

Government Orders

(7) For the purpose of establishing or maintaining a segregated fund required to be maintained by subsection (6), a society may, subject to the regulations, transfer an amount to the separate account maintained in respect of the segregated fund.

(8) A society may, with the approval of the Superintendent, return the current value of an amount transferred pursuant to subsection (7) to the account from which the amount was transferred.

(9) A claim against a segregated fund maintained pursuant to subsection (6) under a policy or for an amount in respect of which the fund is maintained has priority over any other claim against the assets of that fund, including the claims referred to in section 161 of the Winding-up Act.

(10) The liability of a society under a policy or for an amount in respect of which a segregated fund is maintained pursuant to subsection (6) (a) does not, except to the extent that the assets of the fund are insufficient to satisfy a claim for any minimum amount that the society agrees to pay under the policy or in respect of the amount, give rise to a claim against any assets of the society, other than the assets of that fund; but (b) to the extent that the assets of the fund are insufficient to satisfy such a claim, gives rise to a claim against the assets of the society, other than the assets of that fund, that has the priority referred to in subsection 161(2) of the Winding-up Act.

(11) In addition to the powers that a society may exercise pursuant to subsection (1), a society may hold and otherwise deal with real property.

(12) A society may”.

Motion No. 10C.

That Bill C-28 be amended in Clause 554:

(a) by adding, immediately after line 10 on page 303, the following:

“(a) a company or other entity that is engaged in the insurance business;”;

(b) by relettering the subsequent paragraphs and any cross-references thereto accordingly;

(c) by striking out line 29 on page 303 and substituting the following:

“pursuant to subsection (1) unless (a) in any case, the society”;
(d) by striking out line 32 on page 303 and substituting the following:

“Superintendent; and (b) in the case of a body corporate that is a company or other entity that is engaged in the insurance business, the society controls the company or entity or would thereby acquire control of the company or entity.

(3) Notwithstanding paragraph (2)(b), a society need not control an entity incorporated or formed elsewhere than in Canada in which it has a substantial investment and which it would otherwise be required to control pursuant to that paragraph where the laws or customary business practices of the country under the laws of which the entity was incorporated or formed do not permit the society to control the entity.

(4) For the purposes of subsection (2), “control” means “control within the meaning of section 3, determined without regard to paragraph 3(1)(d)”.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, these are technical amendments in a sense but they are rather long. They deal with friendly societies, giving the friendly societies the powers that we believe they ought to have. They are really the powers they had under the existing legislation.

Members of the finance committee will remember when we were putting this bill through that the friendly societies were not too organized in terms of their representation. After considerable discussion in the hearings before the Senate, it was felt that the bill had to be altered slightly to handle the business powers of friendly societies including their investments.

That is the reason for Motions Nos. 10A and 10C. I think they should pass without further debate.

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 10A. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.
Motion No. 10A agreed to.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 10C. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion No. 10C agreed to.

Hon. Kim Campbell (for the Minister of State (Finance)) moved:

Motion No. 13.

That Bill C-28 be amended in Clause 660 by striking out lines 27 to 30 on page 350 and substituting the following:

“(a) appoint the actuary of the provincial company forthwith after the Superintendent makes an order for the provincial company under section 657;

(b) appoint the auditor of the provincial company for the purposes of this Act forthwith after the Superintendent makes an order for the provincial company under section 657; and”.