

AN ACT FURTHER TO AMEND THE INSURANCE ACT.

RELATING TO LIFE ASSESSMENT COMPANIES.

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. The *Insurance Act*, being chapter 124 of the Revised Statutes of Canada, is hereby amended by inserting therein immediately after section 42A the following section as section 42B:—

"42B. Any company to which section 42A of this Act applies and which has complied with the provisions of that section, shall be entitled to obtain a license under section 4 of this Act, which license shall enable the company to enter in Canada into contracts of life insurance with fixed and definite premiums, and shall, except as hereinafter provided, from the date of the said license, possess and enjoy all the rights and powers and be subject to all the liabilities enacted by this Act with respect to life insurance companies licensed under section 4 of this Act.

"2. For the purposes of this section:—

"The expression 'assessment premium' means the average amount, for each stated periodical call or assessment, of the total assessments (not including dues) paid in respect of an assessment policy from the date of its issue to the date of the said license;

"The expression 'assessment policy' means a policy issued or assumed by the Company in Canada prior to the date mentioned in the notice prescribed by section 42A of this Act.

"3. From and after the date of the said license, the rights of the holders of assessment policies of the company shall be as follows:—

"(a) Every such assessment policy shall be deemed to be a non-participating policy of life insurance with fixed and definite premiums for the amount ascertained as provided in paragraph (b) of this subsection, payable only on the death of the insured and upon the performance of the policy conditions, except in so far as such conditions are modified by the provisions of this section, and upon payment from time to time of the assessment premium from and after the date of the said license, at the time stipulated in the said policy, together with an amount equal to five per cent. of such assessment premium as a loading for expenses.

"(b) The amount of such policy shall, at the option of the insured, be either:—

"(i) The amount which the said assessment premium, taken as a net premium (without any allowance for expenses) for the age of the insured at the date of the said license, with periodical payments as named in each policy respectively, would purchase according to the mortality table of the Institute of Actuaries of Great Britain, and a rate of interest of three and one-half per centum per annum; or

"(ii) The amount (subject to the amount of lien hereinafter provided) which the said assessment premium, taken as a net premium (without any allowance for expenses) for the age of the insured at the date of the issue of the policy, would purchase, according to the basis set forth in the first option aforesaid; provided that the full reserve or reinsurance value for the amount of such policy at the date of the said license, estimated or computed from the date of the issue of such policy on the basis aforesaid, shall be a lien or charge upon the said policy, bearing interest to be compounded annually at the rate of four and one-half per centum per annum until paid, or until the policy becomes a claim, and the amount of such lien or charge, unless sooner paid, shall be deducted from the amount of such policy when the policy becomes a claim; and provided also that the insured may at any time pay off the said lien or charge or any part thereof.

"(c) Each such policyholder, on exercising either of said options, shall be entitled to a dividend of his proportionate share of a sum equal to two-thirds of the deposit in the hands of the Minister applicable to the assessment policies of the company in Canada at the date of the said license after first providing for all the liabilities in Canada in respect of said assessment policies, which dividend shall for policyholders accepting the first option be in the form of a bonus addition to the amount of paid-up insurance purchasable thereby, according to the basis of mortality and interest aforesaid; and for policyholders accepting the second option shall be deducted from the amount of the lien or charge herein provided for.

"(d) The company shall, within thirty days from the date of the said license, send to each of the holders of its assessment policies, by registered letter postage prepaid

to the last known address of such policyholder, a statement showing in detail the amount of the policy under each of the foregoing options and the lien, if any, and of the premiums to be thereafter payable in respect of such policy and of the times when such premiums are payable.

"(e) Each of the holders of the said assessment policies shall, within sixty days after the date of the said license, give notice in writing to the company which of the aforesaid options he selects. And in default of such notice such policyholder shall be deemed to have selected the first of the said options; provided that, if the amount of the said policy to be computed as aforesaid shall be less than the original amount of such policy, the policyholder shall have the right within the said period of sixty days to continue the said policy for the full amount thereof, but upon the basis and terms and for the *pro rata* premiums as aforesaid; provided, further, that the Superintendent of Insurance shall, upon the application of either the insured or the company, determine according to the true intent of this section the amount of such policy computed as aforesaid, and of the lien, if any, and premium payable in respect thereof, and such determination shall be conclusive and binding both upon the company and the assured.

"(f) The company shall have no authority to make, and shall not make after the date of the said license, any assessment whatever upon such assessment policies or any of them.

"4. In respect of each of the said policies the company shall after the date of the said license maintain the reserves required by this Act as upon a policy of life insurance issued on the date of the said license as the amount of such policy if computed according to the first option aforesaid, or as if in force from the date of issue, if computed according to the second of said options.

"5. After the date of the said license such company shall be subject to make deposit only as provided in sections 7 to 11, both inclusive, of this Act, and all the assets in Canada of the company in respect of the said assessment policies shall be applicable to all the insurance liabilities of the company in Canada, provided that the deposits of the company with the Minister shall not be reduced below the amount at the rate of the said license so long as the company is undertaking in Canada new contracts of insurance."

The second reading of above Act was moved by Senator J. K. Kerr, K.C., Toronto, on 3rd inst., the debate on which was adjourned. It is now in Committee.

PROMINENT TOPICS.

The title to the Hudson's Bay seems likely to become a disputed question, owing to the action of certain American vessels, whalers, which are practically ignoring the proprietary rights of Canada. A Bill is before Parliament in reference to this matter, and a Dominion steamer is cruising in the Bay watching the Americans. The Yankee whalers seem to rely upon what is termed "squatter sovereignty," as their title 'to do as they please in that region. A second Alaska dispute seems to be brewing. The Canadian case seems indisputable as in 1670, the Hudson's Bay waters and region were conveyed to a company of that name by the Crown of England and Canada, acquired a title thereto by paying the company \$1,500,000 and certain areas of land. Americans have been allowed to fish and catch whales in Hudson's Bay and build huts on the shore on which practices they seem inclined to base a claim of territorial rights.

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Very significant is the decision of the New York Central Railway Co., to introduce electrical engines on a section of its line. The engines are to be rated at from 2,200 to 2,800 horse-power, which is 50 per