

Private Bills

throughout the country. I plead with parliament and with the government to adopt a more reasonable method of pooling the savings of the Canadian people by expanding the operations of the Canada Pension Plan to offer options to the Canadian people of every variety of life insurance, which the public authority could do at a fraction of the cost of this horde of commission agents. I say, therefore, that I am not going to stop second reading of this bill, but I do want to point out the dangers of continuing along this path.

Mr. M. W. Martin (Timmins): Mr. Speaker, I should like to say a few words on this bill. First of all, I should like to give my endorsement to the remarks of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron). I must frankly confess that I am not an expert in this field. There was a time some years ago when I had an opportunity of gaining a little more knowledge of this field, and I should like to relate that experience to underline the remarks made by the hon. member for Nanaimo-Cowichan-The Islands. This experience goes back some years, in fact to a time before I had the privilege of entering this august chamber. At that time I was the president and chairman of the bargaining committee of the firefighters local. A pension plan had been shoved down the necks of the employees of our municipality by an insurance company along with the council of the day. We did not like it. We did not know too much about pension plans but the more we read about this plan the less we liked it. We proceeded, therefore, to get together to study it and various departments of the municipality raised certain objections. Finally we were treated to a display by the district troubleshooter of this insurance company. He gave us a real pep talk. However, we had delved deeply enough into the plan that we were not impressed and our questions got him into some pretty tough sledding.

The upshot was that he came around the next day to offer me a job with his insurance company. I was not too interested but I was curious. I asked him what they had in mind. He said that they would take me and train me for six months and while I was being trained they would pay me something like \$100 a month more than I was receiving at that time as a firefighter, first class. At the end of six months the company would open a local office. They did not have a local office in my community. I would service the various pension plans they had, pick up any new ones I could and start selling life insurance. They said they would pay me a salary for

the first six months, plus commission. At the end of six months I would go on straight commission. I asked him what the commission was and he informed me the commission would be 90 per cent of the first year's premium, 15 per cent in the second year, then 5 per cent per year for five years and 2 per cent as long as the policy was in force. This seemed to me to be completely out of line. Perhaps I overestimated my ability, but I thought I had enough selling ability that if I had gone out and really "turned on the steam" for a few years I would be able to retire on my 2 per cent.

• (6:20 p.m.)

I discovered after searching further into the matter that this was not exactly the case. The company had another little scheme which prevented this state of affairs occurring. It seems that the company set a quota each year. The quota was the amount you sold the year before plus a certain percentage. For example, if a salesman sold \$100,000 of insurance this year, next year his quota would be \$150,000. When he reached \$500,000 his next year's quota would go up to \$600,000. If he really had ability and got his sales up to \$1 million his quota would be raised again the following year. I also found, that the 2 per cent or 5 per cent or 15 per cent applied only as long as you met your quota. That possibly explains why there is such a tremendous turnover of salesmen in life insurance companies.

One matter referred to by the hon. member for Nanaimo-Cowichan-The Islands, which I believe amounts to false pretences on the part of insurance companies in this country, involves the fact that when a policy is sold to a customer the 2 per cent is supposed to be the salesman's commission. But once a salesman ceases to work for the company the 2 per cent does not revert to the customer but goes into the coffers of the insurance company. I have seen cases time and time again of men who were top salesmen and had worked for years for a particular insurance company all of a sudden moving to another company and not obtaining any credit for previous sales.

What angers these salesmen is that the customer does not even get a rebate on his policy, and to me this amounts almost to false pretences. This is one of the causes of proliferation to which the hon. member referred. The more companies there are in the insurance field, the more 2 per cents will be taken from the customers, the people of