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Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL A[1].

An Act with respect to Hospital Sweepstakes.

Read a first time, Monday, 8th February, 1932.

Honourable Senator BARNARD.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
41261 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL A[1].

An Act with respect to Hospital Sweepstakes.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Short title.

1. This Act may be cited as the "*Hospitals Sweepstakes Act.*"

Attorney-General of any province may authorize sweepstakes for hospital within that province.

2. Notwithstanding any law to the contrary and notwithstanding anything to the contrary contained in any other Act, it shall be lawful from time to time for the Attorney-General of any province in which the same is to be conducted to authorize by a certificate under his hand the conduct within such province by any person or persons therein named (hereinafter referred to as "the Committee") of a sweepstakes for the purpose of raising money for the benefit of one or more hospitals within such province.

Attorney-General may make regulations.

Powers defined.

3. (1) By such certificate the Attorney-General may make such regulations, not inconsistent with the spirit of this Act, as he considers necessary or advisable; and, without limiting the generality of the foregoing, the power of the Attorney-General to make regulations under this section shall extend to:—

(a) Specifying the hospital or hospitals to be benefited by the sweepstakes and specifying in what amount or in what proportion each such hospital shall be benefited;

(b) Specifying the person or persons to whom the moneys to be applied for the benefit of such hospital or hospitals shall be paid and in what way they shall be applied;

(c) Specifying the event or events upon which the winner or winners of the sweepstakes shall be determined and when and where and in what manner the winner or winners shall be determined;

(d) Specifying when the sale of tickets may commence and when it must cease;

(e) Specifying the price at which each ticket shall or may be sold;

(f) Specifying the form and contents of the tickets to be sold;

(g) Specifying what proportion of or what amount out of the proceeds of the sale of tickets shall be applied
(i) for the benefit of the hospital or hospitals;
(ii) in defraying the expenses of the conduct of the sweepstakes;
(iii) in prizes;

(h) Specifying what may be allowable as expenses of the conduct of the sweepstakes;

(i) Specifying how many prizes there shall be and what proportion or amount of the moneys available for prizes shall be allocated to each prize; and providing for the division of the moneys available for prizes into equal or unequal units; and specifying when and where and in what manner the prizes shall be paid to the winners;

(j) Providing for the supervision of the conduct of the sweepstakes and the sale of tickets therein and for the custody of the moneys received in respect thereof and for the auditing of the accounts thereof and for the payment of the expenses occasioned by such supervision and auditing out of the moneys to be applied in defraying the expenses of the conduct of the sweepstakes;

(k) Specifying by what member or members or by what employee or employees the Committee may act in carrying out any of its powers in relation to the conduct of the sweepstakes;

(l) Specifying the places, terms and conditions which the Committee shall specify in exercising its powers under section four hereof.

Official gazette.

Evidence.

(2) Every certificate given under this Act shall forthwith after being issued be published by the Committee in one issue of the official gazette for the province and evidence of such certificate may be given in any court in Canada by a production of a copy of such official gazette purporting to contain a copy of such certificate.

Authority to sell tickets for sweepstakes.

4. It shall be lawful within the province wherein the Attorney-General has authorized by certificate the conduct of a sweepstakes in accordance with this Act, for any person thereunto authorized in writing by the Committee:—

(a) to sell anywhere in such province tickets in such sweepstakes;

Agents.

(b) to act as the agent of the Committee for the distribution of tickets, the receipt of moneys and the authorization of persons to sell tickets as aforesaid;

and by any such writing the Committee may specify the places and manner in which and the terms and conditions upon which the person named in the writing may sell tickets or act as the agent of the Committee as the case may be.

Use of mails.

5. Tickets for a sweepstakes authorized to be conducted in accordance with the provisions of this Act shall not be sold in Canada by or through the mails except for delivery within the province wherein such sweepstakes has been so authorized.

Agent outside of Canada.

6. Nothing in this Act shall prevent the sale outside of Canada by the Committee or its agents authorized in writing so to do, of tickets for sweepstakes as authorized to be conducted in accordance with the provisions of this Act.

Conducting sweepstakes contrary to regulations.

7. Every person conducting an authorized sweepstakes otherwise than in accordance with the regulations prescribed in the certificate and every authorized person acting as the Committee's agent or selling tickets otherwise than in accordance with the provisions of this Act and/or with such regulations and/or with the provisions of the Committee's authorization shall be guilty of an indictable offence and liable to two years' imprisonment and to a fine not exceeding two thousand dollars; but no commission of such an offence and no other irregularity in the conduct of a sweepstakes for the conduct of which a certificate has been granted or in the sale of tickets for such sweepstakes shall render such sweepstakes or the purchase of tickets therein illegal or void.

Penalty.

Criminal Code not to apply.

8. The provisions of the *Criminal Code* respecting betting, pool-selling, book-making and lotteries, shall not apply to any hospital sweepstakes authorized under the provisions of this Act.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL B[1].

An Act respecting the Status and Powers of British and Foreign Insurance Companies in Canada.

Read a first time, Tuesday, 9th February, 1932.

Rt. Hon. ARTHUR MEIGHEN.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
41576 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL B[1].

An Act respecting the Status and Powers of British and Foreign Insurance Companies in Canada.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada enacts as follows:—

SHORT TITLE.

Short title.

1. This Act may be cited as *The British and Foreign Insurance Companies Status and Powers Act, 1932.*

INTERPRETATION.

Definitions.

2. In this Act, unless the context otherwise requires, and in any licence issued thereunder,

"Accident insurance."

(a) "accident insurance" means insurance against bodily injury and death by accident; and insurance against liability for loss or damage from accident to employees or other persons or to property, or against loss or damage to personal property from accident other than fire.

"Agent."

(b) "agent" means an acknowledged agent or other person who in any manner with the authority of the company aids in transacting the insurance business of the company, and includes an insurance broker;

"Annual statement."

(c) "annual statement," includes both the statement of the Canadian business and of the general business of the company required by this Act to be made;

"Automobile insurance."

(d) "automobile insurance" means insurance against liability for loss or damage to persons or property caused by an automobile; and insurance against loss of or damage to an automobile;

"Aviation insurance."

(e) "aviation insurance" means insurance against liability for loss or damage to persons or property caused by an air-craft; and insurance against loss of or damage to an air-craft;

"Bond insurance."

(f) "bond insurance" means guaranteeing the validity and legality of bonds issued by any province of Canada or by any city, county, town, village, school district, municipality or other civil division of any such province or by any private or public corporation;

"Burglary insurance."

(g) "burglary insurance" means insurance against loss or damage by burglary, theft, robbery or house-breaking;

"Business of Insurance."

(h) "business of insurance" means the undertaking by one person to indemnify another person against loss or liability from certain risks or perils to which the object of the insurance may be exposed, or to pay a sum of money or other thing of value upon the happening of a certain event, and includes the advertising for, solicitation or acceptance of any risk, the issue or delivery of any receipt or policy, the granting, in consideration of any premium or payment, of any annuity on a life or lives, the collection or receipt of any premium, the inspection of any risk, the adjustment of any loss, or the prosecution or maintenance of any suit, action or proceeding relating to insurance, or the doing or performing of, or the appointment of an agent to do or perform, any one or more of the aforesaid acts;

"Canadian policy"—fire insurance.

(i) "Canadian policy" or "policy in Canada," as regards fire insurance, means a policy of insurance on any property within Canada, issued by any company licensed under this Act to transact the business of fire insurance;

"Canadian policy"—life insurance.

(j) "Canadian policy" or "policy in Canada," as regards life insurance, means a policy or an annuity contract issued by any company licensed under this Act to transact the business of life insurance in Canada, in favour of any person or persons resident in Canada at the time when such policy was issued;

"Chief agent."

(k) "chief agent" means the chief agent of the company in Canada, named as such in the power of attorney hereinafter referred to by whatever name he is designated;

"Chief agency."

(l) "chief agency" means the principal office or place of business of the company in Canada;

"Company."

(m) "company" means any corporation incorporated under the laws of the United Kingdom of Great Britain and Northern Ireland or of any British Dominion or possession, other than Canada or a province of Canada, or of any foreign country for the purpose of carrying on the business of insurance, and includes any fraternal benefit society as defined by this Act;

"Credit insurance."

(n) "credit insurance" means the guaranteeing and indemnifying from loss or damage by reason of giving and extending credit;

"Department." (*o*) "Department" means the Department of Insurance constituted by this Act;

"Explosion insurance." (*p*) "explosion insurance" means insurance against damage to property of any kind caused by the explosion of natural or other gas, or caused by bombardment, invasion, insurrection, riot, civil war or commotion or military or usurped power;

"Forgery insurance." (*q*) "forgery insurance" means insurance against loss sustained by reason of forgery;

"Fraternal benefit society." (*r*) "fraternal benefit society" means a corporation having representative form of government, and incorporated under the laws of the United Kingdom of Great Britain and Northern Ireland, or of any British Dominion or possession other than Canada or a Province of Canada, or of any foreign country, for fraternal, benevolent or religious purposes among which purposes is the insuring of the members, or the dependent children of the members, thereof, exclusively, against accident, sickness, disability or death, and includes a corporation so incorporated on the mutual plan for the purpose of so insuring the members, or the dependent children of the members, of such a corporation exclusively;

"Guarantee insurance." (*s*) "guarantee insurance" means the guaranteeing of the fidelity of persons in positions of trust, public or private, guaranteeing and becoming security for the due performance of any contract or agreement or of the duties of any office; and executing bonds in legal actions and proceedings;

"Hail insurance." (*t*) "hail insurance" means insurance against loss of, or damage to, property by hail;

"Industrial insurance." (*u*) "industrial insurance" means life insurance, the premiums for which are payable at shorter intervals than quarterly and are normally collected at the home of the insured;

"Inland marine insurance." (*v*) "inland marine insurance" means marine insurance in respect to subjects of insurance at risk upon the waters of Canada, above the harbour of Montreal;

"Inland transportation insurance." (*w*) "inland transportation insurance" means insurance against loss or damage to goods, wares, merchandise or property of any kind, including matter transmitted by mail, in transit otherwise than by water, from place to place in Canada;

"Insurer". (*x*) "insurer" means an individual underwriter, not being ordinarily resident in Canada, who, by himself or jointly with other persons carries on the business of insurance, and includes any association of persons formed outside of Canada upon the plan known as Lloyds whereby each associate underwriter becomes liable for a stated, limited or proportionate part of the

whole amount insured by a policy, or formed for the purpose of exchanging reciprocal contracts of indemnity upon the plan known as inter-insurance;

"Licence." *(y)* "licence" includes certificate of registration;

"Live stock insurance." *(z)* "live stock insurance" means insurance against the death of, accident to or sickness of animals and includes insurance against the loss of offspring of such animals;

"Minister." *(aa)* "Minister" means the Minister of Finance;

"Officer." *(bb)* "officer" includes the manager, secretary, treasurer, actuary and any other person designated as "officer" by the by-laws of the company;

"Plate glass insurance." *(cc)* "plate glass insurance" means insurance against the breakage of plate or other glass, either local or in transit;

"Policy." *(dd)* "policy" includes a certificate of membership relating in any way to life insurance and any other written contract of insurance whether contained in one or more documents and includes any annuity contract on a life or lives;

"Policyholder." *(ee)* "policyholder" as respects life insurance, when used in reference to the person to whom a tender is made by the Minister, upon application for the release of deposit by a company which ceases to do business, means the person to whom the policy is issued and with whom the contract for insurance is made, and includes the assignee of such person;

"Policyholder in Canada." *(ff)* "policyholder in Canada" means, as respects life insurance, any person upon whose life any company licensed under this Act to transact the business of life insurance in Canada has, while such person was resident in Canada, issued a policy;

"President." *(gg)* "president" means and includes the chairman, governor, manager or other principal officer of the company;

"Secretary." *(hh)* "secretary" means and includes the officer by whom the usual duties of a secretary are performed;

"Sickness insurance." *(ii)* "sickness insurance" means insurance against loss through illness or through disability not arising from accident or old age, but does not include insurance against loss as a result of death from either sickness or disability;

"Sprinkler leakage insurance." *(jj)* "sprinkler leakage insurance" means the insuring of any goods or premises against loss or damage by water caused by the breakage or leakage of sprinklers, pumps, water-pipes, or plumbing and its fixtures;

"Steam boiler insurance." *(kk)* "steam boiler insurance" means insurance upon steam boilers and pipes, engines and machinery connected therewith or operated thereby, against explosion, rupture and accident and against personal injury or loss of life, and against destruction of or damage to property resulting therefrom;

"Superintendent."

(ll) "Superintendent" means the Superintendent of Insurance;

"Tornado insurance."

(mm) "tornado insurance" means insurance against loss of, or damage to, property by wind-storm, cyclone or tornado;

"Weather insurance."

(nn) "weather insurance" means insurance against loss caused by rain, tempest, flood or other climatic conditions except loss of, or damage to, property caused by hail, windstorm, cyclone or tornado.

APPLICATION OF ACT.

Application of Act.

3. The provisions of this Act shall not apply

Marine and inland marine insurance.

(a) to any company or insurer in respect of its business of marine or inland marine insurance carried on in Canada, nor,

(b) except as hereinafter provided, shall its provisions apply

Policies prior to 22nd May, 1868.

(i) to any company which has not, on or since the twenty-second day of May one thousand eight hundred and sixty-eight, been licensed to carry on business in Canada, in respect of any policy of life insurance in Canada issued before the said date;

Policies issued by unlicensed company to non-residents of Canada.

(ii) to any company not licensed under this Act, in respect of the collection or receipt of premiums on, or other business relating to any policy of life insurance issued to a person not resident in Canada at the time of the issue of such policy;

Fraternal benefit society not required to be licensed before 1920.

(iii) to any fraternal benefit society which prior to the first day of January one thousand nine hundred and twenty, was not required to obtain a licence from the Minister and which has not on or after the said date obtained such a licence, in respect of any policy or certificate issued in Canada before the said date;

Societies exempted under R.S.C. 1927, c. 101, s. 3 (2).

(iv) to any society or organization of persons which, under the provisions of subsection two of section three of the Insurance Act, chapter one hundred and one of the Revised Statutes, 1927, was exempted from the provisions of the said Act, unless and until the period of exemption, if the exemption was for a limited period, has expired.

PART I.

LICENCES AND DEPOSITS.

Business not to be carried on without licence.

4. No company or insurer shall enter Canada, or, in case of having entered (whether before or after the coming into force of this Act), shall remain in Canada for the purpose of transacting the business of insurance therein (save as provided in section ninety of this Act), unless such company or insurer has obtained and holds a licence from the Minister.

When company deemed to enter Canada.

2. Any company or insurer shall be deemed to have entered Canada, or, in case of having entered, to have remained in Canada, for the purpose of transacting the business of insurance therein if such company or insurer does or performs in Canada any one or more of the acts constituting the business of insurance.

Companies licensed under Insurance Act deemed licensed.

3. Every company which on the date of the coming into force of this Act holds a licence under the provisions of the Insurance Act, chapter one hundred and one, of the Revised Statutes, 1927, shall be deemed to have complied with the provisions of this Act precedent to the granting of a licence and the licence which the company holds on the said date shall be deemed to have been granted under the provisions of this Act, and the company shall be subject to the provisions thereof.

Deposit for licence.

6. The Minister, as soon as any company applying for a licence has deposited in his hands the securities hereinafter mentioned, and has otherwise conformed to the requirements of this Act, may, subject to the provisions hereinafter contained, issue the licence.

Name of company.

7. Before issuing a licence to a company or insurer, the Minister must be satisfied that the name thereof is not that of any other known company incorporated or unincorporated, or any name liable to be confounded therewith or otherwise on public grounds objectionable.

Licence of insurer.

8. The licence granted to any insurer may authorize such insurer to transact insurance other than life insurance in Canada in like manner and upon the same terms and conditions as in the case of a company and all the provisions and requirements of this Act regulating the business of licensed companies shall, so far as applicable, be deemed to be terms and conditions of any licence so granted.

Verification of statements by insurer.

2. The statements required by this Act to be filed in the Department shall, in the case of such an insurer, be verified in such manner as the Superintendent may direct and prescribe.

Form of licence.

9. The licence shall be in such form or forms for the different classes of companies, as may be from time to time determined by the Minister, and shall specify the business to be carried on by the company, and any limitations or conditions which the Minister may consistently with the provisions of this Act deem proper.

Duration.

2. The licence shall expire on the thirty-first day of March in each year, but may be renewed from year to year, subject, however, to any qualification or limitation which is considered expedient: Provided that such licence may be from time to time renewed for any term less than a year.

Validity.

3. The validity of any licence purporting to be issued by the Minister under this Act shall not be called in question on behalf or at the instance of any person other than the Minister.

Classes of insurance authorized.

10. The licence may authorize the transaction of such class or classes of insurance, whether mentioned in this Act or not, as the Minister may deem proper: Provided, however, that subject to the renewal of licences granted before the passing of this Act, a licence shall not be granted to any company authorizing the transaction of life insurance in combination with any other class of insurance unless it maintains in respect of its business of life insurance separate and distinct assets in Canada available only for the protection of the holders of its policies of life insurance and not liable for the payment of claims arising from the other class or classes of business which the company transacts.

Life insurance combined with another class.

Business limited to classes specified in licence.

2. No company shall issue policies relating to any class of insurance not specified in the licence from time to time in force.

Deposit with minister by fraternal benefit society.

11. Every fraternal benefit society which applies for a licence under this Act shall, before the issue of such licence, deposit with the Minister, in such securities as are hereinafter specified in that behalf, the sum of ten thousand dollars.

By other companies.

2. Every company other than a fraternal benefit society which applies for a licence under this Act shall, before the issue of such licence, deposit with the Minister in the said securities,

(a) in the case of a licence for life insurance or for fire insurance, the sum of one hundred thousand dollars, and,

(b) in the case of a licence for any other class of insurance, such sum as may be determined by the Treasury Board.

Securities permissible.

12. All such deposits, and all other deposits required under the provisions of this Act, may be made by any company,

(a) in securities of or guaranteed by the Dominion of Canada, or in securities of or guaranteed by any province of Canada; or in securities of or guaranteed by the United Kingdom of Great Britain and Northern Ireland or any British Dominion or colony;

(b) if such company is incorporated in any foreign country, in securities of or guaranteed by the government of such country.

Valuation.

2. The value of such securities shall be estimated at their market value, not exceeding par, at the time when they are deposited.

Accepting other securities.

13. If any other than the aforesaid securities are offered as a deposit, they may be accepted at such valuation and on such conditions as the Treasury Board directs.

Further deposit of value decline.

2. If the market value of any of the securities which have been deposited by any company declines below that at which they were deposited, the Minister may notify the company to make such further deposit as will ensure the accepted value of all the securities deposited by the company being equal to the amount which it is required by this Act to deposit.

Failure to make.

3. On failure by the company to make such further deposit within sixty days after being called upon so to do, the Minister may withdraw its licence.

Further deposit at option of company.

14. Any company licensed under this Act may, at any time, deposit in the hands of the Minister any further securities beyond the sum herein required to be deposited.

How dealt with.

2. Any such further securities so deposited in the hands of the Minister shall be held by him and be dealt with according to the provisions of this Act in respect to the sum required to be deposited by such company, and as if the same had been part of the sum so required to be deposited.

Assets vested in trustees.

15. Any such company may vest assets in Canada in trust for the company for the purposes of this Act in two or more persons resident in Canada or in a trust corporation incorporated by or under the authority of an Act of the Parliament of Canada or of the Legislature of one of the Provinces thereof appointed by the company and approved by the Minister.

Nature thereof.

2. The assets and investments which may be so vested in trust shall be bonds, debentures, stocks and loans on mortgage of the classes permitted by the laws of the Dominion of Canada as investments or loans of corporations incorporated under the said laws with power to transact the class of insurance business which the company is licensed under this Act to transact in Canada.

Trust deed.

3. The trust deed shall first be approved by the Minister, who with the approval of the Treasury Board shall determine from time to time the value at which such assets shall be accepted for the purposes of this Act, and the trustees may deal with such assets in any manner provided by the deed of trust appointing them, but so that the accepted value of the assets held by them shall not fall below the value required by this Act: Provided that such accepted value shall not be greater than ninety per cent of the market value, and in no case greater than the par value thereof.

Proviso.

Trust companies as trustees.

4. Trustees other than trust corporations such as above described shall not hereafter be approved by the Minister.

Withdrawal of excess deposit.

16. If at any time it appears that a company has on deposit with the Minister a sum in excess of the amount required under the provisions of this Act, the Treasury Board may, upon being satisfied that the interest of the company's Canadian policyholders will not be prejudiced thereby, and upon the giving of such notice, and the exercise of such other precautions as may seem expedient, authorize the withdrawal of the amount of such excess or such portion thereof as may be deemed advisable: Provided that such withdrawal may be authorized without the giving of any notice.

Handing over interest on securities.

17. So long as the conditions of this Act are satisfied by any company, and no notice of any final judgment against the company, or order made by the proper court in that behalf for the winding-up of the company or the distribution of its assets, is served upon the Minister, the interest upon the securities forming the deposit shall be handed over to the company as it falls due.

Filing of documents.

18. Every company shall, before the issue of a licence to it, file in the Department

Copy of charter.

(a) a copy of the charter, Act of incorporation, or articles of association of the company, certified by the proper officer in charge of the original thereof: Provided that any such document which would be admitted as evidence in a court of law shall be deemed to be sufficiently verified within the meaning of this clause;

Power of attorney.

(b) a power of attorney from the company to its chief agent in Canada, under the seal of the company, if it has a seal, and signed by the president and secretary or other proper officers thereof, in presence of a witness, who shall make oath or affirmation as to the due execution thereof; and the official positions in the company held by the officers signing such power of attorney shall be sworn to or affirmed by the officers signing such power of attorney or affirmed by some person cognizant of the facts necessary in that behalf; and

Statement of condition and affairs.

(c) a statement, in such form as is required by the Minister, of the condition and affairs of the company on the thirty-first day of December next preceding, or up to the usual balancing day of the company, if such day is not more than twelve months before the filing of the statement.

Contents of power of attorney.

19. Such power of attorney shall

(a) declare at what place in Canada the chief agency of the company is or is to be established; and

(*b*) expressly authorize such attorney to receive service of process in all suits and proceedings against such company in any province in Canada, in respect of any liabilities incurred by the company therein, and to receive from the Minister and the Superintendent all notices which the law requires to be given, or which it is thought advisable to give; and

(*c*) declare that service of process for or in respect of such liabilities and receipt of such notices, at such office or chief agency, or personally on or by such attorney at the place where such head office or chief agency is established, shall be legal and binding on the company, to all intents and purposes whatsoever.

Change of chief agent.

20. Whenever any such company changes its chief agent or chief agency in Canada, such company shall file a power of attorney as hereinbefore mentioned, containing any such change or changes in such respect, and containing a similar declaration as to service of process and notices as hereinbefore mentioned.

Declaration in annual statement.

2. Every company shall, at the time of making the annual statement hereinafter provided for, declare that no change or amendment has been made in the charter, Act of incorporation or articles of association of the company, and that no change has been made in the chief agency or chief agent, without the Superintendent having been duly notified of such change or amendment.

Filing of duplicates with superior court.

21. Duplicates of all such documents, duly verified as aforesaid, shall be filed in the office of one of the superior courts in the province in which the chief agency of the company is situated; or, if the chief agency is in the province of Quebec, with the prothonotary of the Superior Court of the district wherein such chief agency is established.

Service of process on company as chief agency.

22. After such power of attorney and duplicate copies are filed as aforesaid, any process in any suit or proceeding against any such company, in respect of any liabilities incurred in any province of Canada, may be validly served on the company at its chief agency and such service shall be deemed to be service on the company.

Constructive service.

2. If such power of attorney becomes invalid or ineffective from any reason whatsoever, or if other service cannot be effected, the court or a judge may order constructive service of any process or proceeding to be made by such publication as is deemed requisite to be made in the premises, for at least one month in at least one newspaper; and such publication shall be deemed to be due service upon the company of such process or proceeding.

Notice of having obtained a licence.

23. Every company on first obtaining such licence shall forthwith give due notice thereof in the *Canada Gazette*, and in at least one newspaper in the county, city or place where the chief agency is established, and shall continue the publication thereof for the space of four weeks.

Publication of list of licensed companies.

24. The Minister shall cause to be published quarterly in the *Canada Gazette* a list of the companies licensed under this Act, with the amount of deposits made by each company.

New companies.

2. Upon any new company being licensed, or upon the licence of any company being withdrawn in the interval between two such quarterly statements, he shall publish a notice thereof in the *Canada Gazette* for the space of four weeks.

The Department of Insurance.

Department of Insurance.

25. There shall be a Department of the Government of Canada to be called the Department of Insurance, over which the Minister shall preside.

Superintendent of Insurance.

2. The Governor in Council may appoint an officer to be called the Superintendent of Insurance, who shall be the deputy head of the Department and who shall hold office during pleasure; and such officer shall be paid such salary as may be authorized by law.

Present incumbent to continue in office.

3. The present incumbent of the position of Superintendent of Insurance shall continue to hold office during pleasure and shall be paid such salary as may be authorized by law.

Officers and clerks.

4. Such officers, clerks and servants as are necessary for the proper conduct of the business of the Department may be appointed in the manner authorized by law.

Superintendent to act under minister.

26. The Superintendent shall act under the instructions of the Minister, and shall examine and report to the Minister from time to time, upon all matters connected with insurance, as carried on by the several companies licensed to do business in Canada, or required by this Act to make returns of their affairs.

Superintendent not to be shareholder of insurance companies.

27. The Superintendent, or any officer or clerk under him, shall not, directly or indirectly, be interested as a shareholder in any insurance company doing business in Canada or licensed under this Act.

Duties of Superintendent.

28. The Superintendent shall—

(a) keep a record of the several documents required to be filed by each company in the superior courts of Canada, under this Act;

Securities.

(b) enter in a book, under the heading of such company, the securities deposited on its account with the Minister naming in detail the several securities, their

par value, their date of maturity, and value at which they are received as deposit; and such book shall be left open to public inspection;

Report as to licences.

(c) in each case, before the issue of any new licence, or the renewal of any licence, make a report to the Minister that the requirements of the law have been complied with, and that from the statement of the affairs of the company it is in a condition to meet its liabilities;

Record of.

(d) keep a record of the licences as they are issued;

Visit head office.

(e) visit personally, or cause a duly qualified member of his staff to visit, the chief agency of each company in Canada, at least once in every year, and examine carefully the statements of the condition and affairs of each company, as required under this Act, and report thereon to the Minister as to all matters requiring his attention and decision;

Annual report.

(f) prepare for the Minister, from the said statements, an annual report, showing the full particulars of each company's business, together with an analysis of each branch of insurance, with each company's name, giving items, classified from the statement made by each company.

Inspection of companies.

29. If the Superintendent, after a careful examination into the condition and affairs and business of any company licensed to transact business in Canada, from the annual or other statement furnished by such company to the Minister or for any other cause, deems it necessary and expedient to make a further examination into the affairs of such company and so reports to the Minister, the Minister may, in his discretion, instruct the Superintendent to visit the chief agency of such company, to thoroughly inspect and examine into all its affairs, and to make all such further inquiries as are necessary to ascertain its condition and ability to meet its engagements, and whether it has complied with all the provisions of this Act applicable to its transactions.

Officers to open books for inspection.

2. The officers or agents of such company shall cause their books to be open for the inspection of the Superintendent, and shall otherwise facilitate such examination so far as it is in their power.

Examination under oath.

3. For the purpose of such inquiry, the Superintendent may examine under oath the officers or agents of such company relative to its business.

Report on inspections.

30. A report of all companies so visited by the Superintendent shall be entered in a book kept for that purpose, with notes and memoranda showing the condition of each company, after such investigation.

Special report to Minister.

2. A special report shall be communicated in writing to the Minister, stating the Superintendent's opinion as to the standing and financial position of every company so visited, and all other matters desirable to be made known to the Minister.

Inquiries to company and reply.

31. For the purpose of carrying out the provisions of this Act, the Superintendent is hereby authorized and empowered to address any inquiries to any insurance company licensed under this Act, or to the president, manager, actuary or secretary thereof, in relation to its assets, investments, liabilities, doings, or condition, or any other matter connected with its business or transactions, and it shall be the duty of any company so addressed to promptly reply in writing to any such inquiries. The Superintendent may in his discretion embody in his annual report to the Minister the inquiries made by him under this section and the answers thereto.

Examination at head office of foreign company.

32. The Minister may, from time to time, instruct the Superintendent to visit the head office of any company licensed under this Act, and to examine into the general condition and affairs of such company.

Expenditure of Department to be ascertained.

33. The Superintendent shall annually, as soon as may be after the close of each fiscal year, by reference to the public accounts, and by such further inquiry or investigation as he may deem necessary, ascertain and certify the total amount of the expenditure incurred by the Government for or in connection with the administration of this Act during the last preceding fiscal year, and the amount of the expenditure so ascertained and certified by the Superintendent shall be final and conclusive for all purposes of this section.

Premiums received by companies to be ascertained.

2. The Superintendent shall also before the thirty-first day of December in each fiscal year ascertain from the returns made under the requirements of this Act, and from such other information as may be necessary or available, the total amount of gross premiums received in Canada during the last preceding calendar year by each company licensed under this Act, and by each company not licensed under this Act but transacting life insurance business thereunder, and he shall also in each case ascertain and deduct from the amount of gross premiums so received the amount of the dividends paid or allowed by each such company to its policyholders in Canada during the said calendar year, and the finding of the Superintendent as to the amount aforesaid when certified by his hand, shall be final and conclusive.

NOTE:—

Subsections 3 and 4 of section 33, shown in square brackets, do not form part of this Bill. They are printed for information only and will be struck out before the Bill is passed by the Senate. It is the intention to introduce them in the House of Commons.

Superintendent's report to be laid before Parliament.

34. The Minister shall lay the Superintendent's annual report before Parliament within thirty days after the commencement of each session thereof.

Powers of Companies.

Insurance against total and permanent disability.

35. Any company licensed under this Act to transact the business of life insurance in Canada whose charter authorizes it so to do shall have power,

(a) to include in any policy of life insurance in Canada, insurance

(i) against total and permanent disability caused by accident or sickness, subject to the limitation that, in the event of the occurrence of such disability, the company may waive the premiums thereafter falling due but the indemnity payable shall not exceed an amount equal to the sum assured on the date of such occurrence payable in the event of death;

Other disability.

(ii) against disability caused by accident or sickness other than total and permanent disability, subject to the limitation that the disability indemnity shall not exceed a weekly rate of one-half of one per cent of the sum assured on the date of the occurrence of such disability payable in the event of death, and shall not exceed in the aggregate one-half the said sum assured;

Accidental death.

(iii) against death as a result of accident, subject to the limitation that the amount assured in the event of death by accident shall not exceed double the amount assured on the date of the said death payable in the event of death from other causes; provided, however, that the powers granted under this paragraph shall not operate to increase the disability indemnity which may be assured under the powers granted by sub-paragraphs (i) and (ii) of this paragraph.

[3. Thereupon the Superintendent shall ascertain the ratio or percentage which the total expenditure so found and certified bears to the aggregate of the net receipts aforesaid, and he shall cause an assessment to be prepared against each of the aforesaid companies of an amount equivalent to that percentage of the total amount of the gross premiums received in Canada by each of the said companies respectively, less the dividends so paid by it; and such assessment, when certified by the Superintendent, shall be binding upon the said companies, and each of them, and shall be final and conclusive.

4. The amount so assessed against each company shall constitute a debt payable to His Majesty, and shall be payable upon demand of the Superintendent, and may be recovered as a debt in any court of competent jurisdiction.]

Annuities.

(b) to sell annuities of all kinds, whether dependent on human life or otherwise and whether perpetual or terminable, immediate or deferred, contingent or otherwise and

Sinking fund and capital redemption policies.

(c) to issue policies providing for the establishment, accumulation and payment of sinking, redemption, depreciation, renewal or endowment funds.

Power to transact life insurance in combination with other classes restricted.

36. The power of any company licensed under the provisions of this Act to transact the business of life insurance shall not be exercised to combine such insurance in the same policy with other classes of insurance except to the extent permitted by the next preceding section of this Act.

Power to transact fire insurance restricted.

2. The power of any company licensed under the provisions of this Act to transact the business of fire insurance shall not be exercised to issue any policy extending over a period greater than three years.

Copies of policies to be filed with Superintendent.

3. No company, licensed under the provisions of this Act, shall issue any policy in Canada until a copy of the form thereof has been mailed by prepaid registered letter to the Superintendent.

Statements and Returns.

Annual statements.

37. Every company licensed under or subject to the provisions of this act, shall make annual statements of its condition and affairs, at the balancing day of the company in each year, and the form and manner of making such statement shall, as to the Canadian business of such company, be the same, so far as applicable, as is required by the laws of the Dominion of Canada of corporations incorporated under the said laws with power to transact the business of insurance; and, as to its general business, shall be in such form as such company is required by law to furnish to the government of the country in which its head office is situated.

Form thereof.

2. Where such company is not required by law to furnish a statement to the government of the country in which its head office is situate, then such statement, as to its general business, shall be in such form as the company usually submits to its members or shareholders.

Form in certain cases.

3. In the event of no such statement being submitted to such members or shareholders, then such statement shall show in concise form the assets and liabilities of the company at such balancing day, and the income and expenditure of the company for the year ending on such balancing day.

Date of filing.

4. The annual statements of Canadian business provided for in this section, shall be deposited in the Department on the first day of January next following the date at which the condition and affairs of the company are thereby shown, or within two months thereafter.

Forms supplied.

5. The blank forms of the statements of the Canadian business shall be supplied by the Superintendent.

Half-yearly statements by life companies' trustees.

38. There shall also be prepared half yearly, as of the last days of December and June in each year by the trustees in whom assets are vested in trust for the company for the purposes of this Act for any company licensed thereunder to transact life insurance and deposited in the Department within fifteen days after the said last days of December and June in each year respectively, a statement, on a form to be supplied by the Superintendent, showing in detail all bonds, stocks, debentures and other securities bought and all loans made, except on mortgages and policies, during the half year terminating on the date as of which such statement is made, specifying the amounts, dates of issue and maturity and par value thereof, the rate of interest payable thereon and the price paid therefor, and in the case of loans made, except on mortgages of real estate or insurance policies, particulars in detail of securities therefor, and showing also in detail all such securities sold or disposed of during the said half year, specifying similarly the amounts, dates of issue and maturity and par value thereof, the value in account thereof, the rate of interest payable thereon and the price or consideration received therefor.

Verification.

2. The said statements in this section mentioned shall be verified by the oath of one or more of the trustees, and in case a trust corporation is sole trustee or one of the trustees such half yearly statements may be verified by the manager and secretary or other principal officers of such trust corporation.

To be included in Superintendent's report.

3. The statement in this section mentioned shall be embodied by the Superintendent by way of appendix or otherwise in the annual report prepared by him for the Minister.

Time for filing general statements.

39. The statement of general business provided for in section thirty-seven of this Act shall be deposited in the Department within thirty days after it is required by law to be made to the government of the country in which the head office of the company whose statement it is, is situate, or within thirty days after the submission of the same at the annual meeting of the shareholders or members of the company, whichever date first occurs: Provided that no such statement of general business need be so deposited earlier than the first day of June, nor shall it be so deposited later than the thirtieth day of June next following the date at which the condition and affairs of the company are thereby shown.

Statements to be verified by oath.

40. Such statements shall, as to the Canadian business be verified by the oath of the company's chief agent in Canada; and, as to the general business, be verified by the oath of the president, vice-president or managing director, and the secretary, manager or actuary of the company.

Valuation of securities.

2. In every annual statement of Canadian business required to be filed by section thirty-seven of this Act, the bonds, debentures, stocks and other securities shall be taken into account at the market values applicable to the said securities at the date of the statement or, in the discretion of the Superintendent, at a date not more than sixty days before the date of the statement.

Variation when values unduly depressed.

3. When the said market values are, in the opinion of the Minister, temporarily unduly depressed, the Minister may, on the report of the Superintendent, authorize, in the case of bonds and debentures redeemable at a fixed date, the use of values in excess of the said market values, not, however, exceeding the market values at which the said bonds and debentures were shown in the next preceding annual statement, or if acquired since the date of the said preceding statement, not exceeding the book values at the date of the statement.

Records to be kept by chief agent.

41. Such company shall keep at the chief agency in Canada records and documents sufficient to enable the chief agent to prepare and furnish the required statement of Canadian business, and such that the said statement may be readily verified therefrom.

Fewer required in some cases.

2. In the case of any company having in Canada in addition to such chief agent, one or more general agents reporting to the head office, and not to such chief agent, it shall be sufficient for the company to keep on file at the chief agency, in addition to the necessary records and documents relating to the business transacted by or through such chief agent, annual statements of the business transacted by each such general agent, duly verified by the oath of each such general agent, and such additional records and documents, transmitted through the company's head office as shall, taken together, show the company's entire Canadian business.

Examination at head office.

3. The Superintendent shall be at liberty, if he considers it necessary or desirable so to do, to visit the head office of the company, and there to examine the books, records, vouchers, receipts and other documents of such company relating to its business within Canada, for the purpose of checking and verifying the said statement of such business and the schedules or other documents relating to or forming part thereof, and shall have power to make all necessary corrections in said statement, in accordance with the information obtained from said books,

records and documents; and if such company declines to permit such examination, or refuses to give any information necessary for such purpose in its possession or control, its licence may be suspended or withdrawn by the Minister.

Date of statements.

4. The said annual statements of the business of such general agents shall, when kept on file as aforesaid, be made up to the thirty-first day of December in each year, and blank forms for such statements shall, on application, be furnished by the Superintendent.

Advertisement of capital and surplus.

42. Any notice, statement, advertisement or other publication of a company licensed under this Act, issued or distributed in Canada, which contains a statement of the amount of the subscribed capital of the company, shall contain also a statement of the amount paid thereon.

Capital authorized, subscribed and paid.

2. If the said notice, statement, advertisement or publication contains a statement of the amount of capital authorized, it shall also contain a statement of the amount of capital subscribed and of the amount paid thereon; and in any such advertisement the amount of paid capital shall be printed in type not smaller than that used to show the authorized or subscribed capital.

Surplus not to include capital unless so stated and shown.

3. No such notice, statement, advertisement or publication shall be issued or distributed in Canada which includes in or with the surplus the subscribed or paid capital, unless the amount of such subscribed or paid capital be specifically stated and mentioned as included in the said surplus.

Appraisement of real estate.

43. If upon an examination of the assets in Canada of any company as defined in subsection two of section fifty of this Act, it appears to the Superintendent, or if he has any reason to suppose, that the value placed by the company upon the real estate owned by it or any parcel thereof is too great, he may either require such company to procure an appraisement of such real estate by one or more competent valuators, or may himself procure such appraisement at the company's expense, and the appraised value, if it varies materially from the return made by the company, may be substituted in the annual report prepared for the Minister by the Superintendent.

Appraisement of real estate securing mortgage.

2. If, upon such examination, it appears to the Superintendent, or if he has any reason to suppose that the amount secured by mortgage or hypothec upon any parcel of real estate, together with the interest due and accrued thereon, is greater that the value of such parcel, or that such parcel is not sufficient security for such loan and interest, he may in like manner require the company to procure an appraisement thereof, or may himself at the company's expense procure such appraisement, and if from the appraised value it appears that such parcel of real estate is not adequate security for the loan and interest, he may write off such loan

and interest a sum sufficient to reduce the same to such an amount as may fairly be realizable from such security, in no case to exceed such appraised value, and may insert such reduced amount in his said annual report.

Permissible investments only allowed as assets.

44. In his annual report prepared for the Minister under the provisions of paragraph *(f)* of section twenty-eight of this Act, the Superintendent shall allow as assets only such of the investments of the several companies as are authorized by this Act, or by their Acts of incorporation, or by the general Acts applicable to such investments.

Correction of annual statements.

2. In his said report the Superintendent shall make all necessary corrections in the annual statements made by the companies as herein provided and shall be at liberty to increase or diminish the liabilities of such companies to the true and correct amounts thereof as ascertained by him in the examination of their affairs at the chief agency thereof in Canada, or otherwise.

Appeal to Exchequer Court.

3. An appeal shall lie in a summary manner from the ruling of the Superintendent as to the admissibility of any asset not allowed by him, or as to any item or amount so added to liabilities, or as to any correction or alteration made in any statement, or as to any other matter arising in the carrying out of the provisions of this Act, to the Exchequer Court of Canada, which court shall have power to make all necessary rules for the conduct of appeals under this section.

Procedure on appeal.

4. For the purposes of such appeal the Superintendent shall at the request of the company interested give a certificate in writing setting forth the ruling appealed from and the reasons therefor, which ruling shall, however, be binding upon the company unless the company shall within fifteen days after notice of such ruling serve upon the Superintendent notice of its intention to appeal therefrom, setting forth the grounds of appeal, and within fifteen days thereafter file its appeal with the registrar of the said court and with due diligence prosecute the same, in which case action on such ruling shall be suspended until the court has rendered judgment thereon.

Withdrawal of Licences and Penalties.

Penalty for carrying on business without licence.

45. Any company or insurer who, not being duly licensed under the provisions of this Act, does or performs in Canada any one or more of the acts constituting the business of insurance (save as provided in section eighty-nine of this Act) and any person who, acting on behalf of any such company or insurer, does or performs in Canada any such act, shall be guilty of an offence and liable upon indictment or upon summary conviction, to a penalty, for each and

every such offence, not exceeding ten thousand dollars in the case of a company or insurer and not exceeding one thousand dollars in the case of a person acting on behalf of any such company or insurer; and, in addition, in the case of a natural person, to imprisonment for any term not exceeding six months.

Company deemed insolvent.

46. Any company or insurer who, not being duly licensed under the provisions of this Act, does or performs in Canada any one or more of the acts constituting the business of insurance shall be deemed to be insolvent and shall be subject to be wound-up under the provisions of the Winding-up Act, chapter 213, Revised Statutes of Canada, 1927; and all the provisions of the said Act applicable to corporations and incorporated insurance companies shall apply *mutatis mutandis* to the winding-up of any insurer.

Winding-up.

2. The Superintendent of Insurance may present a petition for the winding-up of any such company or insurer, and if the Court orders the winding-up of such company or insurer, it may, by such order, provide for the carrying on of the winding-up proceedings by or under the direction of the Superintendent.

Winding-up Act to apply.

3. In the winding-up of any such company or insurer, all the assets of the company or insurer in Canada of every kind shall be used and applied to pay claims of the company or insurer in Canada in the order of priority prescribed by section 162 of the Winding-Up Act and all the other provisions of the said Act shall *mutatis mutandis* apply to the winding-up proceedings.

Postmaster-general to be notified of all companies licensed.

47. The Superintendent shall promptly notify the Postmaster General of the names of all companies and insurers from time to time licenced to transact the business of insurance in Canada under the provisions of this Act.

Seizure of mail of unlicensed company or insurer relating to transaction of business in Canada.

2. Notwithstanding anything contained in the provisions of the Post Office Act, it shall be the duty of the Postmaster General to cause any matter, whether written or printed communications or literature or other documents, relating in any way to the transaction of the business of insurance in Canada by any company or insurer not duly licensed under the provisions of this Act, found in the mails of Canada, to be seized and taken possession of and transmitted without delay, together with the covering envelopes or wrappers, to the Postmaster General at Ottawa.

Release thereof in certain cases.

3. If upon examination of the matter so seized and taken, the Postmaster General is satisfied that any such matter relates to the doing or performance in Canada by any such company or insurer of acts permitted under the provisions of section eighty-nine of this Act or that

any such matter may be released without detriment to the public interest, he shall cause the same to be transmitted to the person or persons to whom it is addressed; but, subject to such exceptions, all matter so seized and taken shall be forfeited to His Majesty and disposed of in accordance with the directions of the Postmaster General.

Forfeiture.

Default in depositing annual statement.

48. Every company which makes default in depositing in the Department the annual and other statements herein provided for, shall incur a penalty of ten dollars for each day during which such default continues.

Recovery of penalty.

2. All such penalties shall be recoverable and enforceable with costs at the suit of His Majesty, instituted by the Attorney General of Canada, and shall when recovered be applied towards payment of the expenses of the Department.

Suspension of licence if not paid.

3. If such penalties are not paid, the Minister, with the concurrence of the Treasury Board, may order the licence of such company to be suspended or withdrawn as is deemed expedient, and until such penalties are paid, the licence of such company shall not on expiry be renewed.

Penalty for deficiency of assets in Canada—fire company.

49. If it appears from the annual statements or from an examination of the affairs and condition of any company authorized to transact the business of fire insurance, that the reinsurance value of all its risks outstanding in Canada, together with other liabilities in Canada, exceeds its assets in Canada, the company shall be notified by the Minister to make good the deficiency; and, on its failure to make the same good, within sixty days after being notified, he may withdraw its licence.

Penalty for deficiency of assets in Canada—life company.

50. Subject to the power and duties hereinafter vested in and imposed upon the Treasury Board in relation to the withdrawal of the company's licence or for limiting a time for making good a deficiency of assets, if it appears from the annual statements or from an examination, as provided for by this Act of the affairs and condition of any company authorized to transact the business of life insurance, that its liabilities to policyholders in Canada, including matured claims, and the reserve for outstanding policies required under section fifty-seven of this Act to be included in the liabilities in the annual statement, after deducting any claim the company has against such policies, exceed its assets in Canada, the company shall be called upon by the Minister to make good the deficiency; and on its failure to make the same good within sixty days after being so called upon, he shall withdraw its licence.

Assets in Canada defined.

2. The assets in Canada mentioned in this and the next preceding section shall be taken to consist of all deposits which the company has made with the Minister under the provisions of this Act, and of such assets as have been

vested in trust for the company for the purposes of this Act.

Companies excepted.

