

Casualty Insurance in Canada, 1912

By JAMES ANDERSON

THE outstanding feature in connection with casualty insurance in Canada during the past year has been the work undertaken by Sir William Meredith with respect to workmen's compensation, and the report which he is expected to make to the Legislature of the Province of Ontario before next Session. A more careful and painstaking person than Sir William could not have been selected, or one better qualified to fulfil the duties devolving upon him would be hard to get. He has taken the greatest pains and trouble in the collecting of information from every available source, in order that he might do justice to the subject, and while the interests of the various parties who have been before him have in many respects been conflicting we have no hesitation in saying that out of the mass of evidence which has been taken, he will be able to prepare such a report as should meet with approval on all sides. Some months ago Sir William made an interim report to the Premier of the Province, and if one can judge from reading the report as issued, we would say he was in favour of governmental insurance of some kind; but whether he has changed his opinion in this respect since his visit to England, France and Germany, where he went to study the subject in its different phases, remains to be seen. Workmen's compensation is one of the live issues not only in Canada but practically all over the world to-day. Throughout the Dominion the different Provinces have acts, none of which seems to be giving satisfaction, and it is hoped that such a model act will be passed by the Province of Ontario, that it would be followed by the other Provinces, making the question of compensation of workmen universal throughout the Dominion. After the return of Sir William, in the month of December, public meetings were again held in Toronto to discuss the question, and it would appear that so far as the different parties interested are concerned, they are no closer to-day than when they started. The companies doing liability insurance are possibly the ones which will be the most directly affected, should state insurance be recommended by Sir William and an act passed in accordance therewith. While some employers look upon such a solution of this difficult question with favour, on the other hand the largest employers of labour in Canada are directly opposed to it. The C. P. R., which is the largest employer of labour in Canada, strenuously oppose the attitude which the Commissioner had taken with respect to state insurance, they holding that the interest of employer and employee and the general public as well, would be better served by a system of compensation whereby each individual employer of labour would be liable for its injuries suffered by workmen in his own employment, and they object, on the ground that they should be compelled to contribute to a state insurance fund or forced to share the accident liabilities of other railroads. This attitude is strongly opposed to that taken by the Manufacturers' Association. Whatever the effect of the evidence taken is, it is to be hoped that some measure will be brought in which will do away with the present Ontario Act, which, as it stands to-day, is a disgrace.

ACCIDENT INSURANCE.

THE business of accident insurance in Canada was transacted by 21 companies, of which 10 were Canadian, 5 American, and 6 British, and from what we can learn from the management of the different companies, the year as a whole on this branch of the business when the financial statements are prepared will prove satisfactory. One of the outstanding features of this branch of the business for the past year has been the number of accidents from automobiles, and some companies complain that they have suffered severely from this class of accident in having had to pay so many death claims.

GUARANTEE INSURANCE.

THE number of companies carrying on the business of guarantee insurance during the past year was 13, of which 4 were Canadian, 4 British, 5 American. While the business on this branch has generally been good, companies have suffered serious losses from defalcations. A branch of the business which in the past has proved most remunerative was that of guaranteeing contracts, and we understand that some of the companies which made a specialty of this business are anything but pleased with the result of the year's operations, and will in the future possibly take more care in the selection of the business than they have in the past.

Competition on this branch has been keen and the rates secured have not always been commensurate with the risk run.

BURGLARY INSURANCE.

THIS branch of casualty business, which is transacted to a considerable extent in foreign countries, was only introduced into Canada ten years ago. It is carried on by seven companies, three of which are Canadian, one British and three American. The business up to date has not grown to any great extent, as the total premiums received for 1911 amounted to but \$60,669, and the loss paid was \$17,739. The public has not been educated to this class of insurance to any extent, but we have no doubt as the benefits become better understood it will be taken greater advantage of.

AUTOMOBILE INSURANCE.

AUTOMOBILE insurance, as was to be expected from the number of vehicles which are being purchased year by year by Canadians, is assuming greater proportions, but whether companies transacting this class of business are making any money out of it is another question. The last Government report, which we have for the year 1911, shows that the premiums received for this class of insurance amounted to \$253,550, and the loss paid was \$165,101, with \$26,796 of losses outstanding, and when the expenses of securing and looking after the business is taken into consideration there is little, if anything, left for most of the companies. During the past year two or three casualty companies have been in process of organization, and at the present session of Parliament of Canada we notice that application for charters is being made by two or three other companies. While the field for this class of business is increasing year by year, we believe that at the present time, with the number of British companies which are taking advantage of the fact that they can transact not only life and fire insurance, but various branches of casualty, and which have put up deposits in Canada for the transaction of business, will be found ample for looking after the business as it stands to-day. Competition is becoming very keen, and as a result there has been some cutting of rates, which we can hardly consider justified if one is to judge from the experience of the companies in past years. Most of our Canadian companies are strengthening their position and are able to compete, and are securing a large share of the business over the British and American companies which have been established here for some years.

