

4. Where any such company has, prior to the passing of this Act, under the provisions of its Act of incorporation and any amendments thereto, created and issued part of its capital stock as preference stock, giving such preference stock the right to a fixed preferential dividend, the word "capital" in subsection 2 of this section shall be read and construed to mean as to such company its preferred capital exclusively in so far as regards the payment of such preferential dividends: Provided, however that in the case of any such company the reserve liability for the purposes of this section may, with the approval of the Treasury Board, be calculated until the first day of January, one thousand nine hundred and fifteen, on the basis of not less than sixty per cent. of the unearned premiums mentioned in the next preceding section.

136. In this section the word "surplus" means the excess of assets over the paid-up capital of the company and all the liabilities of the company, including the reserve for unearned premiums.

2 Subject to the payment of preferential dividends as provided in subsection 4 of section 135, until the surplus of a Canadian fire insurance company shall equal or exceed the reserve of unearned premiums computed as provided in section 134 on all outstanding unmatured policies in Canada not re-insured, such company shall at the end of each year, commencing with the year one thousand nine hundred and ten, appropriate towards the surplus of such company, at least twenty-five per cent. of the profits of the company for the year last past.

137. No agent, broker or other person representing or doing business in Canada for any fire insurance company licensed under this Act shall, in any way, directly or indirectly, divide, or offer to divide, his commission or other remuneration with, or give, or offer to give, any part of his commission or other remuneration, or any other matter or thing of value to any person whose property he may be insuring or seeking to insure, or to any person having or claiming or appearing to have any influence or control as to the placing of such insurance, as an inducement to insure with him or in or with a company employing him or represented by him.

138. Every person violating the provisions of the last preceding section shall, for a first offence, be liable to a penalty of double the amount of the premium on the application or policy in respect of which such violation took place, but in no case shall such penalty be less than one hundred dollars, and for a second or subsequent offence such person shall be liable to a penalty of double the amount of such premium, but in no case less than two hundred and fifty dollars.

2. Every director or manager or other officer of any fire insurance company within the legislative power of the Parliament of Canada or licensed under this Act to carry on the business of fire insurance, who violates or knowingly consents to or permits the violation of the next preceding section by any agent, officer, employee or servant of the company, shall be liable to a penalty of five hundred dollars.

3. The penalties provided for in this section shall be recoverable in any court of competent civil jurisdiction at the suit of any person suing as well for His Majesty as for himself. One-half of any such penalty shall, when recovered, be applied

towards payment of the expenses of the Department and the other half to the person suing.

4. No such director, manager, agent, officer, employee or other servant shall be indemnified either in whole or in part either in respect of the penalty or of any costs out of the funds of the company.

139. Notwithstanding anything in this Act contained, any person may insure any property situated in Canada with any British or foreign unlicensed insurance company or underwriters, and may also insure with persons who reciprocally insure for protection only and not for profit; and any property insured or to be insured under the provisions of this section may be inspected and any loss incurred in respect thereof adjusted: Provided such insurance is effected outside of Canada and without any solicitation whatsoever directly or indirectly on the part of such company, underwriters or persons by which or whom the insurance is made.

2. Every person so insuring property situated in Canada shall make a return to the Superintendent giving the location and a brief description of the property insured, the amount of the insurance, and whether insured in Lloyds, or some similar association, or in mutuals, reciprocal or other class of insurers, such return to be made by delivering or mailing it in a registered letter addressed to the Superintendent not later than the first day of March in each year for the year ending on the preceding thirty-first day of December.

3. Blank forms for such statements shall be supplied by the Superintendent.

4. Default in compliance with the requirements of paragraph 2 of this section by the insured shall subject him to a penalty of ten dollars for each day during which default continues recoverable and applicable in the manner prescribed in subsection 2 of section 69 of this Act.

PART IV.

INSURANCE OTHER THAN LIFE OR FIRE.

Licenses.

140. This part applies to companies carrying on business of insurance other than life or fire insurance.

141. No such company shall accept any risk or issue any policy of insurance or interim receipt or receive any premium in respect thereof or carry on any business of insurance in Canada without first obtaining a license from the Minister to carry on such business. The Treasury Board shall determine in each case what deposit shall be required to be made with the Minister.

142. The provisions of this Act applicable to fire insurance companies and the business of fire insurance other than the provisions contained in section 139 shall, *mutatis mutandis*, apply to every such company and its business as to all matters not otherwise provided for herein: Provided, however, that the provisions relating to the calculation of reserve liability shall not apply to companies licensed to carry on the business of title insurance.

143. The Treasury Board, upon the report of the Superintendent, may revoke any license issued under this Part if sufficient cause therefor is shown by such report.