3. In case any such company gave written notice to the Minister before the thirty-first day of March, one thousand eight hundred and seventy-eight, of its intention to avail itself of the proviso contained in section seven of the *Consolidated Insurance Act 1877*, the foregoing requirements of this section shall not apply to policies issued by such company previously to that date.

Decreasing deposit.

4. In any such case the deposit of such company which was in the hands of the Minister on the twenty-eighth day of April, one thousand eight hundred and seventy-seven, shall be dealt with in reagrd to such policies, in conformity with sections four and five of chapter nine of the statutes of 1871, intituled *An Act to amend the Act respecting Insurance Companies;* and whenever the full liability under such policies falls below the amount so held by the Minister, he may, with the concurrence of the Treasury Board, direct the whole or such portion of the difference as he deems advisable shall be released and handed over to the company, and so on, from time to time, until the total deposit with the Minister is reduced to the amount of fifty thousand dollars.

Special report.

51. If it appears to the Superintendent that the assets of any company are insufficient to justify its continuance of business, having regard to the requirements of sections forty-nine and fifty of this Act, or that it is unsafe for the public to effect insurance with it, he shall make a special report on the affairs of such company to the Minister.

Suspension of licence by Governor in Council.

2. If the Minister, after full consideration of the report, and after a reasonable time has been given to the company to be heard by him, and upon such further inquiry and investigation as he sees proper to make, reports to the Governor in Council that he agreees with the Superintendent in the opinion so expressed in his report, the Governor in Council may, if he also concurs in such opinion, suspend or cancel the licence of such company.

Effect of suspension.

3. Such company shall, during such suspension or cancellation, be held to be unlicensed and unauthorized to do further business. The Minister may, however, issue such modified or conditional licence as may be necessary for the protection of policyholders, but the issue of such modified or conditional licence shall not, in the case of a life insurance company, be deemed to be a renewal of the company's licence within the meaning of section one hundred and sixty-one of the Winding-up Act.

Conditional licence may provide for reinsurance.

4. If the Minister deems it advisable, the said modified or conditional licence may require that the company shall, during the continuance of such modified or conditional licence, arrange for the reinsurance of its policies in Canada

in some company or companies licensed under this Act, but no agreement for such reinsurance shall be executed until it has been submitted to and approved by the Superintendent.

Failure to reinsure.

5. If upon the expiration of the modified or conditional licence mentioned in the last preceding subsection, no agreement satisfactory to the Superintendent has been made for the reinsurance of the company's policies as aforesaid, and if the company's condition is not then such as to warrant the restoration of its licence, the company shall be deemed to be insolvent, and the Superintendent may request the Attorney General of Canada to institute proceedings for the winding-up of the company. If as a result of such proceedings, the Court shall order the winding-up of the company, it shall also order that such winding-up shall be carried on by or under the direction of the Superintendent.

Suspension of licence for violation of Act.

52. In the case of any violation of any of the provisions of this Act by a company licensed thereunder to carry on business within Canada, it shall be the duty of the Superintendent to report the same to the Minister, and thereupon the Minister may, in his discretion, after a reasonable time has been given to the company to be heard, withdraw the company's licence or may refuse to renew the same or may suspend the same for such time as he may deem proper.

For refusing information.

53. If any company declines to permit the examination authorized by section thirty-two of this Act, or refuses to give any information desired for such purpose in its possession or control, its licence shall be withdrawn by the Minister.

Penalties for offences not otherwise provided for.

54. Any company which, or person who, does, causes or permits to be done any matter, act or thing contrary to any provision of this Act, or to the orders or directions of the Governor in Council, or of the Minister, or of the Superintendent, made under this Act, or omits to do any matter, act or thing by this Act required to be done by or on the part of such company or person, shall, if no other pecuniary penalty for such act or omission is provided in this Act, be liable for each such offence to a penalty of not less than twenty dollars and not more than five thousand dollars in the discretion of the court before which such penalty is recoverable.

Liability for damages.

2. Such company or person shall also, in addition to such penalty, be liable to any person injured by such matter, act or thing, or by such omission, for all damages sustained thereby.

Recovery and application.

3. All such penalties shall be recoverable and enforceable with costs at the suit of His Majesty, instituted by the Attorney General of Canada, and shall, when recovered,

be applied towards payment of the expenses of the Department.

PART II.

COMPANIES TRANSACTING LIFE INSURANCE.

Life insurance companies.

55. This Part applies only to companies licensed under this Act and authorized to transact only life insurance, and to other companies so licensed and authorized to transact life and other insurance, in so far only as relates to the life insurance business of such companies.

Amalgamation, transfer and reinsurance.

56. Any company licensed under this Act which has power under its charter so to do, may enter into an agreement or agreements with any other company which has power to make the same, to reinsure the policies or any portion thereof of such other company; or to purchase and take over the business or property or any portion thereof of such other company; or to amalgamate its property and business with those of any other such life insurance company or to transfer all or any portion of its policies to or reinsure the same in any other such company, or to transfer its property and business or any part thereof to any other such company subject to the conditions hereinafter in this section set forth.

Permission by Minister.

2. The permission of the Minister shall be obtained before any company enters into a contract or agreement with another company under the provisions of subsection one of this section.

Sanction of Treasury Board.

3. When an agreement for any such amalgamation, transfer or reinsurance has been entered into, the directors of the companies which are parties to such agreement may apply by petition to the Treasury Board to sanction and confirm the same, and the Treasury Board, after hearing the directors and other persons whom it considers entitled to be heard upon the petition, or giving them an opportunity to be so heard, may confirm the same if it is satisfied that no sufficient objection to the arrangement has been established.

Notice of application to Board.

4. Before any such application is made to the Treasury Board notice thereof together with

(a) a statement of the nature and terms of the amalgamation, transfer or reinsurance as the case may be; and

(b) an abstract containing the material facts embodied in the agreement under which such amalgamation, transfer or reinsurance is proposed to be effected; and

(c) copies of the actuarial or other reports upon which such agreement is founded, including a report by an independent actuary;

shall be served on the shareholders and on the holders of all policies in Canada other than industrial policies of each company: Provided, however, that the Superintendent may dispense with the service of such documents on the policyholders of the reinsuring company, and on the policyholders of the reinsured company not included in the reinsurance.

Service on policyholders.

5. Such notice and documents shall be served by being transmitted through the post office directed to the registered or other known address of each such shareholder and policyholder, and within such period that they may be delivered in due course of delivery thirty days at least before the day appointed for the hearing of the application.

Agreement open to inspection.

6. The agreement under which such amalgamation, transfer or reinsurance is proposed to be effected shall be open to the inspection of the policyholders and shareholders at the principal office of the company or companies for a period of thirty days after the issue of the abstract herein provided for.

Publication of notice.

7. A copy of such notice shall also be published in the *Canada Gazette* at least thirty days before the application is made; but this subsection shall not apply to any company which issues industrial insurance.

Opposition by policyholders.

8. The Treasury Board shall not sanction any amalgamation, transfer or reinsurance in any case in which it appears to the Board that the policyholders representing one-fifth or more of the total amount assured in any company which it is proposed to amalgamate, or in any company the business of which it is proposed to transfer or reinsure, dissent from such amalgamation, transfer or reinsurance.

Capital must be unimpaired after amalgamation.

9. No such company shall be permitted to amalgamate its business with, transfer its business to, or reinsure its business in any other company, if the capital of the combined companies after such amalgamation, or of the continuing company after such transfer or reinsurance, shall be impaired, the policy and annuity liabilities of the combined or continuing company being calculated in accordance with the provisions of this Act.

Deposit of documents.

10. When an amalgamation takes place between any companies, or when the business of one company is transferred to or reinsured in another company, the combined company or the continuing company, as the case may be, shall, within ten days from the date of the completion of the amalgamation, transfer or reinsurance, deposit with the Superintendent the following documents, that is to say:—

(a) Certified copies of the statement of the assets and liabilities of the companies concerned in such amalgamation, transfer or reinsurance; and

(*b*) A statement of the nature and terms of the amalgamation, transfer or reinsurance; and

(*c*) A certified copy of the agreement under which such amalgamation, transfer or reinsurance is effected; and

(*d*) Certified copies of the actuarial or other reports upon which such agreement is founded; and

(*e*) A declaration under the hands of the president and manager of each company that to the best of their knowledge and belief every payment made or to be made to any person whatsoever on account of the said amalgamation, transfer or reinsurance is therein fully set forth, and that no other payments beyond those set forth have been made or are to be made either in money, policies, bonds, valuable securities or other property, by or with the knowledge of any of the parties to the amalgamation, transfer or reinsurance.

Sanction of Treasury Board essential.

11. No such company shall amalgamate with another company, transfer its business to or reinsure its business in another company, unless such amalgamation, transfer or reinsurance is sanctioned by the Treasury Board in accordance with this section: Provided, however, that this section shall not apply to the contracts of reinsurance made by companies in the ordinary course of their business.

Proviso.

"Company" defined.

12. The word "company," when used in this section with reference to another party with which a company is authorized to make an agreement, shall extend to and include any corporation transacting the business of life insurance and incorporated under the laws of Canada or under the laws of any Province of Canada, or of the late Province of Canada.

"Annual statement."

57. In this section "annual statement" shall mean the annual statement filed or required to be filed under section thirty-seven of this Act in respect of the Canadian business of the company.

Annual statement to contain reserve.

2. The liabilities in the annual statement of every company shall include a reserve for all unmatured obligations guaranteed under the terms of its policies dependent on life, disability, sickness, accident, or on any other contingency, or on a term certain.

Computation of reserve.

3. In computing the reserve for all unmatured obligations guaranteed under the terms of the policies dependent on life contingencies only, the valuation shall be made in accordance with the following prescriptions, namely:—

(*a*) The rate of interest assumed shall not exceed the rate prescribed in the First Schedule to this Act;

(*b*) The tables of mortality used shall be the tables prescribed in the said Schedule to this Act: Provided that if it appears to any company that the reserves for any particular class of policies cannot be appropriately computed by any table of mortality prescribed

in the said Schedule to this Act for the computation, then the company shall apply to the Superintendent for approval of the table the company deems most appropriate for the computation;

(c) The method of valuation shall be that specified in the said Schedule or any adaptation thereof approved by the Superintendent under the Schedule, or any other method the company deems appropriate: Provided that the method used shall be such that the reserve calculated in accordance therwith shall not be less at any duration than the reserve computed in accordance with the valuation provisions in the said Schedule, and that the method shall make adequate provision for the guaranteed values at the subsequent durations of the policy according to the rate of interest and the table of mortality used in the valuation;

(d) The reserve in the first policy year need not in any event exceed the reserve computed in accordance with the rate of interest and table of mortality used in the valuation and the method of valuation described in the said Schedule.

Method of valuation.

4. In computing the reserve for all unmatured obligations, guaranteed under the terms of or arising out of policies, dependent on contingencies other than life contingencies only, the bases and methods of valuation employed by the company shall be such as to place an adequate value on the liabilities thereunder, and shall be such that the value of the benefits under each and every policy shall in no case be less than the value placed upon the future premiums.

Policies issued before 1st January, 1927.

5. In respect of policies issued prior to the first day of January, one thousand nine hundred and twenty-seven, the reserve for unmatured obligations guaranteed thereunder dependent on life contingencies only shall, notwithstanding the provisions of the preceding subsections of this section, be computed in compliance with the provisions of the Insurance Act in force on the said date.

Summary to be included in annual statement.

6. There shall be included in the annual statement, in such detail as the Superintendent may require, a summary exhibit of the several bases and methods used in the valuation, of the classes of policies and amounts of insurance so valued, and of the reserve included in the liabilities, and there shall be appended to the summary exhibit a certificate by the actuary of the company, or by the actuary responsible for the valuation if the company has no actuary, to the effect that the reserves shown in the summary exhibit are not less than the reserves required by the provisions of this section, and in addition that in his opinion the reserves make a good and sufficient provision for all unmatured obligations of the company guaranteed under the terms of its policies.

Computation by Superintendent.

7. If it appears to the Superintendent that the reserve included in the liabilities in the annual statement of any company has not been computed in accordance with the provisions of the preceding subsections of this section, he shall make known to the company in what respects in his opinion the valuation does not comply with the said provisions with a view to having such alterations made in the valuation as may be necessary to secure compliance with those provisions, and on failure of the company to have such alterations made the company shall furnish to the Superintendent, on application, the full particulars of its policies necessary for computation of the reserve required in accordance with the provisions of the preceding subsections of this section, and the reserve so computed by the Superintedent shall be substituted in the liabilities in the annual statement for the reserve computed by the company.

Valuation every five years.

8. Once in every five years or oftener at the discretion of the Minister, the Superintendent shall himself value or cause to be valued under his supervision all the Canadian policies of every company and any such valuation shall be made on the bases and in accordance with the methods the company purports to use in computing the reserve included in the liabilities in the annual statement of the company made as of the valuation date or, if the valuation is made as of a date other than the annual statement date, then in the annual statement of the company last made preceding the date of valuation, subject to such alterations as may be made in the reserve under the provisions of subsection seven of this section.

Examination of company's valuation.

9. Instead of making a valuation as provided under subsection eight of this section the Superintendent may satisfy himself by an examination of the valuation made by the company whether the company is maintaining the reserve it purports to maintain and whether the reserve maintained complies with the provisions of this Act.

Company may require valuation to be made by Superintendent.

10. Any company, instead of itself computing the reserve to be included in the liabilities in its annual statement, may require the valuation to be made by the Superintendent, in accordance with the provisions of this section, on payment to him of three cents for each policy or bonus addition so valued, which amount the Superintendent shall pay over to the Minister: Provided that the company in preparing the data for valuation may group any number of policies in a manner satisfactory to the Superintendent so that they may be valued as one policy and the charge for the valuation of each group shall be three cents; and a like charge shall be made and paid over to the Minister in respect of any valuations made by the Superintendent under the provisions of subsection seven of this section.

Tables of mortality.

11. In any case where the Superintendent approves of a table of mortality under the provisions of this section he shall include in his annual report to the Minister such information concerning the origin and characteristics of the table and the circumstances in which it may be used as the Superintendent deems necessary and appropriate; and approval of any such table may in like manner be withdrawn by the Superintendent.

Advances to agents.

58. No such company, and no person, firm or corporation on its behalf, shall make any loan or advance without adequate security, to any person, firm or corporation soliciting or undertaking to solicit applications for insurance; nevertheless advances may be made to any such person, firm or corporation for travelling expenses or against commissions or other compensation to be earned in respect of premiums, but such advances shall not be allowed as assets in the Superintendent's annual report prepared for the Minister.

Estimates forbidden.

59. No such life insurance company, and no officer, director or agent thereof, shall issue or circulate, or cause or permit to be issued or circulated in Canada any estimate, illustration or statement of the dividends or shares of surplus expected to be received in respect of any policy issued by it.

Rates to be filed with Superintendent.

60. Each company shall deposit and keep deposited with the Superintendent a copy of its established rates for all plans of insurance, such rates in the ordinary branch, as distinguished from the industrial branch, being based upon an insurance of one thousand dollars, and shall be applicable to insurance for that amount and *pro rata* for greater amounts.

Surplus under deferred dividend policies.

61. In the event of a company issuing policies which provide for the distribution of surplus or profits at less frequent intervals than quinquennially, and known as deferred dividend policies, the company shall, with respect to such policies, ascertain and apportion at least once in every five years, reckoning from the date of the policies, to each class thereof, the share in such surplus or profits to which such class is equitably entitled, and the total sum of the shares so ascertained and apportioned shall, like the reserve or reinsurance fund, be and constitute a liability of the company, and shall be charged and carried in its accounts accordingly until it has been actually distributed and paid to the policyholders entitled thereto.

Quinquennial apportionment of profits.

62. From and after the first day of January, one thousand nine hundred and eleven, every company shall, in respect of all participating policies issued and in force in

Canada on the said first day of January, one thousand nine hundred and eleven, which provide for the distribution of surplus or profits at less frequent intervals than quinquennially and known as deferred dividend policies, ascertain and contingently apportion at least once in every five years reckoning from the date of the policies, to each class thereof, the share in such surplus or profits to which such class is contingently entitled. The total sum of the shares so ascertained and contingently apportioned shall be carried into the accounts and shall be kept separate and distinct from the undivided or unapportioned surplus and so shown.

Separate accounts of participating and non-participating business.

63. Every such company, notwithstanding anything to the contrary in any special Act or elsewhere, shall keep separate and distinct accounts of participating and non-participating business.

Withdrawal of licence for non-payment of claims.

64. Whenever satisfactory proof has been furnished to the Minister of any undisputed claim upon a company, arising on any policy of life insurance in Canada, remaining unpaid for the space of sixty days after becoming due, or of a disputed claim remaining unpaid after final judgment in regular course of law and tender of a legal valid discharge made to the agent of such company, the Minister may withdraw the licence of such company.

Renewal of licence.

65. Such licence may be renewed if, within thirty days after such withdrawal, such undisputed claim or final judgment upon or against the company is paid and satisfied.

Renewal of forfeited licence.

66. When the licence of such company has been withdrawn by the Minister under any of the foregoing sections of this Act, such licence may be renewed, if, within thirty days after such withdrawal, the company complies with the requirements of this Act to the satisfaction of the Minister.

Certain companies ceasing to do business.

67. In the case of any company which, previously to the twenty-eighth day of April, one thousand eight hundred and seventy-seven, was licensed to transact the business of life insurance in Canada, and which ceased to transact such business before the thirty-first day of March, one thousand eight hundred and seventy-eight, having before that date given written notice to that effect to the Minister, the premiums due or to become due on policies actually issued before the last mentioned date may continue to be collected, and the claims arising thereon may be paid, and all business appertaining thereto may be transacted, and all proceedings appertaining thereto, either at law or in equity, may be continued or commenced and prosecuted.

Deposit how dealt with.

2. The deposit in the hands of the Minister in such case shall be dealt with under the law as it existed previously to the first mentioned date, as if this Act had not been passed.

Transfer or surrender of policies.

68. When any company licensed under this Act desires to discontinue business and to have its assets in Canada released, and gives written notice to that effect to the Minister, it may, with the consent of the policyholders, procure the transfer of its outstanding policies in Canada to some company or companies licensed under this Act in Canada, or may obtain the surrender of the policies, as far as practicable.

Employment of trustee funds.

2. The trustees holding securities for such company may employ any portion of the assets vested in them for the purpose of effecting such transfer or surrender.

List to be filed with Minister.

3. Such company shall file with the Minister a list of all Canadian policyholders whose policies have been so transferred or have been surrendered, and also a list of those which have not been transferred or surrendered.

Notice in *Canada Gazette* and newspaper.

4. The company shall, at the same time, publish and continue the publication for three calendar months in the *Canada Gazette* and in at least one newspaper in the county, city or place in which the chief agency is established a notice that it will apply to the Minister for the release of its assets and securities on a certain day, not less than three months after the date of the notice, and calling upon its Canadian policyholders opposing such release to file their opposition with the Minister on or before the day so named.

Securities in case of transfer.

69. After the day so named, upon the application for release being made, if the Minister, with the concurrence of the Treasury Board, is satisfied that such transfer or surrender has been effected, he may direct that a portion of the assets held by the trustees, or securities held by the Minister, shall be retained, sufficient in amount to cover the full equitable net surrender value of such policies, including bonus additions and accrued profits, as have not been transferred or surrendered, or in respect to which opposition has been filed; and may order the remaining assets or securities aforesaid to be released and transferred or paid over to the company.

Tender to policyholders.

2. The portion retained shall be tendered in the manner hereinafter described to the aforesaid policyholders *pro rata*, according to the aforesaid values of their respective policies; and on the acceptance of the amount so tendered, such policies shall thereby be deemed to be cancelled.

Refusing tender.

3. If such tender is refused by any policyholder, the amount so tendered may be paid over to the company, and the policy shall continue in force, and such policyholder shall not be barred from any recourse he has, either at law

or in equity, against the company to compel the fulfilment of its contract under such policy.

Mode of tender.

70. The tender referred to in the last preceding section shall be made in the following manner:—

List in *Gazette*.

(a) A list and notice in the form A in the Second Schedule to this Act, or to the like effect, shall be published in the *Canada Gazette* for at least thirty days previously to the day named in such notice;

List in newspapers.

(b) The company shall also cause the said list and notice to be published in such newspapers in Canada and for such length of time as the Minister determines;

Notice to be mailed.

(c) A notice in the form B in the said Second Schedule, or to the like effect, shall be sent by mail, postpaid or franked, from the Department to each of the policyholders named in the said list, whose address is known to the Superintendent; and such notice shall be deposited in some post office in Canada at least thirty days previously to the day named therein, which shall be the same day as that named in the list and notice in the said form A.

Acceptance must be signified.

2. Any policyholder who does not signify in writing to the Superintendent his acceptance of the amount so tendered, on or before the day named in the said notice, shall be deemed to have refused the same: Provided that the Minister may, at any time prior to the payment over to the company of the amount so refused, allow any policyholder to signify his acceptance of such amount, and such acceptance, so allowed, shall have the same effect as if made on or before the day named in the said notice.

Surrender values how determined.

71. The surrender values to cover which a portion of assets is retained as aforesaid shall be determined by the Superintendent on the basis provided in section fifty-seven of this Act for the valuation once in every five years, or oftener at the discretion of the Minister, of policies of life insurance; and he shall collect from the company the expenses of such valuation at the rate of three cents for each policy or bonus addition, and shall pay the same to the Minister before the latter shall hand over the securities.

Special arrangements.

72. Nothing herein contained shall prevent any policyholder from making special arrangements with the company whereby his policy may be continued in force.

Action or proof.

73. On proof being given of such arrangement, such policy may be omitted or removed from the lists of policies filed with the Minister as aforesaid, and this Act shall thereafter not apply in respect of such policy.

Suits by policyholders against company.

74. Any suit, action or proceeding deemed necessary in the interest of the policyholders of any company licensed under this Act, or of any class of such policyholders, may with the consent of the Superintendent be instituted in any court of competent jurisdiction on behalf of such policyholders, by the Attorney General of Canada, against the company or the directors, trustees or other officers thereof, and any judgment recovered in any such suit, action or proceeding whether for an accounting or for any sum of money, shall enure and be applied for the benefit of such policyholders, or class thereof.

Proceedings instituted by attorney general.

2. Proceedings may at the request or with the consent of the Superintendent be instituted by the Attorney General of Canada under the Winding-up Act against any company licensed under this Act, for an order for the winding-up of its Canadian affairs and the distribution of the Canadian assets of such company pursuant to said Act.

Proceedings during continuance of licence.

3. The proceedings mentioned in the preceding subsection may be instituted during the continuance of the licence of the company upon any ground upon which such an order may be made under the provisions of the Winding-up Act, other than Part III thereof, or, after the company has become subject to the provisions of the Winding-up Act, pursuant to section one hundred and sixty-one of the said Part III.

PART III.

FRATERNAL BENEFIT SOCIETIES.

Fraternal benefit societies.

75. This Part applies only to fraternal benefit societies licensed under this Act.

Exemptions.

76. Every fraternal benefit society licensed under the provisions of this Act shall, when so licensed, be exempted from the provisions of section thirty-six of this Act, and from the provisions of Part II of this Act, with the exception of sections fifty-six, fifty-eight and sections sixty-four to seventy-four, thereof, both inclusive.

When licence is not to be granted.

2. No fraternal benefit society shall be licensed under this Act if it is in effect the property of its officers or collectors or belongs to any private proprietary, or if it is conducted as a trading or mercantile venture, or for purposes of commercial gain.

Actuarial valuation before licence issued.

77. Every fraternal benefit society shall before a licence is issued to it under this Act, file with the Superintendent, in addition to the other statements and documents required by this Act to be filed, a report made by an actuary, appointed by the society, including therein, in such detail as the Superintendent may require, the results

of an actuarial valuation made by the said actuary as at the next preceding thirty-first day of December or such later date as the Superintendent may specify, of each of the benefit funds maintained by the society having regard to the prospective liabilities of, and contributions to, each fund.

Declaration by actuary.

2. Such report shall include a declaration by the said actuary that in his opinion the assets of the society applicable to each fund, taken at the value accepted by the Superintendent, together with the premiums, dues and other contributions to be thereafter received from the members according to the scale in force at the date of the said valuation, are sufficient to provide for the payment at maturity of all the obligations of the fund without deduction or abatement.

Statement of condition and affairs.

3. The society shall also file with the Superintendent a statement of its condition and affairs in such detail as the Superintendent may require, as at the date of the said valuation.

Annual Statement of Canadian business.

78. The annual statement of Canadian business deposited in the Department under the provisions of this Act by every society licensed thereunder shall be in the same form, so far as applicable, as is required by the laws of the Dominion of Canada of fraternal benefit societies incorporated under the said laws.

Annual statement of general business.

2. The annual statement of general business deposited by such society shall include in the liabilities a reserve for the mortuary benefits in which all the factors entering into the calculation are based upon the National Fraternal Congress

Mortuary fund.

table of mortality and four per cent interest or such higher reserve as the society is required by its Act of incorporation to maintain, and shall contain a report made by an actuary appointed by the society, including therein, in such detail as the Superintendent may from time to time require, the results of an actuarial valuation, as at the date of the statement, of each of the benefit funds maintained by the society, having regard to the prospective liabilities of, and contributions to, each fund, and the actuary shall certify as to each fund that, in his opinion, the reserve shown by such valuation, together with the premiums, dues and other contributions to be thereafter received from the members according to the scale in force at the date of valuation, is sufficient to provide for the payment at maturity of all the obligations of the fund without deduction or abatement.

Other funds.

3. The reserve shown by such valuation, in respect of the funds other than the mortuary fund, or at the option of the society any higher reserves, shall be entered as liabilities of the funds, and if the valuation of the mortuary

fund made by the actuary shows a reserve lower than that prescribed by the last preceding subsection to be included in the liabilities, the said lower reserve may be substituted therefor.

Separate statements in certain cases.

4. Any statement mentioned in this section shall, to the extent the Superintendent may require, show separately the business in respect of policies issued in Canada after the date on which a licence was first obtained from the Minister.

Liabilities to policyholders in Canada.

5. The liabilities of such society to policyholders in Canada shall, for the purposes of section fifty of this Act, be deemed to be its liabilities in respect of Canadian policies issued since the said date, including a reserve based on such mortality and other tables as are, in the opinion of the Superintendent, applicable and a rate of interest not exceeding four per cent per annum, and the society's policies and policyholders in Canada shall, for the purposes of section one hundred and sixty-three of the Winding-up Act be deemed to be the Canadian policies issued since the said date and the holders thereof respectively.

Special valuation if assets deficient.

79. If it appears to the Superintendent, from the annual statement filed with him or from any examination or valuation made in pursuance of this Act, that the assets of any fraternal benefit society licensed under this Act, or of any benefit fund thereof, are insufficient to provide for the maturity of its policies without deduction or abatement or without increase of premiums or additional premiums, he shall make a special valuation of the policies of the society, and if the result of such valuation confirms him in his opinion, he shall make a special report to the Minister on the condition of the society and shall in such report show the amount of the deficiency in the society's assets.

Minister to request deficiency to be made good.

2. If the Minister after consideration of the said report concurs in the opinion of the Superintendent, he shall request the society within such time, not exceeding four years, as he may prescribe, to make such increase in its premiums or such reduction in the benefits payable under its contracts, or otherwise, as will make good the deficiency.

Society to take prescribed steps.

3. On receipt of such request the society shall take the steps prescribed by its charter or Act of incorporation or by its constitution and laws for putting into effect such changes as may be approved by an actuary for the purpose of making good the deficiency.

Licence withdrawn for non-compliance.

4. If the society does not within the time so prescribed comply with the request of the Minister, the licence of the society may be withdrawn.

Valuation balance sheet to be sent to policy-holders.

80. Every fraternal benefit society, licensed under this Act shall, not later than the first day of June in each year, mail to each policyholder in Canada a copy of the valuation balance sheet on the basis used for the purpose of the annual statement mentioned in subsection two of section seventy-eight of this Act, and an explanation of the facts concerning the condition of the society thereby disclosed; or in lieu thereof, shall publish in its official paper such balance sheet and explanation and mail a copy of the issue of said paper containing the same to each of the society's policyholders in Canada.

Sickness benefits by society or subordinate lodge.

81. Nothing in this Act shall be held to prohibit any society licensed under this Act, or any subordinate lodge of any such society so licensed, from contracting with any member of such society or lodge for the payment to such member of a sickness benefit of such amount and for such period as may be authorized by a validly enacted by-law of the society and by the Treasury Board.

"Actuary" defined.

82. The term "Actuary" in this Part means a Fellow by examination of the Institute of Actuaries of Great Britain, the Faculty of Actuaries in Scotland, the Actuarial Society of America, or of the American Institute of Actuaries: Provided that anyone admitted to fellowship otherwise than by examination and who prior to the fourteenth day of April, one thousand nine hundred and twenty-seven, had made an actuarial report in accordance with the provisions of subsection two of section one hundred and twelve of the Insurance Act, 1917, as enacted by chapter fifty-seven of the statutes of 1927, shall for the purposes of this section be deemed to be a Fellow by examination.

PART IV.

COMPANIES TRANSACTING FIRE INSURANCE.

Fire insurance companies.

83. This Part applies only to companies licensed under this act and authorized to transact only fire insurance and to companies so licensed and authorized to transact fire and other insurance, in so far only as relates to the fire insurance business of such companies.

Forfeiture of licence for failure to make deposits or pay claims.

84. Whenever any company fails to make the deposits under this Act at the time required, or whenever written notice has been served on the Minister of any undisputed claim, arising from loss insured against in Canada, remaining unpaid for the space of sixty days after it becomes due, or of a disputed claim remaining unpaid after final judgment in regular course of law and tender of a legal valid discharge, the licence of such company may be withdrawn by the Minister.

Renewal under certain conditions.

85. Such licence may be renewed, and the company may again transact business, if, within sixty days after notice to the Minister of the failure of the company to pay any undisputed claim or the amount of any final judgment, as provided in the last preceding section, all undisputed claims or final judgments upon or against the company in Canada are paid and satisfied.

Company ceasing business to reinsure.

86. When any company has ceased to transact business in Canada, and has given written notice to that effect to the Minister, it shall insure, on behalf of its Canadian policyholders, all its outstanding risks in some company or companies licensed in Canada, or obtain the surrender of the policies.

Delivery of securities.

2. The securities of such company shall not be delivered to the company until all its outstanding risks are insured to the satisfaction of the Minister.

Application for securities.

87. Upon making application for its securities the company shall file with the Minister a list of all Canadian policyholders who have not been so reinsured, or who have not surrendered their policies; and it shall at the same time publish and continue the publication for three calendar months in the *Canada Gazette* and in at least one newspaper in the county, city or place in which the chief agency is established a notice that it has applied to the Minister for the release of its securities on a certain day not less than three months after the date of the notice, and calling upon its Canadian policyholders opposing such release to file their opposition with the Minister on or before the day so named.

Order for release.

2. After that day if the Minister, with the concurrence of the Treasury Board, is satisfied that the company has ample assets to meet its liabilities to Canadian policyholders, he may order that all the securities be released to it, or that a sufficient amount of them be retained to cover the value of all risks outstanding or respecting which opposition has been filed, and that the remainder be released.

Further releases.

3. Thereafter from time to time as such risks lapse, or proof is adduced that they have been satisfied, further amounts may be released on the authority aforesaid.

Delivery to liquidator.

4. Notwithstanding the provisions of this and the last preceding section, if the company is in liquidation the securities of the company may, on the order of any court having jurisdiction under the Winding-Up Act, be released by the Minister to the liquidator.

Payment of losses after cancellation of licence.

88. When a company has ceased to transact business in Canada after the notice by this Part required has been given, and its licence has in consequence been withdrawn, such company may, nevertheless, pay the losses arising

upon policies not reinsured or surrendered, as if such licence had not been withdrawn.

Reserve liability for annual statement.

89. For the purposes of the annual statement required to be furnished to the Superintendent under this Act the liability of the company in respect of its outstanding unmatured policies in Canada, shall be eighty per cent of the unearned premiums computed *pro rata* as at the date of such statement: Provided, however, that for the purposes of section forty-nine of this Act the said reinsurance value shall be the full unearned premiums computed *pro rata* as aforesaid.

Proviso.

Premium note business.

2. In the case of any such company which transacts a non-hazardous three year business on the premium note system or partly on the cash system and partly on the said premium note system, the liability of such company, for the purposes of such statement, in respect of its premium note business shall be eighty per cent of the unearned portion of the cash received upon and of the balance usually collectable in respect of all outstanding premium notes held by the company computed *pro rata* as at the date of such statement, and the amount of such premium notes in excess of the amount so usually collectable thereon shall be regarded as a contingent asset only.

Insurance in unlicensed companies.

90. Notwithstanding anything in this Act contained, any person may insure his property, or any property in which he has an insurable interest, 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; and provided further that no such company, underwriters or persons shall within Canada advertise their business in any newspaper or other publication or by circular mailed in Canada or elsewhere, or maintain an office or agency therein for the receipt of applications or the transaction of any act, matter or thing relating in any way to their said business.

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 subsection two 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 two of section forty-eight of this Act.

5. If under the provisions of any other Act of the Parliament of Canada the said person is required to make a return to the Minister containing substantially the same information as that required by subsection two of this section, the Minister may, on the recommendation of the Superintendent, waive compliance with the requirements of the said subsection.

PART V.

COMPANIES TRANSACTING INSURANCE OTHER THAN LIFE OR FIRE.

Application.

91. This Part applies to companies licensed under this Act and authorized to transact the business of insurance other than life or fire insurance.

Provisions applicable.

92. The provisions of this Act applicable to companies authorized to transact fire insurance other than the provisions contained in section ninety shall, *mutatis mutandis*, apply to every such company 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 authorized to transact the business of title insurance.

Additional assets in Canada if hail insurance transacted.

93. Every company authorized to transact the business of hail insurance in Canada shall at all times maintain assets in Canada as defined by subsection two of section fifty of this Act, in excess of the amount required to be maintained in respect of its business other than that of hail insurance by an amount at least equal to fifty per cent of the total net premiums received by it in respect of its business of hail insurance in Canada during the preceding calendar year.

PART VI.

Provincial rights saved.

94. No provision of this Act shall be deemed or construed to have been made with the intent or object of regulating the contracts or other incidents of the business of insurance, as such, in any Province, or of otherwise dealing with subject matters of legislation assigned exclusively to the legislatures of the Provinces; and, in so far as any provision of this Act may hereafter be determined to have any operation or effect beyond the legislative competence of the Parliament of Canada to authorize and sanction and to be, in that respect, void and inoperative, it shall be treated as severable from the other provisions of this Act and such other provisions shall continue to have full force and effect according to their tenor.

Section 57.

FIRST SCHEDULE

BASES AND METHODS TO BE USED IN COMPUTING THE MINIMUM RESERVE WHICH MAY BE INCLUDED IN THE LIABILITIES IN THE ANNUAL STATEMENT, APART FROM THE BENEFITS GUARANTEED ON DISCONTINUANCE OF PREMIUM PAYMENT WITHOUT SURRENDER.

(A)—As respects benefits depending upon life contingencies only in or arising out of life insurance policies (other than industrial policies) and excluding life annuity settlements.

1. Policies at uniform annual premiums for a uniform amount of insurance throughout.

The bases of valuation for any particular class or group of policies shall be an assumed rate of interest not exceeding three and a half per cent per annum and one of the tables of mortality specified below or any other table which may be approved by the Superintendent.

Tables of Mortality.

(a) Canadian Men Table, C^{M} (5)
(b) British Offices Life Tables, 1893, O^{m} (5)
(c) British Offices Life Tables, 1893, O^{m}
(d) British Offices Life Tables, 1893, $O^{[m]}$
(e) Institute of Actuaries of Great Britain, H^{m}
(f) American Men Table, AM (5)
(g) American Experience Table, Am. Exp.

The value of the policy at any time after issue is to be the difference between the value of the sum assured thereunder (including the present value of any bonus or addition thereto, or reduction in future premiums, made after the date of issue of the policy and subsisting as at the date of valuation), and the present value of the valuation pre-

mium (as hereinafter defined) assumed to be payable on each anniversary of the policy following the date of valuation during the term for which premiums are required to be paid in accordance with the terms of the policy to be valued.

If the net level premium for the life insurance risk incurred by the company in issuing the policy does not exceed the whole life net level premium for a like amount of whole life insurance, the valuation premium is to be the net level premium for a like policy as of an age one year greater than the age at entry assumed to be payable at the beginning of the second and each subsequent policy year for which premiums are payable under the terms of the policy to be valued.

If the net level premium for the life insurance risk incurred by the company in issuing the policy exceeds the net level premium payable throughout life for a like amount of whole life insurance, the valuation premium shall be obtained by adding to each net level annual premium, excluding the first, such an amount, assumed to be payable at the beginning of the second and each subsequent policy year for which premiums are payable under the terms of the policy to be valued, as is equal in value as of the date of issue of the policy to the difference between the net level premiums payable throughout life for a whole life policy and the one year term premium for, in each case, a policy of like amount and of the same age at entry as the policy to be valued.

2. Policies other than those at uniform annual premiums for a uniform amount of insurance throughout shall be valued on bases determined in accordance with the foregoing provisions of this Schedule with such adaptations in the valuation methods as seem to the Superintendent appropriate in the circumstances.

(B)—As respects benefits depending upon life contingencies only in or arising out of industrial life insurance policies, excluding life annuity settlements.

The bases of valuation for any particular class or group of policies shall be an assumed rate of interest not exceeding 3½ per cent per annum and one of the tables of mortality specified below or any other table which may be approved by the Superintendent.

Tables of Mortality.

(a) Any of the tables named under (A) (1) above.

(b) The Standard Industrial Table.

No reserve shall be held at any valuation within the first year after issue of any policy. In valuations there-

after the insurance risk of the first policy year shall be ignored, and, for valuation purposes, the date of issue of the policy shall be assumed to be one year after the actual date of issue, the age at issue shall be assumed to be one year greater than the actual age at issue and the premium term shall be assumed to commence as of the assumed date of issue and to be conterminous with the premium term stated in the policy to be valued.

The valuation premium shall be such a level premium as of the assumed age at issue, payable for the assumed premium term, as is equal in then present value to the insurance risk incurred by the company as from the attainment of the assumed age at issue.

In valuations made after the attainment of the assumed age at issue the value of the policy shall be the difference between the present value of the sums assured (including the present value of any bonus or addition thereto, or reduction in future premiums, made after the date of issue of the policy and subsisting as of the date of valuation), and the present value of the valuation premium assumed to be payable following the date of valuation during the term for which premiums are required to be paid in accordance with the terms of the policy.

If the terms of any particular class or group of policies are such that the above method of valuation appears to be inapplicable or inappropriate, adaptations in the above method may be made subject to the approval of the Superintendent.

(C)—As respects Life Annuities (Immediate or Deferred) including life annuity settlements (other than disability annuities), arising out of life insurance contracts.

The bases of valuation shall be tables of mortality approved by the Superintendent, deduced from the actual mortality experience covering the period 1900-1920, published on behalf of the Institute of Actuaries and the Faculty of Actuaries in Scotland, male or female, according to the sex of the nominee, with a rate of interest not exceeding four per cent per annum.

In the valuation of Deferred Annuities the method of valuation shall be the net level premium method subject to such adaptations as the Superintendent may deem appropriate in any case where the premium for the policy may not be uniform throughout the premium paying period.

(D)—As respects future payments dependent on a term certain only, including term certain annuities arising out of life insurance contracts.

The valuation shall be made at a rate of interest not exceeding four per cent per annum, and the method of

valuation shall be the net level premium method subject to such adaptations as the Superintendent may deem appropriate in any case where the premium for the policy may not be uniform throughout the premium paying period.

Sections 69 and 70.

SECOND SCHEDULE.

Form A.

In the matter of the (*here insert name of the company*). Notice is hereby given that the Minister of Finance has, pursuant to the sixty-ninth and seventieth sections of the British and Foreign Insurance Companies Status and Powers Act, 1932, directed assets to be retained, sufficient in amount to cover the full equitable net surrender value of the policies in the above company (including bonus additions and accrued profits) which have not been transferred or surrendered or in respect of which opposition has been filed as provided by the said sixty-ninth section; and the assets so retained are hereby tendered to the aforesaid policyholders *pro rata* according to the aforesaid values of their respective policies. A list of such policyholders and of the amounts tendered to them respectively is hereunder given, and notice is hereby given that any policyholder not signifying in writing to the Superintendent of Insurance his acceptance of the amount hereby tendered to him on or before the day of , A.D. 19 , shall be deemed to have refused the same, and the amount tendered may, pursuant to the said Act, be paid over to the company.

List of policyholders and amounts tendered.

Name.	Address, so far as known.	Amount and Number of Policies.	Amount Tendered.

Dated at Ottawa, this day of , A.D. 19 .

(Signed)

Minister of Finance,
Canada.

(Signed)

Superintendent of Insurance.

(OVER)

FORM B.

Section 69

INSURANCE DEPARTMENT,

OTTAWA, 19 .

In the matter of the (*here insert the name of the company*).

You are hereby notified that the Minister of Finance has, pursuant to the sixty-ninth section of the British and Foreign Insurance Companies Status and Powers Act, 1932, directed assets to be retained sufficient in amount to cover the full equitable net surrender value of the policies in the above company, including bonus additions and accrued profits, which have not been transferred or surrendered or in respect to which opposition has been filed as provided by the said sixty-ninth section. The assets so retained are tendered to the aforesaid policyholders *pro rata* according to the aforesaid values of their respective policies.

The amount hereby tendered to you, and the policy or policies in respect of which the same is tendered, are given below, and you are hereby notified that unless on or before the day of A.D. 19 , you signify in writing to the Superintendent of Insurance your acceptance of the amount hereby tendered, you shall be deemed to have refused the same, and the amount tendered may, pursuant to the same Act, be paid over to the company.

Yours, etc.,

(Signed)

Superintendent of Insurance.

Name.	Number and Amount of Policy.	Amount Tendered.

Bill C' follows Bill E² which is misplaced.

Third Session, Seventeenth Parliament, 22-23 George V, 1932

THE SENATE OF CANADA

BILL E[2].

An Act for the relief of Adlena Emma Sills Burrow, otherwise known as Adlena Emma Sills Burrows.

Read a first time, Tuesday, 10th May, 1932.

The Honourable the Chairman of the Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
43499 1932

3rd Session, 17th Parliament, 22-23 Geo. V, 1932

THE SENATE OF CANADA

BILL E2.

An Act for the relief of Adlena Emma Sills Burrow, otherwise known as Adlena Emma Sills Burrows.

Preamble.

WHEREAS Adlena Emma Sills Burrow, otherwise known as Adlena Emma Sills Burrows, residing at the city of Toronto, in the province of Ontario, wife of Harry Burrow, otherwise known as Harris Charles Burrows, salesman, who is domiciled in Canada and residing at the city of Montreal, in the province of Quebec, has by her petition alleged that they were married on the twenty-seventh day of May, A.D. 1922, at the city of Kingston, in the province of Ontario, she then being Adlena Emma Sills, a spinster, and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Adlena Emma Sills and Harry Burrow, otherwise known as Harris Charles Burrows, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Adlena Emma Sills may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said Harry Burrow, otherwise known as Harris Charles Burrows had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL C[1].

An Act respecting the Status and Powers of Dominion Insurance Companies.

Read a first time, 11th February, 1932.

Rt. Hon. SENATOR MEIGHEN.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
41825—1 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL C[1].

An Act respecting the Status and Powers of Dominion Insurance Companies.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada enacts as follows:—

Short title.

1. This Act may be cited as *The Dominion Insurance Companies Status and Powers Act, 1932.*

INTERPRETATION.

Definitions.

2. In this Act, unless the context otherwise requires, and in any licence issued thereunder,

"Accident insurance."

(a) "accident insurance" means insurance against bodily injury and death by accident; and insurance against liability for loss or damage from accident to employees or other persons or to property, or against loss or damage to personal property from accident other than fire;

"Agent."

(b) "agent" means an acknowledged agent or other person who in any manner with the authority of the company aids in transacting the insurance business of the company, and includes an insurance broker;

"Automobile insurance."

(c) "automobile insurance" means insurance against liability for loss or damage to persons or property caused by an automobile; and insurance against loss of or damage to an automobile;

"Aviation insurance."

(d) "aviation insurance" means insurance against liability for loss or damage to persons or property caused by an air-craft; and insurance against loss of or damage to an air-craft;

"Bond insurance."

(e) "bond insurance" means guaranteeing the validity and legality of bonds issued by any province of Canada or by any city, county, town, village, school district, municipality or other civil division of any such province or by any private or public corporation;

"Burglary insurance."

(f) "burglary insurance" means insurance against loss or damage by burglary, theft, robbery or house-breaking;

"Business of insurance."

(g) "business of insurance" means the undertaking by one person to indemnify another person against loss or liability from certain risks or perils to which the object of the insurance may be exposed, or to pay a sum of money or other thing of value upon the happening of a certain event, and includes the advertising for, solicitation or acceptance of any risk, the issue or delivery of any receipt or policy, the granting, in consideration of any premium or payment, of any annuity on a life or lives, the collection or receipt of any premium, the inspection of any risk, the adjustment of any loss, or the prosecution or maintenance of any suit, action or proceeding relating to the insurance or the doing or performing of any one or more of the aforesaid acts;

"Canadian policy"—fire insurance.

(h) "Canadian policy" or "policy in Canada," as regards fire insurance, means a policy of insurance on any property within Canada, issued by any company licensed under this Act to transact the business of fire insurance;

"Canadian policy"—life insurance.

(i) "Canadian policy" or "policy in Canada," as regards life insurance, means a policy or an annuity contract issued by any company licensed under this act to transact the business of life insurance in Canada, in favour of any person or persons resident in Canada at the time when such policy was issued;

"Chief agent."

(j) "chief agent" means the chief agent of the company in Canada, named as such in the power of attorney hereinafter referred to by whatever name he is designated;

'Company."

