

Veterans Insurance

vicinity of 50 per cent of all tires sold in Canada. I think another reason the bill should be supported is that it is desirable that we have a uniform standard of tire regardless of the place of manufacture, a responsibility which is placed upon those who bring tires into this country for sale.

Certain members on the other side are now indicating that they wish me to speak for another five minutes. I am hesitant to do so as I feel I have made the contribution that I wished to make. I close by commending my colleague from Halton-Wentworth, and also the Minister of Transport for his approach to this particular legislation. May I thank you, Mr. Speaker, for your indulgence in hearing my point of view on this very important matter.

Motion agreed to, bill read the second time and referred to the Standing Committee on Transport and Communications.

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VETERANS INSURANCE ACT AND THE RETURNED SOLDIERS' INSURANCE ACT

MEASURE TO PROVIDE SETTLEMENT OPTIONS

Hon. Daniel J. MacDonald (Minister of Veterans Affairs) moved that Bill C-86, to amend the Veterans Insurance Act and the Returned Soldiers' Insurance Act, be read the second time and referred to committee of the whole.

He said: Mr. Speaker, it is my pleasure to move second reading of Bill C-86, an act to amend the Veterans Insurance Act and the Returned Soldiers' Insurance Act. These two acts are perhaps less familiar to hon. members than some of the other statutes embodied in the veterans' charter. Because of this, Mr. Speaker, it may be useful for me to describe very briefly their purpose and scope.

Parliament enacted the Returned Soldiers' Insurance Act and the Veterans Insurance Act to provide access to life insurance coverage primarily for veterans not able to secure this form of economic protection for their dependants through commercial carriers. Eligibility under the legislation, however, was not restricted to those faced with that difficulty and insurance coverage was available to all veterans.

The Returned Soldiers' Insurance Act provided coverage of up to \$5,000 for veterans of World War I. Approximately 48,000 policies were issued between 1920 and 1933, representing a face value of just over \$109 million; 2,500 policies remain in force with a face value of \$5½ million. Some 18,000 contracts have been settled as death claims and a similar number for their cash surrender value; 9,000 contracts have been terminated for other reasons.

The Veterans Insurance Act, which applies to veterans of World War II, received royal assent in August, 1944. This act provided coverage of up to \$10,000. As with several other legislative provisions for veterans, October 31, 1968, was established as the closing date for applications for the issue of policies; 56,000 contracts were entered into, providing \$185 million of coverage; 19,000 policies, for a face amount of over \$60 million, now remain in force; just over 9,000 policies have been settled as death claims; 23,500 were

[Mr. Hnatyshyn.]

surrendered for their cash values and 4,200 were terminated for other reasons.

I turn now, Mr. Speaker, to the bill before us. Its purposes are, first, to change the manner of insurance settlement as policies mature through the death of the insured and, second, to bring the two insurance statutes into harmony with other social legislation concerning common law unions. Some hon. members will recall that they have received representations about these matters from constituents who are either policyholders or beneficiaries. I am pleased to have had these representations brought to my attention by those hon. members. Similar representations have been made directly to me and to officials of my department. These proposed amendments are the government's response to that very clearly identified need.

Specifically, the first amendment provides an option in the manner of settlement of insurance claims which is not available now to the insured veteran or to his beneficiary. It permits a policyholder to elect to have full policy proceeds paid in a lump sum to his beneficiary or beneficiaries on his death. This option is also extended to the beneficiaries who will also have the choice of taking proceeds in a lump sum or as an annuity at the time the policy becomes payable. As the legislation now stands, immediate death benefit may only be paid up to \$2,000, with the balance paid as an annuity. The only exceptions to this manner of settlement are those cases where policy proceeds are not greater than \$3,000 for each recipient. Under these circumstances, proceeds may be paid in a lump sum at the request of the beneficiary and with the consent of the minister. It will be clear to hon. members that this amendment recognizes that policyholders and beneficiaries are the best judges of the type of policy settlement which meets their particular needs most effectively. The government considers that the current legislation inhibits the freedom of choice of those directly affected by it.

● (1650)

The second amendment permits the recognition of a common law spouse as the beneficiary of an insurance contract. As hon. members know, similar recognition of common law unions has already been incorporated into other social legislation, including the Pension Act and the War Veterans Allowance Act. The bill provides that a common law spouse designated by the insured as the beneficiary of his insurance policy may be paid the proceeds of the policy if the couple have resided together and have publicly represented themselves as man and wife for a period of at least three years where there is a bar to their marriage, and at least one year's duration where there is no such bar. This change in the legislation enables compliance with the expressed wish of the insured with respect to disposition of the proceeds of his insurance policy. This is not possible under the present legislation.

If parliament approves the bill now presented, my department will inform all policyholders and annuitants under both acts of the implication of the changes and will provide ample opportunity for present contracts to be adjusted as desired.

Mr. Speaker, before I close may I say, as has been said on previous occasions, that all hon. members of this House have consistently shown a high level of interest in veter-