

APPENDIX No. 4

(b) That in cases where a member of His Majesty's Forces fulfilled the conditions of domicile in Canada at the outbreak of the war as set forth in the recommendation on Bill No. 10 and contained in the Order in Council of the 1st December, 1919 (P.C. 2389), and has either been killed or died on service on or prior to the 1st October, 1919, there shall be paid to the dependent or dependents of such ex-member of His Majesty's Forces, provided they make application for same prior to the 31st March, 1921, and are bona fide domiciled and resident in Canada at the date of making such application, a war service gratuity equal in amount to that which they would have received as dependent's portion of war service gratuity under the provisions of the Order in Council aforesaid, had the officer, warrant officer or man, on whose account the said portion of war service gratuity would have been paid, been retired or discharged from the service at the date of his death with three years' service in such forces, but for the fact that the member of such forces was unable to return to Canada owing to his death.

The cost of making the payments above recommended is estimated at \$1,800,000.

IV.—INSURANCE FOR RETURNED SOLDIERS.

The Committee of last Session suggested further enquiry into some plan whereby the handicap imposed upon disabled men and others in the matter of life insurance might be overcome.

It is clear that many returned men who are in receipt of small pensions find themselves either unable to secure life insurance at all or are called upon to pay premiums at distinctly higher rates than those demanded from standard lives.

If these men die from causes other than service, their dependents will, except in certain cases, receive no pension under the Pension Act, and in the absence of life insurance, much hardship may result. In the case of the soldier dying during service, from whatever cause, the widow or other dependents received a pension, for the reason that all deaths occurring during service were deemed to be attributable to service. Now that the war is over, it is essential, for pension purposes, to distinguish between deaths due to service and those due to other causes. The proportion of the former tends to decrease and the latter to increase with the lapse of time. The remedy for the hardship pointed out appears to be a system of life insurance, and, your Committee having considered several proposals recommend that the Dominion of Canada undertake to insure all returned soldiers at the lowest possible rates compatible with safety.

A Bill to provide such insurance, prepared by the Dominion Superintendent of Insurance, Mr. G. D. Finlayson, was carefully examined in conference with that officer and Mr. Thomas Bradshaw. A copy of this Bill amended in certain particulars as a result of the conference is attached hereto.

The chief features of the Bill are as follows:

1. Any returned soldier, sailor or nurse domiciled and resident in Canada and in certain cases the widow of any returned soldier or sailor may insure with the Dominion of Canada to an amount of from \$500 to \$5,000.

2. This insurance will be granted without medical examination and will therefore be available to all no matter what may be their condition of health.

3. The rates of premium will vary with the age of the insured and with the type of policy issued, that is to say: whether it is a straight life policy or a policy to be paid for in ten, fifteen, or twenty years. All rates are payable in advance and may be paid monthly, quarterly, half-yearly or yearly as desired. A schedule of monthly rates is attached to the copy of the Bill: this shows that at the age of twenty-five a straight life policy for \$1,000 calls for a monthly payment of \$1.24 or a yearly payment of \$14.88. These rates although based on a recognized table of mortality contain no loading for cost of administration and so forth as these expenses will be borne entirely by the Dominion.