(k) "company" means any corporation incorporated under the laws of the Dominion of Canada, or of the late Province of Canada, for the purpose of carrying on the business of insurance, and includes any fraternal benefit society as defined by this Act;

"Credit insurance."

(l) "credit insurance" means the guaranteeing and indemnifying from loss or damage by reason of giving and extending credit;

"Department."

(m) "Department" means the Department of Insurance constituted by this Act;

"Explosion insurance."

(n) "explosion insurance" means insurance against damage to property of any kind caused by the explosion of natural or other gas, or caused by bombardment, invasion, insurrection, riot, civil war or commotion or military or usurped power;

"Forgery insurance."

(o) "forgery insurance" means insurance against loss sustained by reason of forgery;

"Fraternal benefit society."

(p) "fraternal benefit society" means a corporation having representative form of government, and incorporated under the laws of the Dominion of Canada for fraternal, benevolent or religious purposes among which purposes is the insuring of the members, or the dependent children of the members thereof, exclusively, against accident, sickness, disability or death, and includes a corporation incorporated, as aforesaid, on the mutual plan for the purpose of so insuring the members, or the dependent children of the members, of such a corporation exclusively;

"Guarantee insurance."

(q) "guarantee insurance" means the guaranteeing of the fidelity of persons in positions of trust, public or private, guaranteeing and becoming security for the due performance of any contract or agreement or of the duties of any office; and executing bonds in legal actions and proceedings;

"Hail insurance."

(r) "hail insurance" means insurance against loss of, or damage to, property by hail;

"Industrial insurance."

(s) "industrial insurance" means life insurance, the premiums for which are payable at shorter intervals than quarterly and are normally collected at the home of the insured;

"Inland marine insurance."

(t) "inland marine insurance" means marine insurance in respect to subjects of insurance at risk upon the waters of Canada, above the harbour of Montreal;

"Inland transportation insurance."

(u) "inland transportation insurance" means insurance against loss or damage to goods, wares, merchandise or property of any kind, including matter transmitted by mail, in transit otherwise than by water, from place to place in Canada;

"Live stock insurance."

(v) "live stock insurance" means insurance against the death of, accident to or sickness of animals and includes insurance against the loss of offspring of such animals;

"Minister."

(w) "Minister" means the Minister of Finance;

"Officer."

(x) "officer" includes the manager, secretary, treasurer, actuary and any other person designated as "officer" by the by-laws of the company;

"Plate glass insurance."

(y) "plate glass insurance" means insurance against the breakage of plate or other glass, either local or in transit;

"Policy."

(z) "policy" includes a certificate of membership relating in any way to life insurance and any other written contract of insurance whether contained in one or more documents and includes any annuity contract on a life or lives;

"Policyholder."

(aa) "policyholder" as respects life insurance, when used in reference to the person to whom a tender is made by the Minister, upon application for the release of deposit by a company which ceases to do business, means the person to whom the policy is issued and

with whom the contract for insurance is made, and includes the assignee of such person;

"Policyholder in Canada."

(bb) "policyholder in Canada" means, as respects life insurance, any person upon whose life any company licensed under this Act to transact the business of life insurance in Canada has, while such person was resident in Canada, issued a policy;

"Provincial company."

(cc) "provincial company" means a company incorporated under the laws of any province of Canada or of any former province of British North America now forming part of Canada other than the late Province of Canada for the purpose of carrying on the business of insurance;

"Secretary."

(dd) "secretary" means and includes the officer by whom the usual duties of a secretary are performed;

"Sickness insurance."

(ee) "sickness insurance" means insurance against loss through illness or through disability not arising from accident or old age; but does not include insurance against loss as a result of death from either sickness or disability;

"Sprinkler leakage insurance."

(ff) "sprinkler leakage insurance" means the insuring of any goods or premises against loss or damage by water caused by the breakage or leakage of sprinklers, pumps, water-pipes, or plumbing and its fixtures;

"Steam boiler insurance."

(gg) "steam boiler insurance" means insurance upon steam boilers and pipes, engines and machinery connected therewith or operated thereby, against explosion, rupture and accident and against personal injury or loss of life, and against destruction of or damage to property resulting therefrom;

"Superintendent."

(hh) "Superintendent" means the Superintendent of Insurance;

"Tornado insurance."

(ii) "tornado insurance" means insurance against loss of, or damage to, property by wind-storm, cyclone or tornado;

"Weather insurance."

(jj) "weather insurance" means insurance against loss caused by rain, tempest, flood or other climatic conditions except loss of, or damage to, property caused by hail, windstorm, cyclone or tornado.

PART I.

Licences, certificates and deposits

Business not to be carried on without licence.

3. No company shall transact the business of insurance in Canada unless it holds a licence from the Minister under the provisions of this Act.

Certificate to provincial company.

4. The Minister may grant a certificate to any provincial company having the faculty or capacity to carry on its

business throughout Canada and to obtain a certificate hereunder which has applied therefor and complied with the provisions of this Act in that behalf applicable to a company.

Provisions applicable to a provincial company.

2. A provincial company to which a certificate is granted shall, thereupon and thereby, become subject to all the provisions of this Act applicable to a company licensed thereunder, saving and excepting any such provision as would have effect to enlarge in any respect the corporate powers or rights of any provincial company under its constating instrument.

3. In any provision of this Act made applicable by this section to a provincial company, the words "licence" and "licensed," wherever they appear, shall in respect of the application of any such provision to a provincial company be read as if the words "certificate" and "holding a certificate" were respectively substituted therefor.

Companies licensed under Insurance Act deemed licensed.

5. Every company which on the date of the coming into force of this Act holds a licence under the provisions of the *Insurance Act*, chapter one hundred and one, of the *Revised Statutes, 1927*, shall be deemed to have complied with the provisions of this Act precedent to the granting of a licence and the licence which the company holds on the said date shall be deemed to have been granted under the provisions of this Act, and the company shall be subject to the provisions thereof.

Provincial companies.

2. Every provincial company which on the said date holds a licence under the provisions of the said Act shall be deemed to have complied with the provisions of this Act precedent to the granting of a certificate and to have been granted a certificate under the provisions of this Act and shall be subject to the provisions of this Act applicable to a provincial company.

Deposit for licence.

6. The Minister, as soon as any company applying for a licence has deposited in his hands the securities hrereinafter mentioned, and has otherwise conformed to the requirements of this Act, may, subject to the provisions hereinafter contained, issue the licence.

Name of company.

7. Before issuing a licence to a company or a provincial company, the Minister must be satisfied that the corporate name thereof is not that of any other known company incorporated or unincorporated, or any name liable to be confounded therewith or otherwise on public grounds objectionable.

Form of licence.

8. The licence shall be in such form or forms for the different classes of companies, as may be from time to time determined by the Minister, and shall specify the business to be carried on by the company, and any limitations or conditions which the Minister may consistently with the provisions of this Act deem proper.

Contents of licence.

2. The licence shall certify that the company has complied with the provisions and conditions of its Act of incorporation or other constating instrument, and with the provisions and conditions of this Act precedent to the granting of a licence, and is in a proper financial condition to commence to exercise under and in accordance with the provisions of this Act the powers conferred upon it by its said Act of incorporation or other constating instrument.

Duration.

3. The licence shall expire on the thirty-first day of March in each year, but may be renewed from year to year, subject, however, to any qualification or limitation which is considered expedient: Provided that such licence may be from time to time renewed for any term less than a year.

Contents of renewal.

4. Any renewal of a licence shall certify on the report of the Superintendent that the company has continued to comply with the provisions of its Act of incorporation and of this Act and that from a statement of its affairs it is in a solvent condition.

Validity.

5. The validity of any licence purporting to be issued by the Minister under this Act shall not be called in question on behalf or at the instance of any person other than the Minister.

Classes of insurance authorized.

9. The licence may authorize the transaction of such class or classes of insurance, whether mentioned in this Act or not, as the Minister may deem proper: Provided, however, that subject to the renewal of licences granted before the passing of this Act, a licence shall not be granted to any company authorizing the transaction of life insurance in combination with any other class of insurance unless the company maintains in respect of its business of life insurance separate and distinct funds and securities available only for the protection of the holders of its policies of life insurance and not liable for the payment of claims arising from the other class or classes of business which the company transacts.

Life insurance combined with another class.

Business limited to classes specified in licence.

2. No company shall issue policies relating to any class of insurance not specified in the licence from time to time in force.

Deposit with minister—by fraternal benefit society.

10. Every fraternal benefit society which applies for a licence under this Act shall before the issue of such licence deposit with the Minister, in such securities as are hereinafter specified in that behalf, the sum of ten thousand dollars.

By other companies.

2. Every company other than a fraternal benefit society which applies for a licence under this Act shall before the issue of such licence deposit with the Minister in the said securities

(a) in the case of a licence for life insurance or for fire insurance, the sum of fifty thousand dollars, and

(b) in the case of a licence for any other class of insurance such sum as may be determined by the Treasury Board.

Securities permissible.

11. All such deposits, and all other deposits required under the provisions of this Act, may be made by any company,

(a) in securities of or guaranteed by the Dominion of Canada, or in securities of or guaranteed by any province of Canada; or in securities of or guaranteed by the United Kingdom of Great Britain and Northern Ireland or any British Dominion or colony;

Valuation.

2. The value of such securities shall be estimated at their market value, not exceeding par, at the time when they are deposited.

Accepting other securities.

12. If any other than the aforesaid securities are offered as a deposit, they may be accepted ay such valuation and on such conditions as the Treasury Board directs.

Further deposit if value declines.

2. If the market value of any of the securities which have been deposited by any company declines below that at which they were deposited, the Minister may notify the company to make such further deposit as will ensure the accepted value of all the securities deposited by the company being equal to the amount which it is required by this Act to deposit.

Failure to make.

3. On failure by the company to make such further deposit within sixty days after being called upon so to do, the Minister may withdraw its licence.

Further deposits at option of company.

13. Any company (licensed under this Act) may, at any time, deposit in the hands of the Minister, any further securities beyond the sum herein required to be deposited.

How dealt with.

2. Any such further securities so deposited in the hands of the Minister shall be held by him and be dealt with according to the provisions of this Act in respect to the sum required to be deposited by the company, and as if the same had been part of the sum so required to be deposited.

Withdrawal of excess deposit.

14. If at any time it appears that a company has on deposit with the Minister a sum in excess of the amount required under the provisions of this Act, the Treasury Board may, upon being satisfied that the interest of the

company's Canadian policyholders will not be prejudiced thereby, and upon the giving of such notice, and the exercise of such other precautions as may seem expedient, authorize the withdrawal of the amount of such excess or such portion thereof as may be deemed advisable: Provided that such withdrawal may be authorized without the giving of any notice.

Handing over interest on securities.

15. So long as the conditions of this Act are satisfied by any company, and no notice of any final judgment against the company, or order made by the proper court in that behalf for the winding-up of the company or the distribution of its assets, is served upon the Minister, the interest upon the securities forming the deposit shall be handed over to the company as it falls due.

Filing of documents.

16. Every company shall, before the issue of a licence to it, file in the Department

Copy of charter.

(a) a copy of the charter, Act of incorporation, or articles of association of the company, certified by the proper officer in charge of the original thereof: Provided that any such document which would be admitted as evidence in a court of law shall be deemed to be sufficiently verified within the meaning of this clause;

Power of attorney.

(b) a power of attorney from the company to its chief agent in Canada, under the seal of the company, if it has a seal, and signed by the president and secretary or other proper officers thereof, in presence of a witness, who shall make oath or affirmation as to the due execution thereof; and the official positions in the company held by the officers signing such power of attorney shall be sworn to or affirmed by the officers signing such power of attorney or affirmed by some person cognizant of the facts necessary in that behalf; and

Statement of condition and affairs.

(c) a statement, in such form as is required by the Minister, of the condition and affairs of the company on the thirty-first day of December next preceding, or up to the usual balancing day of the company, if such day is not more than twelve months before the filing of the statement.

Contents of power of attorney.

17. Such power of attorney shall

(a) declare at what place in Canada the head office of the company, is or is to be established; and

(b) expressly authorize such attorney to receive service of process in all suits and proceedings against such company in any province in Canada, in respect of any liabilities incurred by the company therein, and to receive from the Minister and the Superintendent all

notices which the law requires to be given, or which it is thought advisable to give; and

(c) declare that service of process for or in respect of such liabilities and receipt of such notices, at such head office, or personally on or by such attorney at the place where such head office is established, shall be legal and binding on the company, to all intents and purposes whatsoever.

Change of chief agent.

18. Whenever any company changes its chief agent or head office in Canada, the company shall file a power of attorney as hereinbefore mentioned, containing any such change or changes in such respect, and containing a similar declaration as to service of process and notices as hereinbefore mentioned.

Declaration in annual statement.

2. Every company shall, at the time of making the annual statement hereinafter provided for, declare that no change or amendment has been made in the charter, Act of incorporation or articles of association of the company, and that no change has been made in the head office or chief agent, without the Superintendent having been duly notified of such change or amendment.

Filing of duplicates with Superior Court.

19. Duplicates of all such documents, duly verified as aforesaid, shall be filed in the office of one of the superior courts in the province in which the head office of the company is situated; or, if the head office is in the province of Quebec, with the prothonotary of the Superior Court of the district wherein such head office is established.

Service of process on company at chief agency.

20. After such power of attorney and duplicate copies are filed as aforesaid, any process in any suit or proceeding against the company, in respect of any liabilities incurred in any province of Canada, may be validly served on the company at its head office and such service shall be deemed to be service on the company.

Constructive service.

2. If such power of attorney becomes invalid or ineffective from any reason whatsoever, or if other service cannot be effected, the court or a judge may order constructive service of any process or proceeding to be made by such publication as is deemed requisite to be made in the premises, for at least one month in at least one newspaper; and such publication shall be deemed to be due service upon the company of such process or proceeding.

Notice of having obtained a licence.

21. Every company on first obtaining such licence shall forthwith give due notice thereof in the *Canada Gazette*, and in at least one newspaper in the county, city or place where the head office is established, and shall continue the publication thereof for the space of four weeks.

Publication of list of licensed companies.

22. The Minister shall cause to be published quarterly in the *Canada Gazette* a list of the companies licensed under this Act, with the amount of deposits made by each company.

New companies.

2. Upon any new company being licensed, or upon the licence of any company being withdrawn in the interval between two such quarterly statements, he shall publish a notice thereof in the *Canada Gazette* for the space of four weeks.

The Department of Insurance.

Department of Insurance.

23. There shall be a Department of the Government of Canada to be called the Department of Insurance, over which the Minister shall preside.

Superintendent of Insurance.

2. The Governor in Council may appoint an officer to be called the Superintendent of Insurance, who shall be the deputy head of the Department and who shall hold office during pleasure; and such officer shall be paid such salary as may be authorized by law.

Present incumbent to continue.

3. The present incumbent of the position of Superintendent of Insurance shall continue to hold office during pleasure and to be paid such salary as may be authorized by law.

Officers and clerks.

4. Such officers, clerks and servants as are necessary for the proper conduct of the business of the Department may be appointed in the manner authorized by law.

Superintendent to act under Minister.

24. The Superintendent shall act under the instructions of the Minister, and shall examine and report to the Minister from time to time, upon all matters connected with insurance, as carried on by the several companies licensed to do business in Canada, or required by this Act to make returns of their affairs.

Superintendent not to be shareholder of insurance companies.

25. The Superintendent, or any officer or clerk under him, shall not, directly or indirectly, be interested as a shareholder in any insurance company doing business in Canada or licensed under this Act.

Duties of Superintendent.

26. The Superintendent shall

(a) keep a record of the several documents required to be filed by each company in the superior courts of Canada, under this Act;

Securities.

(b) enter in a book, under the heading of such company, the securities deposited on its account with the Minister naming in detail the several securities, their par value, their date of maturity, and value at which they are received as deposit; and such book shall be left open to public inspection;

Report as to licences.

(c) in each case, before the issue of any new licence, or the renewal of any licence, make a report to the Minister that the requirements of the law have been complied with, and that from the statement of the affairs of the company it is in a condition to meet its liabilities;

Record of.

(d) keep a record of the licences as they are issued;

Visit head office.

(e) visit personally, or cause a duly qualified member of his staff to visit, the head office of each company in Canada, at least once in every year, and examine carefully the statements of the condition and affairs of each company, as required under this Act, and report thereon to the Minister as to all matters requiring his attention and decision;

Annual report.

(f) prepare for the Minister, from the said statements, an annual report, showing the full particulars of each company's business, together with an analysis of each branch of insurance, with each company's name, giving items, classified from the statement made by each company.

Inspection of companies.

27. If the Superintendent, after a careful examination into the condition and affairs and business of any company licensed to transact business in Canada, from the annual or other statements furnished by such company to the Minister or for any other cause, deems it necessary and expedient to make a further examination into the affairs of such company and so reports to the Minister, the Minister may, in his discretion, instruct the Superintendent to visit the head office of such company, to thoroughly inspect and examine into all its affairs, and to make all such further inquiries as are necessary to ascertain its condition and ability to meet its engagements, and whether it has complied with all the provisions of this Act applicable to its transactions.

Officers to open books for inspection.

2. The officers or agents of such company shall cause their books to be open for the inspection of the Superintendent, and shall otherwise facilitate such examination so far as it is in their power.

Examination under oath.

3. For the purpose of such inquiry, the Superintendent may examine under oath the officers or agents of such company relative to its business.

Report on inspections.

28. A report of all companies so visited by the Superintendent shall be entered in a book kept for that purpose, with notes and memoranda showing the condition of each company, after such investigation.

Special report to Minister.

2. A special report shall be communicated in writing to the Minister, stating the Superintendent's opinion as to the standing and financial position of every company so visited, and all other matters desirable to be made known to the Minister.

Inquiries. to companies and reply.

29. For the purpose of carrying out the provisions of this Act, the Superintendent is hereby authorized and empowered to address any inquiries to any insurance company licensed under this Act, or to the president, manager, actuary or secretary thereof, in relation to its assets, investments, liabilities, doings, or condition, or any other matter connected with its business or transactions, and it shall be the duty of any company so addressed to promptly reply in writing to any such inquiries. The Superintendent may in his discretion embody in his annual report to the Minister the inquiries made by him under this section and the answers thereto.

Expenditure of department to be ascertained.

30. The Superintendent shall annually, as soon as may be after the close of each fiscal year, by reference to the public accounts, and by such further inquiry or investigation as he may deem necessary, ascertain and certify the total amount of the expenditure incurred by the Government for or in connection with the administration of this Act during the last preceding fiscal year, and the amount of the expenditure so ascertained and certified by the Superintendent shall be final and conclusive for all purposes of this section.

Premiums received by companies to be ascertained.

2. The Superintendent shall also before the thirty-first day of December in each fiscal year ascertain from the returns made under the requirements of this Act, and from such other information as may be necessary or available, the total amount of gross premiums received in Canada during the last preceding calendar year by each company licensed under this Act, and he shall also in each case ascertain and deduct from the amount of gross premiums so received the amount of the dividends paid or allowed by each such company to its policyholders in Canada during the said calendar year, and the finding of the Superintendent as to the amount aforesaid when certified by his hand, shall be final and conclusive.

NOTE:—

Subsections 3 and 4 of section 30, shown in square brackets, do not form part of this Bill. They are printed for information only and will be struck out before the Bill is passed by the Senate. It is the intention to introduce them in the House of Commons.

[3. Thereupon the Superintendent shall ascertain the ratio or percentage which the total expenditure so found and certified bears to the aggregate of the net receipts aforesaid, and he shall cause an assessment to be prepared against each of the aforesaid companies of an amount equivalent to that percentage of the total amount of the gross premiums received in Canada by each of the said companies respectively, less the dividends so paid by it; and such assessment, when certified by the Superintendent, shall be binding upon the said companies, and each of them, and shall be final and conclusive.

4. The amount so assessed against each company shall constitute a debt payable to His Majesty, and shall be payable upon demand of the Superintendent, and may be recovered as a debt in any court of competent jurisdiction.]

Superintendent's report to be laid before Parliament.

31. The Minister shall lay the Superintendent's annual report before Parliament within thirty days after the commencement of each session thereof.

Powers of Companies.

Insurance against total and permanent disability.

32. Any company licensed under this Act and authorized by its Act of incorporation to transact the business of life insurance shall have power,

(a) to include in any policy of life insurance, insurance

(i) against total and permanent disability caused by accident or sickness, subject to the limitation that, in the event of the occurrence of such disability, the company may waive the premiums thereafter falling due but the indemnity payable shall not exceed an amount equal to the sum assured on the date of such occurrence payable in the event of death;

Other disability.

(ii) against disability caused by accident or sickness other than total and permanent disability, subject to the limitation that the disability indemnity shall not exceed a weekly rate of one-half of one per cent of the sum assured on the date of the occurrence of such disability payable in the event of death, and shall not exceed in the aggregate one-half the said sum assured;

Accidental death.

(iii) against death as a result of accident, subject to the limitation that the amount assured in the event of death by accident shall not exceed double the amount assured on the date of the said death payable in the event of death from other causes; provided, however, that the powers granted under this paragraph shall not operate to increase the disability indemnity which may be assured under the powers granted by sub-paragraphs (i) and (ii) of this paragraph;

Annuities.

(b) to sell annuities of all kinds, whether dependent on human life or otherwise and whether perpetual or terminable, immediate or deferred, contingent or otherwise; and

Sinking fund and capital redemption policies.

(c) to issue policies providing for the establishment, accumulation and payment of sinking, redemption, depreciation, renewal or endowment funds.

Charter powers deemed amended.

2. The powers mentioned in this section may be exercised by any such company as if conferred upon the said company by its Act of incorporation and the said Act of incorporation of every such company shall be deemed to be amended accordingly.

Power to transact life insurance in combination with other classes restricted.

33. The power of any company, licensed under the provisions of this Act, to transact the business of life insurance shall not be exercised to combine such insurance in the same policy with other classes of insurance except to the extent permitted by the next preceding section of this Act.

Power to transact fire insurance restricted.

2. The power of any company, licensed under the provisions of this Act, to transact the business of fire insurance shall not be exercised to issue any policy extending over a period greater than three years.

Copies of policies to be filed with Superintendent.

34. No company, licensed under the provisions of this Act, shall issue any policy in Canada until a copy of the form thereof has been mailed by prepaid registered letter to the Superintendent.

Uniform powers of investment.

35. The powers of lending and investment prescribed by this Act shall be the powers of lending and investment of all companies authorized to transact the business of life insurance. Any provision in any special Act or elsewhere conferring upon any company any other or wider powers of loaning and investment is hereby repealed.

Repeal.

Disposal of unauthorized securities.

2. Any provincial company which obtains a licence under this Act and which has on hand or vested in trustees in trust for the company at the date of the issue of such licence any loans or investments or securities representing the same, which are not permitted under the provisions of this Act shall absolutely dispose of and realize the same within five years after the issue of such licence, unless such loans or investments are then valid and competent under the provisions of this Act.

Extension of time.

3. The Governor in Council on the report of the Minister may for good cause shown enlarge the time mentioned in the next preceding subsection for dealing with the securities vested in the company or in the trustees as required by the said subsection for any term not exceeding one year.

Investment of life company's funds.

36. Any company authorized to transact the business of life insurance may invest its funds, or any portion thereof, in the purchase of

In government securities.

(a) the debentures, bonds, stocks or other securities of or guaranteed by the Government of the Dominion of Canada or of or guaranteed by the Government of any province of Canada; or of or guaranteed by the Government of the United Kingdom of Great Britain and Northern Ireland, or of any Dominion, colony or dependency thereof; or of or guaranteed by the Government of any foreign country, or state forming a portion of such foreign country; or of any municipal or school corporation in Canada, or elsewhere where the company is carrying on business; or guaranteed by any muni-

cipal corporation in Canada; or secured by rates or taxes, levied under the authority of the Government of any province of Canada on property situated in such province and collectable by the municipalities in which such property is situated;

Bonds secured by mortgage.

(b) (i) The bonds of any corporation, which bonds are secured by a mortgage or hypothec to trustees or a trust corporation, upon real estate or other assets of a class or classes authorized by this section as investments of any Canadian life insurance company, or

Debentures.

(ii) the debentures or other evidences of indebtedness of any corporation which has paid regular dividends on its preferred or on its common stocks for a term of at least five years immediately preceding the date of investment in such debentures or other evidences of indebtedness, or

Preferred stocks.

(iii) the preferred stocks of any corporation which has paid regular dividends upon such stocks or upon its common stocks for not less than five years preceding the purchase of such preferred stocks, or the stocks of any corporation which are guaranteed by a corporation which has paid regular dividends upon its preferred or common stocks for not less than five years preceding the purchase of such guaranteed stocks: Provided that the amount of stocks so guaranteed is not in excess of fifty per cent of the amount of the preferred or common stocks, as the case may be, of the guaranteeing corporation, or

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Common stocks.

(iv) the common stocks of any corporation upon which regular dividends of at least four per cent per annum or, in the case of stocks of no par value, of at least four dollars per share per annum have been paid for the seven years next preceding the purchase of such stocks: Provided that not more than thirty per cent of the common stocks and not more than thirty per cent of the total issue of the stocks of any corporation shall be purchased by any such company, and that no company shall be permitted to invest in its own shares or in the shares of another company authorized to transact the business of life insurance:

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Provided further that if any such corporation has, pursuant to a voluntary reorganization of its capital account and without affecting the status or diminishing the value of its outstanding securities including the capital stock, substituted common shares of no par value for shares of par value, then dividends declared on the said no par value stock shall be deemed to be dividends of at least four dollars per share per annum if the sum thereof is equivalent to at least four per cent of the said common stock of par value and the proceeds of any additional issue of common stock made at the

time of, or subsequent to, the aforesaid substitution of shares; and in such circumstances dividends of at least four per cent per annum on the common stock of par value immediately preceding the substitution shall be regarded as dividends on the no par value stock; or

Real estate mortgages.

(c) ground rents, mortgages or hypothecs on real estate in Canada, or elsewhere where such company is carrying on its business, provided that the amount paid for any such mortgage or hypothec shall in no case exceed sixty per cent of the value of the real estate covered thereby; or

Life policies.

(d) life or endowment policies or contracts issued by the company or by any other company authorized to transact the business of life insurance.

Lending funds.

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

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(a) any of the bonds, debentures, stocks or other securities mentioned in the preceding subsection: Provided, however, that the amount loaned on the security thereof shall not exceed the amount which might be invested therein under the provisions of the next preceding subsection; or

(b) real estate or leaseholds for a term or terms of years or other estate or interest therein in Canada or elsewhere where the company is carrying on business:

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Provided, however, that no such loan shall exceed sixty per cent of the value of the real estate or interest therein which forms the security for such loan, but this proviso shall not be deemed to prohibit a company from accepting as part payment for real estate sold by it, a mortgage or hypothec thereon for more than sixty per cent of the sale price of such real estate.

Other securities authorized by Treasury Board.

3. The Treasury Board may authorize the acceptance by such company of bonds, stocks or debentures, not fulfilling the foregoing requirements of this section,

(a) in payment or part payment for securities sold by such company; or

(b) obtained under a *bona fide* arrangement for the reorganization of a corporation whose securities were previously owned by such company, or for the amalgamation with another corporation of the corporation whose securities were so owned;

but the bonds, stocks or debentures whose acceptance is so authorized shall be absolutely sold and disposed of within five years after the acquisition thereof, or within such further time not exceeding one year as the Governor in Council shall on report of the Minister fix and determine, unless it can be shown to the satisfaction of the Minister that the bonds, stocks or debentures whose acceptance is so authorized are not inferior in status or value to the securities for which they have been substituted.

Dividend record in case of reorganization of capital account.

4. For the purpose of determining the eligibility as investments under this section of the preferred or common stocks of any corporation, the capital account of which has been voluntarily reorganized without impairment of the status or value of its outstanding securities, including its capital stock, dividends paid on the preferred and common stocks of the corporation before such reorganization may be counted as dividends paid on such stocks respectively of the corporation.

No loan to director or officer.

5. No such company shall loan any of its funds to any director or officer thereof or to the wife or any child of such director or officer except on the security of the company's own policies.

Limitation on investment in common stocks.

6. Except as hereinafter provided the total book value of the investments of any such company in common stock shall not exceed twenty-five per centum of the book value of the total ledger assets of the company.

Exception.

7. If any such company has on hand, at the date of the coming into force of this subsection, investments in common stocks of a total book value in excess of twenty-five per centum of the total book value of the ledger assets of such company at the said date, the provisions of the last preceding subsection shall not apply to such company until the first day of January, following the year in which the amount of the said investments is first reduced to twenty-five per centum or less of the total ledger assets of such company, and on and after the said date the said provisions shall apply, but until the said date no investment in common stocks shall be made by such company.

Shares acquired as dividends or rights not deemed an investment.

8. The amount or value of shares of common stock acquired after the coming into force of this and the two next preceding subsections of this section by any such company as bonuses or dividends on common stocks or acquired in the exercise of rights or privileges arising from investments of such company in common stocks shall not be deemed to be an investment in common stocks for the purposes of the last two preceding subsections."

Deposits outside Canada.

37. Any such company may deposit outside of Canada such portion of its funds and securities as is necessary or desirable for the maintenance of any foreign branch or branches: Provided that such deposit in any foreign country for all branches therein shall not exceed by more than one hundred thousand dollars Canadian currency the sum which is required to be deposited by the foreign law, or the amount of the reserves on the policies of such company in such foreign country, whichever is the greater. Every such company shall at all times retain in Canada and under its own control assets of a market value at least equal to the amount of its total liabilities to its policyholders in

Canada, and of such assets an amount at least equal to two-thirds of its said total liabilities in Canada shall consist of investments in or loans upon Canadian securities.

Securities to be held in Canada.

2. All the securities of every such company other than such as are referred to in subsection one of this section shall be held at the head office of the company or elsewhere in Canada: Provided, however, that in the event of its being necessary to remove any portion of such securities from Canada for the purpose of exchanging the same for other securities authorized under this Act, or for any similar purpose, they may be entrusted for the purpose intended to a responsible bank, trust corporation or other corporation carrying on business outside of Canada.

Interest informing other corporations.

38. Except for the *bona fide* purpose of protecting investments previously made by it, and subject to the approval of the Treasury Board, no such company shall, nor shall its directors or officers or any of them on its behalf, under colour of an investment of the company's funds, or otherwise, directly or indirectly be employed, concerned or interested in the formation or promotion of any other corporation: Provided that nothing in this Act shall be deemed to prohibit such company investing its funds in securities of a new corporation as provided in section thirty-six of this Act.

Underwriting restricted.

39. No such company shall subscribe to or participate in or employ the funds of the company in any underwriting for the purchase or sale of securities or property of any kind nor shall any director or officer, except for the *bona fide* purpose of protecting investments already made by the company, enter into any transaction for such purchase or sale on account of said corporation, jointly with any other person, firm or corporation: Provided that this section shall not be deemed to prohibit the subscription in manner aforesaid for bonds or securities permitted by this Act as a *bona fide* permanent investment on behalf of any such company.

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Investment by companies other than life companies.

40. Any company, other than a company authorized to transact life insurance, may invest its funds, or any portion thereof, in the purchase of any of the bonds, stocks, debentures or other securities in which a company so authorized is by this Act hereinbefore authorized to invest its funds, except annuity contracts, or life, endowment or other policies of life insurance, or may lend its funds, or any portion thereof, on the security of any of such bonds, stocks, debentures or other securities aforesaid, except annuity contracts, or life, endowment or other policies of life insurance as aforesaid.

Power to invest in stock of other insurance companies.

2. Notwithstanding anything contained in this section any such company may invest in the fully paid shares of any other company transacting the business of insurance or of any corporation incorporated outside of Canada and licensed under the laws of the Dominion of Canada to transact such business in Canada, but the sum total of money invested in such shares shall not exceed fifteen per cent of the value of the assets of such company; and except as provided in this subsection no such company shall invest in shares of any other company or corporation transacting the business of insurance.

Deposits outside Canada.

3. Any such company may deposit outside of Canada such portion of its funds and securities as is necessary to the maintenance of any foreign branch or branches, but all other securities of such company shall be held at the head office of the company or elsewhere in Canada; nevertheless the proviso contained in subsection two of section thirty-seven of this Act shall apply to such securities.

Securities to be held in Canada.

4. Notwithstanding anything contained in this Act, every such company shall at all times retain in Canada and under its own control assets of a market value at least equal to the amount of its total liabilities to its policyholders in Canada, including among such liabilities, in respect of its outstanding unmatured policies in Canada, a reserve of unearned premiums calculated *pro rata* for the time unexpired.

Additional security may be taken.

41. Any company may take any additional securities of any nature to further secure the repayment of any liability thereto, or to further secure the sufficiency of any of the securities in or upon which such company is by this Act authorized to invest or lend any of its funds.

Investments in corporate name only.

42. All investments and deposits of the funds of any company shall be made in its corporate name, and no director or other officer thereof, and no member of a committee having any authority in the investment or disposition of its funds shall accept or be the beneficiary of, either directly or indirectly, any fee, brokerage, commission, gift or other considerations for or on account of any loan, deposit, purchase, sale, payment or exchange made by or in behalf of such company, or be pecuniarily interested in any such purchase, sale or loan, either as borrower, principal, co-principal, agent or beneficiary, except that if he is a policyholder he shall be entitled to all the benefits accruing under the terms of his contract.

Exception.

2. If the laws of any state or country in which any company transacts, or is about to transact, business, require that the deposits made or to be made by such company in such state or country shall be made in the name of, or transferred or assigned to, any person or corporation

other than such company, this section shall not prohibit such company from making in the name of, or transferring or assigning to, such other person or corporation, the investments and deposits necessary to comply with the said laws.

Terms, manner of making and amount of loans.

43. Any loan by this Act authorized to be made may be on such terms and conditions, and in such manner and at such times, and for such sums, and in such sums of repayment, whether of principal or interest or principal and interest together, as the directors from time to time determine.

Holding of real estate.

44. Notwithstanding anything contained in its Act of incorporation, or in any Act amending it, any company may hold such real estate as is required for its actual use and occupation or such as may reasonably be required for the natural expansion of its business (including such as having been lawfully acquired is vested in it at the time of the passing of this Act) or such as is *bona fide* mortgaged to it by way of security, or conveyed to it in satisfaction of debts or judgments recovered.

As to Great Britain.

2. Any company which transacts business in the United Kingdom of Great Britain and Northern Ireland may with the consent of the Treasury Board acquire and hold such real estate therein as its directors deem necessary for the use of the company's branch, or the expansion of its business therein.

Time of holding.

3. No parcel of land or interest therein, at any time acquired by any company and not required for its actual use and occupation, present or prospective, as hereinbefore in this section mentioned, and not held by way of security, shall be held by the company or any trustee on its behalf, for a longer period than twelve years after the acquisition thereof, but shall, at or before the expiration of such period be absolutely sold and disposed of, so that the company shall no longer retain any interest therein, except by way of security.

Forfeiture.

4. Any such parcel of land, or any interest therein, not within the exceptions hereinbefore mentioned, which has been held by any company for a longer period than twelve years without being disposed of, shall be liable to be forfeited to His Majesty for the use of Canada: Provided that

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Notice of intention.

(a) no such forfeiture shall take effect until the expiration of at least six calendar months after notice in writing to the company by the Minister of the intention of His Majesty to claim the forfeiture; and

Sale before forfeiture.

(b) the company may, notwithstanding such notice, before the forfeiture is effected, sell or dispose of the property free from liability to forfeiture.

Statement of lands held.

5. It shall be the duty of the company to give the Minister when required a full and correct statement of all lands at the date of such statement held by the company, or in trust for it, and subject to the foregoing provisos.

Voting by proxy.

45. The provisions of this section shall extend and apply to every company other than a company authorized to transact life insurance, having a capital stock, whether called by the name of capital stock, guarantee fund, or any other name, and also to every mutual company.

Application.

2. The said provisions shall so extend and apply, notwithstanding anything to the contrary in any special Act relating to any such company or in any by-law or by-laws thereof.

Proxy must be shareholder.

3. At all meetings at which holders of shares in the capital stock or guarantee capital, policyholders, or members are entitled to vote, they may respectively vote by proxy and every proxy must be himself a shareholder, policyholder or member and entitled to vote.

Company may;

46. Notwithstanding anything contained in its Act of incorporation, any company may,

By by-law of shareholders;

(a) if the company has no members other than shareholders entitled to vote, by by-law passed and approved of by the votes of shareholders, representing at least two-thirds in value of the subscribed capital of the company, present or represented at a special general meeting duly called for considering the by-law; or

By by-law of members;

(b) if the company has no shareholders, by by-law passed and approved of by the votes of two-thirds of the members present or represented at a special general meeting duly called for considering the by-law; or

By by-law of shareholders and members;

(c) if the company has both shareholders and members entitled to vote, by by-law passed and approved of by at least two-thirds of the votes cast by such shareholders and members at a special general meeting duly called for considering the by-law,

Change head office and date of annual meeting.

(i) change the head office of such company from any place in Canada to any other place in Canada, or

(ii) change the date for holding its annual general meeting.

Reduction of capital by by-law.

47. The directors of any company may, subject to the proviso hereinafter contained, in the event of its paid-up capital being impaired, at any time and from time to time, after being duly authorized and empowered by a resolution approved by the votes of shareholders representing at least two-thirds of all the subscribed stock of the company at a special general meeting duly called for

considering such resolution, pass a by-law for writing off the said paid-up capital any amount which they have been so authorized and empowered by the shareholders as aforesaid to write off such paid-up capital, but no part of its assets shall be distributed to its shareholders: Provided, however, that the paid-up capital shall not be reduced

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(a) below the minimum amount fixed by the company's Act of incorporation as necessary to be paid up before the company can commence business; or

(b) in case no such amount is fixed by such Act of incorporation, then below the amount fixed by this Act or by the Treasury Board in pursuance of subsection two of section ten of this Act as the company's deposit on obtaining a licence.

When capital is deemed impaired.

2. The capital of a company shall be deemed to be impaired when its assets, exclusive of its paid-up capital, are less than its liabilities calculated according to the requirements of this Act.

Declaration in by-law.

3. Such by-law shall declare the par value of the shares of the stock so reduced and the capital stock of the company shall be reduced by the amount of the reduction in the paid-up portion thereof.

Liability of shareholders.

4. The liability of the shareholders shall remain the same as if no reduction had been made in the paid-up capital stock of the company.

Subsequent increase of capital.

48. The directors may,

(a) from time to time, out of that portion of the profits of the company which belongs to the shareholders, by declaring a stock dividend or bonus or otherwise, increase the paid-up capital thereof to an amount not exceeding the amount or amounts by which the same may have been reduced under the provisions of the last preceding section, and thereafter the paid-up capital and the capital stock and each share shall represent the aggregate of the amount to which it has been reduced and the amount of such increase so declared as aforesaid; or

Issue of new stock.

(b) issue new stock to an amount not exceeding the amount of such reduction, which stock shall be first offered at not less than par to the shareholders in proportion to the existing shares held by them; and such offer shall be made by notice specifying the number of shares of new stock to which each shareholder is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time, or on the receipt of an intimation from any shareholder to whom such notice is given that he declines to accept the shares offered, the directors may dispose of the same, at not less than

par, in such manner as they think most beneficial to the company. The nominal value of the shares of new stock so issued shall be the same as the nominal value of the shares of the reduced paid-up capital stock.

Enlargement of powers by Treasury Board.

49. Any company may upon being authorized by a by-law made by the directors and confirmed at a general meeting of the company duly called for that purpose and upon making such further deposit and complying with such terms and conditions as may be fixed and prescribed by the Treasury Board upon the report of the Superintendent, carry on such kind or kinds of insurance, within the limits set forth in sections nine and thirty-two of this Act, as may be authorized by the licence to be from time to time issued to the company pursuant to the provisions herein contained.

Separate and distinct funds and securities for life business.

2. If the said by-law, in the case of a company transacting life insurance, authorizes the transaction of a class or classes of insurance other than life insurance, the Treasury Board shall require as a condition of its sanction of the said by-law that the company shall keep separate and distinct accounts and create and maintain separate and distinct funds and securities in respect of its business of life insurance and in respect of the said other class or classes of insurance, and the said funds and securities shall be liable only for claims and losses arising from the class or classes of insurance in respect of which they are respectively maintained.

Amount of separate fund fixed by Board.

3. The amount of the said separate and distinct fund to be maintained in respect of the class or classes of insurance business other than life insurance shall be fixed by the Treasury Board and shall depend on the number and nature of the additional class or classes of business so authorized but shall in no case be less than fifty thousand dollars.

How separate fund may be created.

4. For the purpose of creating the separate and distinct fund mentioned in subsection two hereof the company may by by-law transfer as such fund or as part of such fund the whole or any portion of the balance standing to the credit of the shareholders' surplus account, or if duly authorized by by-law passed by the directors and approved by at least a two-thirds vote of the members present or represented at a special general meeting of the company duly called for that purpose, transfer as the said fund or as any part thereof an amount not exceeding twenty-five per cent of the surplus of the company or the sum of one hundred thousand dollars, whichever is the less.

"Surplus" defined.

5. For the purpose of the last preceding subsection the word "surplus" shall be held to mean the excess of assets over the aggregate of the company's liabilities to its policyholders, the amount of the paid or guarantee capital, if any, the contingent apportionment of surplus to deferred

dividend policies, the provision for dividends accrued on quinquennial participating policies on the same scale as that used in the apportionment of surplus to deferred dividend policies of the same duration, and all its other liabilities of every kind.

Provisions of by-law when fund is created from surplus.

6. If any portion of the said separate and distinct fund is created by a transfer from the surplus of the company, the by-law shall provide that a proportion of the profits of the said fund equal to the proportion which the amount so transferred from the said surplus is of the total amount so transferred or credited to the said fund, shall thereafter be credited to the life insurance fund of the company.

When company other than a life company creates life fund.

7. If the said by-law in the case of a company other than a company transacting life insurance authorizes the transaction of the business of life insurance, the Treasury Board shall require as a condition of its sanction of the said by-law that the company shall keep separate and distinct accounts, and shall create and maintain in respect of the business of life insurance a separate and distinct fund to an amount of not less than one hundred thousand dollars and separate and distinct securities, and such fund and securities shall be liable only for claims or losses arising from the said business of life insurance and the other funds shall not be liable for the said claims and losses.

Transfer of surplus available for dividends.

8. For the purpose of creating the separate and distinct fund mentioned in subsection seven hereof the company may by by-law transfer as such fund the whole or any portion of the surplus of the company which under the provisions of this Act is available for the payment of dividends to its shareholders.

Separate funds may be liquidated separately.

9. Any separate and distinct fund authorized by this section may in the case of any company be liquidated and wound up under the provisions of this Act or of the *Winding-up Act* independently of the other business of the company and the provisions of this Act and of the *Winding-up Act* shall apply to such funds as fully as if the company transacted only the class or classes of business in respect of which such funds are maintained.

Liability of capital stock to separate funds.

10. In the winding-up of the company or of any fund thereof, the capital stock, if any, subscribed before the date of the separation of funds herein authorized shall be liable, both as to the amount paid and the amount unpaid thereon, only for claims or losses arising from the class or classes of business transacted prior to the said date.

Form of Act of incorporation.

50. An Act of incorporation of a company in the form in the First Schedule to this Act shall confer upon the company thereby incorporated all the powers, privileges and immunities and shall subject it to all the liabilities and provisions in this Act applicable thereto.

Charter expires unless licence obtained.

51. Unless otherwise provided in any special Act passed by the Parliament of Canada after the twenty-eighth day of April, one thousand eight hundred and seventy-seven, incorporating any company, such special Act and all Acts amending it shall expire and cease to be in force, except for the sole purpose of winding-up such company's affairs, at the expiration of two years from the passing thereof, unless within such two years the company thereby incorporated obtains a licence from the Minister under the provisions of this Act.

Statements and Returns.

Annual statement.

52. The president, vice-president or managing director or other director appointed for the purpose by by-law or by the board of directors, and the secretary, actuary or manager of every company licensed under this Act, shall prepare annually under their oaths, a statement of the condition and affairs of such company on the thirty-first day of December in each year, which shall exhibit the assets and liabilities of the company, and its income and expenditure during such year, and such other information as is deemed necessary by the Minister or the Superintendent from time to time.

Life company.

53. In the case of any company authorized to transact the business of life insurance, such annual statement shall be in the form in the Second Schedule to this Act, with suitable changes made therein in the case of fraternal benefit societies, and the said statements shall be deposited in the Department within two months after the first day of January in each year.

Half-yearly statement.

2. There shall also be prepared half yearly, as of the last days of December and June in each year, by the same officers, under their oaths, and deposited in the Department within fifteen days after the said last days of December and June in each year respectively, a statement in the form in the Third Schedule to this Act, showing in detail all bonds, stocks, debentures and other securities bought and all loans made, except on mortgages and policies, during the half year terminating on the date as of which such statement is made, specifying the amounts, dates of issue and maturity and par value thereof, the rate of interest payable thereon and the price paid therefor, and in the case of loans made, except on mortgages of real estate or insurance policies, particulars in detail of securities therefor, and showing also in detail all such securities sold or disposed of during the said half year, specifying similarly the amounts, dates of issue and maturity and par value

thereof, the value in account thereof, the rate of interest payable thereon and the price or consideration received therefor.

To be included in Superintendent's report.

3. The half yearly statement mentioned in the preceding subsection, the blank forms for which shall be supplied by the Superintendent, shall be embodied by him by way of appendix or otherwise in the annual report prepared by him for the Minister.

Fire companies.

4. In the case of companies carrying on the business of fire insurance, such annual statement shall be in the form in the Fourth Schedule to this Act.

Other companies.

5. In the case of companies carrying on business other than life or fire insurance, such annual statement shall be in the form in the said Fourth Schedule as nearly as circumstances will permit, necessary changes only being made therein.

Statement to be sworn.

6. Such annual statement shall be sworn to, in the form A in the Fifth Schedule to this Act, before some person duly authorized to administer oaths in any legal proceeding, and such half yearly statements shall, in like manner, be sworn to in the form B in the said Fifth Schedule.

