

purchased by the Canada Pension Plan Investment Fund and about \$206 million through the Quebec Pension Plan. Net new issues of Government of Canada and municipal government bonds amounted to \$1,596 million and \$406 million, respectively. Corporations resorted to bond financing to the extent of \$1,502 million and other institutions had net new issues in 1972 of \$55 million.

Government of Canada bonds for terms of 10 years and over yielded 7.12% at the end of December 31, 1972 compared to 6.56% a year earlier. Comparable figures for provincials were 7.91% and 7.75% and for municipals, 8.18% and 7.85%.

There was an increase of \$207 million in finance and other short-term commercial paper in 1972, whereas the net amount raised through Canadian dollar bankers' acceptances decreased by \$13 million during the year. Yields on 90-day finance company paper at 5.15% at year-end in 1972 were appreciably higher than the 4.32% a year earlier.

Bonds outstanding. Total government and business bonds outstanding at the end of 1972 amounted to \$83,655 million, an increase of 8.5% over 1971 and 48% since 1967 (Table 19.26). In the 1967-72 period the largest increase was one of 73% in the bonded debt of provincial governments, including the issues held in the Canada Pension Plan Investment Fund and the Quebec Deposit and Investment Fund. Corporate bonds outstanding increased by 50.8% and municipal government bonds by 21.6%.

Distribution of bond holdings. Table 19.27 shows the estimated distribution as at December 31, 1972 of government and corporate bonds among the major purchasers of securities. Governments and the financial institutions specified in the Table held more than one half of the total bonds outstanding; the remainder was shared between non-residents and all other residents with 20% and 28% of the total, respectively. Of the 28%, however, almost one half consisted of Canada Savings Bonds. The largest identified holders of bonds were chartered banks with 12% of total, trustee pension plans with 8% and the Bank of Canada and life insurance companies with 7% each.

19.3 Insurance

Insurance business is transacted in Canada by about 900 companies and societies. All of them are licensed or registered by provincial insurance authorities; at the end of 1972, 432 were also registered by the federal Department of Insurance. Details of the classes of insurance each company or society is authorized to transact and statistical information may be found in the various published reports of the individual superintendents of insurance for the provinces. Financial statistics of the federally registered companies and fraternal benefit societies are published in the annual three-volume *Report of the Superintendent of Insurance for Canada*.

19.3.1 Life insurance

Total life insurance in force in Canada at the end of 1972 amounted to \$148,263 million of which about 93% was written by federally registered companies and fraternal benefit societies. The remainder was written by companies and societies that were provincially licensed only.

At the end of 1972, 135 companies were registered by the federal Department of Insurance to transact life insurance (52 Canadian, 12 British and 71 foreign). There were also 44 registered fraternal benefit societies (15 Canadian and 29 foreign).

The business of federally registered companies in Canada grew from \$91 million in 1880 to \$136,405 million at the end of 1972. Table 19.28 gives figures since 1880 for amounts of new insurance effected during the indicated year and an analysis of amounts in force at the end of the year among Canadian, British and foreign companies. Canadian companies reported an additional \$38,076 million amounts in force out of Canada at the end of 1972.

During 1972, there were over 700,000 new policies effected with a value of nearly \$18,000 million. Over 134,000 policies ceased by death or maturity with a value of over \$557 million. Tables 19.29 and 19.30 compare newly effected written business and total amounts in force for 1971 and 1972.

Net insurance premiums written in 1972 totalled \$1,511 million as compared with \$1,435 million in 1971. Net insurance claims (death, disability and maturity) totalled \$591 million in 1972 as compared with \$546 million in 1971. Table 19.31 gives a provincial analysis of the premium income in 1971 on a direct written basis.