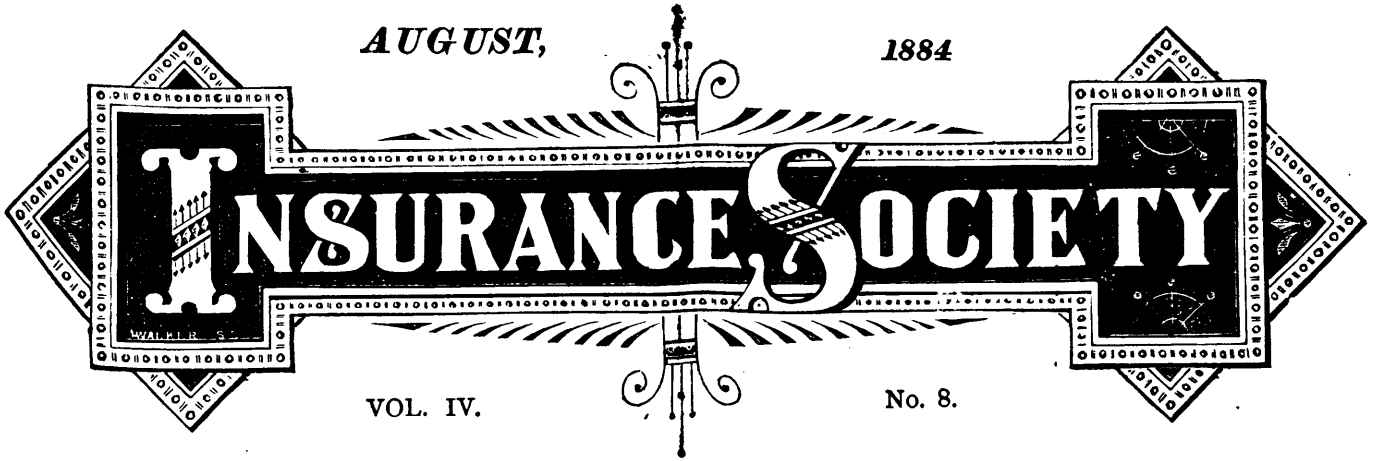


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OUR INSURANCE DEPARTMENT.

Nearly a year ago we expressed a hope that the law maxim "*quod fieri non debuit factum valet*" —which reads like a satire—would find no echo in our Canadian Insurance Department, but after long and patient waiting we are reluctantly compelled to admit that such hope has proved so far entirely delusive, for not only is underground insurance still carried on in the Dominion with impunity, but from what we can learn it is increasing in quantity, while an instance which has lately come under our notice goes to show that it is deteriorating in quality.

The fact that the "Standard of Hamilton" now happily deceased, could at one time transact business unchecked in Provinces where it was not licensed was disgraceful enough, but what can be said of a so-called Insurance Department which either openly permits or is powerless to prevent an agent issuing receipts for a company which has absolutely no existence whatever! The City and Provincial Insurance Company of Manchester, England, sounds well, but in stating that we have stated all, for there are no directors, no shareholders, no funds, in short no such company extant, and those who fondly imagine they are insured because a self-constituted agent or attorney has given them a pretty piece of paper bearing the above name will live to learn the truth of the Latin saying "*ex nihil nihil fit*;" yet our Insurance Department sits smiling with folded hands and declines to take any steps to correct the evil, knowing well that there are enough solvent companies to support handsomely an office which daily exhibits itself as a monstrous and useless farce. We do not wish to be unnecessarily severe, but we use the above language advisedly, for we presume it will be admitted that the two-fold intention for which the department was inaugurated was, firstly, to obtain, by means of the

deposit law, a certain amount of cash of which the Government at that time stood in much need, and, secondly, by the same means to exclude weak wild-cat companies from preying upon the public. Now no one will pretend to maintain that the few hundred thousand dollars deposited by the licensed companies are any longer required by the Dominion Exchequer, and, as regards the second object of the Act, we have had conclusive evidence of the utter and contemptible failure of the department in such direction.

There may be arguments for and against having any Insurance Department, but certainly there can be no question that one which either cannot or will not carry out the Act by which and for which it was created is worse than useless, being a positive injustice to the honest Companies without serving any purpose regarding dishonest ones, and if the department cannot keep companies, both those having an existence and those having none, from transacting business in the Dominion without taking out a license or making the legal deposit, then, in the name of fair play and common sense, let it acknowledge its incompetency and have the justice to refund the deposits it holds already, such, very apparently, having been obtained under false pretences.

We understand that the department has been duly informed of some flagrant breaches of the Insurance Act by an agent or attorney of more than one unlicensed United States Company openly doing business in Quebec City, besides which we have reason to believe that at Sarnia and other points on the Ontario boundary similar evasions of the law are regularly practiced. We venture to assert that, as regards the Insurance Department of New York State, the superintendent has full powers to proceed against any delinquent who violates the law without waiting for information to be furnished him by third parties, but here it seems easy for the law to be "more honored in the breach than the observance."

In conclusion, while we do not hold state supervision in Insurance to be an unmixed blessing, believing it has the tendency with respect to that business of preventing the public from thinking for themselves, or using that discrimination which every one exercises in other branches of commerce, still if we are to have such supervision, surely we have a right to exact the real article and not the spurious imitation our paternal government humbugs us with.