

**Life Insurance.**AN HISTORICAL NOTE.<sup>1</sup>

Life Insurance, introduced into Canada by companies from the British Isles and from the United States as a fairly well developed institution, and adopted almost as early in its then form by a native company, can hardly be said to have a distinctive Canadian history. The technique and practice show distinctly the effect of both British and United States influences. Among the first companies to transact life insurance in Canada may be mentioned; Scottish Amicable (1846), Standard (1847), Canada (1847), *Ætna* (1850), Liverpool and London and Globe (1851), Royal (1851). The late 60's and early 70's were stirring years in life insurance the world over. In England, statutes were passed in 1870, '71 and '72 embodying principles—"Freedom and Publicity"—which have, without any fundamental change, since governed in life insurance; and in the year 1909 these same principles were extended and adapted to four kinds of insurance. In Canada no less than fourteen companies began business in this period, including four native companies, namely, Sun (incorporated 1865, began business 1871), Mutual of Canada (Ontario Mutual, 1870), Confederation (1871), London (1874). By 1875 there were at least twenty-six companies, possibly several more, competing for the available business in Canada, as against forty-four companies licensed by the Dominion, and a few provincial companies, in 1921. A comparison of the first and last lines in Table (79) is of interest in this connection.

The first Federal Insurance Act was passed in 1868. It prohibited the transaction of insurance business by any company (except companies under provincial authority transacting business within the province) not licensed by the Minister of Finance. A deposit of \$50,000 was required. The main provisions of this Act are traceable in the insurance legislation of the present day. Acts were passed in 1871, 1874, 1875 (consolidation, Fire and Inland Marine; provision for appointment of Superintendent of Insurance under Minister of Finance); 1875 (extending powers of Superintendent to Life and other companies); 1877 (consolidating the laws in respect of insurance; quinquennial valuation by Superintendent); 1885 (dealing with commercial insurance companies transacting business on the so-called co-operative or mutual plan, being what is known as assessment companies, fraternal societies excluded); 1886 (consolidation); 1894 (life insurance in combination with any other insurance business forbidden; issue of annuities and endowment assurances by assessment companies prohibited, and new assessment companies required to procure at least 500 applications for membership before license); 1895 (exempting certain fraternal organizations—hazardous occupations—granting life, accident, sickness or disability insurance to members from application of Insurance Act); 1895 (certain amendments as to foreign companies); 1899 (valuation standard change to  $Hm3\frac{1}{2}\%$  applicable to business subsequent to January 1, 1900; all earlier

<sup>1</sup>Contributed by Mr. A. D. Watson, Actuary, Department of Insurance, Ottawa.