

persons, to whom the insurance money or any portion thereof shall be paid in the event that the insured at the time of his death is unmarried or is a widow or a widower or divorced, and without children.

(2) Where the insured survives the spouse and all the children of the insured, the insurance money shall be paid to the alternative beneficiary or beneficiaries, if any, but in default of the designation of an alternative beneficiary, or in the event of the death of all the alternative beneficiaries within the lifetime of the insured, the insurance money shall fall into and become part of the estate of the insured.

(3) Where the insured designates more than one alternative beneficiary, the insured may apportion, and may at any time reapportion, the insurance money between or among them as he sees fit, and, in default of any such apportionment, the insurance money shall be paid in equal shares to the alternative beneficiaries surviving the insured.

(4) Where an alternative beneficiary dies in the lifetime of the insured, the insured may, subject to subsection one, designate an alternative beneficiary or beneficiaries to whom the share formerly apportioned to the deceased alternative beneficiary shall be paid, and, in default of any such designation, the said share shall be divided equally among the alternative beneficiaries, if any, surviving the insured.

The CHAIRMAN: Section 5 deals with designation of alternative beneficiaries; payment to alternative beneficiaries or to estate; apportionment among alternative beneficiaries; and death of alternative beneficiaries. Are both of these amendments to be made?

Mr. BURNS: Yes.

The CHAIRMAN: It is desired that clause 3 of the bill be changed so that subsection 5 of section 4 of the Act will read as follows:

4. (5) Where the insured designates more than one alternative beneficiary, the insured may apportion and may at any time reapportion, the insurance money between or among them as he sees fit, and, in default of any such apportionment, the insurance money shall be paid in equal shares to the alternative beneficiaries surviving the insured.

The new words are:

... shall be paid in equal shares to the designated beneficiaries ...

Mr. HERRIDGE: What do these words cover? "As the minister may determine"?

The CHAIRMAN: That is the legal way of saying that the minister has the power to decide the manner of payment.

Mr. HERRIDGE: On what grounds does he decide it?

The WITNESS: The purpose of it is that estates can be settled more quickly than if payment had to be made as an annuity over a period of years.

The CHAIRMAN: You will understand that preferred beneficiaries are all gone and there is a second amendment that clause 3 be further amended by having subsection 2 of section 5 of the Act read as follows, and it is exactly the same with the addition of the words "be paid as it falls due or otherwise... into the estate of the insured." These are the same amendments as were made in the other bill. Do you move that these amendments carry, Mr. Croll?

Mr. CROLL: I so move.

The CHAIRMAN: Mr. Croll moves that the amendment to section 5 which I just read be carried. Shall the section as amended, carry?

Carried.

Section 6.

Mr. GREEN: Does the original section 4 apply to this bill?