

Another important change in investment policy induced not by statute but by the judgment of the companies themselves was a decrease in the loans on mortgage and a marked increase in the holdings of government bonds. The latter tendency gradually and steadily increased throughout the fifteen-year period following the onset of the depression until, in the later war years, the full net amount available for new investment by the companies was absorbed in government issues.

The following figures for all Dominion life companies will indicate, as at the end of the years given, the changes due to both of these features of investment policy; the trend of the average rate of interest earned on ledger assets during the said years is also shown.

As at Dec. 31—	Investments Held in—				Percentages—			Average Rate of Interest Earned
	(1) Common Stocks	(2) Federal Government Bonds	(3) Mortgage Loans	(4) Total Ledger Assets	(1) of (4)	(2) of (4)	(3) of (4)	
	\$'000,000	\$'000,000	\$'000,000	\$'000,000	p.c.	p.c.	p.c.	p.c.
1930.....	311	33	338	1,436	22	2	24	6.23
1935.....	300	177	301	1,808	17	10	17	4.59
1940.....	260	309	306	2,379	11	13	13	4.24
1945.....	146	1,142	267	3,367	4	34	8	3.89

War Mortality.—At the outbreak of the First World War in 1914 few of the life insurance policies outstanding in Canada contained any restrictions respecting military service and most of the companies whose policies did contain such restrictions voluntarily adopted, at the outbreak of the war, a policy of waiving the same and undertaking to pay the face amount of the policies becoming claims due to war service. For new policies issued after the outbreak of the War, the course adopted by the different companies was far from uniform and was based largely on the degree of optimism or otherwise with which the executives of the companies viewed the course and duration of the War; as a rule the provision made for extra premiums for war service was far from adequate to meet the extra mortality incurred. With the increasing gravity of the war problem, the premiums and restrictions were made more onerous and in some cases among the smaller companies became almost prohibitive.

In 1919, the Department of Insurance attempted to collect the figures for the war claims incurred by all companies under Dominion and Provincial laws. The resulting figures represented the amount of settlements under the said policies and were divided into those relating to policies held by: (a) enlisted men killed in action or dying from wounds; (b) enlisted men dying from other causes; (c) other persons engaged in war service or civilians dying as a result of war operations. The figures were as follows, for the years 1914 to 1918, inclusive:—

Item	Dominion Licensees		
	Canadian Policyholders	British and Foreign Policyholders of Canadian Companies	Provincial Licensees
	\$	\$	\$
(a).....	15,135,811	1,075,345	1,864,369
(b).....	1,548,562	126,844	198,213
(c).....	471,045	54,905	35,710
TOTALS.....	17,155,418	1,257,094	2,098,292