

Veterans' Insurance

Hon. N. A. McLARTY (Secretary of State): I think the only reply that I can give to the question of the hon. member for Winnipeg North Centre is the one that was given to the delegation yesterday, namely, that the government will give consideration to the matter and as soon as it arrives at a decision that decision will be announced. I think the hon. member will realize that the government should not act on any *ex parte* statement and should consider very carefully all phases of the matter.

VETERANS' INSURANCE

PROVISION OF LIFE INSURANCE FOR VETERANS OF THE PRESENT WAR

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health) moved the second reading of bill No. 170, to provide for the insurance of veterans by the Dominion of Canada.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Bradette in the chair.

Sections 1 to 8 inclusive agreed to.

On section 9—Provision by contract for change of beneficiary.

Mr. GRAYDON: Mr. Chairman, these sections are going through rather quickly. Will the minister give some indication of the real purport of section 7, which deals with the designation of contingent beneficiaries?

Mr. MACKENZIE (Vancouver Centre): In general this act has been redrafted for purposes of greater clarity. Sections 6, 7 and 8 taken together refer to beneficiaries. There is no real change from the old act, but the provisions of sections 4, 5, 6, 7 and 9 of the old act have been redrafted for greater clarity and incorporated in these sections. It was found by the officers when they went through the old act that some of the provisions were rather badly drafted. These have been redrawn, without any significant change except the change in principle which I announced in the house the other day when I spoke on the resolution. The significant change is in section 10 of the bill, and when we arrive at that section I shall be very glad to explain the real change which is intended.

Section agreed to.

On section 10—Limit of benefits when death attributable to war service.

Mr. MACKENZIE (Vancouver Centre): I think I should explain the change here. Under both acts, if a pension is awarded to a person in the insurance beneficiary classes, the com-

[Mr. Knowles]

mutated value of the pension is deductible from the amount of insurance and an alternative insurance benefit, described below, is payable; but if the beneficiary is the wife or children of the insured, a minimum of \$500 is payable plus the alternative insurance benefit, even though the pension is awarded to the wife. If, however, the wife of the insured is the beneficiary of the insurance and the pension is awarded to another person no deduction is made from the insurance money. As to the alternative insurance benefit under the old act it was the premiums paid on the amount of the deduction from the insurance, together with interest at 4 per cent, the total payable under the policy not to exceed the amount of insurance. Under the new act it will be the paid up insurance equity with respect to the amount of the deduction. Where the premium payment under the insurance is completed, as for example after ten, fifteen or twenty years under ten, fifteen or twenty payment life contracts, the paid up insurance equity is the full amount of the insurance, so the new section 10 is a definite advance in regard to benefits to the beneficiary under the insurance.

Mr. GRAYDON: Perhaps the minister gave this information previously but what is the limitation on the amount of insurance a soldier can take out?

Mr. MACKENZIE (Vancouver Centre): Under the old act it was \$5,000. Under the present bill it is \$10,000, with one limitation; that where an insured person had a policy of \$5,000 under the old act, that person is limited to a total of \$10,000 under the two acts. As an illustration, a member of the army in the last war might have a policy for \$5,000. He cannot take out another policy under this legislation for \$10,000, but if he qualifies he can take out \$5,000 under this bill and have his \$5,000 under the old act.

Mr. GRAYDON: It occurs to me, of course, that this might be applicable to members of the veterans' guard.

Mr. MACKENZIE (Vancouver Centre): Exactly.

Mr. GRAYDON: This would not permit them to take out an additional policy for \$10,000, but to have a total of \$10,000. May I ask also whether the policies which this bill envisages will be in the nature of straight life policies, or whether there will be some special terms in them about which perhaps the committee should know something?

Mr. MACKENZIE (Vancouver Centre): No; there is no provision for a straight life policy. There will be ten, fifteen and twenty