

# 1918 Life Insurance in Canada

Death Rate in Most Eventful Year of Insurance History Was 14.1 p.c.—Payments Were 60.2 p.c. of Premiums

The report of G. D. Finlayson, superintendent of the Insurance Department at Ottawa, covering life insurance business, for 1918, states that 1918 was the most momentous year in Canadian life insurance history. Four years of war, followed by the influenza epidemic subjected the companies to a strain which tested their financial strength to the utmost. That they have survived the strain is splendid evidence of their stability.

Canadian life insurance was handled during 1918 by 45 active companies, of which 26 are Canadian, 8 British and 11 foreign institutions. New business written during the year totalled \$313,251,556 compared with \$282,120,430 in 1917. Death claims amounted to \$23,903,799, of which \$5,008,098, or 20.95 per cent, were due to war and \$7,791,698, or 32.60 per cent, to influenza. Death claims in Canada during October, November and December, 1918, due to influenza, pneumonia, or grippe, totalled \$8,861,954.

Canadian companies exceeded the value of policies written in 1917 by \$6,725,694 during 1918

whilst in 1917 they had an increase of \$34,502,340 over 1916. British companies made a better showing, their business having increased \$859,830 during 1918 compared with a decrease of \$141,540 in 1917. The business taken in 1918 was distributed as follows:

Canadian Companies.....\$179,429,315  
British Companies.....5,969,013  
Foreign Companies.....127,853,228

**Life Insurance in Force, December 31, 1918.**

The insurance in force on December 31, 1918, and increase over 1917 figures were as follows:

	Amount in force	Increase over 1917
Canadian Companies.....	\$1,105,503,447	\$108,804,165
British Companies.....	60,296,113	1,678,607
Foreign Companies.....	619,261,713	89,535,938
Total.....	\$1,785,061,273	\$200,018,710

The tremendous increase in life insurance business during the past ten years is shown by the following table:

Soldiers dying from other causes .....	226,987	8,110	50,411
Civilians, etc., who died as a result of war operations	15,112	6,597	1,500
Total .....	\$4,560,938	\$293,848	\$478,622

In the year 1917—

Soldiers killed or dying from wounds	\$5,011,994	\$263,248	\$721,977
Soldiers dying from other causes .....	375,760	17,724	45,885
Civilians, etc., who died as a result of war operations	241,478	12,802	23,855
Total .....	\$5,629,232	\$293,774	\$791,717

In the year 1918—

Soldiers killed or dying from wounds	\$4,181,843	\$336,749	\$599,935
Soldiers dying from flu, pneumonia or grippe .....	299,695	39,231	30,550
Soldiers dying from other causes .....	453,814	46,037	51,867
Civilians, etc., who died as a result of war operations	72,746	16,368	2,770
Total .....	\$5,008,098	\$438,385	\$685,122

Grand totals for years 1914, 1915, 1916, 1917 and 1918 .....

	\$17,155,418	\$1,257,094	\$2,098,292
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Net Amount of Insurance in Force in Canada.

	Canadian Companies	British Companies	Foreign Companies	Total
1909.....	\$515,415,437	\$46,985,192	\$217,956,351	\$780,356,980
1910.....	565,667,110	47,816,775	242,629,174	856,113,059
1911.....	626,770,154	50,919,675	272,530,942	950,220,771
1912.....	706,656,117	54,537,725	309,114,827	1,070,308,669
1913.....	750,637,092	58,176,795	359,775,330	1,168,590,027
1914.....	794,520,423	60,770,658	386,869,397	1,242,160,478
1915.....	829,972,809	58,087,018	423,556,850	1,311,616,677
1916.....	895,528,435	59,151,931	467,499,266	1,422,179,632
1917.....	996,699,282	58,617,506	529,725,775	1,585,042,563
1918.....	1,105,503,447	60,296,113	619,261,713	1,785,061,273

Insurance terminated during 1918 by death, maturity, disability or expiry, was \$36,927,642, which is greater by \$7,667,764 than the corresponding figures for 1917. Surrenders and lapses totalled \$102,003,597, being in excess of the 1917 total by \$8,919,251. Omitting industrial policies thrift policies, and monthly policies issued by certain companies, there were 921,289 policies in force on 31st December, 1918, amounting to \$1,585,902,923, making an average of \$1,721 for each policy.

