

(a) makes or permits any distinction or discrimination in favour of individuals between the insured of the same class and equal expectation of life in the amount of premiums charged or in the dividends payable upon any policy of life insurance issued by or on behalf of the company; or

(b) makes or assumes to make any stipulation or agreement which is intended to operate as a part of any insurance contract to which the company is or is to become a party, whether in respect of the amount, terms or conditions of the insurance, the premium to be paid or otherwise, except such as is plainly expressed in the policy issued in the case; or

(c) pays, allows or gives, or offers to pay, allow or give, directly or indirectly, as inducement to insure, any rebate of the premium stipulated by the policy to be payable, or any special favour or advantage in the dividends or other benefits to accrue thereon, or any advantage by way of local or advisory directorship unless for actual service bona fide performed, or any paid employment or contract for service of any kind or any inducement whatever intended to be in the nature of a rebate of premiums; or

(d) gives, sells or purchases as such inducement or in connection with such insurance any stock, bonds or other securities of any insurance company, or other corporation, association or partnership; and any person who knowingly receives as an inducement to insure any rebate of premium or any such special favour, advantage or inducement as aforesaid, shall for a first offence be liable to a penalty of double the amount of the annual premium chargeable upon the application or policy in respect of which the offence is committed, such penalty not to be less than one hundred dollars, and for a second or subsequent offence to a penalty of double the amount of such annual premium, the latter penalty not to be less than two hundred and fifty dollars.

2. Moreover every director, manager or other officer of any insurance company who knowingly consents to or permits the violation of any of the provisions of this section by any agent, officer, employee or servant of the company shall be liable to a penalty of five hundred dollars.

3. The penalties provided for in this section may be recovered either upon summary conviction under Part XV of the Criminal Code, or in any court of competent civil jurisdiction at the suit of any person suing therefor as well for His Majesty as for himself; one-half of any such penalty when recovered to be paid into the Consolidated Revenue Fund and the other half to belong to the informer or person at whose suit the same is recovered.

4. No director, manager, agent, officer or servant of any insurance company shall be indemnified, either in whole or in part, from the funds of the company for any penalty or costs which he may be adjudged to pay on account of any offence committed against this section.

This is to make it a criminal offence to give a rebate of premium, or to effect any combination or arrangement whereby one individual will be able to get his insurance at a cheaper rate than another.

I may say that these provisions are contained in the general Insurance Act. The

principle reason why it is necessary to insert them in the Criminal Code is that the Insurance Act as such may apply, and does apply, only to such insurance companies as the Parliament of Canada has legislative jurisdiction over, which, speaking generally, may be said to be companies incorporated by the Dominion, and foreign companies. But provincial companies, or the agents or officers of provincial companies, could not be reached by the general Insurance Act. I think the committee will agree that the different operations which are hereby prohibited, namely, the offering of rebates and undue advantages, discrimination between the insured, attempting on the part of the agent to make undertakings which are not contained in the policy and which operate to the deception of the insured, and the giving of any inducement for the insurance in the way of direct benefit or advantage—all these things are just as objectionable and are just as detrimental to the public interests when done by a provincial company, or the officers or agents of a provincial company, as when done by a foreign or Dominion company. It is further to be pointed out that unless legislation of this kind be applicable to all companies carrying on the business of insurance, without distinction of their source of incorporation, you have a most unfair situation as regards the Dominion and foreign companies, in that they are subject to the present Insurance Act and are bound to comply with these requirements, whereas provincially-incorporated companies would entirely escape and would be enabled thereby to carry on a most unfair competition, and to resort to those practices which, I think it will be generally agreed, are most objectionable and most unfair.

Mr. CARVELL: I can quite understand the necessity of amending the Act so that an agent of a provincial company shall be under the same law and subject to the same penalties as the agent of a Dominion or foreign company. But I have never quite understood the reason for this law, anyhow. I do not see why an insurance agent should not be allowed to canvass business and sell insurance as cheaply as he likes; that is a matter between him and the purchaser. It seems to me we are drifting into—I do not know whether it is socialism; I think it is these public-ownership faddists getting their work in again. Why in the world should not an insurance company be allowed to sell me insurance for a price which I am willing to pay, regardless of the price they