

OFFICIAL ORGAN OF THE INSURANCE FEDERATION OF BRITISH COLUMBIA

Gleanings from Dominion Insurance Report, 1917

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Life Insurance in 1917 remarkable year—Comparison with small beginnings in Canada in 1875—Large percentage of insurance income paid out to policyholders.

The complete report for last year, namely, 1917, has just come to hand, and it contains the following informations. Insurance written in Canada in the year 1875:

Canadian companies	\$5,077,601
British companies	1,689,833
Foreign companies	8,306,824

Total for all companies..... \$15,074,258

From this it will be observed that forty-two years ago this trifle of insurance, namely, \$15,074,258, was the total business issued on the lives of the citizens of Canada and it can only be explained from ignorance of insurance, superstition and principally from the lack of missionaries of the gospel of insurance among the people of Canada.

In the year 1917 the amount of business written by:

Canadian companies	\$172,703,621
British companies	5,109,183
Foreign companies	104,307,626

Or a total of.....\$282,120,430

And while this total shows a tremendous increase over that of forty-two years ago, yet it is smaller than it should be. As the old generation die off and the new one becomes matured, it will be easier for the agent to induce people to do the right thing by their loved ones, for superstition and ignorance of life insurance is being removed and the modern way of creating an estate, namely, by insuring one's life, will become more and more popular.

A man's property is destroyed by fire—the first question is: How much insurance had he? In a short time when a man dies the question will be: How much insurance had he on his life, and his good judgment and common sense will be judged by the amount published.

The net amount of insurance in force in Canada in 1875:

Canadian companies	\$21,957,296
British companies	19,455,607
Foreign companies	43,596,361

Total insurance in force..... \$85,009,264

Insurance in force in Canada December 31st, 1917:

Canadian companies	\$996,699,282
British companies	58,617,506
Foreign companies	529,725,775

Total\$1,585,042,563

Or over a billion and a half of dollars.

Premium income in Canada during year 1875:

Canadian companies	\$ 707,256
British companies	623,296
Foreign companies	1,551,835

Total\$2,882,387

Premium income in 1917:

Canadian companies	\$34,599,199
British companies	1,957,143
Foreign companies	18,287,267

Total\$54,843,609

Payment to policyholders in the year 1879, \$1,301,480.

No statement is made for the year 1875. Hence 1879 is quoted.

The total income in 1879 of all companies was \$2,606,757, which was less than 1875.

Total payments in 1917 to policyholders, \$39,883,913. Hence for every \$100 premiums received during the year there has been paid to policyholders \$58.22, leaving \$41.78 to be carried to reserve, expense and profits.

The total income of Canadian companies only during 1917 was \$66,232,692.16, made up as follows:

Premium and annuity sales.....	\$48,446,284.56
Interest, dividends and rents.....	17,637,462.23
Sundry	148,945.37

Total\$66,232,692.16

They expended \$42,137,508.77 of this amount as follows:

Paid to policyholders and annuitants.....	\$27,570,554.48
General expenses (including investment expenses.....	13,223,840.39
Taxes	794,109.12
Dividends to stockholders.....	549,004.78

Total\$42,137,508.77

Hence out of every \$100 of income they have expended in payment to policyholders	\$41.63
General expense	19.97
Taxes	1.20
Dividends to stockholders83

Leaving \$36.37 to be carried to reserve.

A man insures his life today for \$1,000. In the eyes of the law it is worth very little, but if he dies it is worth \$1,000. He is one of the ones that should die according to the mortality tables and his loss is provided for by the premiums paid by the other policyholders. Like wine, the policy increases in value as it grows older, so that ultimately the reserve equals its face. This is the foundation of life insurance, which is founded on a sure rock.

In 1917 the value of all the policies in force in Canadian companies was \$267,172,605.03, and their total assets \$322,744,798.69.

During the year 1917 there was \$5,629,232 paid as the result of the war against \$6,518,088 being the total of 1914-15-16. The war claims in 1917 was 31.30 per cent. of the total claims paid.

Total Canadian war claims incurred, including companies with provincial licenses and claims paid by Canadian companies to British and foreign policyholders from 1914 to December 31, 1917, was \$14,479,199.

The above general statement does not include the insurance in companies which have not a Dominion license or fraternal societies. To the above \$1,585,042,563 should be added.

Fraternal with Dominion licenses.....	\$109,691,288
Insurance in companies with provincial licenses	12,678,080
Fraternal working under provincial licenses	
and British and foreign fraternal.....	398,665,188

So that the total insurance in force in regular companies and fraternal societies on the citizens of Canada amount to \$2,110,604,124.

The volume under review gives in great detail every phase which affects the solvency of the companies and the interests of the policyholders. In fact, so far as life insurance is concerned, the Dominion government is very paternal.

Semi-annual reports must be furnished by all companies, showing the movement of their securities, what they purchased, from whom and what was paid, what they sold, who they sold to and what they got for them, and many other details which should be of great importance to those interested in the business whether they be agents or policyholders.