

Shall clause 1 carry?

Carried.

Clause 2 reads as follows:

2. Subsection two of section three of the said Act, as enacted by section two of chapter fifty-two of the statutes of 1921, subsections three and four of section three of the said Act and subsection five of section three of the said Act, as amended by section one of chapter forty-five of the statutes of 1928, are repealed and the following substituted therefor:

Subsection 2 deals with "How payable" and it reads as follows:

(2) Subject to subsection three, payment under an insurance contract shall be made on the death of the insured in an amount not exceeding two thousand dollars and the remainder, if any, or the portion thereof to which any beneficiary is entitled, shall, at the option of the insured, be payable as

- (a) an annuity certain for five, ten, fifteen or twenty years;
- (b) a life annuity; or
- (c) an annuity guaranteed for five, ten, fifteen or twenty years and payable thereafter as long as the beneficiary may live.

And subsection 3 deals with "Where remainder of an annuity is less than five hundred dollars."

Subsection 3 reads as follows:

(3) Where, at the death of the insured, the insurance money remaining to be paid as an annuity to a beneficiary is less than five hundred dollars, the Minister may, upon the request of the said beneficiary and if satisfied that it is in the best interests of the beneficiary to do so, direct that such money be paid in such manner and in such amounts, including payment in a lump sum, as the Minister may consider appropriate.

Shall the clause carry?

Mr. PEARKES: The only change is raising it from \$1,000 to \$2,000.

The CHAIRMAN: Yes, from \$1,000 to \$2,000.

Mr. BROOKS: If it is over \$2,000 and less than \$2,500, is there not a provision whereby you can pay the difference between \$2,000 and \$2,500?

The CHAIRMAN: That has to do with subsection 3.

Mr. BROOKS: The understanding is that if it is up to \$2,500, then \$2,500 could be paid. But if it were over \$2,500, then it would be provided for in subsection 2. Is that the understanding?

The WITNESS: Yes.

The CHAIRMAN: Does the clause carry?

Carried.

Clause 3 of the bill reads as follows:

3. Sections four and five of the said Act, section six of the said Act, as enacted by section three of chapter fifty-two of the statutes of 1921, sections seven and eight of the said Act and section nine of the said Act, as amended by section four of chapter fifty-two of the statutes of 1921, are repealed and the following substituted therefor.

Mr. CROLL: What is this intended to do?

The WITNESS: In the Act as it was originally there have been some administrative difficulties in settling to certain beneficiaries, especially as many of the policy holders are now becoming old and their family affairs have changed a good deal. We have attempted to bring this Act in line with the Veterans' Insurance Act, preserving the preferred clause of spouse and children,