## Death Rate.

The death rate per 1,000 for the past six years, as estimated by the Insurance Department, was as follows: 1913, 8.7; 1914, 8.6; 1915, 8.8; 1916, 10.6; 1917, 11.1; 1918, 14.1. These figures illustrate very clearly the tremendous increase in claims that the companies have had to deal with during the past three years. Payments to policyholders by Canadian companies in all parts of the world, and by other companies to Canadian policyholders, and the corresponding premium income for the past ten years compare as follows:

	Premium Income	Payments to Policyholders	Rate of payments to Policyholders per cent of premiums
1907.....	\$28,403,423	\$14,753,533	51.94
1908.....	30,567,553	16,122,797	52.74
1909.....	33,304,241	16,382,136	49.19
1910.....	37,868,196	20,270,595	52.53
1911.....	40,608,305	19,194,828	47.27
1912.....	46,581,648	22,953,476	49.28
1913.....	51,413,732	25,287,204	49.18
1914.....	53,835,737	28,207,981	52.40
1915.....	56,744,482	36,426,490	64.19
1916.....	61,755,516	35,685,561	57.70
1917.....	68,681,552	39,983,913	58.22
1918.....	77,748,862	46,814,084	60.21

Hence for every \$100 premium received during 1918, payments to policyholders total \$60.21, leaving \$39.79 for transfer to reserve, expense and profits.

## War Claims Insured.

An interesting statement included in the report is that which is submitted hereunder dealing with war claims incurred during the past five years:

Dominion Licences

	Canadian Policyholders	British and Foreign Policyholders of Canadian Companies	Provincial Licences
In the year 1914—			
Soldiers killed or dying from wounds	\$15,793	\$55,827	\$1,000
Soldiers dying from other causes .....	1,622	.....	1,000
Total .....	\$17,415	\$55,827	\$2,000

In the year 1915—

Soldiers killed or dying from wounds	\$1,607,342	\$140,380	\$114,746
Soldiers dying from other causes .....	190,684	15,742	18,500
Civilians, etc., who died as a result of war operations	141,709	19,138	7,585
Total .....	\$1,939,735	\$175,260	\$140,831

In the year 1916—

Soldiers killed or dying from wounds	\$4,318,839	\$279,141	\$426,711
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## Life Companies Must Maintain Surpluses

The need of a life insurance company for a substantial surplus, and of rates high enough to accumulate it, is forcibly pointed out by Former Commissioner Hardison, of Massachusetts, in his sixty-fourth life report issued last month. Mr. Hardison makes this point in discussing the influenza epidemic which caused considerable uneasiness among life and accident underwriters last year, but which subsided without loss to any insured person through the inability to pay its claims of any company operating in Massachusetts. The Commissioner states that a different story might be told, had the companies been lacking in this respect. Life insurance companies above all other corporations must maintain their surpluses to take care of emergencies like the one in question, for that is the purpose for which they are created. The insuring public is coming to realize this fact more and more as this great and beneficent business comes through every test with its resources unshaken and its integrity intact.

## Who Wouldn't Be a Life Insurance Agent?

Tables compiled by The Insurance Field show that out of approximately 200 leading life insurance agents in the United States, 48 have incomes in excess of \$100,000 a year, 11 have incomes in excess of \$200,000 a year, four have incomes in excess of \$300,000, and two have incomes in excess of \$500,000. One of the \$500,000 incomes falls less than \$5,000 short of the \$600,000 mark. These incomes are earned wholly from commissions paid on life insurance, and are exclusive of the earnings of the same agents in other lines of insurance. E. A. Woods, of Pittsburgh, general agent of the Equitable Assurance Society, received the largest amount paid to a life insurance agent by an insurance company in 1918. Mr. Woods was paid over \$595,000. He has been the leader of the agents of the world for a number of years, but his income last year was a record breaker. It is expected that his commissions this year will establish a new record.—Toronto Globe.