Industrial Life Insurance

INDUSTRIAL life insurance in Canada is almost wholly conducted by two Canadian companies, the London Life and the Union Life, and two American companies, the Metropolitan, of New York, and the Prudential, of Newark.

The Metropolitan was the first to undertake this class of business, entering the Canadian field in 1872. The London Life came next, commencing business in 1874. Following this company was the Union Life, of Toronto, in 1902, and in February, 1909, the Prudential entered the field.

For many years the bulk of the industrial insurance was done by the Metropolitan Life, and it continued to secure the largest portion of the business until a couple of years ago, when the Union Life and the Prudential challenged it for first place, and in the year 1911, the Union Life was the largest producer of industrial life insurance in Canada, having written during the year \$17,806,240.

Industrial life insurance has benefited greatly by the remarkable trade prosperity throughout the Dominion, and the past year has been one of the best, and it is expected that the record made in 1911 by one of our Canadian companies will be again repeated.

From the nature of the business, and the manner in which collections are made, industrial insurance is bound to be expensive, and one of the great difficulties companies have had to contend with in the past is criticism of the manner in which the business is carried on, but we believe in most cases such criticisms are made in good faith, but in utter ignorance of the business.

That it is a most expensive business to establish and place on a self-sustaining basis, has been the experience of every British, American and Canadian company. Before either of the great industrial life

companies of the United States really secured a foothold in the business, they had expended millions of dollars, and it is not more than twenty years ago that the great Metropolitan Life, of New York, was practically bankrupt, while to-day it has assets of over \$350,000,000, and a surplus of \$33,000,000, over and above all liabilities.

Canada to-day is in a much better condition to reap the benefits of industrial life insurance than was the United States, when the Prudential or Metropolitan Life were started, and while the growth of our Canadian companies may not be so rapid as that of the American companies, they can profit by their experience in the past, and build on a more solid foundation. Since industrial insurance was first introduced into Canada, the whole business has been revolutionized. Insurers to-day receive benefits which in the old days were never dreamed of, and the growth of the business has done more towards teaching the general public thrift, than any other business we know of.

While we have four companies actively in the field canvassing for business, in comparison to our population the amount of insurance in force is small; as a matter of fact we are a very much under-insured people, so far as life insurance is concerned, and the companies and the press have much to do in educating the masses to take advantage of the opportunities offered them.

Canadian Building in 1912

ACCORDING to the Contract Record, the building expenditure of thirty-seven of the principal cities and towns of the Dominion for 1912 reached the large sum of \$185,898,535, this representing the proportionate increase of 41 per cent. over the corresponding returns for 1911. Toronto heads the list.

In comparing the returns with those of 1911, it is interesting to note the changes that have taken place in the positions of the "runners-up." Toronto's supremacy is likely to remain unchallenged for some years. Last year Vancouver, which occupied second place in the 1911 returns, dropped from second to fifth place. Winnipeg improved her position a point. Calgary, with an expenditure of over twenty millions and a percentage of increase of 58, jumped from fifth place to third, incidentally beating Montreal and running neck-and-neck with Winnipeg.

In whole list of thirty-seven cities decreases are recorded in only two, namely, Westmount and Guelph, where in the former case the figures are practically stationary and in the latter the expenditure involved is so small as to be negligible.

"Taken as a whole," says the *Record*, "the returns indicate consistent but vigorous development with well-balanced activity in the larger centres. The figures are particularly eloquent as to the prospects for the present year."

The following list is of interest:—

	Total 1912.	Percentage Increase.
Toronto	\$27,041,761	12
Winnipeg	20,475,350	16
Calgary	20,394,220	58
Montreal	19,641,955	35
Vancouver	19,428,432	10
Edmonton	14,446,818	293
Victoria	8,208,155	104
Regina	8,047,309	58
Saskatoon	7,640,530	54
Hamilton	5,491,800	29
Ft. William	4,211,285	37
Ottawa	3,621,850	21
Medicine Hat	2,836,239	282
Maisonneuve	2,685,828	125
Pt. Arthur	2,494,179	319
Westmount	1,824,369	8*
New Westminster	1,634,528	45
Outremont	1,582,000	20
Lethbridge	1,358,250	31
St. Boniface	1,251,012	11
Brantford	1,167,105	90
Brandon	1,166,214	14
London	1,136,108	10
Windsor	1,098,063	48
Berlin	842,613	135
St. Catharines	811,335	206
Sydney	656,111	32
Kingston	645,774	105
Halifax	579,775	14
Galt	506,130	79
Welland	469,774	37
Peterboro	466,905	35
Stratford	367,233	255
Preston	337,160	38
Owen Sound	310,000	64
Nelson	273,865	64