Minister or Superintendent may change forms.

7. The Minister or the Superintendent may, from time to time, make such changes in the form of such statements, whether such changes are of general application or are, in the opinion of the Minister or Superintendent, necessary to meet the circumstances of any particular case, as the Minister or Superintendent may deem best adapted to elicit any information deemed necessary or expedient.

Valuation of securities for annual statement.

54. In every annual statement required to be filed by section fifty-three of this Act, the bonds, debentures, stocks and other securities shall be taken into account at the market values applicable to the said securities at the date of the statement or, in the discretion of the Superintendent, at a date not more than sixty days before the date of the statement.

Variation when values unduly depressed.

2. When the said market values are, in the opinion of the Minister, temporarily unduly depressed, the Minister may, on the report of the Superintendent, authorize, in the case of bonds and debentures redeemable at a fixed date, the use of values in excess of the said market values, not, however, exceeding the market values at which the said bonds and debentures were shown in the next preceding annual statement, or if acquired since the date of the said preceding statement, not exceeding the book values at the date of the statement.

Advertisement of capital and surplus.

55. Any notice, statement, advertisement or other publication of a company licensed under this Act, issued or distributed in Canada, which contains a statement of the amount of the subscribed capital of the company, shall contain also a statement of the amount paid thereon.

Authorized, subscribed and paid capital.

2. If the said notice, statement, advertisement or publication contains a statement of the amount of capital authorized, it shall also contain a statement of the amount of capital subscribed and of the amount paid thereon; and in any such advertisement the amount of paid capital shall be printed in type not smaller than that used to show the authorized or subscribed capital.

Surplus not to include capital unless so stated and shown.

3. No such notice, statement, advertisement or publication shall be issued or distributed in Canada which includes in or with the surplus the subscribed or paid capital, unless the amount of such subscribed or paid capital be specifically stated and mentioned as included in the said surplus.

Appraisement of real estate held.

56. If upon an examination of the assets of any company, it appears to the Superintendent, or if he has any reason to suppose, that the value placed by the company upon the real estate owned by it or any parcel thereof is too great, he may either require such company to procure an appraisement of such real estate by one or more competent valuators, or may himself procure such appraisement at the company's expense, and the appraised value, if it varies materially from the return made by the company, may be substituted in the annual report prepared for the Minister by the Superintendent.

Appraisement of real estate securing mortgage.

2. If, upon such examination, it appears to the Superintendent, or if he has any reason to suppose that the amount secured by mortgage or hypothec upon any parcel of real estate, together with the interest due and accrued thereon, is greater than the value of such parcel, or that such parcel is not sufficient security for such loan and interest, he may in like manner require the company to procure an appraisement thereof, or may himself at the company's expense procure such appraisement, and if from the appraised value it appears that such parcel of real estate is not adequate security for the loan and interest, he may write off such loan and interest a sum sufficient to reduce the same to such an amount as may fairly be realizable from such security, in no case to exceed such appraised value, and may insert such reduced amount in his said annual report.

Special audit of company.

3. If upon any examination of any company's affairs it appears to the Superintendent for any reason desirable that a complete and thorough audit of the books of the company should be made or if a company makes a written request for such audit, the Superintendent may nominate a competent accountant who shall, under the direction of the Superintendent, make a special audit of the company's books, accounts and securities and report thereon to the Superintendent in writing verified by the oath of such accountant.

Expense borne by company.

4. The expenses of such special audit shall be borne by the company and the auditor's account therefor when approved in writing by the Superintendent shall be conclusive and shall be payable by the company forthwith.

Permissible investments only to be allowed as assets.

57. In his annual report prepared for the Minister under the provisions of paragraph *(f)* of section twenty-six of this Act, the Superintendent shall allow as assets only such of the investments of the several companies as are authorized by this Act, or by their Acts of incorporation, or by the general Acts applicable to such investments.

Correction of annual statements.

2. In his said report the Superintendent shall make all necessary corrections in the annual statements made by the companies as herein provided and shall be at liberty to increase or diminish the liabilities of such companies to the true and correct amounts thereof as ascertained by him in the examination of their affairs at the head office thereof in Canada, or otherwise.

Disposal of unauthorized investments.

3. The Superintendent may request any company to dispose of and realize any of its investments acquired after the twentieth day of September, one thousand nine hundred and seventeen, and not authorized by this Act, and the company shall within sixty days after receiving such request absolutely dispose of and realize the said investments, and if the amount realized therefrom falls below the amount paid by the company for the said investments, the directors of the company shall be jointly and severally liable for the payment to the company of the amount of the deficiency.

Directors' liability.

4. If any director present when any such investment is authorized does forthwith, or if any director then absent does, within twenty-four hours after he becomes aware of such investment and is able to do so, enter on the minutes of the board of directors his protest against the same, and within eight days thereafter gives notice of his protest by registered letter to the Superintendent, such director may thereby, and not otherwise, exonerate himself from such liability.

Appeal to Exchequer Court.

5. An appeal shall lie in a summary manner from the ruling of the Superintendent as to the admissibility of any asset not allowed by him, or as to any item or amount so added to liabilities, or as to any correction or alteration made in any statement, or as to any other matter arising in the carrying out of the provisions of this Act, to the Exchequer Court of Canada, which court shall have power to make all necessary rules for the conduct of appeals under this section.

Procedure on appeal.

6. For the purposes of such appeal the Superintendent shall at the request of the company interested give a certificate in writing setting forth the ruling appealed from and the reasons therefor, which ruling shall, however, be

binding upon the company unless the company shall within fifteen days after notice of such ruling serve upon the Superintendent notice of its intention to appeal therefrom, setting forth the grounds of appeal, and within fifteen days thereafter file its appeal with the registrar of the said court and with due diligence prosecute the same, in which case action on such ruling shall be suspended until the court has rendered judgment thereon.

Withdrawal of Licences and Penalties.

Penalty for transacting business without licence.

58. Any company which, not being duly licensed under the provisions of this Act, and any person who, acting on behalf of any such company, transacts the business of insurance in Canada, shall be guilty of an offence and liable upon indictment or upon summary conviction to a penalty not exceeding one hundred dollars; and in the case of a natural person, to imprisonment for any term not exceeding six months.

Default in filing annual and other statements.

59. Every company which makes default in depositing in the Department the annual and other statements herein provided for, shall incur a penalty of ten dollars for each day during which such default continues.

Recovery of penalty.

2. All such penalties shall be recoverable and enforceable with costs at the suit of His Majesty, instituted by the Attorney General of Canada, and shall when recovered be applied towards payment of the expenses of the Department.

Suspension of licence if not paid.

3. If such penalties are not paid, the Minister, with the concurrence of the Treasury Board, may order the licence of such company to be suspended or withdrawn as is deemed expedient, and until such penalties are paid, the licence of such company shall not on expiry be renewed.

Deficiency of assets—fire company.

60. If it appears from the annual statements or from an examination of the affairs and condition of any company authorized to transact the business of fire insurance, that the reinsurance value of all its risks outstanding in Canada, together with other liabilities in Canada, exceeds its assets in Canada, including the deposit in the hands of the Minister, the company shall be notified by the Minister to make good the deficiency; and, on its failure to make the same good, within sixty days after being notified, he may withdraw its licence.

Life company.

61. Subject to the power and duties hereinafter vested in and imposed upon the Treasury Board in relation to the withdrawal of the company's licence or for limiting a time for making good a deficiency of assets, if it appears from the annual statements, or from an examination, as pro-

vided for by this Act, of the affairs and condition of any company authorized to transact the business of life insurance, that its liabilities to policyholders in Canada, including matured claims, and the reserve for outstanding policies required under section sixty-eight of this Act to be included in the liabilities in the annual statement, after deducting any claim the company has against such policies, exceed its assets in Canada, including the deposit in the hands of the Minister, the company shall be called upon by the Minister to make good the deficiency; and on its failure to make the same good within sixty days after being so called upon, he shall withdraw its licence.

Report when assets are insufficient.

62. If it appears to the Superintendent that the assets of any company are insufficient to justify its continuance of business, having regard to the requirements of sections sixty and sixty-one, of this Act, or that it is unsafe for the public to effect insurance with it, he shall make a special report on the affairs of such company to the Minister.

Suspension of licence by Governor in Council.

2. If the Minister, after full consideration of the report, and after a reasonable time has been given to the company to be heard by him, and upon such further inquiry and investigation as he sees proper to make, reports to the Governor in Council that he agrees with the Superintendent in the opinion so expressed in his report, the Governor in Council may, if he also concurs in such opinion, suspend or cancel the licence of such company.

Effect of suspension.

3. Such company shall, during such suspension or cancellation, be held to be unlicensed and unauthorized to do further business. The Minister may, however, issue such modified or conditional licence as may be necessary for the protection of policyholders, but the issue of such modified or conditional licence shall not, in the case of a life insurance company, be deemed to be a renewal of the company's licence within the meaning of section one hundred and sixty-one of the *Winding-up Act*.

Conditional licence may provide for reinsurance.

4. If the Minister deems it advisable, the said modified or conditional licence may require that the company shall, during the continuance of such modified or conditional licence, arrange for the reinsurance of its policies in some company or companies licensed under this Act, but no agreement for such reinsurance shall be executed until it has been submitted to and approved by the Superintendent.

Failure to reinsure

5. If upon the expiration of the modified or conditional license mentioned in the last preceding subsection, no agreement satisfactory to the Superintendent has been made for the reinsurance of the company's policies as aforesaid, and if the company's condition is not then such as to warrant the restoration of its licence, the company shall be deemed to be insolvent, and the Superintendent may request the Attorney General of Canada to institute proceedings for

the winding-up of the company. If as a result of such proceedings, the Court shall order the winding-up of the company, it shall also order that such winding-up shall be carried on by or under the direction of the Superintendent.

Report to Treasury Board.

63. If it appears to the Superintendent that the liabilities of any company authorized to transact the business of life insurance, including matured claims and the reserve for outstanding policies computed in accordance with the provisions of section sixty-eight of this Act, exceed 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 the Board, may

(a) forthwith withdraw the company's licence; or

(b) upon such terms and conditions as the Board deems proper, limit a time, not exceeding three years, within which such company shall make good the deficiency, during which term the company's licence shall be continued.

Failure to comply with terms.

2. Upon the company's failure to make good such deficiency within the time so limited, its licence shall be withdrawn: Provided that if the company's liabilities exceed its assets by twenty per cent or upwards, its licence shall be forthwith withdrawn.

Valuators may be appointed.

3. For the purpose of carrying out the provisions of this section, the Treasury Board may, upon the recommendation of the Minister, appoint such actuaries, valuators, or other persons as the Board deems 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.

Suspension of licence for violation of Act.

64. In the case of any violation of any of the provisions of this Act by any company licensed thereunder, or in the case of failure to comply with any of the provisions of its charter or Act of incorporation by any company so licensed, it shall be the duty of the Superintendent to report the same to the Minister, and thereupon the Minister may, in his discretion, after a reasonable time has been given to the company to be heard, withdraw the company's licence or may refuse to renew the same or may suspend the same for such time as he may deem proper.

Penalties for offences not otherwise provided for.

65. Any company which, or person who, does, causes or permits to be done any matter, act or thing contrary to any provision of this Act, or to the orders or directions of the Governor in Council, or of the Minister, or of the Superintendent, made under this Act, or omits to do any matter, act or thing by this Act required to be done by or on the part of such company or person, shall, if no other

pecuniary penalty for such act or omission is provided in this Act, be liable for each such offence to a penalty of not less than twenty dollars and not more than five thousand dollars in the discretion of the court before which such penalty is recoverable.

Liability for damages.

2. Such company or person shall also, in addition to such penalty, be liable to any person injured by such matter, act or thing, or by such omission, for all damages sustained thereby.

Recovery and application.

3. All such penalties shall be recoverable and enforceable with costs at the suit of His Majesty, instituted by the Attorney General of Canada, and shall, when recovered, be applied towards payment of the expenses of the Department.

PART II.

COMPANIES TRANSACTING LIFE INSURANCE

Application of Part.

Life insurance companies.

66. This Part applies only to companies licensed under this Act and authorized to transact only life insurance and to companies so licensed and authorized to transact life and other insurance, in so far only as relates to the life insurance business of such companies.

Amalgamation, transfer and reinsurance.

67. Any company authorized to transact the business of life insurance may make an agreement to amalgamate its property and business with those of any other such company, which has power to make the same, or to transfer all or any portion of its policies to or reinsure the same in any other such company, or to transfer its property and business or any part thereof to any other such company, or to reinsure the policies or any portion thereof of any other such company, or to purchase and take over the business and property or any portion thereof of any other such company, and any such company is hereby authorized to enter into all contracts and agreements necessary to such amalgamation, transfer or reinsurance upon compliance with the conditions hereinafter in this section set forth.

Permission of Minister.

2. The permission of the Minister shall be obtained before any company enters into a contract or agreement with another company under the provisions of subsection one of this section.

Sanction of Treasury Board.

3. When an agreement for any such amalgamation, transfer or reinsurance has been entered into, the directors of the companies which are parties to such agreement may apply by petition to the Treasury Board to sanction and confirm the same, and the Treasury Board, after hearing the directors and other persons whom it considers entitled

to be heard upon the petition, or giving them an opportunity to be so heard, may confirm the same if it is satisfied that no sufficient objection to the arrangement has been established.

Notice of application to Board.

4. Before any such application is made to the Treasury Board notice thereof together with

(a) a statement of the nature and terms of the amalgamation, transfer or reinsurance as the case may be; and

(b) an abstract containing the material facts embodied in the agreement under which such amalgamation, transfer or reinsurance is proposed to be effected; and

(c) copies of the actuarial or other reports upon which such agreement is founded, including a report by an independent actuary;

shall be served on the shareholders and on the holders of all policies in Canada other than industrial policies of each company: Provided, however, that the Superintendent may dispense with the service of such documents on the policyholders of the reinsuring company and on the policyholders of the reinsured company not included in the reinsurance.

Service on policyholder.

5. Such notice and documents shall be served by being transmitted through the post office directed to the registered or other known address of each such shareholder and policyholder, and within such period that they may be delivered in due course of delivery thirty days at least before the day appointed for the hearing of the application.

Agreement open to inspection.

6. The agreement under which such amalgamation, transfer or reinsurance is proposed to be effected shall be open to the inspection of the policyholders and shareholders at the principal office of the company or companies for a period of thirty days after the issue of the abstract herein provided for.

Publication of notice.

7. A copy of such notice shall also be published in the *Canada Gazette* at least thirty days before the application is made; but this subsection shall not apply to any company which issues industrial insurance.

Opposition by policyholders.

8. The Treasury Board shall not sanction any amalgamation, transfer or reinsurance in any case in which it appears to the Board that the policyholders representing one-fifth or more of the total amount assured in any company which it is proposed to amalgamate, or in any company the business of which it is proposed to transfer or reinsure, dissent from such amalgamation, transfer or reinsurance.

Capital to be unimpared after amalgamation.

9. No company shall be permitted to amalgamate its business with, transfer its business to, or reinsure its business in any other company, if the capital of the combined company after such amalgamation, or of the continuing

company after such transfer or reinsurance, shall be impaired, the policy and annuity liabilities of the combined or continuing company being calculated in accordance with the provisions of this Act.

Deposit of documents.

10. When an amalgamation takes place between any companies, or when the business of one company is transferred to or reinsured in another company, the combined company, or the continuing company, as the case may be, shall, within ten days from the date of the completion of the amalgamation, transfer or reinsurance, deposit with the Superintendent the following documents, that is to say:—

(a) Certified copies of the statement of the assets and liabilities of the companies concerned in such amalgamation, transfer or reinsurance; and

(b) A statement of the nature and terms of the amalgamation, transfer or reinsurance; and

(c) A certified copy of the agreement under which such amalgamation, transfer or reinsurance is effected; and

(d) Certified copies of the actuarial or other reports upon which such agreement is founded; and

(e) A declaration under the hands of the president and manager of each company that to the best of their knowledge and belief every payment made or to be made to any person whatsoever on account of the said amalgamation, transfer or reinsurance is therein fully set forth, and that no other payments beyond those set forth have been made or are to be made either in money, policies, bonds, valuable securities or other property, by or with the knowledge of any of the parties to the amalgamation, transfer or reinsurance.

Sanction of Treasury Board essential.

11. No company shall amalgamate with another company, transfer its business to or reinsure its business in another company, unless such amalgamation, transfer or reinsurance is sanctioned by the Treasury Board in accordance with this section: Provided, however, that this section shall not apply to the contracts of reinsurance made by companies in the ordinary course of their business.

Exemption.

12. Subsections four to eight, both inclusive, of this section shall not apply to the reinsurance by any company of the business of a company which is not and never has been licensed to transact business in Canada.

Exemption.

13. Subsections three to eight, both inclusive, and subsection eleven of this section shall not apply to the reinsurance by a company of any of the policies other than Canadian policies of any company incorporated outside of Canada.

Definition of "Company" extended.

14. The word "company", when used in this section with reference to another party with which a company is authorized to make an agreement, shall extend to and include any corporation transacting the business of life insurance and incorporated under the laws of any country other than Canada or under the laws of any province of Canada.

"Annual statement."

68. In this section "annual statement" shall mean the annual statement filed or required to be filed under section fifty-three of this Act.

To show reserve.

2. The liabilities in the annual statement of every company shall include a reserve for all unmatured obligations guaranteed under the terms of its policies dependent on life disability, sickness, accident, or on any other contingency, or on a term certain.

Method of computation.

3. In computing the reserve for all unmatured obligations guaranteed under the terms of the policies dependent on life contingencies only, the valuation shall be made in accordance with the following prescriptions, namely:—

(a) The rate of interest assumed shall not exceed the rate prescribed in the Fifth Schedule to this Act;

(b) The tables of mortality used shall be the tables prescribed in said Schedule to this Act: Provided that if it appears to any company that the reserves for any particular class of policies cannot be appropriately computed by any table of mortality prescribed in the said Schedule for the computation, then the company shall apply to the Superintendent for approval of the table the company deems most appropriate for the computation;

(c) The method of valuation shall be that specified in the said Schedule or any adaptation thereof approved by the Superintendent under the said Schedule, or any other method the company deems appropriate: Provided that the method used shall be such that the reserve calculated in accordance therewith shall not be less at any duration than the reserve computed in accordance with the valuation provisions in the said Schedule, and that the method shall make adequate provision for the guaranteed values at the subsequent durations of the policy according to the rate of interest and the table of mortality used in the valuation;

(d) The reserve in the first policy year need not in any event exceed the reserve computed in accordance with the rate of interest and table of mortality used in the valuation and the method of valuation described in the said Schedule.

Valuation by company.

4. In computing the reserve for all unmatured obligations, guaranteed under the terms of or arising out of policies, dependent on contingencies other than life contingencies, only the bases and methods of valuation employed by the company shall be such as to place an adequate value on the liabilities thereunder, and shall be such that the value of the benefits under each and every policy shall in no case be less than the value placed upon the future premiums.

Policies issued before 1st January, 1927.

5. In respect of policies issued prior to the first day of January, one thousand nine hundred and twenty-seven, the reserve for unmatured obligations guaranteed thereunder dependent on life contingencies only shall, notwithstanding the provisions of the preceding subsections of this section, be computed in compliance with the provisions of the Insurance Act in force on the said date.

Summary to be included in annual statement.

6. There shall be included in the annual statement, in such detail as the Superintendent may require, a summary exhibit of the several bases and methods used in the valuation, of the classes of policies and amounts of insurance so valued, and of the reserve included in the liabilities, and there shall be appended to the summary exhibit a certificate by the actuary of the company, or by the actuary responsible for the valuation if the company has no actuary, to the effect that the reserves shown in the summary exhibit are not less than the reserves required by the provisions of this section, and in addition that in his opinion the reserves make a good and sufficient provision for all unmatured obligations of the company guaranteed under the terms of its policies.

Computation by Superintendent.

7. If it appears to the Superintendent that the reserve included in the liabilities in the annual statement of any company has not been computed in accordance with the provisions of the preceding subsections of this section, he shall make known to the company in what respects in his opinion the valuation does not comply with the said provisions with a view to having such alterations made in the valuation as may be necessary to secure compliance with those provisions, and on failure of the company to have such alterations made the company shall furnish to the Superintendent, on application, the full particulars of its policies necessary for computation of the reserve required in accordance with the provisions of the preceding subsections of this section, and the reserve so computed by the Superintendent shall be substituted in the liabilities in the annual statement for the reserve computed by the company.

Valuation every five years.

8. Once in every five years or oftener at the discretion of the Minister, the Superintendent shall himself value or cause to be valued under his supervision all the policies of every company and any such valuation shall be made on the bases and in accordance with the methods the company purports to use in computing the reserve included in the liabilities in the annual statement of the company made as of the valuation date or, if the valuation is made as of a date other than the annual statement date, then in the annual statement of the company last made preceding the date of valuation, subject to such alterations as may be made in the reserve under the provisions of subsection seven of this section.

Examination of valuation.

9. Instead of making a valuation as provided under subsection eight of this section the Superintendent may satisfy himself by an examination of the valuation made by the company whether the company is maintaining the reserve it purports to maintain and whether the reserve maintained complies with the provisions of this Act.

Company may require valuation to be made by Superintendent.

10. Any company, instead of itself computing the reserve to be included in the liabilities in its annual statement, may require the valuation to be made by the Superintendent, in accordance with the provisions of this section, on payment to him of three cents for each policy or bonus addition so valued, which amount the Superintendent shall pay over to the Minister: Provided that the company in preparing the data for valuation may group any number of policies in a manner satisfactory to the Superintendent so that they may be valued as one policy and the charge for the valuation of each group shall be three cents; and a like charge shall be made and paid over to the Minister in respect of any valuations made by the Superintendent under the provisions of subsection seven of this section.

Tables of mortality approved to be described in Superintendent's report.

11. In any case where the Superintendent approves of a table of mortality under the provisions of this section he shall include in his annual report to the Minister such information concerning the origin and characteristics of the table and the circumstances in which it may be used as the Superintendent deems necessary and appropriate; and approval of any such table may in like manner be withdrawn by the Superintendent.

Advances to agents.

69. No company, and no person, firm or corporation on its behalf, shall make any loan or advance without adequate security, to any person, firm or corporation soliciting or undertaking to solicit applications for insurance; nevertheless advances may be made to any such person, firm or corporation for travelling expenses or against commissions or other compensation to be earned in respect of premiums, but such advances shall not be allowed as assets in the Superintendent's annual report prepared for the Minister.

Salaries of officers and agents.

70. No salary, compensation or emolument shall be paid to any director of any company for his services as such director unless authorized by a vote of the members in the case of a mutual company, and by a vote of the shareholders and other members, if any, in the case of a company having capital stock. No salary, compensation or emolument shall be paid to any officer or trustee of any such company unless authorized by a vote of the directors, nor shall any salary, compensation or emolument amounting in any year to more than five thousand dollars be paid to any agent or employee unless the contract, if made after the

fourth day of May, one thousand nine hundred and ten, under which such amount becomes payable has been approved by the board of directors.

Salary agreement for not more than five years.

2. No company shall make any agreement with any of its directors, trustees, officers or agents, to pay for any services rendered or to be rendered, any salary, compensation or emolument extending beyond a period of five years from the date of such agreement, but this restriction shall not apply to agreement with agents in respect of insurance secured or to be secured by such agents, such insurance amounting in any year to less than twenty per cent of the total insurance secured in that year by the company.

Provision for termination.

3. Every contract or agreement made after the twentieth day of September, one thousand nine hundred and seventeen, between any company and any of its directors, trustees, officers or agents to pay for any services rendered or to be rendered, any salary, compensation or emolument, shall be terminable at the option of the company on not more than three months' notice unless it contains a provision that in the event of the winding-up of the company under the Winding-up Act, or in the event of the transfer or reinsurance of all the company's policies, such contract or agreement shall be terminable at the option of the company, but that the holder thereof shall be entitled, on its termination, to rank as an ordinary creditor on the assets of the company for the amount he would have received under such contract or agreement during a period not exceeding three months following the date of the commencement of the said winding-up or of the date of the said transfer or reinsurance.

Commissions to agents only.

71. No company shall make any contract with any director, trustee, officer, employee or servant of the company, save such agents as are employed to solicit insurance, to pay any compensation or reward whatever by way of commissions in respect of the business of the company or any portion thereof: Provided, however, that this subsection shall not apply to insurance personally solicited and secured outside of office hours by any employee or servant not being a director, trustee or officer of the company.

2. For the purpose of conducting the affairs of the company in the most efficient manner in the interests of the policyholders and shareholders, the directors may make by-laws providing for the creation of a staff pension and insurance fund, but such by-laws shall before becoming effective be submitted to and be approved of at an annual meeting of the company or at a special general meeting of the members thereof, notice of the intention to consider such by-laws having been in either case duly given.

Estimates forbidden.

72. No company, and no officer, director or agent thereof, shall issue or circulate, or cause or permit to be issued or circulated in Canada any estimate, illustration or statement of the dividends or shares of surplus expected to be received in respect of any policy issued by it.

Rates to be filed with Superintendent.

2. Each company shall deposit and keep deposited with the Superintendent a copy of its established rates for all plans of insurance, such rates in the ordinary branch, as distinguished from the industrial branch, being based upon an insurance of one thousand dollars, and shall be applicable to insurance for that amount and *pro rata* for greater amounts.

Surplus under deferred dividend policies.

73. In the event of a company issuing policies which provide for the distribution of surplus or profits at less frequent intervals than quinquennially, and known as deferred dividend policies, the company shall, with respect to such policies, ascertain and apportion at least once in every five years, reckoning from the date of the policies, to each class thereof, the share in such surplus or profits to which such class is equitably entitled, and the total sum of the shares so ascertained and apportioned shall, like the reserve or reinsurance fund, be and constitute a liability of the company, and shall be charged and carried in its accounts accordingly until it has been actually distributed and paid to the policyholders entitled thereto.

Quinquennial apportionment of profits.

74. From and after the first day of January, one thousand nine hundred and eleven, every company shall, in respect of all participating policies issued and in force in Canada on the said first day of January, one thousand nine hundred and eleven, which provide for the distribution of surplus or profits at less frequent intervals than quinquennially and known as deferred dividend policies, ascertain and contingently apportion at least once in every five years reckoning from the date of the policies, to each class thereof, the share in such surplus or profits to which such class is contingently entitled. The total sum of the shares so ascertained and contingently apportioned shall be carried into the accounts and shall be kept separate and distinct from the undivided or unapportioned surplus and so shown.

Suits by policyholders against company.

75. Any suit, action or proceeding deemed necessary in the interest of the policyholders of any company or of any class of such policyholders, may with the consent of the Superintendent be instituted in any court of competent jurisdiction on behalf of such policyholders, by the Attorney General of Canada, against the company or the directors, trustees or other officers thereof, and any judgment recovered in any such suit, action or proceeding whether for an

accounting or for any sum of money, shall enure and be applied for the benefit of such policyholders, or class thereof.

Proceedings to be instituted by Attorney General.

2. Proceedings may at the request or with the consent of the Superintendent be instituted by the Attorney General of Canada under the *Winding-up Act* against any Canadian company licensed under this Act, for the making of a winding-up order under said Act, to wind up the business of such company.

Proceedings during continuance of licence.

3. The proceedings mentioned in the preceding subsection may be instituted during the continuance of the licence of the company upon any ground upon which such an order may be made under the provisions of the *Winding-up Act*, other than Part III thereof, or, after the company has become subject to the provisions of the *Winding-up Act*, pursuant to section one hundred and sixty-one of the said Part III.

Separate accounts of participating and non-participating business.

76. Every company, notwithstanding anything to the contrary in any special Act or elsewhere, shall keep separate and distinct accounts of participating and non-participating business.

Companies having capital stock.

77. The provisions of this section shall extend and apply to every company having a capital stock, whether called by the name of capital stock, guarantee fund, or any other name.

Application.

2. The said provisions shall so extend and apply, notwithstanding anything to the contrary in any special Act relating to such company or in any by-law or by-laws thereof.

Shareholders' and policyholders' directors.

3. Every such company shall determine by by-law the number of directors to be elected by the shareholders and by the participating policyholders, respectively, as hereinafter provided, and the number of policyholders' directors so determined shall be at least one-third of the total number so to be elected. The company may, by the said by-law, provide that all the directors, of both classes, shall be elected for one, two or three years. If the by-law provides for a two years' or three years' term of office, it may also provide either, *(a)* that the term of office shall be continuous for all directors of both classes, or *(b)* that a certain proportion, not less than one-third, of each class, shall retire annually. At each annual meeting there shall be elected a board as determined by by-law aforesaid, but such board shall consist of not less than nine nor more than twenty-one directors all of whom shall be eligible for re-election. The shareholders' directors shall be elected by the shareholders and the policyholders' directors shall be elected by the participating policyholders.

Manager may be a director.

4. The manager of the company may be a director of the company, but no agent or paid officer other than the

manager shall be eligible to be elected as a director. The words "paid officer" in this subsection to not include the president and vice-president, or the president and the first vice-president if more than one, elected under the provisions of subsection nine of this section.

Qualification for shareholders' director.

5. No person shall be a shareholders' director unless he holds in his own name and for his own use shares of the capital stock of the company to an amount of at least two thousand five hundred dollars, and has paid all calls due thereon and all liabilities incurred by him to the company.

One vote for each share held.

6. At all general meetings of the company each shareholder present in person or represented by proxy who has paid all calls due upon his shares in the capital stock and all liabilities incurred by him to the company shall have one vote for each share held by him.

Qualification for member as policyholder.

7. Every person whose life is insured under a participating policy or participating policies of the company for two thousand dollars or upwards, upon which no premiums are due, whether such person is a shareholder of the company or not, hereinafter called a participating policyholder, shall be a member of the company and be entitled to attend at all general meetings of the company, but participating policyholders as such shall not be entitled to vote for the election of shareholders' directors: Provided, however, that in case of liquidation of the company, the policyholder as such member shall not be entitled to share in the distribution of the assets or be liable to be placed on the list of contributories. Every holder of a participating policy or policies of the company for four thousand dollars or upwards, exclusive of bonus additions, upon which no premiums are due, who is not a shareholder, and who has paid premiums on such policy or policies for at least three full years, shall be eligible for election as a policyholders' director.

Proviso.

Qualification for policyholders' director.

Meeting.

8. The policyholders' directors shall meet with the shareholders' directors and shall have a vote on all business matters.

President.

9. The directors shall elect from among themselves a president and one vice-president or more.

Quorum.

10. At all meetings of directors for the transaction of business a majority shall be a quorum when the number of directors does not exceed thirteen; when the number exceeds thirteen, the quorum shall be seven.

Annual meeting.

11. The company shall have a fixed time in each year for its annual meeting and such time shall be printed in prominent type on each renewal receipt issued by the company, and due notice shall also be given at least fifteen days before in two or more daily newspapers published at or near the head office of the company.

Voting.

12. At the annual meeting no shareholder shall vote for more than the number of shareholders' directors to be

elected, and no policyholder shall vote for more than the number of policyholders' directors to be elected.

Instrument of proxy.

13. Every proxy representing a shareholder must be himself a shareholder and entitled to vote, and an instrument of proxy shall not be valid unless executed within three months of the date of the meeting at which it is to be used, and unless filed with the secretary at least ten days before such meeting, and shall be used only at such meeting or any adjournment thereof, and may be revoked at any time prior to such meeting.

Withdrawal of licence for non-payment of claims.

78. Whenever satisfactory proof has been furnished to the Minister of any undisputed claim upon a company, arising on any policy of life insurance in Canada, remaining unpaid for the space of sixty days after becoming due, or of a disputed claim remaining unpaid after final judgment in regular course of law and tender of a legal valid discharge made to the agent of such company, the Minister may withdraw the licence of such company.

Renewal of licence.

79. Such licence may be renewed if, within thirty days after such withdrawal, such undisputed claim or final judgment upon or against the company is paid and satisfied.

Renewal of forfeited licence.

80. When the licence of a company has been withdrawn by the Minister under any of the foregoing sections of this Act such licence may be renewed, if, within thirty days after such withdrawal, the company complies with the requirements of this Act to the satisfaction of the Minister.

Companies ceasing to do business.

81. When any company desires to discontinue business and to have its deposit with the Minister released, and gives written notice to that effect to the Minister, it may, with the consent of the policyholders, procure the transfer of its outstanding policies in Canada to some company or companies licensed under this Act in Canada, or may obtain the surrender of the policies, as far as practicable.

List of policyholders to be filed.

2. Such company shall file with the Minister a list of all Canadian policyholders whose policies have been so transferred or have been surrendered, and also a list of those which have not been transferred or surrendered.

Notice in *Canada Gazette*.

3. The company shall, at the same time publish, and continue the publication for three calendar months, in the *Canada Gazette* and in at least one newspaper in the county, city or place in which the Head Office is established, a notice that it will apply to the Minister for the release of its assets and securities on a certain day, not less than three months after the date of the notice, and calling upon its Canadian policyholders opposing such release to file their opposition with the Minister on or before the day so named.

Release of securities.

82. After the day so named, upon the application for release being made, if the Minister, with the concurrence of the Treasury Board, is satisfied that such transfer or surrender has been effected, he may direct that a portion of the securities held by the Minister, shall be retained, sufficient in amount to cover the full equitable net surrender value of such policies, including bonus additions and accrued profits, as have not been transferred or surrendered, or in respect to which opposition has been filed; and may order the remaining assets or securities aforesaid to be released and transferred or paid over to the company.

Tender to policyholders.

2. The portion retained shall be tendered in the manner hereinafter described to the aforesaid policyholders *pro rata*, according to the aforesaid values of their respective policies; and on the acceptance of the amount so tendered, such policies shall thereby be deemed to be cancelled.

Refusing tender.

3. If such tender is refused by any policyholder, the amount so tendered may be paid over to the company, and the policy shall continue in force, and such policyholder shall not be barred from any recourse he has, either at law or in equity, against the company to compel the fulfilment of its contract under such policy.

Mode of tender.

83. The tender referred to in the last preceding section shall be made in the following manner:—

(a) A list and notice in the form A. in the sixth Schedule to this Act, or to the like effect, shall be published in the *Canada Gazette* for at least thirty days previously to the day named in such notice;

List in newspapers.

(b) The company shall also cause the said list and notice to be published in such newspapers in Canada and for such length of time as the Minister determines;

Notice mailed.

(c) A notice in the form B in the said sixth Schedule, or to the like effect, shall be sent by mail, postpaid or franked, from the Department to each of the policyholders named in the said list, whose address in known to the Superintendent; and such notice shall be deposited in some post office in Canada at least thirty days previously to the day named therein, which shall be the same day as that named in the list and notice in the said form A.

Acceptance must be signified.

2. Any policyholder who does not signify in writing to the Superintendent his acceptance of the amount so tendered, on or before the day named in the said notice, shall be deemed to have refused the same: Provided that the Minister may, at any time prior to the payment over to the company of the amount so refused, allow any policyholder to signify his acceptance of such amount, and such acceptance, so allowed, shall have the same effect as if made on or before the day named in the said notice.

Surrender values, how determined.

84. The surrender values to cover which a portion of assets is retained as aforesaid shall be determined by the Superintendent on the basis provided in section sixty-eight of this Act for the valuation once in every five years, or oftener at the discretion of the Minister, of policies of life insurance; and he shall collect from the company the expenses of such valuation at the rate of three cents for each policy or bonus addition, and shall pay the same to the Minister before the latter shall hand over the securities.

Special arrangements.

85. Nothing herein contained shall prevent any policyholder from making special arrangements with the company whereby his policy may be continued in force.

Action on proof.

86. On proof being given of such arrangement, such policy may be omitted or removed from the lists of policies filed with the Minister as aforesaid, and this Act shall thereafter not apply in respect of such policy.

Ascertainment of profit from participating policies.

87. In the case of companies which have a capital stock, the directors may, from time to time, set apart such portion of the net profits as they deem safe and proper for distribution as dividends or bonuses to shareholders and holders of participating policies, ascertaining the part thereof which has been derived from participating policies and distinguishing such part from the profits derived from other sources; and the holders of participating policies shall be entitled to share in that portion of the profits so set apart which have been distinguished as having been derived from participating policies (including a share of the profits arising from the sale of securities in the proportion of the mean participating fund to the mean total funds), to the extent of not less than ninety per cent thereof; and before fixing or arriving at the amount of divisible profits, interest on the amount of unimpaired paid-up capital stock, but not including any premiums or bonuses paid thereon or in respect thereof, which have been expended in the establishment, prosecution or extension of the company's business or applied to making good any impairment of capital, and on any other sum or sums from time to time standing at the credit of the shareholders may be allowed or credited to such shareholders at the average net rate of interest earned in the preceding year, or other period under consideration, upon the mean invested funds of the company; such shareholders to be, however, charged with a fair proportion of all losses incurred upon investments or other losses of a similar character in proportion of the mean shareholders' fund to the mean total funds.

Right of participating policyholders to profit.

2. The provisions of subsection one of this section shall not interfere with the right of the participating policyholders of any such company to share in the profits realized

from the non-participating branch of its business in any case in which such policyholders are so entitled under the Acts relating to such company in force on the fourth day of May, one thousand nine hundred and ten.

PART III.

FRATERNAL BENEFIT SOCIETIES.

Fraternal benefit societies.

88. This Part applies only to fraternal benefit societies licensed under this Act.

Exemptions.

89. Every society licensed under the provisions of this Act shall, when so licensed, be exempted from the provisions of section thirty-three of this Act, from the provisions of Part II of this Act, with the exception of sections sixty-seven, sixty-nine to seventy-one thereof, both inclusive, section seventy-five and sections seventy-eight to eighty-six thereof, both inclusive, and from the provisions of Part VI of this Act.

When licence is not to be granted.

2. No fraternal benefit society shall be licensed under this Act if it is in effect the property of its officers or collectors or belongs to any private proprietary, or if it is conducted as a trading or mercantile venture, or for purposes of commercial gain.

Actuarial valuation before licence issued.

90. Every fraternal benefit society shall before a licence is issued to it under this Act, file with the Superintendent, in addition to the other statements and documents required by this Act to be filed, a report made by an actuary, appointed by the society, including therein, in such detail as the Superintendent may require, the results of an actuarial valuation made by the said actuary as at the next preceding thirty-first day of December or such later date as the Superintendent may specify, of each of the benefit funds maintained by the society having regard to the prospective liabilities of, and contributions to, each fund.

Declaration by actuary.

2. Such report shall include a declaration by the said actuary that in his opinion the assets of the society applicable to each fund, taken at the value accepted by the Superintendent, together with the premiums, dues and other contributions to be thereafter received from the members according to the scale in force at the date of the said valuation, are sufficient to provide for the payment at maturity of all the obligations of the fund without deduction or abatement.

Statement of condition and affairs.

3. The society shall also file with the Superintendent a statement of its condition and affairs in such detail as the Superintendent may require, as at the date of the said valuation.

Form of annual statements.

91. The annual statements deposited in the Department under the provisions of this Act, by every fraternal benefit society licensed under this Act, shall be in the form in the Second Schedule to this Act, with such changes therein as the Superintendent may from time to time deem necessary to better exhibit the condition and affairs of the society and the state of its various funds.

Computation of reserve—mortuary fund.

2. The said annual statement shall include in the liabilities a reserve for the mortuary benefits in which all the factors entering into the calculation are based upon the National Fraternal Congress table of mortality and four per cent interest or such higher reserve as the society is required by its Act of incorporation to maintain, and shall contain a report made by an actuary appointed by the society, including therein, in such detail as the Superintendent may from time to time require, the results of an actuarial valuation, as at the date of the statement, of each of the benefit funds maintained by the society, having regard to the prospective liabilities of, and contributions to, each fund, and the actuary shall certify as to each fund that, in his opinion, the reserve shown by such valuation, together with the premiums, dues and other contributions to be thereafter received from the members according to the scale in force at the date of valuation, is sufficient to provide for the payment at maturity of all the obligations of the fund without deduction or abatement.

Other funds.

3. The reserve shown by such valuation, in respect of the funds other than the mortuary fund, or at the option of the society any higher reserves, shall be entered as liabilities of the funds, and if the valuation of the mortuary fund made by the actuary shows a reserve lower than that prescribed by the last preceding subsection to be included in the liabilities, the said lower reserve may be substituted therefor.

Special valuation if assets deficient.

92. If it appears to the Superintendent, from the annual statement filed with him or from any examination or valuation made in pursuance of this Act, that the assets of any fraternal benefit society licensed under this Act, or of any benefit fund thereof, are insufficient to provide for the maturity of its policies without deduction or abatement or without increase of premiums or additional premiums, he shall make a special valuation of the policies of the society, and if the result of such valuation confirms him in his opinion, he shall make a special report to the Minister on the condition of the society and shall in such report show the amount of the deficiency in the society's assets.

Minister to request that deficiency be made good.

2. If the Minister after consideration of the said report concurs in the opinion of the Superintendent, he shall request the society within such time, not exceeding four years, as he may prescribe, to make such increase in its

premiums or such reduction in the benefits payable under its contracts, or otherwise, as will make good the deficiency.

Society to take prescribed steps.

3. On receipt of such request the society shall take the steps prescribed by its charter or Act of incorporation or by its constitution and laws for putting into effect such changes as may be approved by an actuary for the purpose of making good the deficiency.

Necessary by-laws may be made by society.

4. The members of any such society may by by-laws passed in accordance with its said Act or with its constitution and laws, reduce the benefits or increase the premiums payable under its contracts or any class or classes thereof or make such other changes as are necessary to comply with the request of the Minister aforesaid, and such by-law when so passed shall be binding on the members notwithstanding anything to the contrary in the society's special Act, or in its constitution and laws or in any policy or certificate heretofore or hereafter issued by the society.

Licence withdrawn for non-compliance.

5. If the society does not within the time so prescribed comply with the request of the Minister, the licence of the society may be withdrawn.

Valuation balance sheet to be sent to policyholders.

93. Every fraternal benefit society licensed under this Act shall, not later than the first day of June in each year, mail to each policyholder in Canada a copy of the valuation balance sheet on the basis used for the purpose of the annual statement mentioned in subsection two of section ninety-one of this Act, and an explanation of the facts concerning the condition of the society thereby disclosed; or in lieu thereof, shall publish in its official paper such balance sheet and explanation and mail a copy of the issue of said paper containing the same to each of the society's policyholders in Canada.

Separate funds.

94. Every fraternal benefit society which on the thirty-first day of December one thousand nine hundred and nineteen was licensed under the provisions of the Insurance Act 1917, shall continue to maintain such separate funds as it was required by its charter or by its constitution and laws to maintain at the said date.

Additional separate funds.

95. Every fraternal benefit society licensed under this Act may maintain such additional separate funds as may from time to time be authorized by by-law, validly enacted by the society and approved by the Superintendent.

Society may insure dependent children of members.

2. Nothing in this Act, or in the charter, Act of incorporation, or articles, or memorandum of association, of any such society, shall be held to prohibit the society from insuring the dependent children of the members of the society: Provided, however, that the receipts and payments in respect of any contracts insuring such children shall be

credited or charged to a separate fund maintained by the society.

Endowment policies.

3. Any such society may issue to its members endowment insurance contracts maturing at age sixty-five or any higher age, or at the end of a term not less than twenty years.

Maximum policy $10,000.

4. Any such society may, if duly authorized by by-law of the society passed on the recommendation of its actuary, issue life or endowment policies to an amount not exceeding ten thousand dollars on the life of any one member.

Paid-up policies and other equities.

5. Any such society may, if duly authorized by by-law of the society passed on the recommendation of its actuary, grant loans on its policies, grant paid-up policies or other equities in lieu thereof in the case of members desiring to be relieved of payment of future premiums or any part thereof, pay cash surrender values for policies and purchase the interest of members in the said policies.

Corporate powers amended.

6. Any such society shall be deemed to have the corporate power for the purposes set forth in subsections three, four and five of this section.

Sickness benefits by society or subordinate lodge.

96. Nothing in this Act shall be held to prohibit any fraternal benefit society licensed under this Act, or any subordinate lodge of any such society so licensed, from contracting with any member of such society or lodge for the payment to such member of a sickness benefit of such amount and for such period as may be authorized by a validly enacted by-law of the society and by the Treasury Board, and any provision of the charter, Act of incorporation or articles or memorandum of association of any such society incorporated under the laws of Canada, which prohibit any such society or any such lodge from so contracting, is hereby repealed.

"Actuary" defined.

97. The term "Actuary" in this Part means a Fellow by examination of the Institute of Actuaries of Great Britain, the Faculty of Actuaries in Scotland, the Actuarial Society of America, or of the American Institute of Actuaries: Provided that anyone admitted to fellowship otherwise than by examination and who prior to the fourteenth day of April, one thousand nine hundred and twenty-seven, had made an actuarial report in accordance with the provisions of subsection two of section one hundred and twelve of the Insurance Act, 1917, as enacted by chapter fifty-seven of the statutes of 1927, shall for the purposes of this section be deemed to be a Fellow by examination.

PART IV.

COMPANIES TRANSACTING FIRE INSURANCE.

Fire insurance companies.

98. This Part applies only to companies licensed under this Act and authorized to transact fire insurance and to other companies so licensed and authorised to transact fire and other insurance, in so far only as relates to the fire insurance business of such companies.

Licences forfeited for failure to make deposits or pay claims.

99. Whenever any company fails to make the deposits under this Act at the time required, or whenever written notice has been served on the Minister of any undisputed claim, arising from loss insured against in Canada, remaining unpaid for the space of sixty days after it becomes due, or of a disputed claim remaining unpaid after final judgment in regular course of law and tender of a legal valid discharge, the licence of such company may be withdrawn by the Minister.

Renewal under certain conditions.

100. Such licence may be renewed, and the company may again transact business, if, within sixty days after notice to the Minister of the failure of the company to pay any undisputed claim or the amount of any final judgment, as provided in the last preceding section, all undisputed claims or final judgments upon or against the company in Canada are paid and satisfied.

