

till it was too late. He was not sufficiently familiar with the subject of insurance to pronounce upon the general question, but so far as he was able to judge, the Bill seemed to be a very fair one.

Mr. CAMERON thought the difference between insurance companies and railway companies and carriers was so manifest and various that it might be unreasonable to restrict them in making conditions. In his opinion railway companies and carriers did not take any unreasonable advantage of the conditions imposed upon their contracts nor had any injustice been done in consequence of the endorsement of policies. The insurance companies ought to be able to protect themselves against fraud and arson. It was not in the interest of the public that persons should be able to effect insurances rashly, without sufficient care, or for a greater amount than the value of the subject of the insurance. The insurance of property for more than it was worth was a great inducement for the destruction of that property by fire and when any property was on fire the buildings surrounding were endangered. It was therefore in the interest of the public to protect insurance companies.

Hon. Mr. PARDEE said it would be invidious to apply the principle of not allowing any conditions, except those a court would declare reasonable, to insurance companies alone. If applied at all, it should be to corporations doing business in this Province. Therefore, he thought it would be better to introduce a general measure applicable to all companies.

Mr. CAMERON said if such a measure were passed it would affect other companies, and do them an injustice by depriving them of existing rights.

Hon. Mr. PARDEE said the hon. gentleman would recollect that this Legislature had incorporated joint stock companies, and it would be extremely unfair to apply the proposed principle to mutual insurance companies and not to joint stock companies.

Mr. BETHUNE said it would be very easy, by a clause in this Bill, to declare that provision applicable to all insurance companies.

Mr. DEROCHE said that he had seen letters from some of his constituents who disagreed with the principles contained in several of the clauses, particularly with the 39th, 40th, and 68th. He merely mentioned these objections for the information of the House, so that there would be a proper understanding of the matter.

Hon. Mr. CROOKS said it was his intention to introduce a form of policy which should prevail in reference to mutual companies. Since the Bill was framed he had had an opportunity of discussing the question with gentlemen interested in insurance, and there were many points in which he and they were in accord. He adopted many of the suggestions made by the Committee last session. It was generally agreed that a Bill should be drawn up which, while fully protecting companies from fraud, would cause the fullest feeling of confidence by the public in them. There were many arguments which would have to be considered by the Special Committee when the subject was before them. He knew, however, that the feeling of gentlemen connected with insurance companies was in the direction of having a Bill which would result in giving insurers confidence in the integrity of companies and securing uniformity of practice. He had no doubt that the Special Committee would be able to present a measure to the House that would be thoroughly satisfactory. A uniform policy in regard to insurance companies was highly desirable.

Mr. ARDAGH held that further protection than now existed was necessary for policy-holders. An instance came recently under his notice in which a party insured the company for the amount of his policy, but was told that his application did not state that there was a mortgage upon his property. The agent of the company had told the party that it was not necessary to do so, as it was merely collateral. The company, however, refused payment as the law was in their favour. He felt that something was necessary to more fully protect policy-holders under such circumstances.

Mr. LAUDER was in favour of the incorporation of the Proprietary with the Mutual. He drew attention to the fact that there was a strong feeling in the country with regard to the difficulty arising out of the Ottawa district fire. There were two branches—one the farmers', and the other the merchants'. Traders in villages naturally insured in the last branch, not thinking that they would be liable in any other branch; but still they were called upon

when the Ottawa fires came. He approved of the separation of the branches, and he was glad to see that this Bill would restore confidence among farmers in the adoption of this principle. A great deal of dissatisfaction had arisen because the law seemed to be so unsettled, owing to the mixing up of the different branches of the business.

Mr. E. B. WOOD said the question was one of great interest to the country. There was a large number of Mutual Fire Insurance Companies in the Province, and they had divided their business into the "Mutual" pure and simple, and into cash risks. He was not aware until he heard from the hon. gentleman that there was a division of risks, and he thought that system was confined to one company. Any system of insurance which would offer to the community the cheapest and the largest amount of security was the system which the House should adopt. The mutual system was based upon premium notes, cash risks, and upon cash premiums. Now this question arose:—If a fire took place on property on which there was a policy issued on the cash risk, what security had the policy-holder that he would be paid the amount of his loss? He had formed an opinion upon this point, which seemed to him to be the cheapest possible mode, and by which the largest amount of security could be obtained with the least possible locking up of capital. He might not entertain the correct view in reference to the matter, but he had not the slightest doubt that the Treasurer, who always brought to bear on questions of this kind great judgment, had thoroughly considered the question, and it was probable he had made up his mind on the subject. The House, however, had to look at the matter as affecting the whole community. One of the most important features of the whole Bill, and one which affected the interests of the whole community, was the principle embraced in the 68th clause, and for which the hon. member for South Grey had so much admiration. He (Mr. Wood) was not prepared so hastily to regard the Bill in that light, and should reserve his admiration. He however admired the rapidity with which the hon. gentleman had arrived at an opinion with respect to the clause. With regard to the remarks of the hon. members for Stormont and East Toronto he thought they were deserving of consideration. He himself would be unwilling to leave to judges the deciding of the reasonableness and unreasonableness of conditions to be employed by insurance companies. For nearly a century in England the principal judges of England had been endeavouring to decide what conditions carriers could reasonably use. The judges in the Court of Exchequer, Common Pleas, Queen's Bench, Exchequer Chamber, and the House of Lords had been endeavouring to decide upon a contract for their use. About fifteen of those learned gentlemen gave their opinions upon certain points connected with those contracts, and, if he remembered right, eight gave them one way and seven the other. This was a very difficult matter to decide, and he would be reluctant to leave to the courts its decision. He quite agreed with the hon. gentleman for East Toronto that fraud was one of the questions that should be answerable. He rather thought that the question, if a person obtained a policy by fraud should be void, had been determined in former years. (Laughter.) He felt certain that a mutual insurance company that would put conditions of the kind that had been referred to upon their policies, and that would avail themselves of technicalities with a view of defeating the recovery of a loss, might do so once or twice, but in this age of the world their business would rapidly grow less, and eventually would be very small indeed. He, however, believed that certain conditions should be laid down, that insurance companies and insurers should be bound to them, and that those conditions should be the only normal ones on which policies should be issued. (Hear, hear.)

Mr. FERGUSON made some general observations upon the Bill.

Mr. PRINCE said insurers seldom took the trouble to inspect the conditions on which the policies were issued, and only found when too late that they had been sold. He did not suppose any legal gentleman who had had anything to do with insurance companies could not have helped having gross injustice done in the matter. He was firmly of opinion that a remedy might be arrived at in this way. There should be conditions laid down from which the insurance companies should not be allowed to depart, whether mutual insurance companies or otherwise, and when the insurer complained of being taken by surprise, he might be told that a certain statute told him for what he was responsible when he went in for insurance. The insurance companies might then print the condi-