

ness: Provided that associations of individuals formed upon the plan known as Lloyd, whereby each associate underwriter becomes liable for a proportionate part of the whole amount insured by a policy, may be authorized to transact insurance other than life insurance in Canada in like manner and upon the same terms and conditions as insurance companies; such associations to be in all respects subject to the provisions of this Act, except that the statements required by this Act to be filed in the Department may be verified in such manner as the Superintendent shall direct and prescribe.

13. Contracts of accident and sickness insurance or contracts of fire, explosion and inland transportation insurance may be included in one policy, but in all other cases contracts of insurance for each class which a company is licensed to transact shall be in separate and distinct policies.

Deposits.

14. Every company carrying on the business of life insurance and every Canadian company carrying on the business of fire or of inland marine insurance, or of both combined, shall, before the issue of such license, deposit with the Minister, in such securities as are hereinafter specified in that behalf, the sum of fifty thousand dollars.

2. Every company incorporated or legally formed elsewhere than in Canada, carrying on the business of fire or of inland marine insurance or of both combined, shall, before the issue of such license, deposit with the Minister, in such securities, the sum of one hundred thousand dollars.

3. Where a license limited to one or more of the provinces of Canada is granted, the Treasury Board on the report of the Superintendent may authorize the acceptance of an initial deposit less in amount than in this section provided.

15. All such deposits, and all other deposits required under the provisions of this Act, may be made by any company—

(a) in securities of or guaranteed by the Dominion of Canada; or in securities of or guaranteed by any province of Canada; or in securities of or guaranteed by the United Kingdom or any British colony;

(b) if such company is incorporated in any foreign country, in securities of or guaranteed by the government of such country.

2. The value of such securities shall be estimated at their market value, not exceeding par at the time when they are deposited.

16. If any other than the aforesaid securities are offered as a deposit, they may be accepted at such valuation and on such conditions as the Treasury Board directs.

2. If the market value of any of the securities which have been deposited by any company declines below that at which they were deposited, the Minister may notify the company to make such further deposit as will ensure the *accepted* value of all the securities deposited by the company being equal to the amount which it is required by this Act to deposit.

3. On failure by the company to make such further deposit within sixty days after being called upon so to do, the Minister may withdraw its license.

17. Any company licensed under this Act may, at any time, deposit in the hands of the Minister any further securities beyond the sum herein required to be deposited.

2. Any such further securities so deposited in the hands of the Minister, shall be held by him and be dealt with according to the provisions of this Act in respect to the sum required to be deposited by such company, and as if the same had been part of the sum so required to be deposited.

18. If at any time it appears that a company has on deposit with the Minister a sum in excess of the amount required under the provisions of this Act, the Treasury Board may, upon being satisfied that the interest of the company's Canadian policyholders will not be prejudiced thereby, and upon the giving of such notice, and the exercise of such other precautions as may seem expedient, authorize the withdrawal of the amount of such excess or such portion thereof as may be deemed advisable: Provided that such withdrawal may be authorized without the giving of any notice.

19. If it appears from the annual statements or from an examination of the affairs and condition of any company carrying on the business of fire or inland marine insurance, that the re-insurance value of all its risks outstanding in Canada, together with other liabilities in Canada, exceeds its assets in Canada, including the deposit in the hands of the Minister, the company shall be notified by the Minister to make good the deficiency; and, on its failure to make the same good (up to the date of making good), within sixty days after being notified, he shall withdraw its license.

20. Subject to the power and duties hereinafter vested in and imposed upon the Treasury Board in relation to the withdrawal of a company's license or for limiting a time for making good a deficiency of assets, if it appears from the annual statements, or from an examination, as provided for by this Act, of the affairs and condition of any company carrying on the business of life insurance, that its liabilities to policyholders in Canada, including matured claims, and the full reserve or reinsurance value for outstanding policies, as hereinafter described, after deducting any claim the company has against such policies, exceed its assets in Canada, including the deposit in the hands of the Minister, the company shall be called upon by the Minister to make good the deficiency; and on its failure to make the same good (up to the date of making good) within sixty days after being so called upon, he shall withdraw its license.

2. If any such company as is mentioned in this and the last preceding section is incorporated or legally formed elsewhere than within Canada, the assets in Canada as aforesaid shall be taken to consist of all deposits which the company has made with the Minister under the provisions of this Act, and of such assets as have been vested in trust for the company for the purposes of this Act, in two or more persons resident in Canada, or in a trust company incorporated by or under the authority of an Act of the Parliament of Canada or of the legislature of one of the provinces thereof, appointed by the company and approved by the Minister.

3. The trust deed shall first be approved by the Minister, who with the approval of the Treasury