

contract be made in error, the policy should be voided, if the misrepresentations or errors are material.

Mr. SPROULE. It very frequently happens that if erroneous statements have been made the companies go on and continue to receive the premiums during ten or fifteen years, and on the death of the insured they bring up the misstatements as a reason why they should not pay the death loss. There ought to be something in the Act that would prevent the company, after a policy has been issued and been in force for some time, from subsequently raising a question as to its validity. After the company have taken every possible means to satisfy themselves as to the truth of a statement, and after the premiums have been paid during some years, they should not be allowed to plead that a misstatement was made and the policy therefore voided.

Mr. DAVIES. The obligation as to good faith should extend to both parties.

Mr. LANDRY (Kent). I look upon the matter as of more importance than do some hon. members, and I will move the amendment I have suggested, on the third reading, and will then be prepared to show that the series of questions put to applicants are such as cannot be answered correctly. I do not think he ought to. I think that it ought to be the duty of the company, if they want to resist a claim of this kind, to show that the statements that were made at the time were made fraudulently, that the party knew that they were fraudulent, and did it for the purpose of getting a policy upon false representations, which he knew were false at the time. I have merely given one of the instances as an illustration, but there are many of the same kind, so that it is almost impossible for the applicant to answer the questions without making mistakes.

Mr. TROW. There is such keen competition between the agents of these companies that in many instances these questions are not answered, but are taken for granted, and I think that the only cases in which a man should forfeit his rights is when he attempts to misrepresent his age for the purpose of benefiting thereby.

Mr. HICKEY. I think the observations of the hon. member for Kent (Mr. Landry) ought to have a great deal of weight with this committee. No doubt there are many candidates for examination who have insufficient knowledge of their own immediate family history. They may possibly be foreigners, coming to this country; their parents or their brothers or sisters may have died since they left, for instance, of consumption, which is a hereditary disease, and the applicant may be in good faith in not knowing of what disease they died. For that reason, I think some consideration should be extended to the applicant. At present the family history is considered very important for or against the candidate, as evidence which he can give himself, apart from the physician's examination. Most of our companies are making the examination more carefully than ever, because they are stating in their policies that after three premiums are paid nothing will invalidate the policy. For instance, the Canada Life makes that provision.

On section 8,

Mr. WELLS. It is perfectly obvious that this clause goes further than the person who drafted it intended. For instance, in the 16th and 20th lines, it includes "any person who transacts any business on behalf of such company," as those coming within the penalty of the 13th section of the Act. I do not think it was ever intended to go as far as those words go, because they would include any proprietor of a newspaper publishing an advertisement, for an unlicensed company or any carpenter putting up a shelf.

Mr. WHITE (Cardwell). The carpenter would not be called upon to print any words in his insurance policy.

Mr. WELLS. But it is not limited in that way. This section has been compiled from two or three sections; it was moved just at the moment the committee was rising, and it was not well considered. Now, what the committee wish is to protect the public, by seeing that the public are sure that it understands it is dealing with a company which does business on the assessment principle. That, I suppose, is the object of the clause. Now, every assessment company sends out thousands of circulars, notices of assessment, etc., to its own members, and is there any object in having the words "assessment system" printed on such documents, or any other documents of that kind that are sent to its own members. I shall move an amendment which, I think, will be accepted by the committee, as it is a reasonable one. I move to insert after the word "Canada," these words:

In every circular or advertisement issued or used in Canada, addressed to its own members, and not showing that the company transacts the business of insurance upon the assessment system.

Some of these companies have enormous stocks of these circulars on hand. The company in which I am interested I know has thousands, I might say millions, of them on hand, and as many of them are pamphlets, they could not be put through the press without tearing them apart.

Mr. WHITE (Cardwell). Yes, they could.

Mr. WELLS. I do not see any object in putting those words in, in the case of such documents as I have described, sent to the companies' own members, and I do not think any company should be embarrassed or vexed or harassed by a provision of this kind, for no purpose.

Mr. DAVIES. If I heard the amendment aright, it is more extensive than the hon. gentleman who proposed it seems to understand. It might be desirable that papers sent to members themselves should not have the words "assessment system" on them; but the amendment goes further, because it provides that these words should not be on any document, if it could be gathered from the substance of the document that the company carries on business by the assessment system. If carried, it would compel every man to read every report or document he received, in order to ascertain whether or not the company was conducted on the assessment system. Why does the hon. member want to dispense with that notice?

Mr. WELLS. I frankly say why. These companies have hundreds of thousands of those documents already printed. There is one company that sends to its own members 200,000 of these documents every two months, and it would be utterly out of the question to put a stamp on all of these; it would take the whole time of a man or half a dozen men to do it. This idea of safety is entirely over-estimated. Did anybody ever know an instance in which a person was insured under one system and thought he was insuring under another? I venture to say it would be utterly impossible, with the strife and rivalry existing among insurance companies; and we are only forecasting a grievance which has never arisen, and which probably never will arise. To require that a document or report will show on its face that the company is doing business on the assessment system is surely protection enough to the public. My hon. friend says a person may be deceived, because he may have to read through the document. I do not suppose anyone is going to be deceived by a document unless he reads it. I think this provision is only vexatious.

Mr. TROW. I do not think it is imposing any hardship on these companies to require them to stamp these documents in the corner with the words "assessment system." If they have a large surplus of the documents on hand, one man could, in a short time, stamp all they would require for a month.

Mr. EDGAR. If my hon. friend is so much in favor of the assessment system, and it has so many advantages, as he