

HOW CANADIAN LIFE COMPANIES INVEST THEIR ASSETS.

Owing to a large increase in the amount of their payments to policyholders last year in comparison with 1914, the Canadian life companies' advance in assets in 1915 was somewhat less than in the years immediately preceding. Their payments to policyholders in 1915 totalled \$25,823,540 compared with \$19,306,191 in 1914, an increase of \$6,500,000. Dividends paid policyholders and payments for surrendered policies, under which heading are included surrenders of reversionary bonuses in exchange for cash, account for two-thirds of this increase. One of the largest Canadian companies with whom 1915 was a quinquennial year of distribution, alone paid to policyholders practically \$4,500,000 more than in 1914. The circumstances of 1915, including an increase in death claims through war losses, were therefore exceptional in this respect.

During 1915, the total of the Canadian life companies' assets increased from \$257,003,118 to \$273,366,639, a gain of \$16,300,000 compared with one of \$24,500,000 during 1914. Of the total of \$273,366,639 at December 31st, 1915, a sum of \$254,733,999 (94.2 p.c.) represented invested assets against \$240,028,093 (94.4 p.c.) a year previously. The 1915 gain in invested assets of \$14,700,000 compares with one of nearly \$22,000,000 during 1914. Under the heading of invested assets are included the following: the real estate owned, the loans on real estate, the loans on collaterals, the loans on policies and "premium obligations on policies in force," and the bonds, debentures and stocks held. The uninvested assets include cash on hand and in banks, interest and rents due and accrued, outstanding and deferred premiums and "other assets." As noted above, the uninvested assets are in slightly larger proportion to the whole at the close of 1915 than a year previously. The companies held practically a million more cash at December 31st last than in the previous year (\$5,118,679 against \$4,134,247). Their interest and rents due and accrued also are \$881,219 larger than at the end of 1914 (\$6,795,253 against \$5,824,033). This substantial gain follows one of about a million dollars in 1914, a result in part, possibly, of mistakes made in investments during boom years.

THREE YEARS' INVESTED ASSETS.

The following is a summary table of the companies' invested assets as at the close of December, 1915, and in two previous years:—

	1915.	1914.	1913.
Real Estate Owned . . .	\$13,998,294	\$12,673,788	\$11,416,321
Mortgages on Real Estate . . .	95,924,330	94,624,042	87,085,966
Loans on Collaterals . . .	1,695,254	2,130,153	1,477,726
Loans on Policies, etc. . .	39,218,251	36,121,518	30,799,145
Bonds and Debentures . . .	85,790,631	77,032,967	70,924,684
Stocks	18,107,239	17,445,625	16,456,543
Totals (Unadjusted) . . .	\$254,733,999	\$240,028,093	\$218,160,384

The boom in mortgages as life companies' investments, seems to have been brought to an end by force of circumstances. In 1913, the mortgages of the companies were increased \$12,000,000, in 1914 their advance was \$7,600,000. The net increase in the companies' mortgages last year was only \$1,300,000. The demand for mortgages had begun to fall off before the war. Since the outbreak of war, the first call upon the companies funds has naturally been made by war loans. The high interest rates obtainable on other high-class bonds have also proved exceedingly tempting, while the mortgage situation has not been improved through moratoria and other legislation passed by various provinces, and a noisy agitation for even more drastic measures. At practically \$96,000,000, however, mortgages remain for the time being the most important investment interest of the Canadian life companies.

BONDS AND DEBENTURES.

Bonds and debentures show an increase for the year of about \$8,750,000 to \$85,790,631. Their increase in 1914 was about \$7,900,000. The legislation compelling the companies to invest this year and next year in Canadian Government bonds to the extent of one-half the increase in their net

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