Company ceasing business to reinsure.

101. When any company has ceased to transact business in Canada, and has given written notice to that effect to the Minister, it shall insure, on behalf of its Canadian policyholders, all its outstanding risks in some company or companies licensed in Canada, or obtain the surrender of the policies.

Delivery of securities.

2. The securities of such company shall not be delivered to the company until all its outstanding risks are insured to the satisfaction of the Minister.

Application for securities.

102. Upon making application for its securities the company shall file with the Minister a list of all Canadian policyholders who have not been so reinsured, or who have not surrendered their policies; and it shall at the same time publish, and continue the publication for three calendar months, in the *Canada Gazette* and in at least one newspaper in the county, city or place in which the head office is established, a notice that it has applied to the Minister for the release of its securities on a certain day not less than three months after the date of the notice, and calling upon its Canadian policyholders opposing such release to file their opposition with the Minister on or before the day so named.

Release of securities.

2. After that day if the Minister, with the concurrence of the Treasury Board, is satisfied that the company has ample assets to meet its liabilities to Canadian policyholders, he may order that all the securities be released to it, or that a sufficient amount of them be retained to cover the value of all risks outstanding or respecting which opposition has been filed, and that the remainder be released.

Further releases.

3. Thereafter from time to time as such risks lapse, or proof is adduced that they have been satisfied, further amounts may be released on the authority aforesaid.

4. Notwithstanding the provisions of this and the last preceding section, if the company is in liquidation the securities of the company may, on the order of any court having jurisdiction under the *Winding-up Act*, be released by the Minister to the liquidator.

Payment of losses after cancellation of licence.

103. When a company has ceased to transact business in Canada after the notice by this Part required has been given, and its licence has in consequence been withdrawn, such company may, nevertheless, pay the losses arising upon policies not reinsured or surrendered, as if such licence had not been withdrawn.

Computation of reserve liability.

104. For the purposes of the annual statement required to be furnished to the Superintendent under this Act the liability of the company in respect of all its outstanding unmatured policies shall be eighty per cent of the unearned premiums computed *pro rata* as at the date of such statement.

Premium note business.

2. In the case of any company which transacts a non-hazardous three year business on the premium note system or partly on the cash system and partly on the said premium note system, the liability of such company, for the purposes of such statement, in respect of its premium note business shall be eighty per cent of the unearned portion of the cash received upon and of the balance usually collectable in respect of all outstanding premium notes held by the company computed *pro rata* as at the date of such statement, and the amount of such premium notes in excess of the amount so usually collectable thereon shall be regarded as a contingent asset only.

Assets minimum amount of.

105. Every company shall at all times maintain assets, allowable as such under the provisions of this Act or of its Act of incorporation or under the general Act applicable to such company, to a value at least fifteen per cent in excess of the total of the unearned premiums upon all its outstanding unmatured policies, calculated *pro rata* for the time unexpired, together with the amount of matured claims and all its other liabilities of every kind, and in computing such excess there shall be deducted from the

assets of the company the amount of any investment in the shares of any other company transacting the business of insurance made under the authority of section forty of this Act.

Dividend not to impair capital.

2. Subject to the provisions of subsection four of this section, no dividend shall be paid by the company while its capital is impaired or while its assets are less than the amount required by the next preceding subsection, nor shall any dividend be paid which would reduce its assets below the said amount or impair its capital.

Contravention.

3. If it appears to the Superintendent that the assets of any company fall below the requirements of subsection one of this section, he shall report the fact to the Treasury Board and shall in said report state whether or not the company appears to him to have failed to comply with the requirements of the next preceding subsection, and the Treasury Board after a full consideration of the matter and after a reasonable time has been given to the company to be heard by them, may

Penalty.

(a) forthwith withdraw the company's licence; or

(b) upon such terms and conditions as they deem proper, limit a time within which the company shall make good the deficiency (the company's licence being continued in the meantime) and upon the company's failure to make good such deficiency within the time so limited, its licence shall be withdrawn:

Proviso.

Provided, however, that if the company's assets are less than the total liabilities including the unearned premiums calculated as provided in subsection one of this section, or if the company has failed to comply with the requirements of subsection two of this section, its licence shall be withdrawn.

Preferential dividends.

4. Where any company has, prior to the fourth day of May, one thousand nine hundred and ten, 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 two 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.

"Surplus" defined.

106. 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.

Appropriation of profits for surplus.

2. Subject to the payment of preferential dividends as provided in subsection four of section one hundred and five, until the surplus of the company shall equal or exceed the reserve of unearned premiums computed as provided in

section one hundred and four on all outstanding unmatured policies in Canada not reinsured, the company shall at the end of each year appropriate towards the surplus of such company at least twenty-five per cent of the profits of the company for the year last past.

Exemption.

3. This section shall not apply to any company which has a paid capital of not less than one million dollars, a surplus of not less than five hundred thousand dollars and a combined paid capital and surplus of not less than the amount of the reserve of unearned premiums computed as provided in the last preceding subsection. 20-21 Geo. V, c. 26, s. 25.

Par value of shares reduced by by-law.

107. Notwithstanding anything contained in its Act of incorporation or in this Act any company having a capital stock may by by-law passed by the directors and approved by votes of the shareholders, representing at least two-thirds in value of the subscribed capital of the company, present or represented at a special general meeting duly called to consider such by-law, decrease the par value of the shares of the capital stock of the company unissued at the date of the passing of such by-law to the amount of five dollars per share or any multiple thereof and may increase the number of unissued shares in the inverse ratio of that in which the par value of the said shares has been reduced so that the par value of the total unissued capital after the date of the passing of the by-law shall be the same as before the said date.

Non-voting shares created by by-law.

2. The said by-law may also provide that any part of the said unissued capital stock shall be issued as shares without voting rights or with such limitations or restrictions as respects voting rights and control over the affairs of the company as are deemed desirable, in which event the by-law shall provide that any such limitation or restriction shall be fully set out or clearly indicated in the certificates of such shares, and in the event of such limitations or restrictions not being so set out or clearly indicated they shall not be deemed to qualify the rights of the holders of such shares.

Voting rights of reduced shares.

3. Subject to the provisions of the last preceding subsection any by-law passed under the provisions of this section by which the par value of the shares of the unissued capital is decreased shall provide that any holder of the shares of decreased par value shall have as a shareholder of the company a number of votes determined by dividing the total par value of his shares in the capital stock of the company by the par value of each share before the date of the passing of the said by-law.

PART V.

COMPANIES TRANSACTING INSURANCE OTHER THAN LIFE OR FIRE.

Application.

108. This Part applies only to companies licensed under this Act and authorized to transact the business of insurance other than life or fire insurance, but does not apply to companies transacting the business of marine or inland marine insurance, or both, exclusively.

Licence not required for marine or inland marine.

109. No licence shall be required under this Act in respect of the business of marine or inland marine insurance.

Provisions applicable.

110. The provisions of this Act applicable to companies authorized to transact fire insurance shall, *mutatis mutandis*, apply to every such company 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 authorized to transact the business of title insurance.

Proviso.

Hail surplus fund.

111. Every company authorized to transact the business of hail insurance shall, in each year, set aside as a hail insurance surplus fund at least fifty per cent of the profit realized from such business during the said year, until or so that the said surplus fund shall in any year be not less than fifty per cent of the net hail premiums received during the preceding calendar year.

PART VI.

PROVISIONS APPLICABLE TO COMPANIES INCORPORATED BY PARLIAMENT AFTER MAY 4, 1910.

Application to companies incorporated after 4th May, 1910.

112. The provisions of this Part shall apply to every company incorporated by a Special Act of the Parliament of Canada after the fourth day of May, one thousand nine hundred and ten.

Companies incorporated but not licenced before 4th May, 1910.

2. The provisions of this Part, other than those of section one hundred and thirteen, shall also apply to every company incorporated by a Special Act of the said Parliament on or before the said date, but not licensed on or before the said date, and in any respect in which such provisions are inconsistent with the provisions of the Special Act so passed on or before the said date, the former shall prevail.

Standard provisions for Act of incorporation.

113. Every Special Act of the Parliament of Canada passed after the said date for the incorporation of a company in the form in the First Schedule to this Act shall be read as if it contained the provisions hereinafter in this section set forth, and shall be construed having regard thereto.

Provisional directors.

2. The persons named as such in the Special Act shall be the provisional directors of the company, a majority of whom shall be a quorum for the transaction of business. They shall remain in office until replaced by directors duly elected in their stead, and they may forthwith open stock books, procure subscriptions of stock for the undertaking, make calls on stock subscribed and secure payments thereon. They shall deposit in a chartered bank in Canada all moneys received by them on account of stock subscribed or otherwise received on account of the company and may withdraw the same for the purposes of the company only and may do generally what is necessary to organize the company.

Local boards and agencies.

3. The directors may establish local advisory boards or agencies either within Canada or elsewhere at such times and in such manner as they deem expedient.

Shares.

4. The capital stock of the company shall be divided into shares of one hundred dollars each, or if the special Act so provides into shares of five dollars each or any multiple thereof, but not exceeding one hundred dollars each.

Increase of capital stock.

5. The directors may, after the whole authorized capital stock of the company has been subscribed and fifty per cent paid thereon in cash, increase the capital stock from time to time to an amount not exceeding the sum named for that purpose in the Special Act; but the stock shall not be increased until a resolution of the board of directors authorizing such increase has been first submitted to and confirmed by two-thirds in value of the shareholders present or represented by proxy at a special general meeting of the members of the company duly called for that purpose.

First meeting of shareholders.

6. As soon as the amount for that purpose mentioned in the Special Act has been subscribed and ten per cent of the said amount has been paid into some chartered bank in Canada the provisional directors shall call a general meeting of the shareholders at some place to be named in the municipality where the head office of the company is situated; at which meeting the shareholders present or represented by proxy who have paid not less than ten per cent on the amount of shares subscribed for by them shall elect the shareholders' directors in the case of a life company, and the ordinary directors in the case of a company other than a life company, as set forth in the next following section.

Calls on shares.

7. The shares of the capital stock subscribed for shall be paid by such instalments and at such times and places as the directors appoint; the first instalment shall not exceed twenty-five per cent and no subsequent instalment shall exceed ten per cent, and not less than thirty days' notice of any call shall be given.

Commencement of business.

8. The company shall not commence business until at least the amount of stock mentioned for that purpose in the Special Act has been subscribed for nor until at least the sum named for that purpose in the said Special Act has been paid in cash into the funds of the company to be appropriated only for the purposes of the company under the said Special Act: Provided that stock upon which less than ten per cent has been paid in cash by the subscriber shall not be reckoned as part of the stock mentioned in the Special Act as necessary to be subscribed, nor shall any sum paid by any shareholder upon the shares subscribed for by him which is less than ten per cent of the amount subscribed for by such shareholder be reckoned as part of the sum required to be paid thereon as in such Special Act provided.

Annual meeting.

9. A general meeting of the company shall be called at its head office once in each year after the organization of the company and the commencement of business, and at such meeting a statement of the affairs of the company shall be submitted, and special general or extraordinary meetings may at any time be called by any three of the directors or by requisition of any twenty-five shareholders, specifying in the notice the object of the meeting.

Reinsurance.

10. The company may cause itself to be reinsured against any risk undertaken by it, and may reinsure any other company carrying on the same class of business against any risk undertaken by such other company.

Two classes of directors.

114. In this section the expression "life company" shall mean a company authorized to transact the business of life insurance.

2. *(a)* There shall be in the case of a life company having a capital stock, whether called by the name of capital stock, guarantee fund or any other name, two classes of directors, namely, directors elected by the shareholders, hereinafter called shareholders' directors, and directors elected by the policyholders, hereinafter called policyholders' directors; but in the case of companies other than life companies having a capital stock, there shall be only one class of directors, namely, directors elected by the shareholders, hereinafter called ordinary directors;

Shareholders' directors.

(b) No person shall be eligible to become, or shall be elected, a shareholders' director of a life company or an ordinary director of a company other than a life

company, unless he is a shareholder holding in his own name and for his own use and absolutely in his own right shares in a capital stock or guarantee capital, as the case may be, of the company to the amount of at least two thousand five hundred dollars and has paid in cash all calls due thereon and all liabilities incurred by him to the company; and the majority of directors so elected shall at all times be persons resident in Canada and subjects of His Majesty by birth or naturalization;

Directors for other than life company.

(c) In the case of a company other than a life company there shall be elected at the first annual meeting and at each subsequent annual meeting a board of not less than nine nor more than twenty-one directors, who shall hold office for one year but shall be eligible for re-election;

Directors of life company.

(d) In the case of a life company there shall be elected at the first and second annual meetings not less than five nor more than nine shareholders' directors, who shall hold office for one year but shall be eligible for re-election;

Number and composition of board of directors.

(e) Every life company shall, by by-law passed not less than three months prior to the holding of its third annual meeting after the issue of a licence to it under this Act, determine the number of directors to be elected at said annual meeting by the shareholders and participating policyholders respectively, as herein provided, and the number of policyholders' directors so determined shall be at least one-third of the total number to be so elected. The company may, by the said by-law, provide that all the directors, of both classes, shall be elected for one, two or three years. If the by-law provides for a two years' or three years' term of office, it may also provide either, *(a)* that the term of office shall be continuous for all directors of both classes, or, *(b)* that a certain proportion, not less than one-third, of each class, shall retire annually. At the said annual meeting and each subsequent annual meeting there shall be elected a board as determined by by-law as aforesaid, but such board shall consist of not less than nine nor more than twenty-one directors, all of whom shall be eligible for re-election. The shareholders' directors shall be elected by the shareholders and the policyholders' directors by the participating policyholders;

Manager may be a director.

(f) The manager of a company may be a director, but no agent or paid officer, other than the manager, shall be eligible to be elected as a director. The words "paid officer" in this paragraph do not include the president and vice-president, or the president and first

vice-president if there is more than one vice-president elected under the provisions of paragraph *(j)* of this section;

One vote for each share held.

(g) At all general meetings of a company each shareholder present in person or represented by proxy who has paid in cash all calls due upon his shares and all liability incurred by him to the company shall have one vote for each share held by him;

Every holder of a participating policy for $2,000 a member.

(h) In the case of a life company every person whose life is insured under a participating policy or participating policies of the company for two thousand dollars or upwards upon which no premiums are due, whether such person is a shareholder of the company or not, herein called a participating policyholder, shall be a member of the company and be entitled to attend and vote at all general meetings of the company; but participating policyholders, as such, shall not be entitled to vote for the election of shareholders' directors: Provided, however, that in case of liquidation of the company, the policyholder as such member shall not be entitled to share in the distribution of the assets or be liable to be placed on the list of contributories. Every holder of a participating policy or policies of the company for four thousand dollars or upwards, exclusive of bonus additions, upon which no premiums are due, who is not a shareholder, and who has paid premiums on such policy or policies for at least three full years shall be eligible for election as a policyholders' director. The policyholders' directors shall meet with the shareholders' directors and shall have a vote on all business matters;

Proviso.

Elections.

(i) The election of directors shall be by ballot;

President.

(j) The directors shall elect from among themselves a president, and one vice-president or more;

Quorum.

(k) At all meetings of directors for the transaction of business a majority of the board shall be a quorum when the number of directors does not exceed thirteen; when the number exceeds thirteen a quorum shall be seven;

Notice of meetings.

(l) The company shall have a fixed time in each year for its annual meeting and due notice of such time shall be given at least fifteen days before in two or more daily newspapers published at or near the head office of the company, and if the company is a life company, such time shall be printed in prominent type on each renewal receipt issued by the company;

Voting.

(m) At the annual meeting no shareholder of a company other than a life company shall vote for more than the number of ordinary directors to be elected, and in the case of a life company no shareholder shall vote for

more than the number of shareholders' directors to be elected, and no participating policyholder shall vote for more than the number of policyholders' directors to be elected;

Proxies.

(n) Every proxy representing a shareholder must be himself a shareholder and entitled to vote, and an instrument of proxy shall not be valid unless executed within three months of the date of the meeting at which it is to be used, and unless filed with the secretary of the company at least ten days before such meeting, and shall be used only at such meeting or any adjournment thereof, and may be revoked at any time prior to such meetings;

Instrumens of proxy.

Vacancies in board of directors.

(o) Vacancies occurring in the board of directors may be filled for the remainder of the term by the directors from among the qualified shareholders or policyholders as the case may be;

Failure to elect directors.

(p) If at any time an election of directors is not made, or does not take effect at the proper time, the company shall not be held to be thereby dissolved, but such election may take place at any general meeting of the company duly called for that purpose, and the retiring directors shall continue in office until their successors are elected.

Powers of directors.

115. The directors may, in all things, administer the affairs of the company, and may make or cause to be made for the company any description of contract which the company may, by law, enter into.

By-laws.

116. The directors may make by-laws not contrary to law, or to the Special Act, or to this Act, for

Stock.

(a) the regulating of the allotment of stock, the making of calls thereon, the payment thereof, the issue and registration of certificates of stock, the forfeiture of stock for non-payment, the disposal of forfeited stock and of the proceeds thereof, and the transfer of stock;

Dividends.

(b) the declaration and payment of dividends;

Officers.

(c) the appointment, functions, duties and removal of all agents, officers and servants of the company, the security to be given by them to the company and their remuneration;

Meetings.

(d) the time and place for the holding of the annual meeting of the company, the calling of meetings, regular and special of the directors and of the company, the requirements as to proxies, and the procedure in all things at such meetings;

Penaltie

(e) the imposition and recovery of all penalties and forfeitures admitting of regulation by by-law; and

Generally.

(f) the conduct, in all other particulars, of the affairs of the company.

Changing by-laws

117. The directors may, from time to time, repeal, amend or re-enact any such by-law: Provided that every such by-law, repeal, amendment or re-enactment unless in the meantime confirmed at a general meeting of the company duly called for that purpose shall only have force until the next annual meeting of the company and in default of confirmation thereat shall from the time of such default cease to have force or effect.

Confirmation necessary.

Stock to be personal estate.

118. The stock of the company shall be personal estate, and shall be transferable in such manner only, and subject to such conditions and restrictions as are prescribed by this Part, or by the Special Act or the by-laws of the company.

Allotment of stock.

119. If the Special Act makes no other definite provision, the stock of the company shall be allotted at such times and in such manner as the directors, by by-law or otherwise, prescribe.

Calls on stock.

120. The directors of the company may call in and demand from the shareholders thereof, respectively, all sums of money by them subscribed at such times and places and in such payments or instalments as the Special Act or this Act requires or allows.

Interest on amount unpaid.

2. Interest shall accrue and fall due at the rate of five per cent per annum, upon the amount of any unpaid call, from the day appointed for payment of such call.

Forfeiture of shares for default in paying calls.

121. If, after such demand or notice as by the Special Act or the by-laws of the company is prescribed, any call made upon any share or shares is not paid within such time as by such Special Act or by-laws is limited in that behalf, the directors, in their discretion, by resolution to that effect, reciting the facts and duly recorded in their minutes, may summarily declare forfeited any shares whereon such payment is not made.

Forfeited shares go to company.

2. Such shares shall thereupon become the property of the company, and shall be disposed of as the directors by by-law or otherwise prescribe.

Restriction as to transfer.

122. No share shall be transferable, until all previous calls thereon have been fully paid, or until it is declared forfeited for non-payment of a call or calls thereon.

Salaries of directors and officers.

123. No salary, compensation or emolument shall be paid to any director of a company authorized to transact life insurance for his services as such director unless authorized by a vote of the members in the case of a mutual company, and by a vote of the shareholders and other members, if any, in the case of a company having capital stock. No salary, compensation or emolument shall be

paid to any officer or trustee of any such company unless authorized by a vote of the directors, nor shall any salary, compensation or emolument amounting in any year to more than five thousand dollars be paid to any agent or employee unless the contract under which such amount becomes payable has been approved by the board of directors.

Stock book to be kept containing:

124. The company shall cause a book or books to be kept by the secretary, or by some other officer specially charged with that duty, wherein shall be kept recorded

Names of shareholders;

(a) the names, alphabetically arranged, of all persons who are or have been shareholders;

Address and calling;

(b) the address and calling of every such person, while such shareholder;

Number of shares;

(c) the number of shares of stock held by each shareholder;

Amount paid in;

(d) the amounts paid in, and remaining unpaid, respectively, on the stock of each shareholder;

Transfers of stock;

(e) all transfers of stock, in their order as presented to the company for entry, with the date and other particulars of each transfer, and the date of the entry thereof; and

Names, addresses and calling of directors.

(f) the names, addresses and calling of all persons who are or have been directors of the company, with the several dates at which each became or ceased to be such director, and distinguishing in the case of a life company between shareholders' directors and policyholders' directors.

Powers of directors as to entries of transfers.

125. The directors may allow or refuse to allow the entry in any such book or books, of any transfer of stock whereof the whole amount has not been paid.

Transfer valid only after entry.

126. No transfer of stock, unless made by sale under execution or under the decree, order or judgment of a court of competent jurisdiction, shall be valid for any purpose whatsoever until entry thereof has been duly made in such book or books, except for the purpose of exhibiting the rights of the parties thereto towards each other, and of rendering the transferee liable, in the meantime, jointly and severally with the transferor to the company and its creditors.

Exception.

Stock books to be open for inspection.

127. Such books shall, during reasonable business hours of every day, except Sundays and holidays, be kept open for the inspection of shareholders and creditors of the company, and their personal representatives, and in the case of life companies of the participating policyholders, at the head office or chief place of business of the company,

and every shareholder, creditor or personal representative and participating policyholder may make extracts therefrom.

Entries falsely made or neglected.

128. Every director, officer or servant of the company who knowingly makes or assists in making any untrue entry in any book required by this Part to be kept by such company, or who refuses or wilfully neglects to make any proper entry therein, or to exhibit the same, or to allow the same to be inspected and extracts to be taken therefrom, is guilty of an indictable offence, and liable to imprisonment for any term not exceeding two years.

Penalty.

Neglect to permit inspection.

129. Every company which neglects to keep open for inspection, as required by this Part, any book or books required by this Part to be kept by such company shall forfeit its corporate rights.

Penalty.

Liability of shareholder to creditors.

130. Every shareholder shall, until the whole amount of his stock has been paid up, be individually liable to the creditors of the company to an amount equal to that not paid up thereon; but shall not be liable to an action therefor by any creditor until an execution against the company at the suit of such creditor has been returned unsatisfied in whole or in part.

Limit of liability.

2. The amount due on such execution, not exceeding the amount unpaid by the shareholder on his stock, shall be the amount recoverable with costs from such shareholder.

Limitation of liability of shareholders.

131. The shareholders of the company shall not, as such, be held responsible for any act, default or liability whatsoever, of the company, or for any engagement, claim, payment, loss, injury, transaction, matter or thing whatsoever, relating to or connected with the company, beyond the amount of their respective shares in the capital stock thereof.

Trustees not personally liable.

132. No person holding stock in the company as an executor, administrator, tutor, curator, guardian or trustee shall be personally subject to liability as a shareholder; but

Estate liable.

the estate and funds in the hands of such person shall be liable in like manner and to the same extent as the testator, or intestate if living, or the minor, ward or interdicted person or the person interested in such trust fund if competent to act and holding such stock in his own name, would be liable.

Pledgor only liable.

2. No person holding stock in the company as collateral security shall be personally subject to liability as a shareholder; but the person pledging such stock shall be considered as holding the same and shall be liable as a shareholder accordingly.

Notice.

133. In the absence of other provisions in that behalf in the Special Act or in the by-laws of the company or in this Act, notice of the time and place for holding general meetings of the company shall be given at least ten days previously thereto, in some newspaper published at the place in which the head office or chief place of business of the company is situated, or if there is no newspaper there published, then in the newspaper published nearest thereto.

Arrears prevent voting.

134. No shareholder who is in arrear in respect of any call shall vote at any meeting of the company.

One vote for each share.

2. In the absence of other provisions, in manner aforesaid, every shareholder shall be entitled to as many votes at all general meetings of the company as he owns shares in the company, and may vote by proxy.

Proxies.

Trustees and pledgors may vote as shareholders.

135. Every executor, administrator, tutor, curator, guardian or trustee shall represent the stock in his possession in his fiduciary capacity at all meetings of the company, and may vote as a shareholder; and every person who pledges his stock may, notwithstanding such pledge, represent the said stock at all such meetings, and vote as a shareholder.

Special meetings may be called by shareholders.

136. Shareholders who hold one-fourth part in value of the subscribed stock of the company may at any time by written requisition signed by them call a special general meeting of the company for the transaction of any business specified in such requisition, and in the notice made and given for the purpose of calling such meeting.

Contracts by agents and officers.

137. Every contract, agreement, engagement or bargain made, and every bill of exchange drawn, accepted or endorsed, and every promissory note and cheque made, drawn or endorsed on behalf of the company, by any agent, officer or servant of the company, in general accordance with his powers as such under the by-laws of the company, shall be binding upon the company.

Affixing seal unnecessary.

2. In no case shall it be necessary to have the seal of the company affixed to any such contract, agreement, engagement, bargain, bill of exchange, promissory note or cheque or to prove that the same was made, drawn, accepted or endorsed, as the case may be, in pursuance of any by-law or special vote or order.

Agent or officer not liable.

3. The person so acting as agent, officer or servant of the company, shall not be thereby subjected individually to any liability whatsoever to any third person therefor.

Company not liable as to execution of trusts.

138. The company shall not be bound to see to the execution of any trust, whether express, implied or constructive, in respect of any share.

Receipt of shareholders a discharge.

2. The receipt of the shareholder in whose name any share stands in the books of the company, shall be a valid and binding discharge to the company for any dividend or money payable in respect of such share, and whether or not notice of such trust has been given to the company.

Application of money.

3. The company shall not be bound to see to the application of the money paid upon such receipt.

Liability of directors declaring and paying dividends when company is insolvent.

139. If the directors of the company declare and pay any dividend when the company is insolvent, or any dividend, the payment of which renders the company insolvent, or diminishes the capital stock thereof, they shall be jointly and severally liable, as well to the company as to the individual shareholders and creditors thereof, and, in the case of a life company, to the participating policyholders, for all the debts of the company then existing, and for all thereafter contracted during their continuance in office respectively.

Exoneration from liability.

2. If any director present when such dividend is declared does forthwith, or if any director then absent does, within five days after he becomes aware of such dividend being declared and is able so to do, enter on the minutes of the board of directors his protest against the same, and within eight days thereafter publishes such protest in at least one newspaper published at the place in which the head office or chief place of business of the company is situated, or if there is no newspaper there published, in the newspaper published nearest thereto, such director may thereby and not otherwise, exonerate himself from such liability.

Liability of directors for transfer of shares.

140. Whenever entry is made in the company's book of any transfer of stock not fully paid up, to a person who is not apparently of sufficient means, the directors shall be jointly and severally liable to the shareholders and creditors of the company, and, in the case of a life company, to the participating policyholders thereof, in the same manner and to the same extent as the transferring shareholder, except for such entry, would have been liable.

Exoneration from liability.

2. If any director present when such entry is allowed does forthwith, or if any director then absent does within five days after he becomes aware of such entry, and is able so to do, enter on the minute book of the board of directors, his protest against such transfer, and within eight days thereafter publishes such protest in at least one newspaper published at the place in which the head office or chief place of business of the company is situated, or if there is no newspaper there published, then in the newspaper published nearest thereto, such director may thereby, and not otherwise, exonerate himself from such liability.

Liability in case of loans by company to directors or officers.

141. If any loan is made by the company to any director or officer of the company in violation of the provisions of this Part, all directors and other officers of the company who make the same or assent thereto shall be jointly and severally liable to the company for the amount of such loan, and also to third persons to the extent of such loan, with lawful interest, for all debts of the company contracted from the time of the making of such loan to that of the repayment thereof.

Liability of directors for wages unpaid.

142. The directors of the company shall be jointly and severally liable to the clerks and servants thereof, for all debts, not exceeding one year's wages, due for services performed for the company whilst they are such directors respectively.

Limitation as to time.

2. No director shall be liable to an action therefor, unless the company is sued therefor within one year after the debt became due, nor unless such director is sued therefor within one year from the time when he ceased to be such director, nor unless an execution against the company at the suit of such clerk or servant is returned unsatisfied in whole or in part.

Amount recoverable.

3. The amount unsatisfied on such execution shall be the amount recoverable with costs from the directors.

No loan to directors or officers.

143. The company shall not loan any of its funds to any director or officer thereof, or to the wife or child of any such director or officer, except that a company authorized to transact life insurance may lend to any director or officer thereof on the security of the company's own policies.

Enforcement of payments of calls.

144. The company may enforce payment of all calls and interest thereon, by action in any court of competent jurisdiction.

Form of action.

145. In such action it shall not be necessary to set forth the special matter, but it shall be sufficient to declare that the defendant is a holder of one share or more, stating the number of shares, and is indebted to the company in the sum of money to which the calls in arrear amount, in respect of one call or more, upon one share or more, stating the number of calls and the amount of each call, whereby an action has accrued to the company under this Part.

Service of process on company.

146. Service of any process or notice upon the company may be made by leaving a copy thereof at the head office or chief place of business of the company, with any adult person in charge thereof, or elsewhere with the president or secretary of the company.

Constructive service.

2. If the company has no known office or chief place of business, and has no known president or secretary, the court may order such publication as it deems requisite to be made in the premises, for at least one month, in at least one newspaper, and such publication shall be deemed to be due service upon the company.

ublication.

Actions against shareholders.

147. Any description of action may be prosecuted and maintained between the company and any shareholder thereof.

Winding-up Act to apply.

148. The company shall be subject to the provisions of any general Act for the Winding-up of joint stock companies.

Evidence of by-laws.

149. A copy of any by-law of the company, under its seal, and purporting to be signed by any officer of the company, shall be received as *prima facie* evidence of such by-law in all courts in Canada.

Books of company *prima facie* evidence.

150. All books required by this Part to be kept by the secretary or by any other officer of the company charged with that duty shall, in any suit or proceeding be, as against the company or against any shareholder, *prima facie* evidence of all facts purporting to be therein stated.

Proof of being a shareholder.

151. In any action by any company to enforce payment of any call or interest thereon, a certificate under the seal of the company and purporting to be signed by any officer of the company to the effect that the defendant is a shareholder, that the call or calls have been made, to enforce payment of which or of any interest thereon such action has been brought, and that so much is due by him and unpaid thereon, shall be received in all courts as *prima facie* evidence.

Cost of incorporation chargeable to shareholders.

152. The entire cost of procuring the incorporation and subscriptions for stock shall be charged directly to the account of the shareholders and the amount thereof fixed by percentage on the capital stock or fixed in bulk and shown on the face of the form of the stock subscription contract, and shall not form a charge upon or be paid out of the paid-up capital nor from the insurance funds, nor be in any way chargeable directly or indirectly against the policyholders.

Statement of expenses of organization.

153. At the time application is made for a licence under this Act by a company there shall be submitted to the Minister a sworn statement setting forth the several sums of money paid in connection with the incorporation and

organization of the company, and such statement shall, in addition, include a list of all the unpaid liabilities, if any, in connection with or arising out of such incorporation and organization;

To what limited.

2. Until the licence is granted, no payments on account of incorporation and organization expenses shall be made out of the moneys paid in by shareholders, except reasonable sums for the payment of clerical assistance, legal services, office rental, advertising, stationery, postage and expenses of travel, if any.

Conditions precedent to issue of license.

3. The Minister shall not issue the licence until he is satisfied that all the requirements of this Act and of the Special Act incorporating the company, as to the subscriptions to the capital stock, the payment of money by shareholders on account of their subscriptions, the election of directors and other preliminaries have been complied with, and unless he is satisfied that the expenses of incorporation and organization, including the commission payable for the sale of the company's stock, are reasonable.

If licence not obtained shareholders to control payments.

154. If the company does not obtain a licence before the expiry of its Act of incorporation, and if stock books have been opened and subscriptions in whole or in part paid, no part of the money so paid, whether on account of capital or of premium on capital or accrued interest thereon, shall be disbursed for commissions, salaries, charges for services or for other purposes, except a reasonable amount for payment of clerical assistance, legal services, office rental, advertising, stationery, postage and expenses of travel, if any, unless it is so provided by resolution of the subscribers at a meeting convened after notice, at which the greater part of the money so paid is represented by subscribers or by proxies of subscribers; and each subscriber shall be entitled at such meeting to one vote for each ten dollars paid, either as capital or as premium on capital, on account of his subscription.

Meeting and application to court to fix amount of payments.

2. If the amount allowed by such resolution for commission, salaries or charges for services be deemed insufficient by the provisional directors or directors, as the case may be, or if no resolution for such purpose be passed after a meeting has been duly called, then the provisional directors or directors may apply to a judge of any superior or county court having jurisdiction where the head office of the company is situated, to settle and determine all charges and the reasonableness of the amount of the disbursements already made, to which such money and interest if any, shall be subject, before distribution of the balance to the subscribers.

Notice of meeting.

3. Notice of the meeting and notice of the application respectively referred to in the last preceding subsections shall be given by mailing the notice in the post office,

registered and post paid, at least twenty-one days prior to the date fixed for such meeting or the hearing of such application, to the several subscribers at their respective post office addresses as shown by the stock books; and each of such notices shall contain a statement, in summary form, of the several amounts for commissions, salaries, charges for services and disbursements which it is proposed shall be provided by resolution for payment, or settled and determined by a judge, as the case may be.

Voting.

4. Votes of subscribers may be given at such meeting by proxy, but the holder of such proxy must be himself a subscriber, and subscribers may be heard either in person or by counsel on such application.

Payments by subscribers.

5. In order that the sums paid and payable under the provisions of this section may be equitably borne by the subscribers, the provisional directors or the directors, as the case may be, shall, after the amount of such sums is ascertained as herein provided, fix the proportionate part thereof chargeable to each subscriber in the ratio of the number of shares in respect of which he is a subscriber to the total number of shares *bona fide* subscribed.

Making good of deficiency.

6. The respective amounts so fixed shall, before return to the subscribers of the sums paid in by them, be deducted therefrom, and if the respective sums paid in are less than the amounts so fixed, then the deficiency in each case shall be payable forthwith by the subscriber to the provisional directors or the directors, as the case may be.

How provided for.

7. The total of the amounts of deficiency mentioned in the last preceding subsection which the provisional directors or the directors are unable to get in or collect in what seems to them a reasonable time, shall, with any legal cost incurred, be deducted by them from the sums then remaining in their hands to the credit of the several subscribers in the ratio hereinbefore mentioned, the shares in respect of which no such collections have been made being eliminated from the basis of calculation.

Return to subscribers.

8. The provisional directors or the directors, after payment by them of the sums payable under this section, shall return to the subscribers, with any interest accretions, the respective balances of the moneys paid in by the subscribers.

Profits from participating policies.

155. In the case of life companies having a capital stock, whether called by the name of guarantee fund or any other name, the directors may from time to time set apart such portion of the net profits as they shall deem safe and proper for distribution as dividends or bonuses to shareholders and holders of participating policies, ascertaining the part thereof which has been derived from participating policies and distinguishing such part from the profits derived from other sources; and the holders of participating policies

shall be entitled to share in that portion of the profits so set apart which has been distinguished as having been derived from participating policies, (including a share of the profits arising from the sale of securities in the proportion of the mean participating fund to the mean total funds), to the extent of not less than ninety per cent thereof; and, before fixing or arriving at the amount of divisible profits, interest on the amount of unimpaired paid-up capital stock, but not including any premiums or bonuses paid thereon or in respect thereof which have been expended in the establishment, prosecution or extension of the company's business or applied to making good any impairment of capital, and on any other sum or sums from time to time standing at the credit of the shareholders, may be allowed or credited to such shareholders at the average net rate of interest earned in the preceding year or other period under consideration upon the mean invested funds of the company; such shareholders to be however charged with a fair proportion of all losses incurred upon investments or other losses of a similar character in proportion of the mean shareholders' fund to the mean total funds.

PART VII.

Provincial rights saved.

156. No provision of this Act shall be deemed or construed to have been made with the intent or object of regulating the contracts or other incidents of the business of insurance, as such, in any province, or of otherwise dealing with subject matters of legislation assigned exclusively to the legislatures of the provinces; and, in so far as any provision of this Act may hereafter be determined to have any operation or effect beyond the legislative competence of the Parliament of Canada to authorize and sanction and to be, in that respect, void and inoperative, it shall be treated as severable from the other provisions of this Act and such other provisions shall continue to have full force and effect according to their tenor.

157. *The Insurance Act.* Chapter one hundred and one of the *Revised Statutes, 1927*, is hereby repealed.

Section 50.

FIRST SCHEDULE.

MODEL BILL.

For Incorporation of Insurance Company.

An Act to incorporate the *(state the name of the Company)*.

WHEREAS the persons hereinafter named have by their petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. *(Insert names of the persons applying for incorporation)* together with such persons as become shareholders in the company, are incorporated under the name of *(state name of company)*, hereinafter called "the Company".

2. The persons named in section 1 of this Act *(or as the case may be)* shall be the provisional directors of the Company. *(The name, address and addition of each director must be given.)*

3. The capital stock of the Company shall be..... dollars, which may be increased to.....dollars.

4. The amount to be subscribed before the general meeting for the election of directors is called shall be .....dollars.

5. The Company shall not commence business until .....dollars of the capital stock have been subscribed and.....dollars paid thereon.

6. The head office of the Company shall be in the .....of....., in the province of.....

7. The Company may make contracts of insurance *(state particulars of the kinds of insurance intended to be carried on)*.

8. The Dominion Insurance Companies Status and Powers Act, 1932, shall apply to the Company.

Section 53.

SECOND SCHEDULE.

.....

(Name of Company.)

STATEMENT FOR THE YEAR ENDING DECEMBER 31, 19....

OFFICERS.

(As at date of filing statement.....19....)

President..... Vice-President.....

Secretary..... Manager.....

Actuary..... .....

Head Office.....

Organized (date).....

Acts of Incorporation and amending Acts (Acts and dates).....

.....

.....

.....

Commenced business (date).....

Amendments to charter since date of filing last statement.....

I. CAPITAL STOCK.

1. Authorized..... $.....
2. Subscribed..... .....
3. Paid in cash..... .....
4. Premium on capital stock paid by shareholders.....

NOTES RE CAPITAL STOCK.

Item 2.—Capital Stock forfeited for non-payment of calls is not to be included.

Item 3.—Only amounts for which payment has actually been made in cash are to be included.

II. SUMMARY BALANCE SHEET.

(a) Assets		*(b) Liabilities*	
1. Total ledger assets	$.....	1. Total liabilities	$.....
2. Deduct excess of total book value of ledger assets over total market value	$.....	2. Excess of assets over liabilities:—	
3. Add excess of total market value of ledger assets over total book value	$.....	(1) Capital stock paid in cash	$.....
4. Total ledger assets taken at market value	$.....	(2) Deficit	.....
5. Non-ledger assets	.....	*(3) Surplus	.....
6. Total assets	$		
7. Deduct assets not admitted	.....		
8. Total admitted assets	$	3. Total	$.....

*Including $..... surplus contingently apportioned to deferred dividend policies issued prior to January 1, 1911.

*In excess of $..... surplus absolutely apportioned to deferred dividend policies issued prior to January 1, 1911.

III. SYNOPSIS OF LEDGER ACCOUNTS.

1. As at December 31, 19 :—

(a) Net ledger assets	$.....	
(b) Borrowed money	.....	
(c) Bank overdraft	.....	
.....	.....	
.....	.....	
.....	.....	
.....	.....	
(d) Total ledger assets	$.....	

2. Increase in ledger assets in 193 :—

(a) Income	$.....	
(b) Amount by which ledger assets were written up *(Details in a separate schedule)*	.....	
(c) Increase in borrowed money	.....	
(d) Increase in bank overdraft	.....	
.....	.....	
.....	.....	
.....	.....	
(e) Total increase	$.....	
3. Total	$.....	

4. Decrease in ledger assets in 19 :—

(a) Disbursements	$.....	
(b) Amount by which ledger assets were written down *(Details in a separate schedule)*	.....	
(c) Decrease in borrowed money	.....	
(d) Decrease in bank overdraft	.....	
.....	.....	
.....	.....	
.....	.....	
(e) Total decrease	$.....	

5. As at December 31, 19 :—

(a) Net ledger assets	$.....	
(b) Borrowed money	.....	
(c) Bank overdraft	.....	
.....	.....	
.....	.....	
.....	.....	
.....	.....	
(d) Total ledger assets	$.....	
6. Total	$.....	

Notes *re* Items in the Summary Balance Sheet.

II. Items 2 and 3. Enter the full amount even if not extended or if only a portion is extended.

IV. ASSETS.

Ledger Assets		
1. Book value of real estate (less $.....encumbrances) held by the Company *(Details in Schedule A)*	$.....	.....
1 (a) Book value of real estate held under agreements of sale *(Details in a separate schedule)*	.....	.....
2. Mortgage loans on real estate, first liens $.....; other than first lien $..... *(Details in a separate schedule)*		
3. Loans secured by bonds, stocks or other marketable collaterals *(Details in Schedule B)*	.....	.....
4. Amounts as above on which interest has been overdue for one year or more previous to statement:— Agreements of sale, $.....; mortgages, $.....; collateral loans, $.....; total, $..... *(Details of each item in a separate schedule).*		
5. Amount secured by the Company's policies in force, the reserve on each policy being in excess of all indebtedness:—		
(a) Loans to policyholders..... $.....		
(b) Advances to policyholders under automatic non-forfeiture provisions.....		
(c) Premium obligations.....	.....	.....
6. Book value of bonds, debentures and debenture stocks owned by the Company *(Details in Schedule C)*	.....	.....
7. Book value of stocks owned by the Company *(Details in Schedule D)*	.....	.....
8. Cash:—*(a)* At head office, $.....; *(b)* in banks, $..... *(Details in Schedule E)*	.....	.....
9. All other ledger assets *(Details in a separate schedule)*	.....	.....
10. TOTAL LEDGER ASSETS	$.....	.....
11. Deduct excess of total book value of real estate, bonds, debentures and stocks over total market value	.....	.....
12. Add excess of total market value of real estate, bonds, debentures and stocks over total book value	.....	.....
13. Total ledger assets taken at market value	$.....	.....

Non-Ledger Assets.

	(1) Due.	(2) Accrued.		
14. Interest dividends and rents, due and accrued:—				
(a) Interest or dividends on—				
(1) Mortgages	$.....	$.....		
(2) Sale agreements	.....	.....		
(3) Collateral loans	.....	.....		
(4) Bonds and debentures	.....	.....		
(5) Stocks	.....	.....		
(6) Premium notes, policy loans and liens	.....	.....		
(7) Other assets (*Details in a separate schedule*)	.....	.....		
(8) Totals	$.....	$.....		
(b) Rents	.....	.....		
15. Total interest, dividends and rents, due and accrued	-.....	$.....	.....	$..... .....
16. Due from other licensed companies on reinsured contracts for losses or claims paid				....

IV. ASSETS.—*Concluded.*

	(1) First Year	(2) Renewal	(3) Single.		
17. (1) Gross premiums, less reinsured:—					
(a) Due and uncollected	$.....	$	$.....		
(b) Deferred	.....	.....	.....		
(c) Totals	$.....	$.....	$.....		
(2) Deduct commissions and estimated loss in collection	.....	.....	.....		
(3) Net premiums due and uncollected, and deferred	$.....	$.....	$.....		
18. (1) Consideration for annuities, less reinsured:—					
(a) Due and uncollected	$.....	$.....	$.....		
(b) Deferred	.....	.....	.....		
(c) Totals	$.....	$.....	$.....		
(2) Deduct commissions and estimated loss in collection	.....	.....	.....		
(3) Net consideration for annuities due and uncollected, and deferred	$.....	$.....	$.....		
19. All other assets:—					
.....				.....	.....
20. TOTAL NON-LEDGER ASSETS				$.....	.....
21. Deduct assets not admitted:—					
Office furniture			$.....		
.....			.....		
.....			.....		
.....			.....		
.....			.....		
.....			.....		
.....			.....	.....	.....
22. *TOTAL ADMITTED ASSETS				$.....	.....

*Give a list of any assets owned by the company which have been completely written off and which are not included in the Assets shown above.

NOTES RE ITEMS IN THE ASSETS.

Item 1 (a)—Real estate held under an agreement of sale should in no case be included in mortgages. Where real estate is sold in consideration of a cash payment of less than 40% and the balance on mortgage, the mortgage is to be returned as an agreement of sale until the amount thereof unpaid is reduced to 60% of the sale price. The details of Item 1 (a) may be given in the Mortgage Registers under the designation, "Agreements of Sale", the sale price being entered in the valuation column.

Item 2.—Two or more successive liens on the same property held by the same company are, for the purposes of this item, to be dealt with as though the whole amount were loaned under the first of such liens.

Item 4.—The details in the schedule for this item should show: (1) the loan number or agreement of sale number; (2) the principal outstanding; (3) charges; (4) interest due and accrued separately; and, (5) date up to which interest is charged.

Items 11 and 12.—Enter the full amount even if not extended or if only a portion is extended. Delete from the description of these items any classes of investments not in the Assets of the company.

Items 17 and 18.—Only premiums and annuity consideration on contracts in force (that is, included in the Statement of Actuarial Liabilities) are to be included in these Items. Premiums and annuity consideration subject to temporary or permanent reduction through application of dividends are to be entered for the full original amount, the amount of the reduction on outstanding premiums so included in the assets being shown against item V, 8.

