liability and deal with matters of impairment of capital and