

The CHAIRMAN: Clause 2:

2. Subsection one of section three of the said Act, as amended by section one of chapter seventy-two of the statutes of 1947-48, and subsection two of section three of the said Act are repealed and the following substituted therefor:

3. (1) The Minister may, without requiring medical examination or other evidence of insurability, enter into a contract of insurance that provides for the payment in the event of the death of the insured of five hundred dollars or any multiple thereof not exceeding ten thousand dollars,

- (a) with a veteran, at any time on or before the thirty-first day of December, one thousand nine hundred and fifty-four or within ten years after the date of his discharge from service, whichever is the later; or
- (b) with any of the following persons, at any time on or before the thirty-first day of December, one thousand nine hundred and fifty-four,
 - (i) the widow or widowers of a veteran, if the Minister has not entered into a contract of insurance with the veteran,
 - (ii) The widow or widower of a person who died on service during the war,
 - (iii) a person who is an officer or man in any of the components of the Canadian Forces that are referred to in *The National Defence Act* as the regular forces, who has not been released from such forces and who was engaged in service during the war,
 - (iv) a merchant seaman who received or was eligible to receive a bonus pursuant to The Merchant Seamen Special Bonus Order, or a seaman who received or was eligible to receive a War Service Bonus pursuant to The Merchant Seamen War Service Bonus Order, 1944, and
 - (v) any other person who is, under the Pension Act, in receipt of a disability pension relating to the war.

(1a) Where a contract of insurance is entered into under this Act with a person whose life is insured under *The Returned Soldiers' Insurance Act*, the amount of insurance under such contract shall be limited so that the aggregate amount of insurance in force on his life under *The Returned Soldiers' Insurance Act* and this Act does not exceed ten thousand dollars.

(2) Payment under a contract of insurance shall be made on the death of the insured in an amount not exceeding two thousand dollars and the remainder, if any, or the portion thereof to which any beneficiary is entitled, shall, at the option of the insured, be payable as

- (a) an annuity certain for five, ten, fifteen or twenty years;
- (b) a life annuity; or
- (c) an annuity guaranteed for five, ten, fifteen or twenty years and payable thereafter as long as the beneficiary may live.

Shall clause 2 carry?

Mr. PEARKES: Mr. Chairman, I wanted to ask one question as to the reason why one cuts off certain people, particularly an officer in any of the general forces, after December, 1954, rather than letting them have the advantage of 10 years after their retirement?

Mr. BLACK: Sir, the persons on the permanent forces have never been discharged. There is an arbitrary date established on which we would deem them to be discharged. They have never been out of the forces, whereas the veterans have, and are being given 10 years after their discharge, if it were later than December 31, 1954, whereas we deem for this purpose, in a sense, that the