

This is truly an enormous sum and, with the exception of the United States, it exceeds the amount of life insurance in force in any other country in the world. In relation to national income, the amount of life insurance in force in Canada exceeds that of any other country including the United States, the ratio being about 180 p.c. for Canada and about 150 p.c. for the United States. At the end of 1962 the life insurance in force per capita amounted to \$3,034. The very startling growth, particularly over the past few years, is shown in the following statement of insurance in force in federally registered companies.

<u>Year</u>	<i>In Force at Beginning of Year</i>	<i>Increase in Force for the Year</i>	<i>Per- centage Gain</i>
	\$'000,000	\$'000,000	
1930.....	6,157	335	5.4
1935.....	6,221	38	0.6
1940.....	6,776	200	2.9
1945.....	9,140	612	6.7
1950.....	14,409	1,337	9.3
1951.....	15,746	1,490	9.5
1952.....	17,236	1,855	10.8
1953.....	19,091	2,136	11.2
1954.....	21,227	1,908	9.0
1955.....	23,135	2,317	10.0
1956.....	25,452	3,635	14.3
1957.....	29,087	4,000	13.8
1958.....	33,087	3,409	10.3
1959.....	36,496	4,378	12.0
1960.....	40,874	3,775	9.2
1961.....	44,649	3,635	8.1
1962.....	48,284	3,949	8.2

Life insurance is divided into three main classes—ordinary, group and industrial. The term “ordinary” describes insurance issued by way of individual policies to individual policyholders; “group” describes insurance covering a group of persons under a single contract, the most common example being the employees of a single employer; and “industrial” applies to policies for small amounts, usually less than \$1,000, calling for weekly premiums to be collected by an agent of the company at the home of the insured person.

Ordinary insurance in force increased from \$13,600,000,000 at the end of 1952 to \$33,300,000,000 at the end of 1962. Group insurance also increased very greatly, both absolutely and relative to the volume of the other two classes; in 1952 it amounted to only \$3,800,000,000, representing less than one quarter of the total, but in 1962 it reached over \$18,000,000,000, one third of the total. Industrial insurance, on the other hand, decreased over the years and appears to be gradually vanishing from the scene; it reached a peak of \$1,700,000,000 in 1954 and declined steadily to \$867,000,000 at the end of 1962. To a large extent, the purpose it once served is being taken over by group insurance.

In addition to the growth in total amounts, there has been a substantial increase in the size of individual policies. At the end of 1962, the average size of ordinary policies in force was \$4,169 compared with \$2,542 ten years earlier. For group business, the average amount of insurance in force per person covered under group policies was \$1,209 compared with \$993 ten years earlier. However, the year-to-year trend for group insurance has been uneven due in part to the rapid increase in the number of groups covered. The trend toward increased size appears more sharply from an examination of the average size of policies issued each year rather than the average size of policies in force. In 1962, the average size of new ordinary policies was \$6,732; in 1952 it was \$3,842.

The increases in average size of policies and in total insurance in force are attributable partly to larger policies of the same general types as have been issued over the years, partly to the growth in population and national income leading to increased insurance needs, and partly to the trend toward term insurance and away from policies providing for lifetime coverage or for endowment benefits. Under term insurance, the coverage extends for a specified period of years only and, consequently, larger amounts are obtainable for a given premium than in the case of policies providing for lifetime coverage. In the