

CHAPTER XXV.—INSURANCE*

CONSPECTUS

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Insurance, for the purpose of statistical analysis, is usually classified as fire, life and casualty. Most companies operate under Dominion registration although some have provincial licences only. Many fraternal orders and societies, too, are engaged in this kind of business. An extended treatment of the salient features of the legislation covering insurance in general and the fields of Dominion and provincial jurisdiction will be found in the 1941 Year Book at pp. 844-846. The 1942 Year Book, at pp. 842-846, contains a special article on the developments in fire and casualty insurance in Canada between 1931 and 1940, consequent upon the enactment of the three Insurance Acts of 1932, while an article on insurance as it affects the balance of international payments appears at pp. 870-871 of the same edition. The 1947 Year Book, at pp. 1064-1074, includes an article on insurance in Canada during the depression and war periods.

Section 1.—Fire Insurance

In Canada, fire insurance began with the establishment of agencies by British fire insurance companies. These were usually situated at the seaports and operated by local merchants. The oldest existing agency of such a company commenced business at Montreal in 1804. The first Canadian company dates from 1809 and the first United States company to operate in Canada commenced business in 1821. A short account of the inception of fire insurance in Canada is given at pp. 846-847 of the 1941 Year Book.

The report of the Superintendent of Insurance for the year ended Dec. 31, 1946, shows that at that date there were 270 fire insurance companies under Dominion registration; of these, 59 were Canadian, 73 were British, and 138 were foreign companies. In 1875, the first year for which authentic records were collected by the Department of Insurance, 27 companies operated in Canada—11 Canadian, 13 British and 3 United States. The proportionate increase in the number of British and foreign companies from 59 p.c. to 78 p.c. of the total number is a very marked point of difference between the fire and life insurance businesses in Canada, the latter being carried on very largely by Canadian companies.

Subsection 1.—Grand Total of Fire Insurance in Canada

Of the total amount of insurance effected in Canada during each year, a part is sold by the companies holding provincial licences and permits. Such companies generally confine their operations to the province of incorporation, but may be allowed to sell insurance in other provinces.

* Material in this Chapter has been revised under the direction of R. W. Warwick, Superintendent of Insurance, Department of Insurance, Ottawa.