

OFFICIAL ORGAN OF THE INSURANCE FEDERATION OF BRITISH COLUMBIA

Preliminary Report on Dominion Insurance in 1919

Preliminary figures issued by the Department of Insurance, Ottawa, show a total of life insurance business in force of \$2,187,833,396 at the end of 1919. This is the Canadian business of all companies operating under Dominion license, and does not include the foreign business of Canadian companies. The totals for Canadian, British and foreign companies, in comparison with 1918, are as follows:

Net Premium Income

	1918	1919
Canadian companies	\$ 38,728,815	\$ 47,127,406
British companies	1,935,219	2,201,462
Foreign companies	20,977,013	25,378,376
Total (in Canada only)	\$ 61,641,047	\$ 74,707,244

New Business (Net)

	1918	1919
Canadian companies	\$174,000,018	\$314,489,448
British companies	5,781,513	10,724,872
Foreign companies	127,498,228	192,649,319
Total (in Canada only)	\$307,279,759	\$517,863,649

Death Claims, Matured Endowments and Disability Claims

	1918	1919
Canadian companies	\$ 16,063,901	\$ 17,440,764
British companies	1,466,069	1,895,928
Foreign companies	8,717,631	8,722,110
Total	\$ 26,247,601	\$ 28,058,802

Net Insurance in Force

	1918	1919
Canadian companies	\$1,105,503,447	\$1,362,626,562
British companies	60,296,113	66,909,143
Foreign companies	619,261,713	758,297,691
Total (in Canada only)	\$1,785,061,273	\$2,187,833,396

The business of Canadian companies outside of Canada showed corresponding growth. Some of the totals, compared with 1918, are as follows: Net premium income, \$1918, \$14,459,445, 1919, \$17,307,075; new business, 1918, \$46,893,922, 1919, \$74,749,182; insurance in force, 1918, \$289,319,861, 1919, \$349,430,461; claims paid, 1918, \$3,728,770, 1919, \$5,744,164.

Fire insurance to a net amount of \$4,904,396,461 was in force in Canada at the end of 1919, compared with \$4,523,514,841 at the end of 1918. The insurance is distributed among Canadian, British and foreign countries as follows:

	1918	1919
Canadian	\$ 757,301,291	\$ 865,120,232
British	2,414,696,483	2,559,021,814
Foreign	1,351,517,067	1,559,021,814
Total	\$4,523,514,841	\$4,904,396,461

The results for the year were much better than those for the year 1918. The net cash received for premiums and the net amount paid for losses during the year, with the ratio between them, in comparison with 1918, may be summarized as follows:

	1918		
	Premiums	Losses	Ratio
Canadian	\$ 5,570,095	\$ 2,741,904	49.2
British	18,658,710	9,907,999	53.1
Foreign	11,725,600	6,709,349	57.2
Total	\$35,954,405	\$19,359,252	53.9

	1919		
	Premiums	Losses	Ratio
Canadian	\$ 6,398,098	\$ 2,690,576	42.1
British	20,385,117	8,397,483	41.2
Foreign	13,131,183	5,554,113	42.3
Total	\$39,914,398	\$16,642,172	41.7

The net losses paid do not, of course, correspond exactly to the net amount of losses incurred during the year, which are in some cases greater and in others less.

The results by Western Provinces are summarized below:

Net Premiums Written—1919

	Alta.	B.C.	Man.	Sask.
Canadian	\$ 773,076	\$ 700,120	\$ 873,220	\$ 996,108
British	1,391,591	1,973,051	1,478,641	1,567,030
Foreign	1,032,794	1,723,891	1,174,965	1,069,800
Totals	\$3,197,461	\$4,397,062	\$3,526,826	\$3,632,938

	Alta.	B.C.	Man.	Sask.
Canadian	\$ 257,889	\$ 179,020	\$ 250,830	\$ 311,860
British	526,526	604,545	353,957	653,420
Foreign	314,893	522,724	296,708	475,124
Totals	\$1,099,308	\$1,306,289	\$ 901,495	\$1,440,404

Net Losses Incurred—1919

	Alta.	B.C.	Man.
Canadian	\$ 257,889	\$ 179,020	\$ 250,830
British	526,526	604,545	353,957
Foreign	314,893	522,724	296,708
Totals	\$1,099,308	\$1,306,289	\$ 901,495

REVIEW OF LIFE INSURANCE RESULTS IN 1919.

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exactly 50 per cent. were invested in bonds and stock, and 30 per cent. in mortgage loans, another 12 per cent. being represented by loans to policyholders. Such figures as these make clear the investment demand represented by the insurance companies, and taken in connection with what we have already seen, as to the growth of insurance writings in the last few years, show a collection of small savings, current and prospective, quite comparable with those in our savings banks.

In this connection, it is of interest to note one feature of the life insurance companies' investment assets, their holdings of United States Government securities. On December 31, 1916, the par value of Government bonds held by the companies operating in New York State was only \$386,000. The reason for this was the obvious one that the yield was too small to permit large scale investment by companies doing business on a three and one-half per cent. mortality-table basis. Two years later, their holdings had grown to nearly \$475,000,000—the exact figures are \$473,912,792. It is not possible as yet to give the corresponding figure for 1919, but a partial compilation shows that companies which in 1918 owned Government securities whose par value was \$340,000,000, owned \$450,000,000 par value on December 31, 1919. If this proportionate increase obtained for all the companies, it would indicate total holdings of about \$630,000,000, an increase of approximately \$155,000,000. This represents five-eighths of the total net increase of admitted assets of the companies during the year in question, and shows the way in which the insurance companies have seized and are seizing the opportunity to obtain bargains in Liberty Bonds at the low prices that prevail.