24.—Profit and Loss Account of Canadian Companies and Gain or Loss and Other Income in Canada of British and Foreign Companies Transacting Fire and Casualty Insurance under Federal Registration, 1958-60—concluded.

Item	1958	1959	1960
	$	$	$
Gain or Loss and Other Income—Foreign Companies (In Canada)			
Underwriting Gain	**3,870,848**	**10,679,339**	**18,723,696**
Deduct: Dividends to policyholders and others	3,383,470	3,613,834	5,105,842
Income taxes	1,398,953	3,025,987	5,392,510
Net Gain or Loss	**—911,575**	**4,039,518**	**8,225,344**
Other Revenue—			
Interest, dividends and rents	10,476,421	13,557,229	15,830,330
Sundry income	321,017	78,181	68,417

Section 3.—Government Insurance

Federal Government Insurance

For more than fifty years the Federal Government has operated an annuity service, instituted to assist Canadians to make provision for old age; this service is described below. In addition, various insurance schemes have been adopted in recent years by the Federal Government or co-operatively by the federal and provincial governments. Information on unemployment insurance, health insurance, veterans insurance, export credits insurance, etc., will be found in the appropriate Chapters on Labour, Health and Welfare, Foreign Trade, etc.

Government Annuities.*—The Government Annuities Act (RSC 1952, c. 132) was passed in 1908 and is administered by the Minister of Labour.

A Canadian Government annuity is a fixed yearly income purchased from and paid by the Government of Canada. The annuity is payable in monthly instalments for life, or for life and guaranteed for a period of years. The minimum annuity is $10 and the maximum $1,200 a year or the actuarial equivalent if the annuity is to reduce by the amount of payments under the Old Age Security Act. Annuity contracts may be deferred or immediate. Deferred annuities are purchased by periodic or single premiums. Immediate annuity contracts provide immediate income. Annuities may be arranged to reduce by $65 a month at age 70 to fit in with payments under the Old Age Security Act.

The property and interest of the annuitant are neither transferable nor attachable. In the event of the death of the annuitant before a deferred annuity vests, all money paid is refunded with interest. Provision is made in the Act for group annuity contracts whereby employers may contract for the purchase of annuities on behalf of their employees, or associations on behalf of their members, the purchase money being derived partly from wages and partly from employer contributions or entirely from employer contributions. Group annuity plans now in effect cover a variety of industries and many municipal corporations throughout Canada. Annuities arising from individual contracts may be taxable in either of two ways: (1) if registered under Sect. 79B of the Income Tax Act for tax exemption on premiums, the annuity is fully taxable, or (2) if not registered the annuity is taxable on the interest portion only. Annuities arising from registered pension plans are fully taxable but the employee and the employer are entitled to tax exemption year by year on their annual contributions to the pension plan.

From Sept. 1, 1908, the date of the inception of the system, to Mar. 31, 1961, the total number of annuity contracts and certificates issued, excluding replacements, was

* Revised in the Government Annuities Branch, Department of Labour, Ottawa.