2.—Life Insurance.[1]

NOTE.—In this article the terms Hm and Om refer to the expectation of life tables of healthy males and ordinary males respectively, while 3½ p.c. and 4 p.c. are the assumed interest earning power of the money invested in life insurance companies. Om (5) means a table from which the low mortality of the first five years after the medical examination required on taking out life insurance policies is excluded.

Life Insurance business, introduced into Canada by companies from the British Isles and from the United States as a fairly well developed institution, and taken up almost as early along the same general lines 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 business in Canada may be mentioned: Scottish Amicable (1846), Standard (1847), Canada (1847), Ætna (1850), Liverpool and London and Globe (1851) and Royal (1851). The late 60's and early 70's were stirring years in life insurance the world over. In England, the frenzied flotation of companies in this period gave rise to abuses which pointed to the necessity for some control over the formation and operation of companies. Statutes were passed in 1870, '71 and '72 embodying principles—"Freedom and Publicity"—which have, without any fundamental change, since governed in life insurance legislation in England; and in the year 1909 these same principles were extended and adapted to four kinds of insurance. In Canada no fewer than fourteen companies began business in the early seventies, including four native companies, namely, Sun (incorporated 1865, began business 1871), Mutual of Canada (Ontario Mutual, 1870), Confederation (1871) and London (1874). By 1875 there were at least twenty-six companies, possibly several more, competing for the available business in Canada, as against forty-three companies licensed by the Dominion, and a few provincial companies, in 1922. A comparison of the first and last lines in Table 76 is of interest in this connection.

The first Dominion 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 and 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 of policies 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 in 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 Hm3½% applicable to business subsequent to January 1, 1900; all earlier business to be brought up to Hm 4% standard by 1910, and Hm 3½% by 1915); 1906 (consolidation); 1910 (including many new provisions and restrictions to some extent in harmony with the recommendations

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