

licensed under this Act to transact the business of life insurance in Canada; and such valuation shall, until the first day of January, 1907, as to policies issued prior to the first day of January, 1900, and bonus additions or profits accrued or declared in respect thereof, be based on the mortality table of the Institute of Actuaries of Great Britain, and on a rate of interest of four and one-half per cent per annum, and as to policies issued on or after the said last mentioned date and bonus additions or profits accrued or declared in respect thereof, shall be based upon the said mortality table and a rate of interest of three and one-half per cent per annum; provided that, on and after the said first day of January, 1907, the basis of valuation last mentioned shall be applicable to all such policies and bonus additions or profits accrued or declared in respect thereof. In this and the next succeeding paragraph of this subsection the word "policies" includes annuity contracts, provided however that in the valuation of annuity contracts the table of mortality experience of (British) Government Life annuitants may be used instead of the table of the Institute of Actuaries in paragraph clause mentioned.

Basis of valuation.

Interpretation.

"(b.) If it appears to the Superintendent that the liabilities of any Canadian life insurance company, including matured claims and the full reserve or reinsurance value for outstanding policies estimated or computed on the basis mentioned in the next preceding paragraph of this subsection, exceeds its assets, he shall report the fact to the Treasury Board, and the Treasury Board, after full consideration of the matter and after a reasonable time has been given to the company to be heard by them, may,

If liabilities of Canadian life insurance company exceed assets, license may be withdrawn.

"(i.) Forthwith withdraw the company's license, or  
 "(ii.) Upon such terms and conditions as they deem proper, limit a time, not exceeding one year, within which such company shall make good the deficiency (the company's license being continued in the meantime), and upon the company's failure to make good such deficiency within the time so limited, its license shall be withdrawn: Provided, however, that if the company's liabilities exceed its assets by twenty per cent or upwards its license shall be forthwith withdrawn.

"(c.) For the purpose of carrying out the provisions of the next preceding paragraph of this subsection the Treasury Board may, upon the recommendation of the Minister, appoint such actuaries, valuers or other persons as they deem proper to value and appraise the company's liabilities and assets and report upon its condition and its ability, or otherwise, to meet its engagements.

Treasury Board may appoint valuers.

"(d.) The provisions of paragraph (b) of this subsection shall prevail in any case where there appears to be a conflict between it and subsection 1 of section 10 of this Act."

Rule of construction.

4. The section substituted for section 35 of the said Act by section 12 of chapter 20 of the statutes of 1894 is hereby repealed and the following substituted therefor:—

New section 35.

"35. This section shall apply to all the policies of Canadian companies and to all Canadian policies of companies other than Canadian companies.

Application...

"2. In computing or estimating the reserve necessary to be held in order to cover its liability to policy-holders, each company may, until the first day of January 1907, as to policies

Computation by company of reserve for covering