

**Casualty Insurance.**—The great majority of fire insurance companies operating under Dominion registration transact one or more classes of insurance other than fire, such as automobile, personal accident and sickness, hail, guarantee, and other classes affecting the person and property. These latter classes, however, have shown a more rapid rate of growth than has the fire insurance business and in 1940, for the first time, the volume of casualty premiums exceeded the fire premiums; this tendency has increased until, in 1945, the casualty premiums amounted to over \$69,000,000, while the fire premiums amounted to just over \$58,000,000. The casualty classes that, at the present time, show the greatest rate of increase are automobile, personal accident and sickness, and personal property insurance.

**Number of Operating Companies.**—There has been a marked increase in the number of companies operating in the fire and casualty field until at the present time the total number of such companies registered by the Department is 320 as compared with 280 in 1929. While this increase has occurred in companies of all nationalities, Canadian, British, and foreign, the most marked change has been in the latter group and the reason for this is probably to be found largely in the restriction of charter powers of companies domiciled in the United States.

Until recently it has been the policy of the States of the United States, by which the great majority of insurance companies in that country are organized, to prohibit a company authorized to transact fire insurance, for instance, from transacting also any class of insurance relating to the person, so that such a company would be prohibited from issuing personal accident and sickness policies or liability policies indemnifying for injury to the person. The result was that while that company might issue an automobile policy covering fire, collision, theft, and property damage, it could not cover the liability feature indemnifying the insured against claims by third parties arising from personal injuries. To overcome this handicap the fire insurance companies were driven either to incorporate or acquire separate casualty companies to transact the casualty classes involving the insurance of the person. The British companies having, as a rule, omnibus powers and the special Acts incorporating Canadian companies providing only the one restriction, namely, that life insurance business if transacted by companies transacting fire or casualty business should have a complete separation of funds, assets, and accounts for the life business, there has been no tendency to multiplication of companies.

It is a matter for gratification that many of the States are at the present time inclined to revise their Acts so as to permit a combination of the principal casualty classes with fire. The State of New York, for instance, at the session of the Legislature in 1946 and 1947 has abandoned the prohibition in respect of automobile insurance referred to above.

### General

**Taxation.**—The life insurance business in Canada is largely exempt from taxation in Canada except to the extent that the premium income thereof is subject to a specific tax which, since the beginning of the War and up to date, has been levied solely by the Federal Government; the rate of that tax is 2 p.c. on the net premiums less dividends to policyholders and excluding the consideration for