

award of a pension under the Pension Act on the death of a policyholder would have no bearing on the amount of the policy proceeds. The effect of the repeal was a sharp increase in the number of applications. In the following six months, approximately 2,000 were received as compared with 300 for the preceding six months; since then applications have been received at the average rate of 150 a month to the end of 1962.

The most recent change in legislation was made on Feb. 15, 1962 when Royal Assent was given to a common cut-off date of Oct. 31, 1968 for eligibility under the Veterans Insurance Act, the War Service Grants Act and the Veterans Benefit Act (1954).

The amount of insurance on the life of any one person may not exceed \$10,000, issued in multiples of \$500. The insurance, which is non-participating and with no endowment feature, may be obtained on a 10- 15- or 20-year payment life plan or provides for premium payments until the policy anniversary nearest the insured's age of 65 or 85. Premiums may be paid in cash from a pension under the Pension Act, from Civil Service or Armed Forces salaries or from re-establishment credit. There is a disability provision under the policy which provides for a waiver of premiums to a policyholder in the event of a total and permanent non-pensionable disability; some 70 policies are being carried on this waiver-of-premium basis.

There is a cash surrender value available to a policyholder who has kept premium payments up to date on a policy that has been in force for at least two years. No loans are permitted on a policy and the contract is not subject to liens or attachment by creditors. There is also an alternative reduced paid-up value and automatic extended term provision included in each policy contract.

A married veteran is required to name his spouse or child as beneficiary. Parents, brothers, sisters, grandchildren, etc., form a contingent beneficiary class. If the veteran is unmarried or a widower without children, a future spouse is named as preferred beneficiary with the same class of contingent beneficiaries required as those for a married person. In the event of the death of the insured without a spouse or child surviving and no named contingent beneficiary survives, the policy proceeds will be paid to the estate of the insured. In general, the amount payable to a beneficiary as an immediate death benefit may not exceed \$2,000, the remainder being paid as an annuity. There are several types of annuities available from a minimum of five years to a life annuity.

The following statement is a summary of operations as at Dec. 31, 1962.

<i>Item</i>	<i>Policies</i>		<i>Amount</i>	
	No.		\$	
Policies issued at Dec. 31, 1962.....	51,395		166,348,500	
Decreases to Dec. 31, 1962.....	20,715		69,617,805	
Not taken.....	66		280,500	
Net lapses (lapses less reinstatements).....	2,028		7,954,000	
Surrenders (14,224 total 637 partials).....	14,224		47,296,096	
Decreases to reduced paid-up insurance (420).....	...		1,251,146	
Decreases by change of age (26).....	...		4,300	
Extended term insurance expiries.....	958		3,122,733	
Death claims received including unpaid claims awaiting proof....	3,439		9,709,030	
Insurance in force Dec. 31, 1962.....	30,680		96,730,695	

4.—Death Claims Intimated to Dec. 31, 1962

Year	Returned Soldiers Insurance		Veterans Insurance	
	No.	\$	No.	\$
1921-57.....	11,469	23,819,439	1,576	4,419,236
1958.....	486	902,324	254	687,145
1959.....	436	835,327	283	806,546
1960.....	462	928,255	357	1,096,010
1961.....	422	867,230	364	947,148
1962.....	435	839,709	394	1,185,463