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## Life Companies' Assets Trebled; Business Doubled

**DEVELOPMENT and Growth of Canadian Life Insurance Companies**  
*During the Past Decade—Elimination of Doubtful Practices—  
Influence of the United States on Canadian Life Underwriting.*

**I**N Canada's early days life insurance was the smallest of the financial institutions. Only one Canadian company was operating, and the total insurance in force of all companies did not exceed \$30,000,000. The banks, however, grew in number and importance. Nineteen new banks sprang into existence within seven years after Confederation, and the total capital doubled. Mr. Herbert C. Cox, president of the Canada Life Assurance Company, referred to these facts to-day in addressing the Association of Life Insurance Presidents at New York. His topic was "A Decade of Business Progress in Canada." It was unusually interesting and instructive. "Canada," said Mr. Cox, "is subject to two great influences, that of Great Britain and that of the United States. The greatest or most forceful influence upon life insurance in Canada twenty years ago came from the United States." Mr. Cox continued:—

The best financial minds were at work in the building up of United States companies, and it is true that the formidable rivals to business in Canada had their springs of energy in New York. Canadian life insurance, endeavoring on the one hand to hold fast to British ideals, was swayed on the other by the aggressive methods of its competitors from the south. Gradually the Canadian companies awakened to a situation which required their utmost skill for solution. Unfortunately there had been and still continued a form of competition among themselves which was harmful to the business and while this strenuous rivalry between Canadian as well as American life insurance companies resulted in a great stimulus to, and large increase in the business written, a larger measure of co-operation would have been the wiser course.

It is the good fortune of Canada,—in some respects the doubtful fortune,—to have repeated in Canada anything which has considerable vogue in the United States. Though not of this doubtful benefit, the Armstrong investigation of life insurance aroused great interest, and soon after Canada had an investigation, with the result that the business was cleared of some unfounded aspersions and some admittedly injurious practices were removed. The outcome of this investigation was the Insurance Act of 1910, under the provisions of which Canadian companies are now working.

As an outcome of better conditions in the field and in home offices, which were developing in fact long before the insurance investigation, Canadian executives have had time to give more thought to plans for the betterment of policy contracts and the paying of dividends to policy-

holders. Contracts have been interpreted more liberally for many years, and claims have not been contested on technical grounds. Larger cash values, even exceeding those contained in old policy forms, have been allowed, and free or paid-up policies have been issued for more than was guaranteed many years ago when the insurance was first taken out. The better companies now give to policyholders the benefit of the doubt, whether the point be one of contract or one of those questions of justice and equity which are always arising for decision in a large company. For instance, there was at the beginning of the decade a strong tendency to treat as lapsed policies which could not technically be proven to be in force, but recently the automatic nonforfeiture clause has been made to apply (when requested by the assured) to old policies, thus preventing their technical lapse under terms of the old contract, and in most companies policies are generally considered in force so long as a margin of loan or cash value exists.

In tracing the influences which have been at work during the past ten years in bringing about these improvements in the conduct of the life insurance business in Canada, there can be no question that organized co-operation between the head offices of companies and agents had much to do with the abolition of wasteful practices. The Life Officers' Association, founded in 1894, had objects somewhat similar to the Life Presidents' Association, and one of its earliest reforms was the banning of competitive literature, ratio comparisons, and mutual abuse. These reforms could not have been accomplished except by the companies in their association agreeing together to discontinue issuing unfair comparisons. The folly of that wasteful form of competition is now seen and the loss which was sustained by agents spending their time vilifying one another instead of working in co-operation to raise the general tone of the business and impressing the public with the value of life insurance.

The life insurance agents of Canada, having organized themselves into the Life Underwriters' Association of Canada in 1906, gave most valuable support to the Life Officers' Association in carrying out these reforms, and also initiated several improvements of their own. The rebating of premiums was brought to a sudden stop, not only through the operation of the Insurance Act of 1910, which forbade it under heavy penalties, but even more because of the agreement reached by the underwriters themselves before the act came into force, that they would not rebate. In most towns and cities the local associations