

*Private Bills*

can best be served by having them operated by persons who are responsible to the Canadian public. We have not taken such care with insurance companies, although such companies provide large sums of money used in our economic development, particularly mortgage money for housing.

• (6:30 p.m.)

It is interesting to note that this bill meets the criteria we are trying to establish with respect to ownership for all companies engaged in the insurance and assurance business. This is a Canadian company which was initially provincially incorporated in British Columbia, under provincial statute, in 1956. Most of the directors have served on the executive at the provincial level.

I believe it is necessary to have competition between insurance companies and insurance agents. It is nice to have two or three agents in a town with whom one can discuss insurance problems, but since we already have 3,000 to 4,000 insurance companies in existence I do not see the necessity for additional competition by increasing their number. Members of this party have been unable to find out from any reliable source whether there is any necessity for creating new insurance companies.

One problem which has arisen in connection with this bill was discussed in committee today, when the answer was given that incorporation was arrived at by the use of the legal term "deemed to be a company." In this case we are establishing a company which has previously operated under provincial jurisdiction. We can ascertain from the bill who the directors will be, what type of company they want to incorporate, what type of insurance they want to underwrite, and how much money they must raise before incorporation. Because it is a company that has been under the supervision of the inspector of insurance, that official has been able to tell us that its previous operations were proper and that it is the type of company that should receive incorporation.

This company will assume the responsibilities of the provincially incorporated company, and in effect will be transferred from provincial to federal jurisdiction. I am sure many other companies will follow this path.

All hon. members have had the experience of going into an insurance agent's office and seeing the agent draw a form from a drawer containing 20 or 30 forms for various companies—possibly a hundred or, if he is fortunate enough, 3,000 forms representing all companies. It does not seem to make any

difference which form he picks up. One agent told me he took the forms in rotation. Is this really competitive? Is there any difference if he picks out the first one or the seventh one so far as the cost of insuring property is concerned?

If you are seeking life insurance, does it make any difference whether you go to one agent or another and ask about the cost of term insurance, of endowment policies, or of sickness and accident insurance? I think there is no difference and no competition. There may be competition in other forms of insurance but the number of companies does not have much effect.

From checking with some of my colleagues from British Columbia I have discovered that the three major shareholders in this company are important members of a political party. They also have connections in a number of other operations. They were involved in setting up a sickness and accident insurance company which could have administered the federal health plan in that province, and considering the amount of money which such companies can provide for long-term mortgages I think this is worth investigating, because there might be a danger that such companies would decide to halt their normal investment in such an important part of our economy.

The other night I discussed with a number of people the problems raised by the needs test connected with the old age pension supplement, and the difficulties that arise in securing widows and veterans allowances. If a person has savings it is difficult to obtain these benefits. I told the people I met that it was becoming less and less advantageous to take out life insurance policies of the endowment nature, and that it would be very foolish for a young person today to take out a government annuity. For a person in the low income level to acquire sizeable savings may result in his eliminating himself from various social and welfare benefits.

• (6:40 p.m.)

I think there are many facets of the insurance business which warrant consideration. The major consideration should be the desire of the Canadian people not to incorporate insurance companies just for fun, but rather to incorporate insurance companies which will have in mind the welfare of the nation, because the large assets these companies have should be used for the public good. In my opinion, in a few years these assets will be transferred into an additional section of the Canada Pension Plan which will allow us to

[Mr. Peters.]