

subject to the provisions of *The Winding-up Act*, pursuant to section 161 of the said Part III.

95. On and after the first day of January, one thousand nine hundred and eleven, no policy of life insurance shall be delivered in Canada by any company licensed under this Act until a copy of the form of such policy has been mailed by prepaid registered letter to the Superintendent; and unless it contains in substance the following provisions:—

(a) That the insured is entitled to a grace of thirty days within which the payment of any premium other than that of the first year may be made, subject to the option of the company to an interest charge not in excess of six per cent. per annum for the number of days of grace elapsing before the payment of the premium, during which period of grace the policy shall continue in full force; but in the event of the policy becoming a claim during the said period of grace and before the overdue premiums or the deferred premiums, if any, of the current policy year are paid, the amount of such premiums with interest on any overdue premium may in settlement of the claim be deducted from the sum insured;

(b) That the insured may, without the consent of the company, engage in the active service of the militia of Canada, notice thereof, however, to be given by or on behalf of the insured to the company within ninety days after the date of his so engaging in such service and such extra premium to be paid during the continuance of such service as the company shall fix in pursuance of the terms of the policy;

(c) That, subject to the provisions of paragraph (e) of this subsection, the policy shall be incontestable after not later than two years from its date except for fraud, non-payment of premiums, or for violation of the conditions of the policy relating to engaging in military service (other than such as mentioned in the next preceding paragraph) or naval service in time of war without the consent in writing of a duly authorized officer of the company;

(d) That the policy and the endorsement thereon shall constitute the entire contract between the parties and that all statements made by the insured shall, in the absence of fraud, be deemed representations and not warranties and that no such statement shall be used in defence to a claim under the policy unless it is contained in a written application and a copy of such application or such parts thereof as are material to the contract shall be endorsed upon or attached to the policy when issued;

(e) That if the age of the insured has been understated the amount payable under the policy shall be such as the premiums would have purchased at the correct age;

(f) The options as to surrender values, or paid up insurance or extended insurance to which the policyholder is entitled in the event of default in a premium payable after three full annual premiums have been paid;

(g) That after three full annual premiums or their equivalent half-yearly or quarterly premiums have been paid on a policy the company shall loan on the sole security thereof at a rate of interest not exceeding seven per cent. per annum a sum not

exceeding ninety-five per cent. of the surrender value of such policy less any indebtedness to the company in respect thereof; such policy being first deposited with and assigned to the company by an assignment executed by all proper parties and in the form G in the schedule to this Act, or in such other form as may be approved of by the Superintendent: Provided, however, that such loan may at the option of the company be deferred for a period not exceeding three months from the time the policyholder applies therefor;

(h) A table showing in figures the surrender and loan values, and the options available under the policy each year upon default in premium payments, until the end of the twentieth year at least of the policy, beginning with the year in which such values and options first become available; the surrender and loan values may be shown on the basis of one thousand dollars of insurance, and the loan values may be shown as a percentage of the surrender values;

(i) In case the proceeds of a policy are payable in instalments or as an annuity, a table showing the amounts of the instalment and annuity payments;

(j) A provision that the holder of a policy shall be entitled to have the policy reinstated at any time within two years from date of lapse, unless the cash value has been duly paid, paid-up insurance granted, or the extension period expired, upon the production of evidence of insurability satisfactory to the company and the payment of all overdue premiums and any other indebtedness to the company upon said policy with interest at the rate of not exceeding six per cent. per annum, compounded annually from the date of lapse.

Any of the foregoing provisions or portions thereof not applicable to single premium or non-participating or term or annuity policies shall to that extent not be incorporated therein.

2. This section shall not, except as relates to the filing with the Superintendent of copies of forms of policies, apply to assessment companies, nor to policies of industrial insurance.

96. All such life insurance companies, notwithstanding any thing to the contrary in any special Act or elsewhere, shall, after the first day of January, one thousand nine hundred and eleven, keep separate and distinct accounts of participating and non-participating business.

97. Every policy issued by any company incorporated or legally formed elsewhere than in Canada in favour of a resident of Canada shall have a clause embodied therein or endorsed thereon to the effect that an action to enforce the obligations of such policy may be validly taken in any court of competent jurisdiction in the province where the policyholder resides or last resided before his decease and said policy shall not contain any provision inconsistent with such clause.

98. The provisions of this section shall extend and apply to every licensed life insurance company having a capital stock, whether called by the name of capital stock, guarantee fund, or any other name, within the legislative power of the Parliament of Canada.

2. The said provisions shall so extend and apply, notwithstanding anything to the contrary in any