V. LIABILITIES.

1. Net liability under assurance, annuity, and supplementary contracts in force for payments not due, dependent on life, disability or any other contingency or on a term certain *(See Statement of Actuarial Liabilities)*							$.....	.....
2. Net surrender values claimable under cancelled contracts							.....	.....
3. Net liability for payments due under contracts:—								
		(1) Death Losses.	(2) Matured Endowments.	(3) Annuity Claims	(4) Supplementary Contracts.	(5) Disability Claims.		
(a) Adjusted but unpaid.	Ordinary	$.....	$.....	$.....	$.....	$.....		
	Industrial	.....	.....	.....	.....	.....		
	Group	.....	.....	.....	.....	.....		
(b) Unadjusted	Ordinary	.....	.....	.....	.....	.....		
	Industrial	.....	.....	.....	.....	.....		
	Group	.....	.....	.....	.....	.....		
(c) (1) Resisted, in suit.	Ordinary	.....	.....	.....	.....	.....		
	Industrial	.....	.....	.....	.....	.....		
	Group	.....	.....	.....	.....	.....		
(2) Resisted, not in suit.	Ordinary	.....	.....	.....	.....	.....		
	Industrial	.....	.....	.....	.....	.....		
	Group	.....	.....	.....	.....	.....		
(d) Totals	Ordinary	$.....	$.....	$.....	$*.....	$.....		
	I dustrial	.....	.....	.....	.....	.....		
	Group	.....	.....	.....	.....	.....	.....	.....
4. (a) Provision for unreported death losses and disability claims							.....	.....
(b) Provision for disability claims intimated but not admitted							.....	.....
5. Amounts left with the Company (arising out of assurance contracts) including interest accumulations							.....	.....
6. Received from policyholders in advance:—*(a)* Premiums, $.....;								
(b) interest, $							.....	.....
7. Net dividends to policyholders due and unpaid							.....	.....
8. Premium reductions on outstanding premiums and annuity consideration							.....	.....
9. Net profits credited to deferred dividend policies issued on and after January 1, 1911							.....	.....
9a. Net profits credited to deferred dividend policies issued prior to January 1, 1911							.....	.....
10. Provision for profits to policyholders (other than deferred dividends) payable in the year following the date of account							.....	.....
11. Provision for accrued profits to policyholders not included above							.....	.....
12. Dividends to shareholders due and unpaid							.....	.....
13. Balance of shareholders' surplus account							.....	.....

*Including $..... under supplementary contracts not involving life contingencies.

V. LIABILITIES—*Continued.*

14. Provincial, municipal and other taxes due and accrued	$.....	.....
15. Salaries, rents and office expenses, due and accrued	.....	.....
16. Medical examiners' fees due and accrued, $.....; legal fees due and accrued, $.....	.....	.....
17. Commissions to agents due and accrued	.....	.....
18. Advance payments other than from policyholders:— *(a)* Rents, $.....; *(b)* interest, $.....; *(c)* all other amounts, $.....	.....	.....
19. Borrowed money, $.....; interest thereon due and accrued, $.....	.....	.....
20. Bank overdrafts *(Details in Schedule E)*	.....	.....
21. Reserve, special, or surplus funds not included above *(Give items and amounts)*:—.		
.....		
.....	.....	.....
22. All other liabilities due and accrued *(Give items and amounts excluding capital)*:—.		
.....		
.....	.....	.....
23. TOTAL LIABILITIES	.....	.....

NOTES RE ITEMS IN LIABILITIES.

Items 3 *(b)*, (1) to (5).—Claims reported prior to the close of the year but for which proofs have not been filed are to be included in these items as well as all other adjusted claims. "Disability claims" is to include payments due under "disability annuities."

Item 5.—"Interest accumulations" is to include accrued interest to the date of account, but the accrued interest need not necessarily be calculated separately for each individual amount left with the company.

Item 10.—The wording of this item should, if practicable, be amended by each company so as to indicate the nature of the provision made, as for example, "the present value of the accrued portion of profits payable, etc.", or "the total estimated amount of profits payable, etc.", or such other special provision as is made by the company; or the nature of the provision made may be described in a foot-note.

Item 11.—Any company making provision for accrued profits in addition to amounts shown against items 9 and 10 should show the amount of the provision against this item, amending the wording or inserting a foot-note to properly describe the provision made.

Item 17.—This item should include any balance to the credit of any agent working under an "advance contract."

Item 21.—If the whole or any part of a reserve fund is required to cover the excess of total book value of ledger assets over total market value, the amount so required should be shown parenthetically or otherwise.

NOTES RE ITEMS IN INCOME.

Item 1.—The premiums for contracts classed in the Assurance Section of the Statement of Actuarial Liabilities are to be shown against this item. The full amounts are to be entered without deduction for commission or expenses, or for reduction by application of dividends. The cash equity of any assurance contract or benefit or of any part thereof which is applied to purchase a new *assurance* contract or benefit or to continue any *assurance* contract or benefit in accordance with the terms of the original contract is only to be included in "assurance premiums" provided the new or continued contract or benefit may properly be included among "new issued" in the "Exhibit of Policies." Premiums or any portion thereof which have ceased or do not fall due, temporarily or permanently, on account of the failure, change, or termination of the status on which payment of the premium was dependent, as, for example, the failure of a life or lives, the completion of or survival by a life or lives of a term of years, the occurrence of disability, etc., etc., the contract being still in force, are not to be included in the income nor in the disbursements.

Item 2.—The same as above, mutatis mutandis. This item does not include supplementary contracts nor disability annuities.

Item 5.—If the benefit arising out of a death claim or a matured endowment (see VII, 1) is payable otherwise than in one sum the cummuted value of the benefit (including any payments due on acceptance of proof of claim) is to be entered as a death claim or a matured endowment in VII, 1, and the same commuted value as income under this item. If the payment of any portion of the benefit is dependent on life contingencies, the commuted value of the whole benefit is to be included in *(a)* of this item; otherwise the commuted value is to be included in *(b)*. Annuity or instalment benefits payable during the continuance of disability are not to be dealt with in this manner; but if as a consequence of the occurrence of disability an annuity certain becomes payable, the commuted value of the annuity certain should be entered as a disability claim in item 1 page 10, and should be included in item 5 (b) page 9.

V. LIABILITIES—*Concluded.*

Item 10.—Payments on capital stock by application of a stock dividend are to be shown separately.

NOTE.—Amounts recovered on assets written off are not to be included in Income but may be used in writing up assets.

Item 6 *(a)*.—See VII, 1 *(c)* (2).

Premiums included in VI, 1, for benefits granted under life assurance contracts, other than life assurance benefits.

Premiums for--	Gross received	Paid for reinsurance	Net
(a) Disability benefits	$.....	$.....	$.....
(b) Additional accidental death benefits	.....	.....	.....

(Not to be included in VI, 1)

Premiums waived on account of disability:—Gross, $....., reinsured $.....; net, $.....

VI. INCOME.

	(1) First Year.	(2) Renewal.	(3) Single.		
1. *(a)* Assurance premiums *(ordinary)*	$.....	$.....	$*.....		
(b) Less reinsurance premiums paid	.....	.....	.....		
(c) Total net premiums	$.....	$.....	$.....	$.....	.....
2. *(a)* Consideration for annuities *(ordinary)*	$.....	$.....	$†.....		
(b) Less reinsurance consideration paid	.....	.....	.....		
(c) Total net consideration for annuities	$.....	$.....	$.....	.....	.....
3. *(a)* Consideration for sinking-fund and capital redemption assurances	$.....	$.....	$.....	.....	.....
(b) Total industrial premiums				.....	.....
(c) Total group premiums:—gross, $.....; reinsurance $; .....net				.....	.....
(d) Total group annuity premiums				.....	.....
4. TOTAL NET PREMIUM INCOME AND CONSIDERATION FOR ANNUITIES				$.....	.....
5. Consideration for supplementary contracts:— *(a)* Involving life contingencies, $.....; *(b)* not involving contingencies, $				.....	.....
6. Amounts left with the Company at interest (arising out of assurance contracts):- *(a)* Dividends, $.....; *(b)* amounts assured, $..... *(c)* all other amounts, $				.....	.....
7. Interest, dividends and rents:— *(a)* Gross interest or dividends on— (1) Mortgages (less $..... paid for accrued interest on mortgages acquired during year)			$.....		
(2) Agreements of sale			.....		
(3) Collateral loans			.....		
(4) Bonds and debentures (less $..... paid for accrued interest on bonds acquired during year)			.....		
(5) Stocks			.....		
(6) Premium notes....., policy loans and liens			.....		
(7) Other assets (*Details on page 8*)			.....		
(8) Total			$.....		

VI. INCOME—*Concluded*

7. Interest, dividends and rents—*Concluded*		
(*b*) Gross rents for Company's property (including $..... for Company's occupancy of its own buildings), less $..... for taxes, expenses and repairs in connection with such properties (see VII, 10).....	.....	
8. TOTAL INTEREST, DIVIDENDS AND RENTS.....	.....	.....
9. Advances made to agents in previous years and recovered during the year....		
10. Income from all other sources (*Details on the blank lines following in paragraph form*):—		
(*a*) Staff Pension Fund contribution: by employees, $....., by the Company, $.....		
.....		
.....	.....	.....
11. Gross profit on sale or maturity of ledger assets:—		
Real estate, $.....; bonds, $.....; stocks, $.....	.....	.....
12. TOTAL INCOME.....	$.....	.....

* Including $.....single premiums paid by application of assurance dividends and $..... single premiums paid by application of amounts on deposit withdrawn. (The total of item VII, 1 (c) (3).)

† Including $.....consideration for annuities paid by application of annuity dividends.

VII. DISBURSEMENTS.

1. In respect of assurance contracts:—		(1) Death Claims	(2) Matured Endowments.	(3) Disability Claims.		
(*a*) Death, endowment and disability claims—						
(1) Amount assured	Ordinary...	$.....	$.....	$.....		
	Industrial...	.....	.....	.....		
	Group.....	.....	.....	.....		
(2) Bonus addition	Ordinary...	.....	.....	.....		
	Industrial...	.....	.....	.....		
	Group.....	.....	.....	.....		
(3) Totals	Ordinary...	$.....	$.....	$.....		
	Industrial...	.....	.....	.....		
	Group.....	.....	.....	.....		
(4) Less received for reinsured.....		.....	.....	.....		
(5) Net totals	Ordinary...	$.....	$.....	$.....		
	Industrial...	.....	.....	.....		
	Group.....	.....	.....	.....		
(*b*) Net surrender values.....					.....	.....
(*c*) Net dividends—						
(1) In cash.....				$.....		
(2) Left with the company at interest.....				.....		
(3) Applied as single premiums:—						
(*a*) To purchase bonus addition.....			$.....			
(*b*) To purchase premium reduction.....			.....			
(*c*) To shorten the endowment or premium period.....			.....	.....		
.....			.....	.....		
(4) Total net dividends.....					.....	.....

VII. DISBURSEMENTS—*Continued*

2. Total net disbursements in respect of assurance contracts	$.....	.....
3. In respect of life annuity contracts:—		
(*a*) Cash payments to annuitants (less $.....reinsured).. $.....		
(*b*) Net surrender values.....	.....	
(*c*) Net dividends: (1) In cash, $.....; (2) left with the company at interest, $.....; (3) applied to increase annuity, $.....; (4) applied in reduction of annuity consideration, $.....	.....	.....
(*d*) In respect of sinking-fund and capital redemption assurances.....	.....	.....
4. TOTAL NET DISBURSEMENTS IN RESPECT OF ASSURANCE AND ANNUITY CONTRACTS.....	$.....	.....
5. Payments from Staff Pension Fund.....	.....	.....
6. Net payments on supplementary contracts:— (*a*) Involving life contingencies, $.....; (*b*) not involving life contingencies, $.....	.....	.....
7. Net reduction in premiums resulting from application of dividends.....	.....	.....
8. Amounts left with the company and interest accumulations withdrawn.....	.....	.....
9. Interest or dividends to shareholders (including $.....applied to in payment of capital stock).....	.....	.....
*10. Taxes, licences and fees (including taxes on investments but excluding taxes on real estate [see VI, 7 (*b*)]).....	.....	.....
*11. Head office expenses:—Salaries, $.....; directors' fees, $.....; auditors' fees, $.....; travelling expenses, $.....; rents, $.....; .....; miscellaneous, $.....	.....	.....
*12. Branch office and agency expenses:—Assurance commissions—first year, $.....; renewal, $.....; single, $.....; commuted renewals, $.....; Annuity commissions—first year, $.....; renewal, $.....; single, $.....; advanced to agents, $.....; salaries, $.....; travelling expenses, $.....; rents, $.....; .....; miscellaneous, $.....	.....	.....
*13. All other expenses:—Advertising, $.....; books and periodicals, $.....; express, telegrams and telephones, $.....; legal fees, $.....; medical fees, $.....; office furniture, $.....; postage, $.....; printing and stationery, $.....; commissions on loans, $.....; appraisement expenses, $.....; .....miscellaneous, $.....	.....	.....
14. All other disbursements:—(*a*) Payment to Staff Pension Fund.....	.....	.....
15. Gross loss on sale or marurity of ledger assets:—(*a*) Bonds exchanged for higher yield or longer term securities, $.....; (*b*) bonds other than those included in (*a*), $.....; (*c*) stocks, $.....; (*d*) real estate, $.....	.....	.....
16. TOTAL DISBURSEMENTS.....	$.....	.....

VII. DISBURSEMENTS—*Concluded*

* Investment expenses included in these items:—Salaries: Head Office, $..... ; Branch Offices, $.....; travelling expenses: Head Office, $.....; Branch offices, $..... taxes on investments, $.....; commissions on loans, $.....;.....; appraisement expenses, $.....; rents, $.....; directors' fees, $.....; ....miscellaneous, $.....; total investment expenses, $.....

NOTE.—In respect of any item of expenditure only partly incurred in the care and management of investments an apportionment is to be made to investment expenses as shown above believed to represent that portion of the item so incurred. The several items of investment expenses are to be given as an item of account, not as a percentage of ledger assets, interest or some other item of account.

NOTES RE ITEMS IN DISBURSEMENTS.

Item 1 (*a*).—Death claims and matured endowments payable otherwise than in one sum are to be entered for the commuted value only (including any payments due on acceptance of proof of claim). In respect of disability claims only payments made to the policyholder on the occurrence of or during the continuance of disability are to be included; provided that if an annuity certain becomes payable on account of the occurrence of disability, the commuted value of the annuity certain should be included in "disability claims" and in VI, 5 (*b*). Any payment made at death following disability (not having fallen due prior to death) together with the commuted value of any instalment payments to be made thereafter is to be included in "death claims" and in VI, 5 (*b*); and, similarly any payment falling due on the completion of an endowment period together with the commuted value of payments to be made thereafter, independently of the continuance of disability, is to be included in "matured endowments" and in VI, 5 (*b*). Premiums, or any portion thereof, which have ceased, temporarily or permanently, on account of the failure, change or termination of the status on which payment was dependent, as, for example, the failure of a life or lives, the survival by a life or lives of a term of years, the occurrence of disability, etc., the contract being still in force, are not to be included in the disbursements nor in the income.

Item 1 (*b*).—The cash equity of any *assurance* contract or benefit or of any part thereof which is applied to purchase a new *assurance* contract or benefit or to continue any *assurance* contract or benefit in accordance with the terms of the original contract is only to be included in "surrender values" provided the new or continued contract or benefit may properly be included among "new issued" in the "Exhibit of Policies".

Item 1 (*c*).—"Dividends to Policyholders" is to be divided into three classes on the following principles:—If taken in cash, applied to the payment of a loan, applied in payment of a premium (not in reduction of future premiums), or applied to the purchase of any benefit outside the provisions of the contract or in any other way which is, in effect, the same as cash, the dividend is to be regarded as a cash payment; if left on deposit with the company the amount is to be shown against (2), but interest credited to dividends so left on deposit must not be included in this nor in any other dividend item; and if applied to purchase a future benefit as a part of the original contract the cash value of the dividend so applied is to be classed as "single premium" under (3) and included in VI, 1 (*a*) (3). (NOTE.—Dividends "applied as single premiums to purchase premium reduction" does not include dividends applied as cash in payment of the premium next falling due only. If the annual premium is payable in instalments (not true fractional premiums), and if the dividend is applied to reduce the instlaments of the annual premium equally or otherwise, the dividend is to be treated as a cash dividend, and the amount thereof unpaid at December 31, is to be treated as due but unpaid.)

Item 3.—See above for Item 1, mutatis mutandis.

Item 6.—If a supplementary contract involves life contingencies the current payments thereunder during the continuance of the life or lives are to be shown against (*a*) even though made under the term certain portion of the contract, if any; otherwise the amount is to be shown against (*b*). Payments due on acceptance of proof of claim are to be included in this item when paid.

Item 7.—The reductions in premiums paid in the year due to the application of dividends of the year and of previous years "to purchase premium reduction" are to be shown against this item.

Item 10.—Include shareholders' income tax.

NOTE 1.—The amount entered against any "Net" item is to be found by deducting from the total payments during the year in respect of the item, the amount received during the year in respect of the item from reinsuring companies, whether in respect of payments made by the Company during the year or in previous years.

NOTE 2.—Interest paid on any amount disbursed in respect of assurance or annuity contracts for any period from the maturity date of the payment to the date of actual payment is not to be included in the disbursements but is to be deducted from interest income; if payment is made in advance of the maturity date at a discount, the net amount paid should be treated as a surrender value.

EXHIBIT OF ANNUITIES

(In respect of entries in this exhibit, "reinsured" means "reinsured in other companies licensed in Canada.")

Classification.	Life Annuities Proper.		Arising out of Life Assurance Contracts.						Totals.	
			Involving Life Contingencies. (Supplementary Contracts)		Not involving Life Contingencies. (Supplementary Contracts)		Disability Annuities.			
	No. (1)	Annual Payment. (2)	No. (3)	Annual Payment. (4)	No. (5)	Annual Payment. (6)	No. (7)	Annual Payment. (8)	No. (9)	Annual Payment- (10)
		$ cts.		$ cts.		$ cts.		$ cts.		$ cts.
1. At end of 19....										
2. New issued....										
3. Old revived....										
4. Old increased....										
5. Transferred to....	—	— — —	—	— — —			—	— — —		
6. Totals....										
Less ceased by:—										
7. Death....										
8. Expiry....										
9. Surrender....										
10. Lapse....										
11. Decrease....										
12. Recovery from disability....	—	— — —	—	— — —	—	— — —				
13. Not taken....										
14. Transfer from....	—	— — —			—	— — —				
15. Total ceased....										
16. At end of 19....										
17. Reinsured....	—		—		—		—		—	

Notes re Exhibit of Annuities

Annuities payable (except for a term certain) by reason of an assured life having become disabled are to be classed during the continuance of the life as "Disability Annuities." All other annuities arising out of life assurance contracts and involving life contingencies are to be classed as "Involving Life Contingencies" during the continuance of the life on which payment depends, and if payable thereafter for a term certain they are to be transferred from "Involving Life Contingencies" and transferred to "Not involving Life Contingencies." In the "Statement of Actuarial Liabilities" these annuities are to be classed as here indicated. If there should be any class of annuities not provided for in the exhibit, as for example original annuities certain, a specially prepared exhibit should be used with any necessary columns added. Vested annuities arising under Group Annuity Contracts should not be included in "Life Annuities Proper" nor in "Disability Annuities"; these should be shown in the "Exhibit of Group Annuities."

Notes re Exhibit of Policies (Ordinary) and Miscellaneous.

Note 1. Instalment policies and policies with deferred payments should be entered at the commuted value.

Note 2. "New issued" is not to include paid-up or extended insurance (or policies) granted in lieu of surrendered policies whether surrendered at the end of the deferred dividend period or at any other time), nor policies which are mere transfers or changes of former policies. The reduction in the face amount of the original policy, due to any such changes in the status of the policy, is to be shown opposite "decreased".

EXHIBIT OF ANNUITIES—*Concluded.*

NOTE 3. A policy surrendered on the completion of its deferred dividend period, is to be shown as ceased "by surrender" and not "by maturity" or "by expiry".

NOTE 4. "Not taken" is to include only policies which were never in force.

NOTE 5. "Ceased by disability" is to include only policies under which, by reason of the occurrence of disability, (1) the contract finally matures or terminates, and (2) the sum assured (*a*) becomes payable in instalments for a term certain, or (*b*) is reducible by amounts payable during the continuance of disability. From the time of the acceptance of proof of disability, contracts of class 2(a) above are to be regarded as supplementary contracts not involving life contingencies, while contracts of class 2 (b) are to be regarded as disability annuities and are to be so classed in "Exhibit of Annuities" and in the "Annuity Section" of the "Statement of Actuarial Liabilities". In the event of recovery from disability (2 (b) cases) the contract is to be restored to the "Exhibit of Policies" and to the Assurance Section" of the "Statement of Actuarial Liabilities".

NOTE 6. "Transferred to"; "Transferred from". These lines are to be used for changes from one class of policy to another, as for example a change from whole life or endowment assurance to extended term assurance. When a change in amount is made at the same time as a change in plan, the change in amount should appear as "increase" or "decrease".

NOTE 7. In "Miscellaneous," "new policies paid for in cash" should not include any policy unless validly issued, accepted and the whole of the first premium (whether quarterly, half-yearly or annual) paid in cash. If a part of the first premium was received in the year preceding the year of account and the balance in the year of account the policy is to be included for the year of account. Bonus additions should not be included.

NOTE 8. Re additional accidental death benefits.—"Gross amount issued" is to include only policies issued in the year of account. "Terminated by accidental death" is to include only policies so terminated in the year of account. "In force" is to include all policies in force at the end of the year of account, whether issued during that year or previously.

EXHIBIT OF GROUP ANNUITIES.

(In respect of entries in this Exhibit, "reinsured" means "reinsured in other companies licensed in Canada".)

Classification.	Number of Policies (1)	Deferred Annuities.		Vested Annuities.				Total.		
				Regular.		Disability.				
		Number of Employees. (2)	Annual Payment. (3)	Number of Employees. (4)	Annual Payment. (5)	Number of Employees. (6)	Annual Payment. (7)	Number of Policies. (8)	Number of Employees. (9)	Annual Payment. (10)
			$ cts.		$ cts.		$ cts.			$ cts.
1. At end of 19										
2. New policies issued										
3. New employees covered										
4. Transfer to										
5. Revived										
6. Increase										
7. Total										
Less ceased by:— 8. Surrender										
9. Death										
10. Withdrawal										
11. Reduction										
12. Transfer from										
13. Total ceased										
14. At end of 193										
15. Reinsured										

NOTE.—Vested annuities arising out of Group Assurance Contracts are not to be included in this Exhibit; they are to be included in the "Exhibit of Annuities".

EXHIBIT OF POLICIES (Ordinary)

(In respect of entries in this Exhibit and in "Miscellaneous" following, "reinsured" means "reinsured in other companies licensed in Canada".

Classification.	Whole Life.		Endowment Assurances		Term and Other.		Bonus Additions. (7)	Totals.	
	Number (1)	Amount. (2)	Number (3)	Amount. (4)	Number (5)	Amount. (6)		Number (8)	Amount. (9)
		$		$		$	$		$
1. At end of 19									
2. New issued									
3. Old revived									
4. Recovered from disability									
5. New bonus additions	— — —	— — — — —	— — —	— — — — —	— — —	— — — — —		— — —	
6. Old increased							— — — — —		
7. Transferred to									
8. Totals									
Less ceased by:—									
9. Death									
10. Maturity									
11. Expiry									
12. Disability									
13. Surrender									
14. Lapse									
15. Decrease									
16. Not taken									
17. Transfer from									
18. Total ceased									
19. At end of 19									
20. Reinsured	— — —		— — —		— — —			— — —	

Miscellaneous.

New policies paid for in cash:—Number,.....; gross amount, $.....; reinsured, $.....

Claims reinsured:—Death claims, $.....; matured endowments, $.....

Total amount in force divided as to dividend plan:—Annual, $.....; quinquennial, $.....; deferred, $.....;

.....

non-participating, $.....; total, $.....

Additional accidental death benefits:—Gross amount issued, $.....; reinsured, $.....; terminated by accidental death, $.....

reinsured, $.....; in force, $..... ; reinsured, $.....

Sinking fund and capital redemption policies (not to be included in the "Exhibit of Policies")—New issued,$.....; terminated, $.....;

in force, $.....

Note.—Are temporary additions (return premiums, etc.) to the sums assured included in the above Exhibit?..... If so, give details in summary form of the amounts so included.

EXHIBIT OF POLICIES. (Group)

(In respect of entries in this exhibit "reinsured" means "reinsured in other companies licensed in Canada".)

Classification	Whole Life.			Endowment Assurances.			Term			Bonus Additions.	Totals		
	Number		Amount	Number		Amount	Number		Amount		Number		Amount
	Policies (1)	Employees. (2)	(3)	Policies (4)	Employees (5)	(6)	Policies (7)	Employees (8)	(9)	(10)	Policies (11)	Employees (12)	(13)
			$			$			$	$			$
1. At end of 19													
2. New policies issued													
3. Old policies revived													
4. New employees insured during 19....after date of original issue of policy													
5. Employees recovered from disability													
6. Increase in insurance on individual lives													
7. Totals													
Less ceased:—													
Policies—													
8. By expiry													
9. By surrender													
10. By lapse													
Employees—													
11. By termination of employment:													
(a) With conversion													
(b) Without conversion													
12. By death													
13. By maturity													
14. By disability													
15. By decrease													
16. Total ceased													
17. At end of 19													
	— —	— — —		— —	— — —		— —	— — —			— —	— — —	
18. Reinsured													

Miscellaneous.

New policies paid for in cash:—Number,.....; gross amount, $.....; reinsured, $.....

Claims reinsured:—Death claims, $.....; matured endowments, $.....

Total amount in force divided as to dividend plan:—Annual, $.....; quinquennial, $.....; deferred, $.....; non-participating, $.....; total, $.....

Disability claims (net of reinsured) being paid in instalments:—Number.....; annual instalments, $.....; amount exposed to risk of death $.....

EXHIBIT OF NET INSURANCE IN FORCE (Ordinary) INCLUDING DISABILITY BENEFITS.

(Included in the Exhibit of Policies (Ordinary) except as noted below.)

Classification according to Nature of Disability Benefit.	No. (1)	Face amount assured less reinsured. (2)
1. Prior to the occurrence of disability:—		
(a) Participating—		
(1) Waiver of premiums only		$
(2) Waiver of premiums and the sum assured payable by instalments, the balance at death or maturity		
(3) Waiver of premiums and the sum assured payable by instalments during a term certain		
(4) Waiver of premiums and a disability annuity without reduction in the sum assured		
(5) Totals		$
(b) Non-participating—		
(1) Waiver of premiums only		
(2) Waiver of premiums and the sum assured payable by instalments, the balance at death or maturity		
(3) Waiver of premiums and the sum assured payable by instalments during a term certain		
(4) Waiver of premiums and a disability annuity without reduction in the sum assured		
(5) Totals		$
2. Grand Totals		$

EXHIBIT OF NET INSURANCE IN FORCE (Ordinary) INCLUDING DISABILITY BENEFITS—*Concluded.*

Classification according to Nature of Disability Benefit.	No. (1)	Net annual instalments and annuity payments. (2)	Amount exposed to risk of death less reinsured. (3)	Premiums waived less premiums on reinsured (4)
3. After the occurrence of disability, premiums having been waived:—		— — — —		
(a) Participating—				
(1) Premiums waived only	.....	$.....	$.....	$.....
(2) *Sum assured being paid by instalments.	.....	.....	.....	.....
(3) Disability annuity being paid without reduction in the sum assured	.....	.....	.....	.....
(4) All other contracts:—				
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
(5) Totals	.....	$.....	$.....	$.....
(b) Non-participating—		— — — —		
(1) Premiums waived only	.....	$.....	$.....	$.....
(2) *Sum assured being paid by instalments.	.....	.....	.....	.....
(3) Disability annuity being paid without reduction in the sum assured	.....	.....	.....	.....
(4) All other contracts:—				
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
(5) Totals	.....	$.....	$.....	$.....
4. Grand Totals	.....	$.....	$.....	$.....

*These amounts are not included in the "Exhibit of Policies." For disability annuities see "Exhibit of Annuities" and "Statement of Actuarial Liabilities."

NOTE.—This Exhibit is intended to give a concise statement of the *net* business in force under the various classes of contracts involving disability benefits. "Face Amount Assured" should not include bonus, return premium, or other additions. "Amount Exposed to Risk of Death" should be the "Face Amount Assured" less any instalments paid (or due) deductable therefrom at death (or maturity). "Premiums Waived" is to be the premiums which would be payable annually but for the occurrence of disability.

STATEMENT OF ACTUARIAL LIABILITIES.

ASSURANCE SECTION.

Class of Contract.	Gross in Force.			Reinsured in other Companies licensed in Canada.	
	Number (1)	Amount (2)	Reserve. (3)	Amount. (4)	Reserve. (5)
		$	$	$	$
1. *Ordinary with Profits:*—					
(*a*) *Life					
(*b*) *Endowment assurance					
(*c*) *Term, etc					
(*d*) Bonus addition					
(*e*) Premium reduction		(.....)		(.....)	
(*f*) Additional accidental death benefits		(.....)		(.....)	
(*g*) †Disability benefits					
(*h*) Sinking-fund and capital redemption					
(*h*) Totals					
2. *Ordinary without Profits:*—					
(*a*) *Life					
(*b*) *Endowment assurance					
(*c*) *Term, etc					
(*d*) Additional accidental death benefits		(.....)		(.....)	
(*e*) Disability benefits					
(*f*) Sinking-fund and capital redemption					
(*g*) Totals					
3. *Industrial without Profits:*—					
(*a*) Life					
(*b*) Endowment assurance					
(*c*) Term, etc					
(*d*) Totals					

STATEMENT OF ACTUARIAL LIABILITIES—*Continued.*

ASSURANCE SECTION—*Concluded.*

Class of Contract.	Gross in Force			Reinsured in other Companies licensed in Canada.	
	Number. (1)	Amount. (2)	Reserve. (3)	Amount. (4)	Reserve. (5)
		$	$	$	$
4. *Group with Profits:—*					
(*a*) *Life					
(*b*) *Endowment assurance					
(*c*) *Term, etc					
(*d*) Totals					
5. *Group without Profits:—*					
(*a*) *Life					
(*b*) *Endowment assurance					
(*c*) *Term, etc					
(*d*) Totals					
6. Grand Totals—Assurance Section					

STATEMENT OF ACTUARIAL LIABILITIES—*Continued.*

ANNUITY SECTION.

Class of Annuity.	Gross in Force.			Reinsured in other Companies licensed in Canada.	
	Number. (1)	Annual Payment. (2)	Reserve. (3)	Annual Payment. (4)	Reserve. (5)
		$ cts.	$	$ cts.	$
1. *With Profits:*—					
(*a*) Life annuities proper:—					
(1) Immediate					
(2) Deferred					
(*b*) Supplementary contracts:—					
(1) Involving life contingencies					
(2) Not involving life contingencies					
(*c*) Disability annuities					
(*d*) Group annuities:—					
(*e*) Totals					

*Give separately, on blank lines provided, amount of insurance included in these amounts issued subsequent to January 1, 1911, and prior to January 1, 1927, with premiums less than 102·5 per cent of Om (5) 3½ per cent net premiums, and additional reserves thereon required by Sec. 103 (3) of Insurance Act, 1917.

†Reserves for annuities payable on lives disabled at date of statement are to be shown in the Annuity Section. Premiums waived on account of disability are not to be considered as annuities.

NOTE I.—All liabilities of the company for payments not due, dependent on life, disability or any other contingencies, or on a term certain, including items of special reserve specified in question 1 (2) of the "Miscellaneous Statement", are to be included in the "Statement of Actuarial Liabilities" (except items V, 4, 4a, 9, 9a, 10 and 11), and if necessary a separate entry is to be made properly describing the item. Any additional or special reserve maintained in respect of any class of contract (*i.e.* classes 1, 2, 3, 4 and 5 in the Assurance Section; or classes 1 and 2 of the Annuity Section) is to be shown under the class in respect of which it is maintained. Any special reserve maintained in respect of the business as a whole is to be shown opposite V, 21.

NOTE. II—Reinsured contracts are to be classed as to the plan of the original contract.

NOTE III.—Reserve for "return premiums" may be included with the reserve for the main benefit, but the amount at risk under "return premiums", if included in the amount in force in the above, is also to be shown separately in a foot-note.

NOTE IV.—Are temporary additions to the sums assured included in the Statement of Actuarial Liabilities?..... If so give details in summary form of the amounts so included.

STATEMENT OF ACTUARIAL LIABILITIES—*Concluded.*

ANNUITY SECTION—*Concluded.*

	Gross in Force.			Reinsured in other Companies licensed in Canada.	
	Number. (1)	Annual Payment. (2)	Reserve. (3)	Annual Payment. (4)	Reserve. (5)
		$ cts.	$ cts.	$ cts.	$ cts
2. *Without Profits:*—					
(a) Life annuities proper:—					
(1) Immediate					
(2) Deferred					
(b) Supplementary contracts:—					
(1) Involving life contingencies					
(2) Not involving life contingencies					
(c) Disability annuities					
(d) Group annuities:—					
(e) Totals					
3. Grand Totals—Annuity Section					

SUMMARY OF RESERVE.

	(1) With Profits.	(2) Without Profits.	(3) Total.
1. Total reserve, assurance and annuity contracts	$	$	$
2. Total reserve on reinsured contracts			
3. Net reserve carried in the liabilities (1)—(2)	$	$	$

NOTE I.—If under a contract classed as a "disability annuity" provision is made for the payment of any benefit at or following the failure of the life or at or following the completion of a term of years the reserve for any such benefit is to be included in the reserve for "disability annuities."

MISCELLANEOUS STATEMENT.

NOTE.—The answers to questions in the Miscellaneous Statement are to be so drafted that they may be intelligently read without reference to the questions, and in the form it is desired they should appear in the Annual Report issued by the Department. Sufficient detail should be given to indicate clearly the practices of the company. The symbols of the Text Books of the Institute of Actuaries and the "Disability Symbols" given in Volume 13, VIII, of the Transactions of the Actuarial Society of America, may be used in the senses intended, without explanation, in answer to questions; and if a method or process followed by the company is accurately and adequately described in a generally accessible actuarial publication, the method or process may be described by reference thereto. The usual abbreviations for designating a valuation basis may be used.

The answers should be numbered (and for sub-questions, inset) to accord with the numbers (and insetting) of the corresponding questions.

I. The Calculation of the Reserve in the Statement of Actuarial Liabilities—(Preface reply by quoting this line).

(1) State the general principles adopted in the valuation of policy and annuity contracts, and the method followed in the valuation of special classes, including a description of any groupings made and a statement concerning the tables of mortality and disability and the rates of interest used. Specific reference is to be made to the following:—

Special Classes—(Preface reply by quoting this line.)

(a) Policies issued on lives resident in tropical or sub-tropical countries;

(b) Policies issued at premiums corresponding to ages higher than the true ages;

MISCELLANEOUS STATEMENT—*Concluded.*

(c) Policies providing for payment at death during certain periods of an amount less than the full amount of insurance, being policies subject to liens;
(d) Policies issued at, or subsequently subject to, an extra premium: (1) payable in one sum; (2) payable annually;
(e) Policies otherwise issued on lives classed as substandard for the plan of contract issued, or on special class lives;
(f) Policies providing for disability benefits (waiver of premium and other benefits): (1) before occurrence of disability; (2) thereafter; the various benefits granted and the method and bases of reserving therefor being described;
(g) Annuities issued to lives classed as under-average;
(h) Policies providing for additional accidental death benefits.

(2) Items of Special Reserve—(Preface reply by quoting this line).
State the general principles and methods used in the calculation of any reserve maintained—
(a) Under limited and single premium policies on account of prepaid or limited loadings, and under immediate annuities to cover future expenses;
(b) In respect of guaranteed benefits which exceed in value the net premium reserve on the basis of valuation employed;
(c) In excess of the cash surrender value on account of lapsed policies, not continued in force under automatic nonforfeiture provisions, but being subject to reinstatement (state the method of calculating the reserve and the amount);
(d) To cover the option of renewal under term policies;
(e) To cover the option of conversion either during a fixed term or at the end thereof into higher premium policies, the premium on the new policy being fixed (1) as at original age of entry, or (2) as at age attained at date of conversion;
(f) Items of special reserve other than specified above.

[If the contracts of any class were valued individually from tables of "mid-year" reserves calculated according to the net premium method, or if contracts of the same class issued in the same calendar year and at the same age at entry (or at several consecutive ages at entry) were grouped and valued as one contract, it will be sufficient to so describe the general principles of valuation and groupings; but whether so valued individually or in groups it should be stated how the age at entry for valuation purposes was determined, and whether it differs from the age used in determining the premium or consideration in the contract. Any modifications made in the table of mortality or disability used in calculating a table of "mid-year" reserves should be stated. If for purposes of valuation the benefit under any contract was assumed to consist of two or more benefits, each partial benefit being valued from tables of "mid-year" reserves, it may be assumed in answering this question that the valuation was made from a single table of "mid-year" reserves calculated so as to take account of the whole benefit.

For all classes valued otherwise full information is to be given with special reference, where necessary, to (1) the age at entry for valuation purposes and whether it differs from the age used in fixing the premium or consideration in the contracts, (2) the duration of the contract for valuation purposes, (3) the age attained used for valuation purposes, (4) the net premium or other premium valued.]

II. As compared with "normal" class policies, what modifications or limitations, if any, are made under the special class policies referred to in I (1) (a) to (f) above in respect of guaranteed values —namely, cash surrender value, paid-up insurance, extended term insurance, or automatic exended term insurance.

III. State the average rate of interest earned during the year as determined by the formula $\frac{2I}{A+B-I}$ where I represents the sum of gross interest and net rents earned, A the net ledger assets at the beginning of the year, and B the net ledger assets at the end of the year.

IV. The Distribution of Surplus—(Preface reply by quoting this line).
(a) State the general principles and methods used in the distribution of surplus as between shareholders and policyholders.
(b) State the method by which dividends to policyholders, illustrated in the dividend schedule, have been computed, and the basis and conditions on which these dividends were convertible into premium reduction, reversionary bonus addition, reduction of premium term, reduction of endowment period, or other benefit, and the basis of cash surrender value of bonus additions; also state the method by which surplus has been apportioned to deferred dividend policies (in conformity with sections 86 and 89 of the Act) which have not completed their dividend period. (In answer to this question, the actual factors as respects mortality, interest, loading and any other sources of profit used in the computation should be stated. Specific reference is to be made to tropical and sub-tropical policies and to any other class dealt with separately.)
(c) If in the event of termination of a policy of any class between two dividend dates a dividend ("interim bonus") is apportioned, state the method followed in the apportionment.
(d) State the method by which dividends to annuitants are computed giving the same information as required under (b) above, mutatis mutandis. An illustrative tabular exhibit of dividends actually paid during the year of account, in convenient tabular form, is to be appended to the "Dividend Schedule".
(e) State the method by which dividends in respect of group insurance contracts are computed, giving the same information as required under (b) above, mutatis mutandis.

DEFERRED DIVIDEND POLICIES.

Issued prior to January 1, 1911, and amount of profits contingently apportioned thereto.

Year of Issue.	Total Net Amount in Force.	Profits Contingently Apportioned.	Remarks.
18.....	$.....	$.....	.....
18.....	.....	.....	.....

DEFERRED DIVIDEND POLICIES.

Issued on and after January 1, 1911, and amount of profits credited thereto.

Year of Issue.	Total Net Amount in Force.	Profits Credited.	Remarks.
19.....	$.....	$.....	.....
19.....	.....	.....	.....

SCHEDULE A.

REAL ESTATE OWNED BY THE COMPANY.

Description of property. NOTE.—Mark each item I (improved), or U (unimproved).	Date. Acquired.	Amount of Encumbrances.		†Actual Cost.		Book Value.		Market Value.		Operations during 19 .							
										Expended for Repairs and Improvements on Capital Account.		Gross Income.		Taxes and all running Expenses.		Net Income.	
		$	cts.	$	cts.	$	cts.	$	cts.	$	cts.	$	cts.	$	cts.	$	cts.

†In this column there should be shown the actual cost at time of acquisition, increased by the amount of expenditure for improvements on capital account since acquisition and decreased by the amount realized from the sale of any portion of the property originally acquired.

SCHEDULE B.

LOANS SECURED BY BONDS, STOCKS OR OTHER MARKETABLE COLLATERALS.

Description of Collateral.	Par Value.	Market Value.	Amount Loaned.
.....	$.....	$.....	$.....
.....	.....	.....	.....

SCHEDULE C.

BONDS AND DEBENTURES OWNED BY THE COMPANY.

Description.	Date of Maturity.	Interest.		Par Value.		Book Value.		Rate used to obtain Market Value.	Market Value.		Interest Due.		Interest Accrued.	
		Rate.	How Paid.	$	cts.	$	cts.		$	cst.	$	cts.	$	cts.

SCHEDULE D.

STOCKS OWNED BY THE COMPANY.

Description.	No. of Shares.	Rate of Dividend in each of last three years.			Par Value.		Book Value.		Rate used to obtain Market Value.	Market Value.	
					$	cts.	$	cts.		$	cts.

SCHEDULE E.

CASH IN BANKS AND OVERDRAFTS.

Name of Bank and Location.	Cash in Banks.		Overdrafts.	
	$	cts.	$	cts.
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

NOTE.—The total of the cash in banks is to be carried into the assets and the total of the overdrafts into the liabilities.

SCHEDULE OF DIRECTORS AND SHAREHOLDERS.

.....Company

List of Directors—(As at.....)

Shareholders' Directors—(Name and address).....

.....

.....

.....

Policyholders' Directors—(Name and address).....

.....

.....

.....

List of Shareholders—(As at December 31, 19...)

Name.	Address.	No. of Shares.	Amount Subscribed.		Amount Paid in Cash.	
			$	cts.	$	cts.
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....

SEPARATION OF ACCOUNTS SCHEDULE.

PARTICIPATING AND NON-PARTICIPATING ACCOUNTS (A).

	Participating		Non-participating	
	$	cts.	$	cts.
1. Funds, Dec. 31, 19 :—				
(a) Reserve (Item , page of previous statement)				
(b) Accumulated amounts on deposit				
(c) (1) Credited to deferred dividend policies issued since Jan. 1, 1911				
(2) Credited to deferred dividend policies issued prior to Jan. 1, 1911				
(d) Provision for other accrued profits				
(e) Provision for unreported claims				
(f) Provision for unadmitted disability claims				
(g) Other funds (if any) to be specified				
(h) Surplus including *contingent* apportionment to deferred dividend policies issued prior to Jan. 1, 1911	( )		— —	—
2. Totals				
3. Assurance Premiums— (a) First year (1) annual				
(2) Single				
(b) Renewal (Include group assurance premiums similarly classified)				
4. Consideration for annuities				
5. Consideration for supplementary contracts				
6. Amounts left on deposit				
7. Interest, dividends and rents earned (less investment expenses)				
8. Profit on sale of securities*				
9. Increase in assets due to revaluation†				
10. Miscellaneous profits				
11. Miscellaneous revenue				

	Participating		Non-participating	
	$	cts.	$	cts.
14. Claims admitted or intimated under assurance policies:—				
(a) By death				
(b) By maturity				
(c) By disability (admitted only)				
(d) Surrender values				
15. Annuities—(a) Life				
16. Annuities surrendered				
17. Dividends to policyholders				
18. Payments on supplementary contracts				
18. Premium reductions				
19. Deposits (including interest) withdrawn				
20. Commission to agents: (a) First year				
(b) Renewal (include commissions on group assurances, first year and renewal separately.)				
21. Taxes, licences and fees				
22. Medical fees				
23. Expenses incurred definitely apportionable to the respective funds				
24. Expenses incurred not definitely apportionable to the respective funds (excluding investment expenses)				
25. Loss on sale of securities*				
26. Loss on investments				
27. Decrease in assets due to revaluation†				
27. Proportion of unadmitted assets				
28. Transferred to Investment Reserve Fund				

SEPARATION OF ACCOUNTS SCHEDULE—*Continued.*

PARTICIPATING AND NON-PARTICIPATING ACCOUNTS (A)—*Concluded.*

	Participating		Non-participating	
	$	cts.	$	cts.
12. Transferred from Investment Reserve Fund				
13. Transferred from Shareholders' Fund				
Total revenue				
Totals				

	Participating		Non-participating	
	$	cts.	$	cts.
29. Transferred to Shareholders' Fund				
30. Miscellaneous losses				
31. Miscellaneous payments				
32. Total disbursements				
33. Funds, Dec. 31, 193 —				
(*a*) Reserve (Item 3, page 19)				
(*b*) Accumulated amounts on deposit				
(*c*) (1) Credited to deferred dividend policies issued since Jan. 1, 1911			— —	—
(2) Credited to deferred dividend policies issued prior to Jan. 1, 1911			— —	—
(*d*) Provision for other accrued profits				
(*e*) Provision for unreported claims				
(*f*) Provision for unadmitted disability claims				
(*g*) Other funds (if any) to be specified				
(*h*) Surplus including *contingent* apportionment to deferred dividend policies issued prior to Jan. 1, 1911	(.....)		— —	—
34. Totals				
Totals				

* Entrry should be made only in respect of net profit or loss on sale of securities.

† Entry should be made only in respect of net increase or net decrease in assets due to revaluation.

NOTE 1.—These accounts are to be made up strictly on a revenue basis. NOTE 2.—Items in these accounts are to be net amounts after deduction of the amounts paid amd received in respect of reassurances. NOTE 3.—*Re* Items 23 and 24: Payments to staff pension or insurance funds, being expenses, are to be included in expenses.

SEPARATION OF ACCOUNTS SCHEDULE—*Continued.*

INVESTMENT RESERVE FUND. (B).

1. Balance, Dec. 31, 19	$		3. Transferred from the Fund during 19 :—		
2. Transferred to the Fund during 19 :—			(*a*) To Participating Fund	$	
(*a*) From Participating Fund			(*b*) To Non-participating Fund		
(*b*) From Non-participating Fund			(*c*) To Shareholders' Fund		
(*c*) From Shareholders' Fund					
			4. Balance, Dec. 31, 19		
Total	$		Total	$	

SHAREHOLDERS' SURPLUS ACCOUNT. (C).

