

Government Orders

• (1710)

Lo and behold, when it went over to the boys in the other place they came up with this little thing where you take out the capital account and you make an account where you put money in to pay shareholders as opposed to policy holders.

Mr. Blenkarn: On a point of order, Mr. Speaker. My friend is getting carried away with himself. If he takes a look at 461, the statute will read: "A company that has share capital may, from a participating account maintained pursuant to section 456, make a payment to its shareholders", and then the new section will say: "or transfer an amount to an account from which a payment can be made to its shareholders". In other words, it could pay the money to the shareholders or it could transfer that money to an account from which it could pay its shareholders. There is no effort to deceive here, this is just a question of wording. The current wording that was there was to transfer an amount to the stated capital account. This is an amount that can still be transferred to shareholders because it is money that was from shareholders for shareholders only. It is being transferred in this fashion and goes into an account, but then it can be further paid out to shareholders at a later day.

The Acting Speaker (Mr. Paproski): Does that satisfy the hon. member for Nickel Belt, the point of order?

Mr. Rodriguez: No, Mr. Speaker. We had a concern in the Insurance Act about one of the arguments made by witnesses before the committee. They wanted the process for demutualization.

Mr. Blenkarn: This has nothing to do with it.

Mr. Rodriguez: Well if they demutualize they are going to have shareholders and they are going to have policy holders. That is the way it is going to work.

Mr. Blenkarn: On a point of order, Mr. Speaker. My friend will remember that an insurance company with common shareholders as the owners of the company, also issues participating policies. The participating policy holders are entitled to what we, in common parlance, call dividends. This is essentially a dividend rest account. Certain other provisions in the bill are set out as to how that money is to be handled and under what circumstances it can be paid out. In other words, it is not a free

pay-out because there are certain requirements to keep money on account on behalf of the participating policy holders, to act as a backing for those policies.

This is a very technical matter and I would be delighted to have one of our senior people explain it better than I can because I do not profess to be the expert on everything.

I want to say that this is just a technical change in this particular provision that came from our hearings in the Senate.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

An hon. member: No.

The Acting Speaker (Mr. Paproski): The hon. member for Nickel Belt has a few more words he would like to respond on.

Mr. Rodriguez: Mr. Speaker, I just have one more suggestion. I think we should bring in the minister and have him explain it.

An hon. member: Good idea. It sounds fair.

The Acting Speaker (Mr. Paproski): Is the House now ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motions Nos. 7D and 7E agreed to

Ms. Catherine Callbeck (Malpeque) moved:

Motion No. 9.

That Bill C-28 be amended by adding immediately after line 14 at page 256 the following new clause:

"489. (1) A company must use plain language in all contracts related to financial services, applications for financial services and related documents which it provides to its customers who are natural persons.

(2) Subsection (1) does not apply to words or forms of documents that are prescribed by law.

(3) Subsection (1) does not apply to contracts, applications for financial services and related documents where the price of the financial service or the total liability assumed or to be assumed by the customer exceeds two hundred and fifty thousand dollars.

(4) Proof that reasonable efforts have been made by the company to comply and maintain compliance with subsection (1) is a complete defence (a) in a prosecution under subsection (1), or (b) in a dispute about whether subsection (1) has been complied with.