

entitled to share in that portion of the profits so set apart, which has been so distinguished as having been derived from participating policies to the extent of not less than ninety per cent thereof; but no dividend or bonus shall at any time be declared or paid out of estimated profits, and the portion of such profits which remains undivided upon the declaration of a dividend shall never be less than one-fifth of the dividend declared. 5

Rights of certain policy holders.

15. Whenever any holder of a policy, other than a term or natural premium policy, shall have paid three or more annual premiums thereon, and shall fail to pay any further premium, or shall desire to surrender the policy, the premiums paid shall not be forfeited, but he shall be entitled to receive a paid-up commuted policy for such sum as the directors may determine, such sum to be ascertained upon principles to be adopted by by-laws, or the directors may pay a sum as a cash surrender value in lieu of such paid-up commuted policy, provided he shall demand such paid-up commuted policy while the original is in force, or within six months after his failure to pay a premium thereon. 10 15 20

Holders of participating policies.

16. The Company may agree to give to holders of participating policies the right to attend and vote in person at all general meetings of the Company; and if the Company so determines then all persons who are actual holders of policies from the Company, whether such persons are shareholders of the Company or not, and who are by the terms of their policies entitled to participate in profits and are referred to in this Act as holders of participating policies, shall be members of the Company and be entitled to attend and vote in person at all general meetings of the Company, except at those called for the purpose of increasing the capital stock of the Company (and shall not be entitled to vote by way of confirmation or against the confirmation of any by-law for the increase, issue, allotment or sale of capital stock of the Company); and every holder of a participating policy of the Company for a sum not less than one thousand dollars shall be entitled to one vote, in person, for each one thousand dollars in his policy. 25 30 35

Husband or father holding participating policy.

2. A husband or father holding a participating policy on his life for the benefit of his wife or children shall be deemed a member of the Company. 40

Separate accounts for "sections."

17. The Company may maintain separate accounts of the business transacted by it, in the "Industrial," the "General," the "Abstainers" and the "Women's" sections, keeping the receipts and the expenditures distinct, each section sharing its own profits, and each section paying its own proper proportion of expenses; and the Company may establish a section on the principle of non-participation in profits—which shall be known as the "Non-Participating Section." 45

Non-participating section.

R.S.C., c. 124.

18. This Act, and the Company, and the exercise of the powers hereby conferred, shall be subject to the provisions of *The Insurance Act.* 50