1. Balance, Dec. 31, 19	$		5. Dividends to shareholders	$	
2. Interest added during 19			6. Proportion of expenses		
3. †Shareholders' proportion of profits:—			7. Income tax		
(*a*) Participating Fund			8. Shareholders' proportion of losses:—		
(*b*) Non-participating Fund			(*a*) On investments		
(*c*) Increase in assets due to revaluation*			(*b*) Decrease in assets due to revaluation*		
4. Transferred from Investment Reserve Fund			9. Transferred to Participating Fund		
			10. Transferred to Non-participating Fund		
			11. Transferred to Investment Reserve Fund		
			12. Other deductions, with details		
			13. Balance, Dec. 31, 19		
Total	$		Total	$	

* Entry is made only in respect of the net increase or decrease in assets due to revaluation.
† State how determined.

STAFF PENSION FUND

1. Balance, Dec. 31, 19	$			$	
			Balance, Dec. 31, 19		
Total	$		Total	$	

SEPARATION OF ACCOUNTS SCHEDULE—*Concluded.*

SUMMARY OF FUNDS AND AMOUNTS OWING BY COMPANY. (D).

1. Funds, Dec. 31, 19 :—		
(*a*) Participating Fund	$.....	.....
(*b*) Non-participating Fund	.....	.....
(*c*) Shareholders' Fund (including $.....unimpaired paid-up capital)	.....	.....
(*d*) Investment Reserve Fund	.....	.....
(*e*) Staff Pension Fund	.....	.....
(*f*) Other funds (if any) to be specified	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
2. Total funds	$.....	.....
3. Amounts owing by the company:—		
(*a*) Claims admitted or intimated but not paid	$.....	.....
(*b*) Annuities due and unpaid	.....	.....
(*c*) Dividends to policyholders due but not paid	.....	.....
(*d*) Premiums paid in advance	.....	.....
(*e*) Interest paid in advance	.....	.....
(*f*) Unclaimed surrender values	.....	.....
(*g*) Taxes, licences and fees, due and accrued	.....	.....
(*h*) Reinsurance premiums due and unpaid	.....	.....
(*i*) Commissions due and accrued	.....	.....
(*j*) Medical fees	.....	.....
(*k*) Directors' and auditors' fees	.....	.....
(*l*) Due on investments	.....	.....
(*m*) Other amounts owing itemized as in V	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
4. Total amounts owing	$.....	.....
5. Total funds and amounts owing, Dec. 31, 19	$.....	.....
6. Total admitted assets, Dec. 31, 19	$.....	.....

NOTE 1.—"Total funds" should be the total admitted assets of the company (not including deferred premiums in respect of industrial policies) decreased by all sums owing by the company. Amounts left on deposit with the company (dividends, sums assured, etc.) whether withdrawable on application or at some future date, are not to be classed as sums owing by the company (i.e., they are to form part of the funds), and in the "Patricipating and Non-Participating Accounts" should be shown against items 1 (*b*) and 33 (*b*). Items in suspense and any other amounts which are not "funds" should be shown separately under Item 3, appropriately described.

NOTE 2.—A statement is to be given setting forth in respect of each item not definitely apportionable, the principles and methods used in apportioning the same to the several accounts, and in making transfers from one account to another. It is to be stated whether items which are in the nature of things definitely apportionable have in fact been so apportioned, and if not, the principles and methods used in the apportionment are to be given.

THIRD SCHEDULE.

REAL ESTATE PURCHASED OR ACQUIRED

SECTION 53.

Description and location of property	From whom purchased	Date of purchase or of acquisition	Commission paid (if any)	Price paid, or value at which transferred to real estate account	
				$	cts.

REAL ESTATE SOLD

Short description of property	To whom sold	When sold	Date of purchase or of acquisition	Commission paid (if any)	Price paid, or at which carried into R.E. Account		Value in account		Price received for each parcel	
					$	cts.	$	cts.	$	cts.

COLLATERAL LOANS MADE

To whom made	Time	Rate of interest	Amount of loan		Description of collateral taken	Par value		Market value	
			$	cts.		$	cts.	$	cts.

COLLATERAL LOANS REPAID

By Whom Paid.	Amount Repaid.		Description of Collateral Released.	Par Value.		Market Value.	
	$	cts.		$	cts.	$	cts.

BONDS AND DEBENTURES PURCHASED

(Including purchases not taken up.)

Description.	Date of Issue.	Date of Maturity.	Rate of Interest.	Par Value.		Price Paid.		Commission Paid.	When Purchased.	From Whom Purchased.
				$	cts.	$	cts.			

BONDS AND DEBENTURES SOLD OR MATURED.

Description.	Date of Issue.	Date of Maturity.	Rate of Interest.	Par Value.		Value in Account.		Price or other consideration received.		Commission Paid.	When Sold.	To Whom Sold.
				$	cts.	$	cts.	$	cts.			

STOCKS PURCHASED

(Including purchases not taken up.)

Description. (State whether Preferred or Common)	No. of Shares	Rate of Dividend	Par Value.		Price Paid.		Cost per Share.	Commission Paid.	When Purchased.	From Whom Purchased.
			$	cts.	$	cts.				

STOCKS SOLD

Description. (State whether Preferred or Common.)	No. of Shares.	Rate of Dividend.	Par Value.		Value in Account.		Price or other consideration received.		Commission Paid.	When Sold.	To Whom Sold.
			$	cts.	$	cts.	$	cts.			

SYNOPSES OF LEDGER ACCOUNTS.

Real Estate.

Balance of ledger account at beginning of half year	$.....
Ledger value of real estate purchased or acquired during half year	.....
Taxes or charges, etc., on real estate acquired	.....
Total	$.....
Ledger value of real estate sold during half year	.....
Revenue derived from real estate and credited to account	.....
Real estate written off	.....
Balance of ledger account at end of half year	$.....

Agreements For Sale.

Balance of ledger account at beginning of half year	$.....
Ledger value of agreements acquired during half year	.....
Taxes or other charges advanced during half year	.....
Total	$.....
Amount collected on account during half year	.....
Amount transferred back to real estate during half year	.....
Amount transferred to mortgages during half year	.....
Amount written off during half year	.....
Total	$.....
Balance of ledger account at end of half year	$.....

Mortgage Loans.

Amount secured by way of loan on real estate by bond or mortgage, beginning of half year	$.....
Total amount invested in such loans during half year	.....
Total	$.....
Total amount of principal moneys repaid during half year	.....
Balance—total amount of such loans at end of half year	$.....

Collateral Loans.

Amount of loans secured by bonds, stocks, or other marketable collaterals at beginning of half year	$.....
Amount of loans made during half year	.....
Total	$.....
Amount of loans repaid during half year	.....
Balance—amount of loans at end of half year	$.....

SYNOPSES OF LEDGER ACCOUNTS—*Continued*

POLICY LOANS

(Including A.N.F. Loans and Premium Obligations.)

Amount of loans to policyholders as at beginning of half year		$.....
Amount of loans made during half year		.....
Total		$.....
Amount of loans repaid during half year:—		
(*a*) On surrender of the policy	$.....	
(*b*) On maturity of the policy by death	.....	
(*c*) On maturity of the policy otherwise than by death	.....	
(*d*) Prior to termination of the policy	.....	$.....
Balance—amount of loans at end of half year		$.....

BONDS AND DEBENTURES.

Balance of ledger account at beginning of half year	$.....
Ledger value of securities purchased during half year	.....
Accumulation towards par through the interest account	.....
Total	$.....
Ledger value of securities sold or matured during half year	.....
Amortization of premium through the interest account	.....
Bonds and debentures written off	.....
Total	$.....
Balance of ledger account at end of half year	$.....

STOCKS.

Balance of ledger account at beginning of half year	$.....
Ledger value of stocks purchased during half year	.....
Total	$.....
Ledger value of stocks sold during half year	.....
Stocks written off	.....
Balance of ledger account at end of half year	$.....

FOURTH SCHEDULE.

This Statement to be completed and returned in triplicate to the Department of Insurance on or before 1st March, 1932

Section 53.

.....

(Name of Company)

Head Office.....

STATEMENT for the Year ending 31st December, 193

Organized or incorporated (Act and date).....

Amendments to charter (Acts and date of each):.....

Commenced business (date):.....

OFFICERS

(As at date of filing statement.....19)

President.....*Manager*.....

Vice-President..... *Secretary*.....

DIRECTORS

.....

.....

.....

.....

I. STATEMENT OF CAPITAL STOCK

1. Amount of capital stock authorized.....$.....

	Amount subscribed for	Amount paid in cash	
	$	$	cts.
2. Capital stock at beginning of year			
3. Calls on capital received during year			
4. Increased capital			
5. Total			
6. Deduct capital stock forfeited or cancelled			
7. Capital stock at end of year			

Premium on Capital Stock

	$	cts.
8. Total amount pais as premium on capital stock at beginning of year		
9. Amount received during the year		
10. Total amount paid to December 31, 193		

LIST OF STOCKHOLDERS

(As at 31st December, 193)

Name	Residence	No. of Shares held	Amount Subscribed for		Amount Paid in cash	
			$	cts.	$	cts.

(To be given in separate schedule attached.)

II.—ASSETS.

	$	cts.
1. Book vlaue of real estate (less encumbraces) held by the Company..... *(For details see Schedule A, page .)*	.....	....
2. Mortgage loans on real estate, first liens.....	.....	....
3. The same, second liens..... *(Detailed statement of loans in 2 and 3 to be given in a separate schedule.)*	.....	....
4. Amount of loans secured by bonds, stocks or other marketable collaterals..... *(For details see Schedule B, page .)*	.....	....
5. Book value of bonds, debentures and debenture stocks owned by the Company.. *(For details see Schedule C, page .)*	.....	....
5a Deposits with Trust Companies for investment. *(Details in a separate schedule)*..	.....	....
6. Book value of stocks owned by the Company. *(For details see Schedule D, page)*	.....	....
7. Cash at head office, $.....; at branches, $.....	.....	....
8. Cash in banks *(with details on page)*.....	.....	....
9 Interest and dividends due, $.....; accrued, $..... *(With details on page .)*	.....	....
10. Rents due, $.....; accrued, $.....	.....	....
11. Agents' balances and premiums uncollected:		
On business written prior to Oct. 1, 19 *(net of commission)*.....$.....		
On business written subsequent to Oct. 1, 19 *(net of commission)*.....		
Total.....	.....	....
12. Amount due for reinsurance on losses already paid *(with details on page)*.....		
13. Plans, $.....; Furniture and fixtures, $.....	.....	....
14. *Amount of premium notes on hand on which policies are issued.....$.....		
Deduct amount paid thereon.....$.....		
Amount assessed thereon remaining unpaid.....	.....	....
Balance *(unassessed)* carried out.....	.....	....
15. *Total assessments on premium notes.....$.....		
Deduct amount paid thereon.....		
Balance carried out.....	.....	....
16. *Amount of assessment on stock notes.....$.....		
Deduct amount paid thereon.....	.....	....
Balance carried out.....	.....	....
Carried forward.....	.....	....

*For Fire Insurance Companies transacting business on the Mutual Plan.

NOTE TO ITEMS (5) and (6). If any of these securities have any lien upon them for the benefit of any particular class of policyholders, or if they are deposited with the Government of any State or Country, these securities and their location are to be indicated in Schedules C and D on pages and .

II.—ASSETS—*Concluded.*

	$	cts.
Brought forward		
17. All other assets, viz.:—		
.....$.....		
.....		
.....		
.....		
.....		
18. Total		
19. Market value of real estate, bonds, stocks, etc., over or under book value		
20. Gross assets of the Company		
21. Deduct assets not admitted:—		
Agents' balances and premiums uncollected (written prior to Oct. 1, 19).....$.....		
Office furniture and fixtures		
Maps and plans		
Unassessed portion of premium notes		
Other items or amounts not admitted, viz.:—		
Item No.....$.....Item No.....		
Total deductions.....$.....		
22. Net admitted assets of the Company		

III.—LIABILITIES.

(1) Liabilities in Canada	$	cts.
1. Total provision for unpaid claims in Canada *(Details to be given on page)*	.....	....
2. Present value of claims payable by instalments not yet due	.....	....
3. Total net reserve, $.....; carried out at 80 per cent thereof *(With details on page)*	.....	....
4. Reserve and unpaid losses under unlicensed reinsurance, unsecured, Fire	.....	....
5. Reserve and unpaid losses under unlicensed reinsurance, unsecured, Other	.....	....
6. Cash dividends to stockholders: *(a)* due and unpaid	.....	....
(b) declared, but not yet due	.....	....
7. Agency and other expenses due and accrued, Fire, $.....; Other, $	.....	....
8. †Taxes due and accrued, Fire, $.....; Other, $	.....	....
9. Amount of money borrowed *(Stating in a separate schedule the amount of each loan, the security)*	.....	....
10. Reinsurance premiums due	.....	....
11. Return premiums due to policyholders	.....	....
12. Investment Reserve Fund	.....	....
13. All other liabilities in Canada, viz.:—	.....	....
.....	.....	....
14. Total liabilities in Canada	.....	....

†Taxes due and accrued on real estate are not to be included in this item. Such taxes, if any should be included in Item 13. Details of Item 8 are required to be given, as follows:—

	Fire	Other
Special War Revenue Act	$.....	$.....
Under Income War Tax Act	.....	.....
Provincial and Municipal taxes, licences and fees	.....	.....
Totals	$.....	$.....

III.—LIABILITIES—*Concluded.*

(2) Liabilities Outside Canada	$	cts.
1. Total provision for unpaid claims outside Canada *(Details to be given on page)*	.....	....
2. Present value of claims payable by instalments not yet due	.....	....
3. Total net reserve $.....; carried out at 80 per cent thereof *(With details on page)*	.....	....
4. Agency and other expenses due and accrued, Fire, $.....; Other, $	.....	....
5. Taxes due and accrued, Fire, $.....; Other, $	.....	....
6. Amount of money borrowed *(Stating in a separate schedule the amount of each loan, the security)*	.....	....
7. Reinsurance premiums due	.....	....
8. Return premiums due to policyholders	.....	....
9. All other liabilities outside Canada, viz:—		
10. Total Liabilities outside Canada	.....	....
11. Total Liabilities in all Countries	.....	....
12. Excess of assets over all liabilities	.....	....
13. Capital stock paid in cash	.....	....
14. Surplus, if any, of assets over all liabilities and paid capital	.....	....

Hail Insurance Surplus Fund

Balance of fund at December 31st, 193	$	.....
Increase in fund during 193		.....
Total	$	.....
Decrease in fund during 193		.....
Balance of fund at December 31st, 193	$	.....

IV.—UNDERWRITING ACCOUNT

It is to be noted that all the items in this Account are to be given on the "Written", or "Incurred," and not "Received" or "Paid" basis.

I.—Premiums Written

		$	cts.
1. Total net premiums written—*(a)* In Canada, Fire	$.....		
(b) In Canada, Other	.....		
(c) Outside Canada, Fire	.....		
(d) Outside Canada, Other	.....		
Total net premiums written in all countries		.....	....
(For details see pages)			

IV.—UNDERWRITING ACCOUNT—*Concluded.*

2. Losses and Expenses Incurred

	Fire		Other Classes		Total	
	$	cts.	$	cts.	$	cts.
1. Total net amount incurred for claims including adjustment expenses:—						
(a) In Canada						
(b) Outside Canada						
(For details, see page)						
2. Commission or brokerage in Canada						
3. Commission or brokerage outside Canada						
4. Commission on profits in Canada						
5. Commission on profits outside Canada						
6. Taxes incurred under:—						
Special War Revenue Act						
Income War Tax Act						
Other taxes, licences and fees						
7. Salaries, fees and travelling expenses:—						
Salaries of Head Office officials and employees						
Salaries of General and Special Agents and Branch Office Employees						
Directors' fees						
Auditors' fees						
Travelling expenses, Officials						
" " Agents						
8. All other expenditure, viz.:—						
Advertising						
Furniture and fixtures						
Inspections and surveys						
Legal expenses						
Maps and plans						
Medical excaminers' fees						
Mercantile Agencies' reports						
Postage, telegrams, telephones and express						
Printing and stationery						
Rents						
Statistical service						
Underwriters' Boards, Tariff Associations, etc.						
9. Total						

V.—PROFIT AND LOSS ACCOUNT

	$	cts.		$	cts.
Losses incurred (including adjustment expenses)			Reserve of unearned premiums at the beginning of year (80% reserve)		
All other expenses incurred			Net premiums written		
Reserve of unearned premiums at end of year (80% reserve)					
Underwriting gain			Underwriting loss		
Underwriting loss brought down			Underwriting gain brought down		
Loss in market value of investments			Interest, dividends and rents earned		
Loss on sale of invetsments			Increase in paid capital stock		
Bad debts written off			Premium on capital stock		
Increase in disallowed assets			Gain in market value of investments		
Increase in unsecured unlicensed reinsurance, Fire			Gain on sale of investments		
Increase in unsecured unlicensed reinsurance, Other			Bad debts recovered (previously written off)		
Dividends declared			Decrease in disallowed assets		
All other losses (specify)			Decrease in unsecured unlicensed reinsurance, Fire		
			Decrease in unsecured unlicensed reinsurance, Other		
			All other gains (specify)		
Net gain during the year			Net loss during the year		
Total			Total		

BALANCE

Surplus of assets over liabilities at beginning of year	$	
Add (or deduct) net gain (or net loss) as above		
Surplus of assets over liabilities at end of year	$	

VI.—MISCELLANEOUS

Recapitulation of Fire Risks and Premiums Written or Renewed during the Year

(1) In Canada

Expiring in Year	Term	Gross Amount Written	Premiums	
		$	$	cts.
19	Less than one year			
19	One year or less			
19	Two years			
19	Three years			
	Totals			

(2) In Other Countries

Expiring in Year	Term	Gross Amount Written	Premiums	
		$	$	cts.
19	Less than one year			
19	One year or less			
19	Two years			
19	Three years			
19	Four years			
19	Five year			
	Totals			

FIRE PREMIUMS AND LOSSES IN CANADA.

(Reinsurance in Licensed Companies deducted.)

Province	Net Premiums Written.	Net Losses Incurerd (Including adjustment expenses.)
	$	$
Alberta		
British Columbia		
Manitoba		
New Brunswick		
Nova Scotia		
Ontario		
Prince Edward Island		
Quebec		
Saskatchewan		
Yukon		
Totals		

STATEMENT OF REINSURANCES OF CANADIAN BUSINESS IN COMPANIES NOT LICENSED UNDER THE INSURANCE ACT

——	$	cts.
1. Amount of reinsurance premiums ceded to unlicensed companies		
2. Amount of commission thereon		
3. Amount of losses and adjustment expenses incurred by said companies		
4. Amount of taxes and other expenses incurred by said companies		
5. Reserve of unearned premiums on all risks reinsured in unlicensed companies, $.....; carried out at 100 per cent		
6. Amount of losses and adjustment expenses due and recoverable from said companies		
7. Amount of taxes and other expenses recoverable from said companies		
8. Amount of reinsurance premiums payable to said companies		
9. Amount of cash or other securities held as security for recovery of losses, etc		

Names of such reinsuring companies, viz.:—.....

.....

SUMMARY OF RISKS AND PREMIUMS

Risks and Premiums.	In Canada.			Outside Canada.			Totals in all Countries.		
	Amount.	Premiums.		Amount.	Premiums.		Amount.	Premiums.	
	$	$	cts.	$	$	cts.	$	$	cts.
Gross in force at end of 19									
Taken in 19 —new and renewed									
Totals									
Less ceased (including renewed)									
*Gross in force at end of 19									
*Less reinsured									
*Net in force at end of 19									

*Details to be given in Schedule on pages 00 and 00 in cases where policies have been written for terms longer than one year.

VII—RECAPITULATION OF RISKS IN CANADA.

AMOUNTS AND PREMIUMS IN FORCE AND RESERVE OF UNEARNED PREMIUMS.

Year Written.	Term.	Gross Amount in Force.	Premiums thereon.		Amount Reinsured.	Premiums thereon.		Net Amount in Force.	Premiums thereon.		Fraction Unearned.	Reserve of Unearned Premiums.	
		$	$	cts.	$	$	cts.	$	$	cts.		$	cts.
19	One year or less										1/2		
19	Two years										1/4		
19	Two years										3/4		
19	Three years										1/6		
19	Three years										1/3		
19	Three years										5/6		
	Totals												

NOTE:—A similar schedule to be furnished for business outside of Canada.

SCHEDULE A.

REAL ESTATE OWNED BY THE COMPANY.

Description of Property.	Date Acquired.	Amount of Encumbrances.		Actual Cost.		Book Value.		Market Value.		Operations During 19 .							
										Expended for Repairs and Improvements on Capital Account.		Gross Income.		Taxes and all running Expenses		Net Income.	
		$	cts.	$	cts.	$	cts.	$	cts.	$	cts.	$	cts.	$	cts.	$	cts.

N.B.—Indicate write up or write down of book value during the year, including depreciation, by distinct special separate memorandum.

SCHEDULE B.

AMOUNT OF LOANS SECURED BY STOCKS, BONDS AND OTHER COLLATERAL

*Description of Security Pledged	Par Value		Market Value		Amount Loaned		Interest Due		Interest Accrued		Date of Loan	Date when due
	$	cts.	$	cts.	$	cts.	$	cts.	$	cts.		

*If Security pledged is a bond or debenture, give date of maturity and rate of interest.

SCHEDULE C.

BONDS AND DEBENTURES OWNED BY THE COMPANY

Description	Date of maturity	Interest		Par Value		Book Value		Market Value		Interest Due		Interest Accrued	
		Rate	When Payable	$	cts.	$	cts.	$	cts.	$	cts.	$	cts.

SCHEDULE D.

STOCKS OWNED BY THE COMPANY

Description.	Number of Shares.	Rate of Dividend in Each of last Three Years.			Par value.		Book value.		Rate used to obtain Market value.	Market value	
					$	cts.	$	cts.		$	cts.

SCHEDULE E.

ALL REAL ESTATE, BONDS, STOCKS OR OTHER SECURITIES OWNED BY THE COMPANY, OR IN WHICH IT HAD AN INTEREST AS AT THE DATE OF THE STATEMENT WHICH ARE NOT ENTERED IN ANY OTHER SCHEDULE OF THE STATEMENT OR INCLUDED IN THE FINANCIAL STATEMENT FOR THE CURRENT YEAR.

Description of Security.	Date acquired.	Date written off.	Actual Cost Value.		Book value at date finally written off.		Present Market Value, if any.	
			$	cts.	$	cts.	$	cts.
.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....

FIFTH SCHEDULE.

FORM A.

Section 53 FORM OF DECLARATION TO ACCOMPANY THE STATEMENT.

Province of
County of }

President, and

Secretary of

Company being duly sworn, depose and say, and each for himself says, that they are the above described officers of the said company, and that on the day of last all the above described assets were the absolute property of the said company, free and clear from any liens or claims thereon except as above stated, and that the foregoing statement, with the schedules and explanations hereunto annexed and by them subscribed, are a full and correct exhibit of all the liabilities, and of the income and expenditure, and of the general condition and affairs of the said company on the said day of last, and for the year ending on that day, according to the best of their information, knowledge and belief, respectively, and they declare that no change or amendment has been made in the Charter, Act of Incorporation, or Articles of Association of the Company, and no change in the Chief Agency or Chief Agent, without the Superintendent having been duly notified of such change or amendment.

Signatures.

Subscribed and sworn to before me this.....day of.....A.D. 19 .

FORM B.

VERIFYING HALF YEARLY STATEMENT.

Province of
County of }

President, and

Secretary of

Company being duly sworn, depose and say, and each for himself says, that they are the above described officers of the said company, and that according to the best of their knowledge, information and belief the foregoing statement correctly sets forth the information required by the Third Schedule hereof, with full and accurate particulars

in each case as called for by the said statement during the six months commencing the first day of.....19.... and ending the.....day of.....19....

Signatures.

Subscribed and sworn to before me, at the..... .....of..... in the county of..... this.....day of.....19 .

NOTE—*In the case of the half yearly statement required of Trustees, the above form applies with such changes only as are necessary.*

BONDS AND DEBENTURES OWNED BY THE COMPANY.

Description.	Date of Maturity.	Interest.		Par Value.		Book Value.		Market Value.		Interest due.		Interest Accrued.	
		Rate.	How Payable.	$	cts.	$	cts.	$	cts.	$	cts.	$	cts.

STOCKS OWNED BY THE COMPANY.

Description.	Number of Shares.	Rate of Dividend in each of last Three Years.			Par value.		Book Value.		Rate used to obtain Market Value.	Market value.	
					$	cts	$	cts.		$	cts.

SIXTH SCHEDULE.

Section 68 BASES AND METHODS TO BE USED IN COMPUTING THE MINIMUM RESERVE WHICH MAY BE INCLUDED IN THE LIABILITIES IN THE ANNUAL STATEMENT, APART FROM THE BENEFITS GUARANTEED ON DISCONTINUANCE OF PREMIUM PAYMENT WITHOUT SURRENDER.

(A)—As respects benefits depending upon life contingencies only in or arising out of life insurance policies (other than industrial policies) and excluding life annuity settlements.

1. Policies at uniform annual premiums for a uniform amount of insurance throughout.

The bases of valuation for any particular class of group of policies shall be an assumed rate of interest not exceeding three and a half per cent per annum and one of the tables of mortality specified below or any other table which may be approved by the Superintendent.

Tables of Mortality.

(a) Canadian Men Table, C^M (5)
(b) British Offices Life Tables, 1893, O^m (5)
(c) British Offices Life Tables, 1893 O^m
(d) British Offices Life Tables, 1893, $O^{[m]}$
(e) Institute of Actuaries of Great Britain, H^m
(f) American Men Table, AM (5)
(g) American Experience Table, Am Exp.

The value of the policy at any time after issue is to be the difference between the value of the sum assured thereunder (including the present value of any bonus or addition thereto, or reduction in future premiums, made after the date of issue of the policy and subsisting as at the date of valuation), and the present value of the valuation premium (as hereinafter defined) assumed to be payable on each anniversary of the policy following the date of valuation during the term for which premiums are required to be paid in accordance with the terms of the policy to be valued.

If the net level premium for the life insurance risk incurred by the company in issuing the policy does not exceed the whole life net level premium for a like amount of whole life insurance, the valuation premium is to be the net level premium for a like policy as of an age one year greater than the age at entry assumed to be payable at the beginning of the second and each subsequent policy year for which premiums are payable under the terms of the policy to be valued.

If the net level premium for the life insurance risk incurred by the company in issuing the policy exceeds the net level premium payable throughout life for a like amount of whole life insurance, the valuation premium shall be obtained by adding to each net level annual premium, excluding the first, such an amount, assumed to be payable at the beginning of the second and each subsequent policy year for which premiums are payable under the terms of the policy to be valued, as is equal in value as of the date of issue of the policy to the difference between the net level premiums payable throughout life for a whole life policy and the one year term premium for, in each case, a policy of like amount and of the same age at entry as the policy to be valued.

2. Policies other than those at uniform annual premiums for a uniform amount of insurance throughout shall be valued on bases determined in accordance with the foregoing provisions of this Schedule with such adaptations in the valuation methods as seen to the Superintendent appropriate in the circumstances.

(B)—As respects benefits depending upon life contingencies only in or arising out of industrial life insurance policies, excluding life annuity settlements.

The bases of valuation for any particular class or group of policies shall be an assumed rate of interest not exceeding $3\frac{1}{2}$ per cent per annum and one of the tables of mortality specified below or any other table which may be approved by the Superintendent.

Tables of Mortality.

(a) Any of the tables named under (A) (1) above.
(b) The Standard Industrial Table.

No reserve shall be held at any valuation within the first year after issue of any policy. In valuations thereafter the insurance risk of the first policy year shall be ignored, and, for valuation purposes, the date of issue of the policy shall be assumed to be one year after the actual date of issue, the age at issue shall be assumed to be one year greater than the actual age at issue and the premium term shall be assumed to commence as of the assumed date of issue and to be conterminous with the premium term stated in the policy to be valued.

The valuation premium shall be such a level premium as of the assumed age at issue, payable for the assumed premium term, as is equal in then present value to the insurance risk incurred by the company as from the attainment of the assumed age at issue.

In valuations made after the attainment of the assumed age at issue the value of the policy shall be the difference between the present value of the sums assured (including the present value of any bonus or addition thereto, or reduction in future premiums, made after the date of issue of the policy and subsisting as of the date of valuation), and the present value of the valuation premium assumed to be payable following the date of valuation during the term for which premiums are required to be paid in accordance with the terms of the policy.

If the terms of any particular class or group of policies are such that the above method of valuation appears to be inapplicable or inappropriate, adaptations in the above method may be made subject to the approval of the Superintendent.

(C)—As respects Life Annuities (Immediate or Deferred) including life annuity settlements (other than disability annuities), arising out of life insurance contracts.

The bases of valuation shall be tables of mortality approved by the Superintendent, deduced from the actual mortality experience covering the period 1900-1920, published on behalf of the Institute of Actuaries and the Faculty of Actuaries in Scotland, male or female, according to the sex of the nominee, with a rate of interest not exceeding four per cent per annum.

In the valuation of Deferred Annuities the method of valuation shall be the net level premium method subject to such adaptations as the Superintendent may deem appropriate in any case where the premium for the policy may not be uniform throughout the premium paying period.

(D)—As respects future payments dependent on a term certain only, including term certain annuities arising out of life insurance contracts.

The valuation shall be made at a rate of interest not exceeding four per cent per annum, and the method of valuation shall be the net level premium method subject to such adaptations as the Superintendent may deem appropriate in any case where the premium for the policy may not be uniform throughout the premium paying period.

Sections 82 and 83

SEVENTH SCHEDULE.

Form A.

In the matter of the *(here insert name of the company)*. Notice is hereby given that the Minister of Finance has, pursuant to the eighty-second and eighty-third sections of the Dominion Insurance Companies Status and Powers Act, 1932, directed assets to be retained, sufficient in amount to cover the full equitable net surrender value of the policies in the above company (including bonus additions and accrued profits) which have not been transferred or surrendered or in respect of which opposition has been filed as provided by the said eighty-second section; and the assets so retained are hereby tendered to the aforesaid policyholders *pro rata* according to the aforesaid values of their respective policies. A list of such policyholders and of the amounts tendered to them respectively is hereunder given, and notice is hereby given that any policyholder not signifying in writing to the Superintendent of Insurance his acceptance of the amount hereby tendered to him on or before the day of , A.D. 19 , shall be deemed to have refused the same, and the amount tendered may, pursuant to the said Act, be paid over to the company.

List of policyholders and amounts tendered.

Name.	Address, so far as known.	Amount and Number of Policies.	Amount Tendered.

Dated at Ottawa, this day of , A.D. 19 .

(Signed)

Minister of Finance, Canada.

(Signed)

Superintendent of Insurance.

Form.

FORM B.

INSURANCE DEPARTMENT,

OTTAWA, 19 .

In the matter of the *(here insert the name of the company)*.

You are hereby notified that the Minister of Finance has, pursuant to the eighty-second section of the Dominion Insurance Companies Status and Powers Act, 1932, directed assets to be retained sufficient in amount to cover the full equitable net surrender value of the policies in the above company, including bonus additions and accrued profits, which have not been transferred or surrendered or in respect to which opposition has been filed as provided by the said eighty-second section. The assets so retained are tendered to the aforesaid policyholders *pro rata* according to the aforesaid values of their respective policies.

The amount hereby tendered to you, and the policy or policies in respect of which the same is tendered, are given below, and you are hereby notified that unless on or before the day of A.D. 19 , you signify in writing to the Superintendent of Insurance your acceptance of the amount hereby tendered, you shall be deemed to have refused the same, and the amount tendered may, pursuant to the same Act, be paid over to the company.

Yours, etc.,

(Signed)

Superintendent of Insurance.

Name.	Number and Amount of Policy.	Amount Tendered.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL D[1].

An Act respecting The Quebec, Montreal and Southern Railway Company.

Read a first time, Wednesday, 2nd March, 1932.

Honourable SENATOR BÉIQUE.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
40702 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL D[1].

An Act respecting The Quebec, Montreal and Southern Railway Company.

Preamble. 1905, c. 158; 1906, c. 150; 1911, c. 132; 1916, c. 49; 1921, c. 71; 1927, c. 88.

WHEREAS The Quebec, Montreal and Southern Railway Company has by its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Extension of time for construction.

1. The Quebec, Montreal and Southern Railway Company may complete the construction of the railways authorized by sections eight and nine of chapter one hundred and fifty of the statutes of 1906, and put them in operation within five years after the passing of this Act; and if the said railways are not so completed and put in operation within the said period, the powers of construction conferred upon the said Company by Parliament shall cease and be null and void as respects so much of the said railways as then remains uncompleted.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL E[1].

An Act respecting the Department of Insurance.

Read a first time, Wednesday, 23rd March, 1932.

RT. HON. SENATOR MEIGHEN.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
44292 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL E[1].

An Act respecting the Department of Insurance.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Short title.

1. This Act may be cited as *The Department of Insurance Act.*

INTERPRETATION.

Definitions. "Department." "Minister."

2. In this Act, unless the context otherwise requires,—
(a) "Department" means the Department of Insurance;
(b) "Minister" means the Minister of Finance.

Constitution of Department.

3. There shall be a Department of the Government of Canada to be called the Department of Insurance over which the Minister shall preside.

Minister.

(2) The Minister shall have the management and direction of the Department.

Superintendent of Insurance, his rank and salary.

4. The Governor in Council may appoint an officer to be called the Superintendent of Insurance, (hereinafter referred to as the Superintendent), who shall be the deputy head of the Department and who shall hold office during pleasure.

(2) Such officer shall be paid such salary as may be authorized by law.

Continuance in office of present incumbent.

(3) The person now holding the office of Superintendent shall continue to hold office during pleasure and to be paid the salary authorized by law for such office.

Appointment of officers and clerks.

5. Such officers, clerks and servants as are necessary for the proper conduct of the business of the Department may be appointed in the manner authorized by law.

Continuance in office of present officers.

(2) The several officers, clerks and servants now employed in the Department shall continue to hold their respective offices during pleasure.

Duties of Minister.

6. The Minister shall have the administration of the acts specified in the schedule to this Act and also of all orders or regulations passed or made under any of the said acts.

Superintendent to act under Minister.

(2) The Superintendent shall act under the instructions of the Minister and shall examine into, and report to the Minister from time to time upon, all matters connected with the administration of each of the said acts and of the orders or regulations passed or made thereunder.

Superintendent or officers not to be interested in any company.

7. The Superintendent or any officer or clerk under him shall not, directly or indirectly, be interested as a shareholder in any insurance company doing business in Canada or licensed under any of the acts respecting insurance companies specified in the schedule to this Act.

Superintendent to ascertain expenditure under Acts during last preceding year.

8. The Superintendent shall annually, as soon as may be after the close of each fiscal year, by reference to the public accounts, and by such further inquiry or investigation as he may deem necessary, ascertain and certify the total amount of the expenditure incurred by the Government for or in connection with the administration of the acts respecting insurance companies specified in the said schedule, the *Loan Companies Act*, and the *Trust Companies Act*, respectively, during the last preceding fiscal year, and the amount of the expenditure so ascertained and certified by the Superintendent shall be final and conclusive for all purposes of this section.

(2) The Superintendent shall also before the thirty-first day of December in each fiscal year ascertain from the annual statements filed under the requirements of the said acts and from such other information as may be necessary or available,

Amount of net premiums received by each insurance company.

(a) The total amount of net premiums received in Canada during the last preceding calendar year by each company licensed under the said acts respecting insurance companies, or any of them, and by each company not so licensed but transacting the business of life insurance thereunder and deduct therefrom the amount of the dividends paid or allowed by each such company to its policyholders in Canada during the said calendar year; and

Amount of income of each loan company.

(b) The total amount of income received during the last preceding calendar year by each loan company licensed under the *Loan Companies Act;* and

Amount of income of each trust company.

(c) The total amount of income received during the last preceding calendar year by each trust company licensed under the *Trust Companies Act;*

and the finding of the Superintendent as to the amount of the net receipts resulting from the said deduction and as to the amounts of income received as aforesaid, when certified by his hand, shall be final and conclusive.

Amount assessed to be a debt payable to His Majesty.

(4) The amount so assessed against each company shall constitute a debt payable to His Majesty, and shall be payable upon demand of the Superintendent, and may be recovered as a debt in any court of competent jurisdiction.

Annual report.

9. The Minister shall lay before Parliament within thirty days after the commencement of each session thereof the annual report of the Superintendent made to the Minister under the provisions of each of the acts specified in the schedule to this Act.

Repeal.

10. Section seventy-five of the *Loan Companies Act*, chapter twenty-eight of the *Revised Statutes, 1927*, and section seventy-eight of the *Trust Companies Act*, chapter twenty-nine of the *Revised Statutes, 1927*, are repealed.

Note.—

Subsection 3 of section 8, shown in square brackets, does not form part of this Bill. It is printed for information only and will be struck out before the Bill is passed by the Senat. It is the intention to introduce it in the House of Commons.

Basis of assessments against companies.

[(3) Thereupon the Superintendent shall ascertain the ratio or percentage which the total expenditure incurred in the administration of the said acts respecting insurance companies, of the *Loan Companies Act*, and of the *Trust Companies Act*, respectively, so found and certified is of the total net receipts of the said insurance companies, the total income of the said loan companies and the total income of the said trust companies, respectively, and he shall cause an assessment to be prepared against each of the aforesaid companies as follows, that is to say:—

(a) Against each of the said insurance companies of an amount equivalent to such percentage of the said net receipts of each company as the total expenditure incurred in the administration of the said acts respecting insurance companies is of the total net receipts of all such companies; and

(b) Against each of the said loan companies of an amount equivalent to such percentage of the said income of each company as the total expenditure incurred in the administration of the *Loan Companies Act* is of the total income of all such companies; and

(c) Against each of the said trust companies of an amount equivalent to such percentage of the said income of each company as the total expenditure incurred in the administration of the *Trust Companies Act* is of the total income of all such companies;

and such assessment, when certified by the Superintendent, shall be binding upon the said companies, and each of them, and shall be final and conclusive.]

Schedule.

SCHEDULE.

Revised Statutes of Canada, 1927.

	Chapter
The Civil Service Insurance Act	23
The Loan Companies Act	28
The Trust Companies Act	29

Statutes of Canada, 1932.

The Canadian and British Insurance Companies Act, 1932.

The Foreign Insurance Companies Act, 1932.

The Acts in amendment of any of the aforementioned Acts.

Bill E^2 misplaced. Appears between Bills B' + C'

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL F[1].

An Act respecting Foreign Insurance Companies in Canada.

Read a first time, Wednesday, 23rd March, 1932.

Rt. Hon. Senator MEIGHEN.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
44280 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL F[1].

An Act respecting Foreign Insurance Companies in Canada.

WHEREAS it has been decided that the Parliament of Canada has jurisdiction by properly framed legislation to prohibit an insurance company incorporated by a foreign state from carrying on its business in Canada without a licence, and

WHEREAS certain sections of *The Insurance Act*, chapter one hundred and one of the *Revised Statutes of Canada, 1927*, requiring foreign insurance companies to obtain a licence as a condition of carrying on business in Canada, have been declared, in view of other provisions of the said Act, to be not properly framed as enactments within the legislative competence of the Parliament of Canada, and

WHEREAS it is contrary to the public interest that insurance companies incorporated in foreign states and unincorporated associations and exchanges having their principal place of business in foreign states, which are insolvent or unable to discharge their liabilities to Canadian policyholders, should be permitted to carry on the business of insurance in Canada, and

WHEREAS certain of such insurance companies and exchanges have become insolvent while carrying on business in Canada, and the Canadian policyholders thereof would have sustained serious losses but for the provision in the then existing legislation which required such companies and exchanges to deposit assets in Canada as security for their liabilities in Canada, and to make returns as to their business and financial standing, and to submit to inspection by representatives of the Government, and

WHEREAS it is desirable to provide by a system of registration, deposit of securities, inspection and returns against loss to Canadian policyholders by reason of such foreign companies, associations or exchanges engaging in or continuing to carry on business in Canada while insolvent or unable to discharge their liabilities to such policyholders, and to declare the conditions upon which such companies shall be deemed to be insolvent and liable to be wound up under the provisions of the *Winding-up Act*.

THEREFORE, His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

SHORT TITLE.

Short title.

1. This Act may be cited as *The Foreign Insurance Companies Act, 1932.*

INTERPRETATION.

2. In this Act, unless the context otherwise requires,

"Annual statement."

(a) "annual statement", includes both the statement of the Canadian business and of the general business of the company required by this Act to be made;

"Assets in Canada."

(b) "assets in Canada", means all deposits which a company has made with the Minister and all assets which have been vested in trust for the company under, and for the purposes of, this Act;

"Association"

(c) "association" means any association of persons formed in any foreign country upon the plan known as Lloyds whereby each associate underwriter becomes liable for a stated, limited or proportionate part of the whole amount insured by a policy;

"Business of Insurance."

(d) "business of insurance" means the undertaking by one person to indemnify another person against loss or liability from certain risks or perils to which the object of the insurance may be exposed, or to pay a sum of money or other thing of value upon the happening of a certain event, and includes any act or acts of inducement to enter into such an undertaking, and any act or acts relating to the performance thereof, or the rendering of any service in connection therewith;

"Canadian policy"—fire insurance.

(e) "Canadian policy" or "policy in Canada", means, as regards fire insurance, a policy of insurance on any property within Canada, issued by any company registered under this Act to transact the business of fire insurance, and, as regards life insurance, means a policy or an annuity contract issued by any company registered under this Act to transact the business of life insurance in Canada, in favour of any person or persons resident in Canada at the time when such policy was issued;

"Chief agency."

(f) "chief agency" means the principal office or place of business of the company in Canada;

"Chief agent."

(g) "chief agent" means the chief agent of the company in Canada, named as such in the power of attorney hereinafter referred to by whatever name he is designated;

"Company." (*h*) "company" means any corporation incorporated under the laws of any foreign country for the purpose of carrying on the business of insurance, and includes "fraternal benefit society", "association" and "exchange" as respectively defined by this Act;

"Department." (*i*) "department" means the Department of Insurance constituted by the *Department of Insurance Act;*

"Exchange." (*j*) "exchange" means a group of persons formed in any foreign country for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other through the same attorney, where the principal office of the exchange is in a foreign country;

Fraternal benefit society." (*k*) "fraternal benefit society" means a corporation having representative form of government; and incorporated under the laws of any foreign country, for fraternal, benevolent or religious purposes among which purposes is the insuring of the members, or the dependent children of the members, thereof, exclusively, against accident, sickness, disability or death, and includes a corporation so incorporated on the mutual plan for the purpose of so insuring the members, or the dependent children of the members, of such a corporation exclusively;

"Inland marine insurance." (*l*) "inland marine insurance" means marine insurance in respect to subjects of insurance at risk upon the waters of Canada, above the harbour of Montreal;

"Minister." (*m*) "Minister" means the Minister of Finance;

"Officer." (*n*) "officer" includes the manager, secretary, treasurer, actuary and any other person designated as "officer" by the by-laws of the company;

"Policy." (*o*) "policy" means any written contract of insurance whether contained in one or more documents, and includes, as respects life insurance, any annuity contract on a life or lives, and any certificate of membership relating in any way to life insurance;

"Policyholder in Canada." (*p*) "policyholder in Canada" means, as respects life insurance, any person upon whose life any company registered under this Act to transact the business of life insurance in Canada has, while such person was resident in Canada, issued a policy;

"President." (*q*) "president" means and includes the chairman, governor, manager or other principal officer of the company;

"Secretary." (*r*) "secretary" means and includes the officer by whom the usual duties of a secretary are performed;

"Superintendent." (*s*) "superintendent" means the Superintendent of Insurance;

(2) The Governor General in Council may, on the recommendation of the Minister, make regulations for the purpose of determining and defining, for the purposes of this Act and of any certificate of registry issued thereunder, what

shall be deemed to be a distinct class of insurance, and the nature of each such class of insurance.

3. Any regulations so made shall be published in the next succeeding issue of the *Canada Gazette*.

PART I.

CERTIFICATES OF REGISTRATION AND DEPOSITS.

Register of companies.

3. There shall be established and maintained in the Department of Insurance a register in which shall be entered the names of all companies to which certificates of registry are granted under the provisions of this Act.

Certificate of registration required.

4. No company shall transact the business of insurance in Canada (save as hereinafter expressly provided) unless it is registered and holds a certificate of registry from the Minister under the provisions of this Act.

Filing of document copy of charter.

5. Every company, shall, as a condition of its eligibility to obtain a certificate of registry, file in the Department,—

(a) in the case of a company, other than an association or exchange, a copy of the charter, act of incorporation, or articles of association of the company, certified by the proper officer in charge of the original thereof; and in the case of an association or exchange, such document or documents relating to its constitution as the Minister may require;

Power of attorney.

(b) a power of attorney from the company to its chief agent or attorney in Canada, in such form as may be required by the Minister;

Statement of condition and affairs.

(c) a statement in such form as is required by the Minister of the condition and affairs of the company on the 31st day of December next preceding, or up to the usual balancing day of the company, if such day is not more than twelve months before the filing of the statement and such additional statements or information as the Minister may require as to its solvency and as to its ability to meet all its obligations; and

Undertaking to comply with Act.

(d) an undertaking by it in such form as may be required by the Minister, that it will at all times while registered under this Act, comply with the provisions of this Act applicable to it.

Contents of power of attorney.

6. Such power of attorney shall

(a) declare at what place in Canada the chief agency of the company is to be established; and

(b) expressly authorize such attorney to receive from the Minister and the Superintendent all notices which the law requires to be given, or which it is thought advisable to give; and

(c) declare that receipt of such notices, at such chief agency, or personally on or by such attorney shall be legal and binding on the company, to all intents and purposes whatsoever.

