

Government Orders

(5) The failure of a company to comply with subsection (1) does not affect the enforceability of any document referred to therein and may not be asserted by a customer or a company as a defence in an action or proceeding based on a document referred to in subsection (1).

(6) As used in this section "customer" includes a natural person who is a guarantor or provides security to a company.

(7) Subsections (1), (2), (3), (4), (5) and (6) shall come into force on the day which is two years after the coming into force of section 1 of this Act."

She said: Mr. Speaker, this is a motion called plain language. What it actually does is require an insurance company to put various documents that must be signed by a customer in plain language. If that customer is getting an insurance policy, or any other document from an insurance company that they have to sign, they can actually pick up the document and read it.

I am sure that most of us in this House have received documents from an insurance company that were very, very difficult to read, had very small print and long sentences in legal language. In other words, it was not in day-to-day language that the average person could understand.

This amendment would require insurance companies to put these documents in everyday words, short sentences, so that a document can be read by a customer and the customer can understand what they are signing.

I know the industry is proceeding along this line. I know that there is a trend to make simpler documents. I certainly want to commend the companies in various financial institutions that are doing this. Yesterday the hon. member from Mississauga said that it is too difficult to do. But it has been done. In the United States at least 10 states have passed this legislation. New York was the first in 1978, and reports by experts from New York say that the results are really remarkable. We have also had this legislation passed in one province of Canada, Alberta in 1990.

I can agree that it would probably be difficult. But the fact is that it has been done, so there is no reason why it cannot be done here in Canada.

I think it is a reasonable amendment. It is giving insurance companies two years to get their documents

translated into simple everyday language. It is also only for customers who borrow less than \$250,000.

It is certainly something that is can be done. As I said, it has been done in at least 10 states in the United States with good results and it has been passed in the province of Alberta. I think this legislation would go a long way in providing a better service to the customers of financial institutions.

One of the main objectives of the Liberal Party during this whole study of financial institutions was to come in with legislation that would better serve the Canadian public. I would encourage all members of this House to support this plain language amendment.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I spoke to this matter yesterday on two occasions. I just want to say that I appreciate very much the spirit with which the amendment is made. Unfortunately it is pretty difficult for us to judge what language is "plain".

When I talk to the Minister of National Revenue he boasts about how plain the language is and how easy his forms are to fill in. The other day I was given the privilege by my daughter of helping her do her income tax. She is a single parent and I had to wade through the form.

• (1720)

The book that the minister produces in his plain language has various paragraphs underlined in yellow and so on. I waded through the form and was getting a bit frustrated. It was written, as we will all appreciate and as the minister says, in plain language. It was simple. It was easy. Anybody could do it.

That is why I am not the chairman of the finance committee. I was having a hell of a time. When we get to these plain language matters, I think we all appreciate things being simpler. I had difficulty on the minister's plain language income tax form.

If we were to put this in, we would just be encouraging one lawsuit after another with people claiming that the language of the document was not plain enough for them. I do not know whether Shakespeare wrote in plain language, but I suppose it was plain enough for the time.