

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 \$55,200 on December 31, 1986.

The average amount owned by each household at the end of 1986 was about \$86,400. This was quadruple the figure in 1970.

**Purchases.** During 1986, Canadians purchased \$135 billion of life insurance, over nine times the 1970 amount.

**Ownership by nationality of company.** Of the \$819 billion of life insurance owned by Canadians at the end of 1986, 81.6% was with Canadian-incorporated companies, 12.8% with US companies, 3.6% with British companies and 2.1% 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 \$5.0 billion at the end of 1987 compared to \$4.7 billion at the end of 1986 and \$4.5 billion at the end of 1985. Premiums written in Canada totalled \$133 million during 1987, of which \$98 million was applicable to Canadian societies and \$35 million to foreign societies. In 1986, with \$120 million in premiums written, \$86 million was applicable to Canadian societies and \$34 million to foreign societies. Canadian societies also reported \$237 million in premiums written outside Canada in 1986 and \$233 million in 1987. In 1985, premiums written totalled \$112 million in Canada and in 1984 totalled \$95 million. A total of \$79 million went to Canadian societies in 1985 and \$33 million to foreign societies, while \$217 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 \$13.5 billion in 1986, up from \$11.2 billion in 1985 (Table 18.30).

At the end of 1987, there were 248 companies (109 Canadian, 22 British and 117 foreign) registered by the federal insurance department to transact property and casualty insurance. At the end of 1986, there were 243 companies (106 Canadian, 23 British and 114 foreign).

For federally registered companies, premium income on a net basis totalled \$10.4 billion in 1987 and \$9.6 billion in 1986.

Property insurance net premiums, written in Canada during 1987, were \$3.5 billion and in 1986

were \$3.3 billion (Table 18.29). Net claims were \$2.1 billion in 1987, up \$283 million from 1986. Net premiums for automobile insurance written in Canada during 1987 were \$5.0 billion and in 1986 were \$4.5 billion. Net claims incurred were \$4.3 billion in 1987, up \$550 million from 1986.

Personal accident and sickness insurance net premiums written in Canada during 1987 were \$220 million and during 1986 were \$239 million. Net premiums earned in 1987 were \$231 million and net claims incurred were \$140 million, a claims ratio of 61%. In 1986, net premiums earned were nearly \$234 million and net claims incurred were \$154 million, a claims ratio of 66%. Net premiums for liability insurance, written in Canada in 1987, were \$1,230 million and in 1986 were \$1,151 million. Net premiums earned in 1987 were \$1,166 million and net claims were \$876 million, a claims ratio of 75%. In 1986, net premiums earned were \$972 million and net claims were \$765 million, a claims ratio of 79%.

The major categories of assets and related liabilities of federally registered property and casualty insurance companies are given in Table 18.31.

Underwriting experience in Canada, over the past years, has ranged from losses of \$12.3 million in 1978 to a loss of \$1,302.5 million in 1985 and a loss of \$625.1 million in 1987.

#### 18.4.3 Fire losses

Fire losses in Canada totalled \$956.2 million in 1987, a decrease from \$973.5 million in 1986. The total number of fires was 67,168 in 1987, a decrease from 67,844 in 1986. The number of children who died from fire was 76 in 1987, a decrease from 108 in 1986 (Table 18.34).

The fire record reflected a decrease in fire deaths for 1987; fire injuries also decreased from 1986. There were 516 fire fatalities in 1987, a decrease from 553 in 1986. The death rate for 1987 was 2.01 per 100,000 population. Injuries decreased to 3,843 in 1987 from 3,870 in 1986 while property losses decreased less than 2%.

## 18.5 Government insurance

### 18.5.1 Deposit insurance

The Canada Deposit Insurance Corporation (CDIC) was established in 1967 to provide insurance against the loss of part or all of deposits made with members of the Corporation, to promote standards of sound business and financial practices for members, and to contribute to the stability and competitiveness of the financial system in Canada.