

The subsidiary small loans companies and money-lenders obtain most of their funds through their parent companies. A few of the larger companies have supplemented their bank loans by selling short-term paper in the market but the amount has been small compared with the short-term market borrowing of the sales finance companies. The smaller independent companies rely mainly on their shareholders and on borrowing from the chartered banks.

Annual figures of assets and liabilities given in Table 19.20 for 1974 and 1975 are from the Department of Insurance report. More complete data on the business of licensed lenders are given in the report on small loans companies and money-lenders, published annually by the Superintendent of Insurance.

There was a marked decrease in 1975 compared with 1974 in the number and amount of small loans made by the combined companies. Small loans made to the public during the year numbered 533,922 as against 647,739 in 1974, a drop of about 17.6%; the amount of such loans decreased from \$412.2 million to \$348.7 million, a drop of about 15.4%. The average small loan made was \$653 in 1975 and \$636 in 1974. At the end of the year, small loans outstanding numbered 496,024 for an amount of \$252.1 million, or an average of \$508 per loan; comparable figures for 1974 were 592,086, \$296.2 million and \$500, respectively.

Gross profits of small loans companies and money-lenders before income taxes and before taking into account any increase or decrease in reserves for bad debts decreased from \$61.6 million in 1974 (\$8.1 million being the loss on small loans and \$69.7 million the profit on business other than small loans) to \$61.2 million in 1975 (\$8.2 million being the loss on small loans and \$69.4 million the profit on other business).

### 19.3 Insurance

Insurance business is transacted in Canada by about 900 companies and societies. All of them are licensed or registered by provincial insurance authorities; at the end of 1975, 425 were also registered by the federal Department of Insurance. Details of the classes of insurance each company or society is authorized to transact and statistical information may be found in the various published reports of the individual superintendents of insurance for the provinces. Financial statistics of the federally registered companies and fraternal benefit societies are published in the annual *Report of the Superintendent of Insurance for Canada*.

#### 19.3.1 Life insurance

Total life insurance in force in Canada at the end of 1975 amounted to \$222,889 million of which about 94% was written by federally registered companies and fraternal benefit societies. The remainder was written by companies and societies that were provincially licensed only.

At the end of 1975, 149 companies were registered by the federal Department of Insurance to transact life insurance (58 Canadian, 12 British and 79 foreign). There were also 41 registered fraternal benefit societies (15 Canadian and 26 foreign).

The business of federally registered companies in Canada grew from \$91 million in 1880 to \$208,079 million at the end of 1975. Table 19.21 gives figures since 1880 for amounts of new insurance effected during the indicated year and an analysis of amounts in force at the end of the year among Canadian, British and foreign companies. Canadian companies reported an additional \$51,660 million in force out of Canada at the end of 1975.

During 1975, there were over 1,009,000 new policies effected with a value of over \$32,000 million. Over 127,000 policies ceased by death or maturity with a value of over \$715 million. Tables 19.22 and 19.23 compare newly effected written business and total amounts in force for 1974 and 1975.

Net insurance premiums written in 1975 totalled \$2,004 million as compared with \$1,808 million in 1974. Net insurance claims (death, disability and maturity)