

have been paid, and outstanding contracts reinsured, within a few months after the date of liquidation in 1936. It is of interest to note that, following the collapse of this exchange, the other principal exchanges, theretofore subject to the proviso in question, executed declarations under subsection (2) regularizing their Canadian deposits.

The 1934 amendment of the Canadian and British Insurance Companies Act, 1932, gave recognition to a changed status of underwriters at London Lloyds in Canada. Under c. 46 of 1932, and antecedent legislation, these underwriters were treated as an insurance company, subject to a licence thereunder as a condition of their transaction of business in Canada, but had continuously refused to make deposits of any kind, and so remained unlicensed. In 1934 the privilege of obtaining such a licence was withdrawn from the underwriters and the requirement that such a licence should be a condition precedent to the transaction of their business in Canada was repealed. The result has been that since 1934 the underwriters have been free to transact their business in Canada subject to such conditions as might be imposed by the provinces in which they operate, and licences have been granted by a number of provinces with only nominal, if any, deposits; in other provinces licences may not be granted under existing provincial legislation.

The following figures indicate the distribution of fire and casualty insurance business between Dominion licensees and provincial licensees, respectively, as at Dec. 31, 1940, with comparative percentages for the business of 1931. To complete the picture, figures for life and fraternal insurance are also included:—

Class of Business	Dominion Licensees	Provincial Licensees	Ratio of Provincial Licensees to Total	
			1940	1931
	\$	\$	p.c.	p.c.
Fire Insurance—				
Insurance in force.....	10,737,568,226	1,123,034,493	9.48	12.32
Net premiums written.....	41,922,312	4,439,095	9.57	12.49
Casualty Insurance—				
Net premiums written.....	42,793,149	1,982,199	4.43	6.54
Life Insurance—				
Insurance in force.....	6,975,322,460	66,143,241	0.94	1.55
Net premiums received.....	202,201,095	1,962,015	0.97	1.28
Fraternal Insurance—				
Insurance in force.....	177,565,039	62,607,675	26.07	34.69
Net premiums received.....	3,525,635	1,525,304	30.20	36.00

An outstanding feature of the development of fire insurance in Canada in the past twenty years has been the very substantial increase in the number of companies operating in Canada and competing for a reducing volume of premium income. The increase in the number of companies has been due, in part, to the influx of British and foreign companies, subsidiaries of, or affiliated with, companies previously licensed, in the hope of securing for their respective groups a larger share of the business; the decrease in the volume of premiums has been due to a steadily