

its funds, or any portion thereof, in the purchase of—

"(a.) The debentures, bonds, stocks or other securities of Canada, or of any province of Canada, or of any municipal or public school corporation in Canada, or

"(b.) The debentures of any building society, loan or investment company, water works company, gas company, street railway company, electric light or power company, telegraph or telephone company, or electric railway company, every such society or company being incorporated in Canada, or

"(c.) Life or endowment policies issued by the company, or by any other life insurance company, or

"(d.) The public consols, stocks, bonds, debentures or other securities, of the United Kingdom, or of any colony or dependency thereof, or of the United States or of any State thereof, or

"(e.) Ground rents and mortgages on real estate in any province of Canada, or

"(f.) Any securities accepted by the Treasury Board as deposits from insurance companies under this Act.

"2. Any such life insurance company may lend its funds or any portion thereof, on the security of

"(a.) Any of the bonds, stocks, debentures or securities mentioned in the preceding subsection, or

"(b.) Paid up shares of any company mentioned in paragraph (b.) of the next preceding subsection: Provided that any loan on the security of any such shares shall not exceed ninety per cent. of the market value of such shares, or

"(c.) Real estate or leaseholds for a term or terms of years or other estate or interest in real property in any province of Canada, or

"(d.) The stock of any chartered bank in Canada, under and subject, however, to such regulations as are from time to time made by order of the Treasury Board.

"3. Any such life insurance company may invest in foreign securities, or deposit outside of Canada, such portion of its funds as is necessary or desirable for the maintenance of any foreign branch: Provided that such investment or deposit, when not required by the law of the country where such branch is established, but deemed desirable in the interest of such branch, shall not exceed one hundred thousand dollars, Canadian currency.

"4. Any such life insurance company doing business in the United States, in the event of the reserve or reinsurance value upon its outstanding policies in force in the United States exceeding the amount which may be invested or deposited under the authority of the next preceding subsection, may invest a portion of its funds in the purchase of bonds or debentures of any of the States of the United States, or of any municipal corporation in the United States, or in mortgages on real estate therein, or may lend it on the security of any such bonds, debentures or mortgages; but in such event the amount so invested or lent in the United States, including any sum invested or deposited

under the authority of the next preceding subsection, shall not at any time exceed by over ten per cent. the said reserve or reinsurance value of its policies in force in the United States, such reserve to be calculated upon the basis prescribed in this Act.

"5. Any such life insurance company doing business in the United Kingdom, in the event of the reserve or reinsurance value upon its outstanding policies in force in the United Kingdom exceeding the amount which may be invested or deposited under the authority of subsection 3 of this section, may invest a portion of its funds in the purchase of bonds or debentures of any of the municipalities of the United Kingdom, or mortgages on real estate therein, or may lend it on the security of any such bonds, debentures or mortgages; but in such event the amount so invested or lent in the United Kingdom, including any sum invested or deposited under the authority of subsection 3 of this section, shall not at any time exceed by over ten per cent. the said reserve or reinsurance value of its policies in force in the United Kingdom, such reserve to be calculated on the basis prescribed by this Act.

"6. Any such life insurance company which does business outside of Canada elsewhere than in the United Kingdom and the United States and also does business in the United Kingdom and the United States, in the event of the reserve or the reinsurance value upon its outstanding policies in force outside of Canada exceeding the amount which may be invested or deposited under the authority of subsections 3, 4 and 5 of this section, may invest a further portion of its funds in the purchase of the bonds or debentures of any of the States of the United States or of any municipal corporations in the United Kingdom or the United States, or mortgages on real estate in the United Kingdom or the United States, or may lend such further portion upon the security of any such bonds, debentures or mortgages; but in such event the total amount so invested or lent outside of Canada under the authority of the said subsections 3, 4 and 5 and of this subsection shall never exceed by over ten per cent. the said reserve upon its said outstanding policies in force outside of Canada, such reserve to be calculated on the basis prescribed by this Act.

"7. Any insurance company other than a life insurance company which derives its corporate powers, or any of them, from an Act of the Parliament of Canada, or which is within the legislative power of the Parliament of Canada, may invest its funds, or any portion thereof, in the purchase of any of the bonds, stocks, debentures or other securities mentioned in subsection 1 of this section, except those mentioned in paragraph (c.) of the said subsection, or may lend its said funds, or any portion thereof, on the security of any of the bonds, stocks, debentures or other securities mentioned or referred to in subsection 2 of this section, except those mentioned in the said paragraph (c.) of the said subsection 1 of this section; subject,