

business in Montreal in 1804. On account of the growth of the insurance business of these early British companies, branch offices were established and local managers were appointed, charged with directing the companies' affairs in Canada.

The Halifax Fire Insurance Co. is the first purely Canadian company of which any record is obtainable. Founded in 1809 as the Nova Scotia Fire Association, it was chartered in 1819 and operated in the province of Nova Scotia until 1919, when it was granted a Dominion license. Among the other pioneer fire insurance companies still in operation, mention may be made of the following:—the Quebec Fire Assurance Co., which commenced business in 1818 and was largely confined in ownership and operations to Quebec province; the British America Assurance Co., incorporated in 1833, the oldest company in Ontario; the Western Assurance Co., organized in 1851, and, after a rapid and steady growth, one of the largest companies of its kind on the continent; two United States companies, the *Ætna* Insurance Co., Hartford, Conn., and the Hartford Fire Insurance Co., which commenced business in Canada in 1821 and 1836 respectively.

A company desirous of carrying on business throughout Canada must obtain a license from the Dominion Government. If it proposes restricting its operations to one particular province, a license may be had from that province, and it may transact business within such limits without regard to any general laws of the Dominion relating to insurance. In 1875 a Department of Insurance was created as a branch of the Finance Department at Ottawa, under the supervision of an officer known as the "Superintendent of Insurance", whose duties are to see that the laws enacted from time to time by the Canadian Parliament are duly observed by the companies. Some important requirements under these laws are:—(1) a deposit of \$50,000 of approved securities with the Government; (2) the appointment of a chief agent with power of attorney from the company; (3) the filing of a statement showing the financial position of the company at the time of its application for a license, and subsequent annual statements of its business. In addition, books of record must be kept at its chief office and be open to the inspection of government officers whose practice is to examine them annually.

The report of the Superintendent of Insurance for the year ended Dec. 31, 1927, shows that at that date there were 203 fire insurance companies doing business in Canada under Dominion licenses, of which 44 were Canadian, 64 were British and 95 were foreign companies, whereas in 1875, the first year for which authentic records were collected by the Insurance Department, 27 companies operated in Canada, 11 Canadian, 13 British and 3 American. The proportionate increase in the number of British and foreign companies from 59 p.c. to 78 p.c. of the total number is a very marked point of difference between the fire and life insurance businesses in Canada, the latter being carried on very largely by Canadian companies.

Although in its early days the Dominion did not prove a very lucrative field for fire insurance companies, of late the great advance in building construction and the wide use of improved fire appliances and safety devices reduce materially the danger of serious conflagrations and place the risks assumed by companies in Canada on an equality with those of other countries. A general decline in the rate of losses paid to premiums received may be noted in recent years (Table 1).

A feature of the fire insurance business during recent years, besides the increase in premiums received, is the continued increase in the number of companies which are operating on the mutual or reciprocal plan. These companies, in which all profits or losses are directly received or paid by the policyholders, are making themselves felt as competitive factors in the fire insurance business.