

**Receiverships** constitute the other major consequence of aggravated commercial insolvency and occur when a receiver is appointed to take possession or control under a security agreement or following a court order of all or part of the property of a debtor.

A receivership is precipitated by a secured creditor in an effort to protect his investment. In the majority of receiverships, as with many commercial bankruptcies, unsecured creditors receive little or nothing after the secured creditors realize on their security. (See Tables 18.20 to 18.23.)

## 18.4 Insurance

Insurance business is transacted in Canada by about 900 companies and societies. Details of the classes of insurance each company or society is authorized to transact and statistical information may be found in the published reports of 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 federal superintendent.

### 18.4.1 Life insurance

Total life insurance in force in Canada at the end of 1985 amounted to \$689 billion (\$631 billion in 1984). There were 156 companies, three less than in 1984, registered by the federal insurance department to transact life insurance (63 Canadian, 11 British and 82 foreign). There were also 39 registered fraternal benefit societies (16 Canadian and 23 foreign).

Table 18.24 gives figures for selected years since 1880 for amounts of new insurance effected and an analysis of amounts in force at the end of the year. Table 18.25 compares newly effected written business and total amounts in force for 1982-85.

Net insurance premiums written in 1985 totalled \$4.3 billion compared to \$3.9 billion in 1984 and \$3.7 billion in 1983. Table 18.26 gives a provincial analysis of the premium income from 1983 to 1985 on a direct written basis only.

The major categories of assets and related liabilities of federally registered life insurance companies are given in Table 18.27. The major sources of income and selected expenditures are given in Table 18.28.

**Average amounts owned.** Excluding persons not covered by life insurance, the average amount of coverage for each insured individual was about \$49,000 on December 31, 1984.

The average amount owned by each household at the end of 1984 was about \$75,100. This is quadruple the figure in 1970.

**Purchases.** During 1984, Canadians purchased \$110.3 billion of life insurance, over eight times the 1970 amount.

**Ownership by nationality of company.** Of the \$679 billion of life insurance owned by Canadians at the end of 1984, 80.2% was with Canadian-incorporated companies, 14.0% with US companies, 4.3% with British companies and 1.5% with companies incorporated in other parts of Europe. Federally registered companies provided 93% of the total life insurance in force.

For registered fraternal benefit societies, certificates in force in Canada totalled \$4.3 billion at the end of 1985 compared to \$4.0 billion at the end of 1984 and \$3.6 billion at the end of 1983. Premiums written in Canada totalled \$112 million during 1985, of which \$79 million was applicable to Canadian societies and \$33 million to foreign societies. In 1984 with \$95 million in premiums written, \$71 million was applicable to Canadian societies and \$24 million to foreign societies. Canadian societies also reported \$178 million in premiums written outside Canada in 1984 and \$217 million in 1985. In 1983 premiums written totalled \$84 million in Canada and in 1982 totalled \$70 million. A total of \$65 million went to Canadian societies in 1983 and \$18 million to foreign societies, while \$180 million in policies written outside Canada were reported by Canadian societies.

### 18.4.2 Property and casualty insurance

Direct premiums written in Canada for property and casualty insurance totalled \$11.2 billion in 1985, up from \$10.1 billion in 1984 (Table 18.30).

At the end of 1985, there were 244 companies (104 Canadian, 23 British and 117 foreign) registered by the federal insurance department to transact property and casualty insurance. At the end of 1984 there were 243 companies (101 Canadian, 23 British and 119 foreign).

For federally registered companies, premium income on a net basis totalled \$7.9 billion in 1985 and \$6.9 billion in 1984.

Property insurance net premiums written in Canada during 1985 were \$2.9 billion and in 1984 were nearly \$2.6 billion (Table 18.29). Net claims were \$1.9 billion in 1985, up \$243 million from 1984. Net premiums for automobile insurance written in Canada during 1985 were \$3.7 billion and in 1984 were \$3.3 billion. Net claims incurred were \$3.3 billion in 1985, up \$542 million from 1984.