

Loan Companies Act

Mr. ROBB: None whatever.

Sir HENRY DRAYTON: Will there be any more cost to the treasury?

Mr. ROBB: There is no cost to the treasury now, and there will not be any. It is all reimbursed by the companies.

Sir HENRY DRAYTON: Will it work any greater burden on the policy holders?

Mr. ROBB: I would not think so, no.

Section agreed to.

On section 2.

Sir HENRY DRAYTON: There is no change here at all?

Mr. ROBB: No.

Sir HENRY DRAYTON: Then why make this provision, if it is in the present law?

Mr. ROBB: We are putting into the statute the machinery for calculating the assessment at present in use in practice.

Sir HENRY DRAYTON: But it is all in the present Insurance Act?

Mr. ROBB: Not the details, no.

Sir HENRY DRAYTON: There are other provisions besides that I would not like to see dropped.

Mr. ROBB: We are not dropping anything.

Sir HENRY DRAYTON: This has been submitted to the law officers of the Crown?

Mr. ROBB: Yes, and approved.

Sir HENRY DRAYTON: How much is it now costing to run the department?

Mr. ROBB: For the fiscal year 1922-23 the total cost was \$107,814.43.

Sir HENRY DRAYTON: How much should be taken off for the trust companies and the other companies?

Mr. ROBB: Their proportion is estimated to be about \$5,000 or \$6,000.

Mr. CHURCH: The decrease in the business done by insurance companies, life and fire, demonstrates the necessity of having a proper department of insurance and a superintendent of insurance who will have adequate powers to go into the business of these companies and protect not only the government in the matter of revenue but also the policy-

[Sir Henry Drayton.]

holders. I have here the report of the superintendent for the year ending December 31, 1922, and I wish to read two paragraphs—to show what is taking place at the present time and the urgent necessity of adequate government control. I am urging in connection with this particular clause that there is no use having a department and appointing an inspector or a superintendent of insurance unless you give him the widest powers and some control so that there can be proper regulation of such large companies as we have in Canada. Companies can come in here from the United States and make more money and do things that they cannot do in their own country. On page 5 of this report I find this:

The year 1922 showed also a decrease in the volume of life insurance written, the gross amount of business written and paid for in cash being \$521,304,609, compared with \$528,193,352 in 1921, and \$641,778,495 in 1920. . . . The total amount of business lapsed and surrendered during the year was \$288,836,353, or 49.9 per cent of the gross new business written.

Fancy, pretty nearly half of the new business written lapsed during the year. The corresponding figures for 1921 are equally disappointing. They show a total amount of business lapsed and surrendered during the year of \$241,888,720, or 41.9 per cent. The report goes on:

This feature of the year's business is disappointing in the extreme, indicating as it does a tendency on the part of the field forces to disregard renewals. A rearrangement of commissions as between new and renewal business might be effective in reducing the high rate of lapse which at present is a standing reproach to all engaged in the business.

The total net amount of business in force in Canada at the end of 1922 was \$3,172,873,312, an increase of \$238,092,464 over the net amount in force at the end of 1921.

These two clauses show the necessity for government control and regulation, and of some protection for the policy holders who allow their policies to lapse, and so I say this resolution does not go far enough. We have in my opinion, a very good Superintendent of Insurance and a good department, but the superintendent and the department should be given more powers. Do not make the superintendent like a bank inspector, all dressed up, with no powers at all. Let us give the superintendent full control over these British and Canadian companies and these companies that are half American and half Canadian, doing business in Canada. This report does not reveal a very creditable state of affairs among insurance companies in Canada, when an equivalent in amount of 49 per cent of the policies that are written in any