

57. No Canadian life insurance company shall make any contract with any director, trustee, officer, employee or servant of the company, save such agents as are employed to solicit insurance, to pay any compensation or reward whatever by way of commissions in respect of the business of the company or any portion thereof: Provided, however, that this subsection shall not apply to insurance personally solicited and secured outside of office hours by any employee or servant not being a director, trustee or officer of the company.

2. For the purpose of conducting the affairs of the company in the most efficient manner in the interests of the policyholders and shareholders, the directors may make by-laws providing for the creation of a staff pension fund, but such by-laws shall before becoming effective be submitted to and be approved of at an annual meeting of the company or at a special general meeting of the members thereof, notice of the intention to consider such by-laws having been in either case duly given.

#### *Investments.*

58. The powers of lending and investment prescribed by this Act shall be the powers of lending and investment of all companies licensed to carry on the business of life insurance in Canada, and which are within the legislative power of the Parliament of Canada. With respect to companies incorporated or legally formed elsewhere than within Canada and licensed to carry on such business in Canada, all assets and investments which under section 20 of this Act may be vested in trust for the company for the purposes of this Act in two or more persons resident in Canada, or in a Canadian trust company, shall be of the classes of investment permitted by this Act to Canadian companies. Any provision in any special Act or elsewhere conferring upon any company within the legislative power of the Parliament of Canada any other or wider powers of loaning and investment is hereby repealed.

2. Any Canadian company having on hand or vested in trustees in trust for the company at the date of the coming into force of this section, any loans or investments or securities representing the same, which such company was not legally authorized to make or acquire at the time such loans or investments were made or such securities acquired, shall absolutely dispose of and realize the same within five years after this section comes into force, unless such loans or investments are then valid and competent under the provisions of this Act.

3. Any company other than a Canadian company having vested in trustees pursuant to section 20 of this Act at the date of the coming into force of this section any securities or investments which but for this section would have been valid and competent, but which by reason thereof are not valid and competent, shall within five years after this section comes into force withdraw the same from the hands of its said trustees and replace them with securities such as are provided for in subsection 1 of this section.

4. The Governor in Council on the report of the Minister may for good cause shown enlarge the respective times mentioned in the two next preceding subsections for dealing with the securities vested in the company or in the trustees as required by the said subsection for any term not exceeding one year.

5. This section shall take effect on the first day of January, one thousand nine hundred and eleven.

59. Any life insurance company which derives its corporate powers, or any of them, from an Act of the Parliament of Canada, or which is within the legislative power of the Parliament of Canada, may invest its funds, or any portion thereof, in the purchase of,—

(a) The debentures, bonds, stocks or other securities of or guaranteed by the Government of the Dominion of Canada or of or guaranteed by the Government of any province of Canada; or of or guaranteed by the Government of the United Kingdom, or of any colony or dependency thereof; or of or guaranteed by the Government of any foreign country, or state forming a portion of such foreign country; or of any municipal or school corporation in Canada, or elsewhere where the company is carrying on business; or guaranteed by any municipal corporation in Canada;

(b) (i) The bonds of any company which bonds are secured by a mortgage or hypothec to trustees or a trust corporation or otherwise, upon real estate or other assets, of such company; or,

(ii) The debentures or other evidences of indebtedness of any company, which has been doing business for a term of not less than three years prior to the date of such investment, provided default shall not have been made by such company in the interest payments upon its debentures or other evidences of indebtedness within the said period of three years prior to such investment; or,

(iii) The preferred stocks of any company which has paid regular dividends upon such stocks or upon its common stocks for not less than five years preceding the purchase of such preferred stocks, or the stocks of any company which are guaranteed by a company which has paid regular dividends upon its preferred or common stocks for not less than five years preceding the purchase of such guaranteed stocks; or,

(iv) The common stocks of any such company upon which regular dividends of at least four per cent. per annum have been paid for the seven years next preceding the purchase of such stocks: Provided that not more than thirty per cent. of the common stocks and not more than thirty per cent. of the total issue of the stocks of any company shall be purchased by any such life insurance company, and that no company shall be permitted to invest in its own shares or in the shares of another life insurance company; or,

(c) Ground rents mortgages or hypothecs on real estate in Canada, or elsewhere where the company is carrying on its business, provided that the amount paid for any such mortgage or hypothec shall in no case exceed sixty per cent. of the value of the real estate covered thereby; or,

(d) Life or endowment policies or contracts issued by the company or by any other life insurance company licensed to transact business in Canada.

2. Any such life insurance company may lend its funds or any portion thereof on the security of—

(a) any of the bonds, debentures, stocks or other securities mentioned in the preceding subsection; or,

(b) real estate or leaseholds for a term or terms of years or other estate or interest therein in Canada or elsewhere where the company is carrying on business: Provided, however, that no such loan shall exceed sixty per cent. of the value of the real estate or interest therein which forms the security for such loan, but this proviso shall not be deemed to prohibit