(2) Whenever any company registered under this Act changes its chief agent or chief agency in Canada such company shall file a further power of attorney from the company appointing or fixing the new chief agent or chief agency, as the case may be.

Deposit with Minister.

7. Every company shall, as a further condition of its eligibility to obtain a certificate of registry, make a deposit with the Minister in any of the securities hereinafter specified in that behalf.

(2) The amount of the deposit in the case of a fraternal benefit society shall be the sum of ten thousand dollars.

(3) The amount of the deposit in the case of a company other than a fraternal benefit society shall be,—

(a) in the case of a certificate of registry for life insurance, or for fire insurance, the sum of one hundred thousand dollars;

(b) in the case of a certificate of registry for any other class of insurance such sum as shall be determined by the Treasury Board.

Companies licensed under Insurance Act deemed registered.

8. Every company which on the date of the coming into force of this Act holds a licence from the Minister shall be deemed to have complied with the provisions of this Act precedent to the granting of a certificate of registry, and to be registered hereunder, and such company shall be subject to the provisions hereof.

(2) Any company which, at the date of the coming into force of this Act does not hold such a licence but holds a licence under the laws of any province, and is transacting the business of insurance therein, shall not be required to make the deposit referred to in the next preceding section, provided that, before the issue of a certificate of registry to it hereunder, such company has assets in Canada, for the purposes of this Act, in excess of its liabilities in Canada, as of the thirty-first day of December, 1931, as determined in accordance with the provisions of this Act.

Name of company.

9. Before issuing a certificate of registry to a company, the Minister shall satisfy himself that the name thereof is not that of any company registered under this Act, or any name liable to be confounded therewith or otherwise on public grounds objectionable.

Issue of certificate.

10. The Minister, as soon as any company applying for a certificate of registry has conformed with the requirements of this Act, may issue the certificate.

Form of certificate.

11. The certificate of registry shall be in such form or forms for the different classes of companies as may be from time to time determined by the Minister, and shall specify the business to be carried on by the company:

Certificate of association.

Provided that the certificate granted to any association or exchange shall not authorize such association or exchange to transact the business of life insurance in Canada.

Duration.

(2) The certificate of registry shall expire on the thirty-first day of March in each year, but may be renewed from year to year, or for any term less than a year.

Limitations.

(3) Any certificate of registry or renewal thereof may contain any limitations or conditions which the Minister may deem necessary to give effect to the provisions of this Act.

Contents of certificate or renewal.

(4) Such certificate of registry and any renewal thereof, shall certify that, from the statement of its condition and affairs, the company is, at the date of the issue or renewal of such certificate, in respect of its assets and liabilities in Canada, as defined and determined in accordance with the provisions of this Act, in a condition to meet its liabilities and that it is permitted to transact in Canada its business of insurance or such part thereof as may be specified in the certificate.

Notice of having obtained a certificate of registry.

12. Every company on first obtaining such certificate of registry shall forthwith give due notice thereof in the *Canada Gazette*, and in at least one newspaper in the county, city or place where the chief agency is established, and shall continue the publication thereof for the space of four weeks.

Publication of list of registered companies.

(2) The Minister shall cause to be published quarterly in the *Canada Gazette* a list of the companies registered under this Act with the amount of deposits made by each company.

Notice of first registration or withdrawal.

(3) Upon any company being first registered, or upon the certificate of registry of any company being withdrawn, in the interval between two such quarterly statements, the Minister shall cause to be published a notice thereof in the *Canada Gazette* for the space of four weeks.

Assets to be maintained in Canada by life companies.

13. Every company registered under this Act to transact the business of life insurance shall at all times maintain assets in Canada to the amount of not less than its liabilities to policyholders in Canada including matured claims and the reserve for outstanding policies required to be included in the annual statement after deducting any claim the company has against such policies.

Assets to be maintained in Canada by other companies.

14. Every company registered under this Act to transact any class of insurance other than life insurance shall at all times maintain assets in Canada to the amount of not less than the reserve of unearned premiums on all its risks outstanding in Canada, computed in accordance with the provisions of section forty-nine of this Act, together with other liabilities in Canada: Provided, however, that the assets in Canada of a purely mutual fire insurance company or of an exchange shall continue to form part of the general assets of the company or exchange, available *pari passu* to all its creditors or members in or out of Canada in the same manner as its other funds; but no such company or exchange shall, except with the consent of the Treasury Board, and upon such terms and conditions as the Treasury Board may provide, reduce the amount of its assets in Canada below the amount required by this Act to be maintained in Canada.

Securities permissible.

15. All deposits required under the provisions of this Act, may be made by any company in securities of or guaranteed by the Dominion of Canada, or in securities of or guaranteed by any province of Canada; or in securities of or guaranteed by the United Kingdom of Great Britain and Northern Ireland or any British Dominion or colony; or in securities of or guaranteed by the government of the country in which the company was incorporated or formed.

Valuation.

(2) The value of such securities shall be estimated at their market value at the time when they are deposited.

Accepting other securities.

(3) If any other than the aforesaid securities are offered as a deposit, they may be accepted at such valuation and on such conditions as the Treasury Board directs.

Further deposit of value decline.

16. If the market value of any of the securities which have been deposited by any company declines below that at which they were deposited, the Minister may notify the Company to make such further deposit as will ensure the accepted value of all the securities deposited by the company being equal to the amount which it is required by this Act to deposit.

Failure to make.

(2) On failure by the company to make such further deposit within sixty days after being called upon so to do, the Minister may withdraw its certificate of registry.

Further deposit at option of company.

17. Any company registered under this Act may, at any time, deposit in the hands of the Minister any further securities beyond the sum herein required to be deposited.

How dealt with.

(2) Any such further securities so deposited in the hands of the Minister shall be held by him and be dealt with according to the provisions of this Act in respect to the sum required to be deposited by such company, and as if the same had been part of the sum so required to be deposited.

Withdrawal of excess deposit.

18. If at any time it appears that a company has on deposit with the Minister a sum in excess of the amount required under the provisions of this Act, the Treasury Board may, upon being satisfied that the interest of the company's Canadian policyholders will not be prejudiced thereby, authorize the withdrawal of the amount of such excess or such portion thereof as may be deemed advisable.

Handing over interest on securities.

19. So long as the requirements of this Act are complied with by any company and no notice of any final judgment against the company, or order made by the proper court in that behalf for the winding-up of the company or the distribution of its assets, is served upon the Minister, the interest upon the securities forming the deposit shall be handed over to the company as it falls due.

Assets vested in trustees.

20. Any company may vest assets in Canada in trust for the company for the purposes of this Act in a trust corporation incorporated by or under the authority of an Act of the Parliament of Canada or of the Legislature of one of the Provinces thereof appointed by the Company and approved by the Minister.

Nature thereof.

(2) The assets and investments which may be so vested in trust shall be bonds, debentures, stocks and loans on mortgage of the classes permitted by the laws of the Dominion of Canada as investments or loans of companies incorporated under the said laws with power to transact the class of insurance business which the company is registered under this Act to transact in Canada.

Trust deed.

(3) The trust deed shall first be approved by the Minister, who with the approval of the Treasury Board shall determine from time to time the value at which such assets shall be accepted for the purposes of this Act, and the trustees may deal with such assets in any manner provided by the deed of trust appointing them, but so that the accepted value of the assets held by them shall not fall below the value required by this Act.

STATEMENTS AND RETURNS.

Annual statements.

21. Every company registered under or subject to this Act, shall make annual statements of its condition and affairs, at the balancing day of the company in each year, and the form and manner of making such statement shall, as to the Canadian business of the company, be the same, so far as applicable, as is required by the laws of the Dominion of Canada of companies incorporated under the said laws with power to transact the business of insurance; and, as to its general business, shall be in such form as such company is required by law to furnish to the government of the country in which its head office is situate.

Form thereof.

(2) Where the company is not required by law to furnish a statement to the government of the country in which its head office is situate, then such statement, as to its general business, shall be in such form as the company usually submits to its members or shareholders.

Form in certain cases.

(3) In the event of no such statement being submitted to such members or shareholders, then such statement shall show in concise form the assets and liabilities of the company at such balancing day, and the income and expenditure of the company for the year ending on such balancing day.

Date of filing.

(4) The annual statements of Canadian business provided for in this section, shall be deposited in the Department on the first day of January next following the date at which the condition and affairs of the company are thereby shown, or within two months thereafter.

Declaration in annual statement.

(5) Every company shall, at the time of making the annual statement, declare that no change or amendment has been made in the charter, Act of incorporation or articles of association of the company, and that no change has been made in the chief agency or chief agent, or the attorney, as the case may be, without the Superintendent having been duly notified of such change or amendment.

Forms supplied.

(6) The blank forms of the statements of the Canadian business shall be supplied by the Superintendent.

Time for filling general statements.

22. The statement of general business provided for in the next preceding section shall be deposited in the Department within thirty days after it is required by law to be made to the government of the country in which the head office of the company whose statement it is, is situate, or within thirty days after the submission of the same at the annual meeting of the shareholders or members of the company, whichever date first occurs: Provided that no such statement of general business need be so deposited earlier than the first day of June, nor shall it be so deposited later than the thirtieth day of June next following the date at which the condition and affairs of the company are thereby shown.

Proviso.

Statements to be verified by oath.

23. Such statements shall, as to the Canadian business be verified by the oath of the company's chief agent in Canada; and, as to the general business, be verified by the oath of the president, vice-president or managing director, and the secretary, manager or actuary of the company.

(2) Such statements shall, in the case of any association or exchange registered under this Act, be verified in such manner as the Superintendent may direct and prescribe.

Records to be kept by chief agent.

24. Every company shall keep at the chief agency in Canada original records and documents sufficient to enable

the chief agent to prepare and furnish the required statement of Canadian business, and such that the said statement may be readily verified therefrom; Provided that in the case of any company which does not issue policies signed or counter-signed by a resident or agent or branch office in Canada, such records and documents shall be sufficient if they exhibit, in respect of its Canadian business: *(a)* insurance written and in force, including cancellations, and gross premium deposits thereon; *(b)* dividends or refunds of unabsorbed premium deposits paid or credited to policyholders; *(c)* losses incurred and losses paid in respect of such risks; and *(d)* all assets in Canada.

Proviso.

Fewer required in some cases.

(2) It shall be sufficient for any company having in Canada, in addition to such chief agent, one or more general agents reporting to the head office, and not to such chief agent, to keep on file at the chief agency, in addition to the necessary records and documents relating to the business transacted by or through such chief agent, annual statements of the business transacted by each such general agent, duly verified by the oath of each such general agent, and such additional records and documents, transmitted through the company's head office as shall, taken together, show the company's entire Canadian business.

Date of statements.

(3) The said annual statements of the business of such general agents shall, when kept on file as aforesaid, be made up to the thirty-first day of December in each year, and blank forms for such statements shall, on application, be furnished by the Superintendent.

(4) The Superintendent shall be at liberty, if he considers it necessary or desirable so to do, to visit the head office of the company, and there to examine the books, records, vouchers, receipts and other documents of such company relating to its business within Canada, for the purpose of checking and verifying the said statement of such business and the schedules or other documents relating to or forming part thereof, and shall have power to make all necessary corrections in said statement, in accordance with the information obtained from said books, records and documents.

Valuation of securities.

25. In every annual statement of Canadian business required to be filed by section twenty-one of this Act, the bonds, debentures, stocks and other securities shall be taken into account at the market values applicable, to the said securities at the date of the statement or, in the discretion of the Superintendent, at a date not more than sixty days before the date of the statement.

Variation when values unduly depressed.

(2) When the said market values are, in the opinion of the Minister, temporarily unduly depressed, the Minister may, on the report of the Superintendent, authorize, in

the case of bonds and debentures redeemable at a fixed date, the use of values in excess of the said market values, not, however, exceeding the market values at which the said bonds and debentures were shown in the next preceding annual statement, or if required since the date of the said preceding statement, not exceeding the book values at the date of the statement.

Half-yearly statements by life companies' trustees.

26. The trust corporation in which assets are vested in trust, for the purposes of this Act, for any company registered under this Part to transact the business of life insurance, shall prepare, a half-yearly statement, as of the last days of June and December in each year, showing in detail,

(a) all bonds, stocks, debentures and other securities bought and all loans made, except on mortgages and policies, during the half year terminating on the date as of which such statement is made, specifying the amounts, dates of issue and maturity and par value thereof, the rate of interest payable thereon and the price paid therefor, and in the case of loans made, except on mortgages of real estate or insurance policies, particulars in detail of securities therefor, and

(b) all such securities sold or disposed of during the said half year, specifying similarly the amounts, dates of issue and maturity and par value thereof, the value in account thereof, the rate of interest payable thereon and the price or consideration received therefor.

(2) Such statement, on a form to be supplied by the Superintendent, shall be deposited in the Department within fifteen days after each of the said dates, and shall be verified by the manager and secretary or other principal officers of such trust corporation.

(3) The statements so deposited shall be embodied by the Superintendent by way of appendix or otherwise in the annual report prepared by him for the Minister.

INSPECTION AND REPORT BY SUPERINTENDENT

Duties of Superintendent.

27. The Superintendent shall—

(a) enter in a book, under the heading of each company, the securities deposited on its account with the Minister naming in detail the several securities, their par value, their date of maturity, and value at which they are received as deposit; and such book shall be left open to public inspection;

Report as to certificates of registry.

(b) in each case, before the issue of any new certificate of registry or the renewal of any such certificate, make a report to the Minister that the requirements of the law have been complied with, and that from the statement of the affairs of the company it is in a condition to meet its liabilities;

Record of.

(c) keep a record of the certificates of registry as they are issued;

Visit head office.

(d) visit personally, or cause a duly qualified member of his staff to visit, the chief agency in Canada of each company registered under this Act, at least once in every year, and examine carefully the statments of the condition and affairs of each company, as required under this Act, and report thereon to the Minister as to all matters requiring his attention and decision;

Annual report.

(e) prepare for the Minister, from the said statements, an annual report, showing the full particulars of each company's business, together with an analysis of each branch of insurance, with each company's name, giving items, classified from the statement made by each company.

Inspection of companies.

28. If the Superintendent, after an examination into the condition and affairs and business of any company registered to transact business in Canada, from the annual or other statements furnished by such company to the Minister or for any other cause, deems it necessary and expedient to make a further examination into the affairs of such company, and so reports to the Minister, the Minister may, in his discretion, instruct the Superintendent to visit the chief agency of such company, thoroughly to inspect and examine into all its affairs, and to make all such further inquiries as are necessary to ascertain its condition and ability to meet its engagements, and whether it has complied with all the provisions of this Act.

Officers to open books for inspection.

(2) The officers or agents of such company shall cause their books to be open for the inspection of the Superintendent, and shall otherwise facilitate such examination so far as it is in their power.

Examination under oath.

(3) For the purpose of such inquiry, the Superintendent may examine under oath the officers or agents of such company.

Report on inspections.

29. A report of all companies so visited by the Superintendent shall be entered in a book kept for that purpose, with notes and memoranda showing the condition of each company, after such investigation.

Special report to Minister.

(2) A special report shall be communicated in writing to the Minister, stating the Superintendent's opinion as to the standing and financial position of every company so visited, and all other matters desirable to be made known to the Minister.

Inquiries to company and reply.

30. The Superintendent is authorized and empowered to address any inquiries to any insurance company registered under this Act, or to the president, manager, actuary or secretary thereof, for the purpose of ascertaining its

condition and ability to meet its engagements, and it shall be the duty of any company so addressed promptly to reply in writing to any such inquiries.

(2) The Superintendent may in his discretion embody in his annual report to the Minister the inquiries made by him under this section and the answers thereto.

Examination at head office of foreign company.

31. The Minister may, from time to time, instruct the Superintendent to visit the head office of any company registered under this Act, and to examine into the general condition and affairs of such company.

Appraisement of real estate.

32. If upon an examination of the assets in Canada of any company it appears to the Superintendent or if he has any reason to suppose, that the value placed by the company upon the real estate owned by it or any parcel thereof is too great, he may either request such company to procure an appraisement of such real estate by one or more competent valuators, or may himself procure such appraisement at the company's expense, and the appraised value, if it varies materially from the return made by the company, may be substituted in the annual report prepared for the Minister by the Superintendent.

Appraisement of real estate securing mortgage.

(2) If it appears to the Superintendent, or if he has any reason to suppose that the amount secured by mortgage or hypothec upon any parcel of real estate, together with the interest due and accrued thereon, is greater than the value of such parcel, or that such parcel is not sufficient security for such loan and interest, he may in like manner request the company to procure an appraisement thereof, or may himself at the company's expense procure such appraisement, and if from the appraised value it appears that such parcel of real estate is not adequate security for the loan and interest, he may write off such loan and interest a sum sufficient to reduce the same to such an amount as may fairly be realizable from such security, in no case to exceed such appraised value, and may insert such reduced amount in his said annual report.

Permissible investments only allowed as assets.

33. In his annual report prepared for the Minister, the Superintendent shall allow as assets in Canada only such of the investments of the several companies as are authorized by this Act or were authorized by law at the time of their acquisition.

Correction of annual statements.

(2) In his said report the Superintendent shall make all necessary corrections in the annual statements made by the companies as herein provided and shall be at liberty to increase or diminish the liabilities of such companies to the true and correct amounts thereof as ascertained by him in the examination of their affairs at the chief agency thereof in Canada, or otherwise.

Appeal to Exchequer Court.

34. An appeal shall lie in a summary manner from the ruling of the Superintendent as to the admissibility of any asset not allowed by him, or as to any item or amount so added to liabilities, or as to any correction or alteration made in any statement, or as to any other matter arising in the carrying out of the provisions of this Act, to the Exchequer Court of Canada, which court shall have power to make all necessary rules for the conduct of appeals under this section.

Procedure on appeal.

(2) For the purposes of such appeal the Superintendent shall at the request of the company interested give a certificate in writing setting forth the ruling appealed from and the reasons therefor, which ruling shall, however, be binding upon the company unless the company shall within fifteen days after notice of such ruling serve upon the Superintendent notice of its intention to appeal therefrom, setting forth the grounds of appeal, and within fifteen days thereafter file its appeal with the registrar of the said court and with due diligence prosecute the same, in which case action on such ruling shall be suspended until the court has rendered judgment thereon.

COMPANIES DISCONTINUING BUSINESS.

Release of deposit on discontinuance of business.

35. When any company registered under this Act desires to discontinue business and to have its assets in Canada released, and gives written notice to that effect to the Minister, it may, with the consent of the policyholders, procure the transfer of its outstanding policies in Canada to some company or companies registered under this Act in Canada, or may obtain the surrender of the policies, as far as practicable.

(2) The trustees holding securities for such company may employ any portion of the assets vested in them for the purpose of effecting such transfer or surrender but not so as to reduce the assets of the company in Canada below the requirements of this Act in respect of continuing policyholders.

(3) Such company shall file with the Minister a list of all Canadian policyholders whose policies have been so transferred or have been surrendered, and also a list of those which have not been transferred or surrendered together with a financial statement of the condition and affairs of the company as of the date of completion of the transfers and surrenders.

(4) The company shall, at the same time, publish and continue the publication for three calendar months in the *Canada Gazette* and in at least one newspaper in the county, city or place in which the chief agency is established a notice that it has applied to the Minister for the release of its assets and securities on a certain day, which shall be not

less than three months after the date of the notice, and calling upon its Canadian policyholders opposing such release to file their opposition with the Minister on or before the day so named.

(5) After the day so named in the said notice, the Minister, may from time to time, on being satisfied that the deposit of the company with him is substantially in excess of the requirements of this Act in respect of the continuing policyholders, release to the company such portion of the excess as he deems proper in the circumstances, and shall continue to hold the remainder of the deposit for the protection of the continuing policyholders as by this Act provided.

(6) Whenever the company files a financial statement with the Minister of its condition and affairs in Canada, showing that the company is not liable under any policies of insurance, and has discharged all its obligations in Canada, the Minister, if satisfied that the company is not so liable, and that it has discharged all its obligations, shall release the deposit to the company.

(7) Notwithstanding the provisions of this section, if the company is in liquidation the securities of the company may, on the order of any court having jurisdiction under the *Winding-up Act*, be released by the Minister to the liquidator.

Retired companies.

36. In the case of any company which gave written notice to the Minister before the thirty-first day of March, one thousand eight hundred and seventy-eight, of its intention to avail itself of the proviso contained in section seven of the *Consolidated Insurance Act, 1877*, the deposit of such company which was in the hands of the Minister on the twenty-eight day of April, one thousand eight hundred and seventy-seven, shall be dealt with, in regard to policies issued prior to the thirty-first day of March, one thousand eight hundred and seventy-eight, in conformity with sections four and five of chapter nine of the statutes of 1871, intituled: "An Act to amend the Act respecting Insurance Companies", and whenever the full liability under such policies falls below the amount so held by the Minister, he may, with the concurrence of the Treasury Board, direct the whole or any portion of the difference as he deems advisable shall be released and handed over to the company, and so on, from time to time, until the total deposit with the Minister is reduced to the amount of fifty thousand dollars.

PART II.

COMPANIES TRANSACTING LIFE INSURANCE.

Life insurance companies.

37. This Part applies only to companies registered under this Act to transact only the business of life insurance, and

to other companies so registered to transact the business of life and other insurance, in respect of the life insurance business of such companies.

38. The powers of any company registered under the provisions of this Act to transact the business of life insurance shall not be exercised to combine such business with other classes of insurance business unless the company maintains separate and distinct accounts, funds and securities in respect of its life insurance business in Canada, available only for the protection of the holders of its policies of life insurance and not liable for the payment of claims arising from the other class or classes of business which the company transacts; provided that any such company may, without maintaining separate and distinct accounts, funds and securities in respect of its life insurance business, combine with its life insurance business the following classes of insurance, namely:

(a) insurance against disability caused by accident or sickness, if included in a policy of life insurance and if the disability benefits do not exceed the following, namely, the waiver of premiums falling due during the continuance of such disability and an indemnity payable for a period or periods not exceeding one hundred weeks at a weekly rate not exceeding one-half of one per cent of the sum assured on the date of the occurrence of such disability payable in event of death, and thereafter an indemnity not exceeding one-half of the said rate, ceasing upon the termination of the life insurance risks insured against under the policy, and in the case of deferred annuity contracts a disability indemnity not exceeding the rate of annuity provided by the contract: Provided that "sum assured" for the purposes of this sub-paragraph shall mean the principal sum which at the time of the first payment of such disability indemnity is payable in event of death where the life insurance money is payable in one sum, or the commuted value of the income or instalments provided upon death where the life insurance money is payable otherwise than in one sum, but not including any additional sum payable under the policy on death as a result of accident;

(b) insurance against death as a result of accident if included in a life insurance policy and if the accident indemnity does not exceed the amount assured on the date of death payable in the event of death from other causes;

(c) annuities of all kinds;

(d) policies providing for the establishment, accumulation and payment of sinking, redemption, accumulation, renewal or endowment funds.

Rates to be filed with superintendent.

39. For the purpose of enabling the Superintendent to determine the liabilities of each company registered under this Act, each such company shall deposit and keep deposited with the Superintendent a copy of its established rates for all plans of insurance, and a copy of all forms of policy contracts issued in Canada.

Annual statement to contain reserves.

40. The liabilities in the annual statement filed or required to be filed under this Act in respect of the Canadian business of every company shall include a reserve, for all unmatured obligations guaranteed under the terms of its policies dependent on life, disability, sickness, accident, or on any other contingency, or on a term certain, such as is required by the laws of the Dominion of Canada of companies incorporated under the said laws with power to transact the business of life insurance.

PART III.

FRATERNAL BENEFIT SOCIETIES

Fraternal benefit societies.

41. This Part applies only to fraternal benefit societies registered under this Act.

42. It shall be a condition of the granting of a certificate of registry to a fraternal benefit society that no bylaw of the society shall empower or purport to empower any subordinate branch of the society in Canada to grant sickness benefits to any member of the branch unless the bylaw makes adequate provision to secure upon an actuarial basis the solvency of the sick benefit fund of the branch.

Exemptions.

43. Every fraternal benefit society registered under the provisions of this Act shall, when so registered, be exempt from the provisions of Part II of this Act.

When certificate is not to be granted.

(2) No fraternal benefit society shall be registered under this Act if it is in effect the property of its officers or collectors or belongs to any private proprietary, or if it is conducted as a trading or mercantile venture, or for purposes of commercial gain.

Actuarial valuation before certificate issued.

44. Every fraternal benefit society shall, before a certificate of registry is issued to it under this Act, file with the Superintendent, in addition to the other statements and documents required by this Act to be filed, a report made by an actuary, appointed by the society, including therein, in such detail as the Superintendent may require, the results of an actuarial valuation made by the said actuary

as at the next preceding thirty-first day of December or such later date as the Superintendent may specify, of each of the benefit funds maintained by the society having regard to the prospective liabilities of, and contributions to, each fund.

Declaration by actuary.

(2) Such report shall include a declaration by the said actuary that in his opinion the assets of the society applicable to each fund, taken at the value accepted by the Superintendent, together with the premiums, dues and other contributions to be thereafter received from the members according to the scale in force at the date of the said valuation, are sufficient to provide for the payment at maturity of all the obligations of the fund without deduction or abatement.

Statement of condition and affairs.

(3) The society shall also file with the Superintendent a statement of its condition and affairs in such detail as the Superintendent may require, as at the date of the said valuation.

Annual statement of Canadian business.

45. The annual statement of Canadian business deposited in the Department under the provisions of this Act by every society registered thereunder shall be in the same form, so far as applicable, as is required by the laws of the Dominion of Canada of fraternal benefit societies incorporated under the said laws.

(2) The annual statement of general business deposited by such society shall be in the same form, so far as applicable, and shall include in the liabilities a reserve for the mortuary benefits calculated on the same basis as is required under the laws of the Dominion of Canada of fraternal benefit societies incorporated under the said laws with power to transact the business of insurance or such higher reserve as may be required by the society's act of incorporation or by the general laws to which it is subject.

Special valuation if assets deficient.

46. If it appears to the Superintendent, from the annual statement filed with him or from any examination or valuation made in pursuance of this Act, that the assets of any fraternal benefit society registered under this Act, or of any benefit fund thereof, are insufficient to provide for the maturity of its policies without deduction or abatement or without increase of premiums or additional premiums, he shall make a special valuation of the policies of the society, and if the result of such valuation confirms him in his opinion, he shall make a special report to the Minister on the condition of the society and shall in such report show the amount of the deficiency in the society's assets.

Minister to request deficiency to be made good.

(2) If the Minister after consideration of the said report concurs in the opinion of the Superintendent, he shall request the society within such time, not exceeding four

years, as he may prescribe, to make such increase in its premiums or such reduction in the benefits payable under its contracts, or otherwise, as will make good the deficiency.

Certificate withdrawn for non-compliance.

(3) If the society does not within the time so prescribed comply with the request of the Minister, the certificate of registry of the society may be withdrawn.

"Actuary" defined.

17. The term "Actuary" in this Part means a Fellow by examination of the Institute of Actuaries of Great Britain, the Faculty of Actuaries in Scotland, the Actuarial Society of America, or of the American Institute of Actuaries: Provided that anyone admitted to fellowship otherwise than by examination and who prior to the fourteenth day of April, one thousand nine hundred and twenty-seven, had made an actuarial report in accordance with the provisions of subsection two of section one hundred and twelve of the *Insurance Act, 1917*, as enacted by chapter fifty-nine of the statutes of 1927, shall for the purposes of this section be deemed to be a Fellow by examination.

Proviso.

PART IV.

COMPANIES TRANSACTING FIRE INSURANCE.

Fire insurance companies.

18. This Part applies only to companies registered under this act to transact only the business of fire insurance and to companies so registered to transact the business of fire and other insurance, in respect of the fire insurance business of such companies.

Reserve liability for annual statement.

19. For the purposes of the annual statement required to be furnished to the Superintendent under this Act, the liability of the company in respect of its outstanding unmatured policies in Canada, shall be eighty per cent of the unearned premiums computed *pro rata* as at the date of such statement: Provided, however, that for the purposes of subsection two of section eight and of sections fourteen and fifty-four of this Act the said liability shall be,

Proviso.

(a) the full unearned premium computed *pro rata* as aforesaid; or

(b) twice the net annual cost to the insured of insurance in force in Canada on the date of the annual statement ascertained by deducting from the annual premiums charged to such insured a credit allowance computed at the rate of the weighted average dividend or refund paid or credited by the insurer to its policyholders during the preceding five years;

whichever be the less.

Premium note business.

(2) Where any such company transacts a non-hazardous three year business on the premium note system or partly on the cash system and partly on the said premium note

system, the liability of such company, for the purposes of such statement, in respect of its premium note business shall be eighty per cent of the unearned portion of the assessments which have been levied in respect of all outstanding premium notes held by the company computed *pro rata* as at the date of such statement, and the unassessed portion of such premium notes shall be regarded as a contingent asset only.

Classes of hazards covered by certificate.

50. A company registered under this Act to transact the business of fire insurance shall be deemed to be thereby authorized to insure, either by the same or a separate contract or by endorsement, the same property against loss or damage arising from any other hazard or class of hazard which under the laws of the province, in which the property insured is situate, may be so insured.

PART V.

COMPANIES TRANSACTING INSURANCE OTHER THAN LIFE OR FIRE.

Application.

52. This Part applies to companies registered under this Act to transact the business of insurance other than life or fire insurance.

Provisions applicable.

51. The provisions of this Act applicable to companies registered to transact fire insurance shall, *mutatis mutandis* apply to every such company 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 authorized to transact the business of title insurance.

Proviso.

Additional assets in Canada if hail insurance transacted.

53. Every company registered to transact the business of hail insurance in Canada shall at all times maintain assets in Canada in excess of the amount required to be maintained in respect of its business other than that of hail insurance by an amount at least equal to fifty per cent of the total net premiums received by it in respect of its business of hail insurance in Canada during the preceding calendar year.

PART VI.

WITHDRAWAL OF CERTIFICATES AND PENALTIES.

Withdrawal of Certificates.

Withdrawal of certificate. for deficiency of assets in Canada—fire company.

54. If it appears from the annual statements or from an examination of the condition and affairs of any company, other than a company registered to transact the business of

life insurance, that the reserve of unearned premiums on all its risks outstanding in Canada, computed in accordance with the provisions of section forty-nine of this Act, together with other liabilities in Canada, exceeds its assets in Canada, the Minister shall notify the company and request it to make good the deficiency; and, on its failure to make the same good, within sixty days after being so requested, he may withdraw its certificate of registry.

Withdrawl of certificate for deficiency of assets in Canada—life company.

55. If it appears from the annual statements or from an examination, as provided for by this Act of the condition and affairs of any company registered to transact the business of life insurance, that its liabilities to policyholders in Canada, including matured claims, and the reserve for outstanding policies required under this Act, to be included in the liabilities in the annual statement, after deducting any claim the company has against such policies, exceed its assets in Canada, the Minister shall notify the company and request it to make good the deficiency, and on its failure to make the same good, within sixty days after being so requested, he may withdraw its certificate of registry.

Special report.

56. If it appears to the Superintendent that the assets of any company are insufficient to justify its continuance of business, or that it is unsafe for the public to effect insurance with it, he shall make a special report on the affairs of such company to the Minister.

Suspension of certificate by Governor in Council.

(2) If the Minister, after full consideration of the report, and after a reasonable time has been given to the company to be heard by him, and upon such further inquiry and investigation as he sees proper to make, reports to the Governor in Council that he agrees with the Superintendent in the opinion so expressed in his report, the Governor in Council may, if he also concurs in such opinion, suspend or withdraw the certificate of registry of such company, and such company shall, during such suspension or withdrawal be held to be unregistered and unauthorized to do further business.

Effect of suspension.

(3) In the event of such suspension or withdrawal, the Minister may, issue such modified or conditional certificate of registry as may be necessary for the protection of policyholders, but the issue of such modified or conditional certificate shall not, in the case of a life insurance company, be deemed to be a renewal of the company's certificate of registry within the meaning of section one hundred and sixty-one of the *Winding-up Act*.

Conditional certificate may provide for reinsurance.

(4) If the Minister deems it advisable, the said modified or conditional certificate of registry may require that the company shall, during the continuance thereof, arrange for the reinsurance of its policies in Canada in some company or companies registered under this Act, but no agree-

ment for such reinsurance shall be executed until it has been submitted to and approved by the Superintendent.

Failure to reinsure.

(5) If upon the expiration of the modified or conditional certificate of registry mentioned in the last preceding subsection, no agreement satisfactory to the Superintendent has been made for the reinsurance of the company's policies as aforesaid, and if the company's condition is not then such as to warrant the restoration of its certificate, the company shall be deemed to be insolvent, and the Superintendent may request the Attorney General of Canada to institute proceedings for the winding-up of the company.

(6) If as a result of such proceedings, the Court shall order the winding-up of the company, it shall also order that such winding-up shall be carried on by or under the direction of the Superintendent.

Suspension of certificate for violation of Act.

57. If any company registered under this Act violates any of the provisions of this Act, it shall be the duty of the Superintendent to report such violation to the Minister, and thereupon the Minister may, in his discretion, after a reasonable time has been given to the company to be heard, withdraw the company's certificate of registry or may refuse to renew the same or may suspend the same for such time as he may deem proper.

Withdrawal of certificate for refusing information.

58. If any company registered under this Act declines to permit the examination authorized by section twenty-four or by section thirty-one of this Act, or refuses to give any information desired for such purpose in its possession or control, its certificate of registry may be withdrawn by the Minister.

Withdrawal of certificate for non-payment of claims.

59. Whenever satisfactory proof has been furnished to the Minister of any undisputed claim upon any company registered under this Act arising under any policy of insurance in Canada, remaining unpaid for the space of sixty days after becoming due, or of a disputed claim remaining unpaid after final judgment in regular course of law and tender of a legally valid discharge to such company, the Minister may withdraw the certificate of registry of the company.

(2) The certificate may be renewed if, within thirty days after withdrawal, such undisputed claim or final judgment upon or against the company is paid and satisfied.

Removal from register.

60. Upon the withdrawal of the certificate of registry of any company under any of the provisions of this Act, such company shall cease to be registered and its name shall be removed from the register.

Renewal of certificate.

(2) When the certificate of registry of any company has been withdrawn by the Minister under any of the provisions of this Act, such certificate may be renewed, if, within thirty days after withdrawal, the company complies with the requirements of this Act to the satisfaction of the Minister.

PENALTIES.

Penalty for carrying on business without certificate of registry.

61. Any company which, not being duly registered under the provisions of this Act, transacts the business of insurance in Canada, or does or performs in Canada any one or more of the acts constituting the business of insurance (save as provided in section sixty-four of this Act) and any person who, acting on behalf of any such company transacts such business or does or performs in Canada any such act or acts, shall be guilty of an offence and liable upon indictment or upon summary conviction, to a penalty, for each and every such offence, not exceeding five thousand dollars in the case of a company and not exceeding one thousand dollars in the case of a person acting on behalf of any such company; and, in addition, in the case of a natural person, to imprisonment for any term not exceeding six months.

Default in depositing annual statement.

62. Every company which makes default in depositing in the Department the annual and other statements herein provided for, shall incur a penalty of ten dollars for each day during which such default continues.

Recovery of penalty.

(2) All such penalties shall be recoverable and enforceable with costs at the suit of His Majesty, instituted by the Attorney General of Canada, and shall when recovered be applied towards payment of the expenses of the Department.

Suspension of certificate of registry if not paid.

(3) If such penalties are not paid, the Minister, with the concurrence of the Treasury Board, may order the certificate of registry of such company to be suspended or withdrawn as is deemed expedient, and until such penalties are paid, the certificate of registry of such company shall not on expiry be renewed.

Penalties for offences not otherwise provided for.

63. Any company which, or person who, does, causes or permits to be done any matter, act or thing contrary to any provision of this Act, or to the orders or directions of the Governor in Council, or of the Minister, or of the Superintendent, made under this Act, or omits to do any matter, act or thing by this Act required to be done by or on the part of such company or person, shall, if no other pecuniary penalty for such act or omission is provided in this Act, be liable for each such offence to a penalty of not less than twenty dollars and not more than five thousand dollars in the discretion of the court before which such penalty is recoverable.

Recovery and application.

(2) All such penalties shall be recoverable and enforceable with costs at the suit of His Majesty, instituted by the Attorney General of Canada, and shall, when recovered, be applied towards payment of the expenses of the Department.

PART VII.

EXEMPTIONS.

Application of Act. Marine and inland marine insurance.

64. The provisions of this Act shall not apply

(a) to any company in respect of its business of marine or inland marine insurance carried on in Canada, nor,

(b) to any company in respect of insurance on property situated in Canada; provided such insurance is effected outside of Canada and without any solicitation whatsoever directly or indirectly on the part of such company; and provided further that such company does not within Canada advertise their business in any newspaper or other publication or by circular mailed in Canada or elsewhere, and does not maintain an office or agency therein for the receipt of applications or the transaction of any act, matter or thing relating in any way to their said business; and, subject to the foregoing provisoes, such company may inspect the property insured or to be insured under this section and may adjust any loss incurred in respect thereof, nor

(c) to any company which, previously to the twenty-eighth day of April one thousand eight hundred and seventy seven, was licensed to transact the business of life insurance in Canada, and which ceased to transact such business before the thirty-first day of March one thousand eight hundred and seventy eight, having before that date given written notice to that effect to the Minister in respect of the collection and receipt of premiums due or to become due on policies issued before the last mentioned date or in respect of the payment of claims arising thereon or the transaction of any business appertaining thereto, nor

(d) except as hereinbefore provided, shall its provisions apply

Policies prior to 22nd May, 1868.

(i) to any company which has not, on or since the twenty-second day of May one thousand eight hundred and sixty-eight, been licensed to carry on business in Canada, in respect of any policy of life insurance in Canada issued before the said date;

Policies issued by unregistered company to non-residents of Canada.

(ii) to any company not registered under this Act, in respect of the collection or receipt of premiums on, or other business relating to any policy of life insurance

issued to a person not resident in Canada at the time of the issue of such policy;

Fraternal benefit society not required to be licensed before 1920.

(iii) to any fraternal benefit society which prior to the first day of January one thousand nine hundred and twenty, was not required to obtain a licence from the Minister and which has not on or after the said date obtained such a licence, in respect of any policy or certificate issued in Canada before the said date;

Societies exempted under R.S.C. 1927, c. 101, s. 3 (2).

(iv) to any society or organization of persons which, under the provisions of subsection two of section three of the *Insurance Act*, chapter one hundred and one of the *Revised Statutes, 1927*, was exempted from the provisions of the said Act, unless and until the period of exemption, if the exemption was for a limited period, has expired.

DECLARATORY.

Declaration of intent.

65. It is hereby declared that this Act has been passed with the object and intent of prescribing the conditions on which foreign insurance companies will be permitted to transact the business of insurance in Canada, of determining the solvency of such companies, and of preventing any such companies which may be found to be insolvent from commencing, or continuing, to transact the business of insurance in Canada; and if any provision of this Act should hereafter be determined to have any operation or effect beyond the legislative competence of the Parliament of Canada to authorize and sanction, and to be, in that respect, void and inoperative, it shall, in such respect, be treated as severable from the other provisions of this Act, and such other provisions shall continue to have full force and effect according to their tenor.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL G[1].

An Act respecting Canadian and British Insurance Companies

Read a first time, Wednesday, 13th April, 1932.

Rt. Hon. Senator MEIGHEN.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
44836 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL G[1].

An Act respecting Canadian and British Insurance Companies.

WHEREAS it is desirable to define the status and powers of insurance companies incorporated by the Parliament of Canada and to prescribe the limitations to be placed on the exercise of such powers, and

WHEREAS it is desirable to provide for the registration of such companies and of British insurance companies and associations which may desire to carry on the business of insurance in Canada, and for the voluntary registration of provincial companies, and

WHEREAS it is contrary to the public interest that insurance companies or associations which are insolvent or unable to discharge their liabilities to policyholders in Canada should be permitted to carry on the business of insurance in Canada, and

WHEREAS it is desirable to provide by a system of returns and inspection against such companies or associations engaging in, or continuing to carry on, business in Canada while unable to discharge their liabilities to such policyholders, as they become due or otherwise insolvent and to declare the conditions upon which such companies shall be deemed to be insolvent and be subject to be wound up under the provisions of the *Winding-up Act:* Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. This Act may be cited as *The Canadian and British Insurance Companies Act, 1932.*

Definitions. "Agent."

2. In this Act, unless the context otherwise requires,—

(a) "agent" means an acknowledged agent or other person who in any manner with the authority of the company aids in transacting the insurance business of the company, and includes an insurance broker;

"Association."

(*b*) "association" means any association of persons formed outside of Canada upon the plan known as Lloyds whereby each associate underwriter becomes liable for a stated, limited or proportionate part of the whole amount insured by a policy;

"British company."

(*c*) "British company" means any corporation incorporated under the laws of the United Kingdom of Great Britain and Northern Ireland or any British Dominion or possession other than Canada or a province of Canada for the purpose of carrying on the business of insurance and includes "association" as defined by this Act;

"Business of insurance."

(*d*) "business of insurance" means the making of any contract of insurance, and includes any act or acts of inducement to enter into such a contract, and any act or acts relating to the performance thereof, or the rendering of any services in connection therewith.

"Company."

(*e*) "company" means any corporation incorporated under the laws of the Dominion of Canada or of the late Province of Canada, for the purpose of carrying on the business of insurance, and includes "fraternal benefit society" as defined by this Act;

"Department."

(*f*) "Department" means the Department of Insurance constituted by the Department of Insurance Act;

"Fraternal benefit society."

(*g*) "fraternal benefit society" means a corporation having representative form of government, and incorporated under the laws of the Dominion of Canada for fraternal, benevolent or religious purposes among which purposes is the insuring of the members, or the dependent children of the members thereof, exclusively, against accident, sickness, disability or death, and includes a corporation incorporated, as aforesaid, on the mutual plan for the purpose of so insuring the members, or the dependent children of the members, of such a corporation exclusively;

"Inland marine insurance."

(*h*) "inland marine insurance" means marine insurance in respect to subjects of insurance at risk upon the waters of Canada, above the harbour of Montreal;

"Minister."

(*i*) "Minister" means the Minister of Finance;

"Officer."

(*j*) "officer" includes the manager, secretary, treasurer, actuary and any other person designated as "officer" by the by-laws of the company;

"Policy."

(*k*) "policy" means any written contract of insurance whether contained in one or more documents, and in the case of insurance in a fraternal benefit society, any contract of insurance whether evidenced by a written document or not and any certificate of membership relating in any way to insurance; and includes any annuity contract on the life of any person.

"Policyholder in Canada."

(l) "policyholder in Canada" means the legal holder for the time being of a 'policy in Canada';

"Policy in Canada."

(m) "policy in Canada" as regards life insurance, means any policy issued or effected by a company registered under this Act upon the life of any person resident in Canada at the time such policy was issued or effected; and, as regards fire insurance, means any policy issued or effected by such a company upon any property within Canada; and, as regards any other class of insurance, means any policy issued or effected by such a company in the transaction of its business of insurance in Canada;

"Provincial company."

(n) "provincial company" means a company incorporated under the laws of any province of Canada or of any former province of British North America now forming part of Canada other than the late Province of Canada for the purpose of carrying on the business of insurance;

"Secretary."

(o) "secretary" includes the officer by whom the usual duties of a secretary are performed;

"Superintendent."

(p) "Superintendent" means the Superintendent of Insurance.

"Regulations."

(2) The Governor General in Council may on the recommendation of the Minister make regulations determining and defining, for the purposes of this Act, and of any certificate of registry granted thereunder, what shall be deemed to be a distinct class of insurance, and the nature of each such class of insurance.

"Publication."

(3) Any regulations so made shall be published in the next issue of the *Canada Gazette*.

PART I

APPLICATION

Application to companies incorporated after 4th May, 1910.

3. The provisions of Part II of this Act shall apply to every company incorporated by a special Act of the Parliament of Canada after the fourth day of May, one thousand nine hundred and ten.

Companies incorporated but not licensed before 4th May, 1910.

(2) The provisions of Part II, other than those of section five, shall also apply to every company incorporated by a special Act of the said Parliament on or before the said date, but not licensed by the Minister on or before the said date, and in any respect in which the provisions of said Part II are inconsistent with the provisions of the special Act so passed on or before the said date, the provisions of Part II shall prevail.

Provisions applicable to all companies.

(3) The provisions of sections twenty-six, forty-one, forty-two, forty-three, forty-four, and the provisions of Parts III to VII inclusive of this Act shall apply to every company.

Form of Act of incorporation.

4. Every company incorporated by Act in the form set forth in the first schedule to this Act shall be invested with all the powers, privileges and immunities and shall be subject to all the liabilities and provisions set forth in this Act, applicable thereto.

Charter expires unless licence obtained.

(2) Unless otherwise therein provided, every special Act heretofore or hereafter passed by the Parliament of Canada incorporating any company, and all Acts amending it shall expire and cease to be in force, except for the sole purpose of winding-up such company's affairs, at the expiration of two years from the passing thereof, unless within such two years the company thereby incorporated is registered and obtains a certificate of registry under the provisions of this Act.

PART II

COMPANY CLAUSES

Special clauses applicable to companies incorporated after 4th May, 1910.

5. Every special Act of the Parliament of Canada passed after the fourth day of May, one thousand nine hundred and ten, for the incorporation of a company in the form in the first schedule to this Act shall be read as if it contained the provisions hereinafter in this section set forth, and shall be construed having regard thereto.

Provisional directors.

(2) The persons named as such in the special Act shall be the provisional directors of the company, a majority of whom shall be a quorum for the transaction of business. They shall remain in office until replaced by directors duly elected in their stead, and they may forthwith open stock books, procure subscriptions of stock for the undertaking, make calls on stock subscribed and secure payments thereon. They shall deposit in a chartered bank in Canada all moneys received by them on account of stock subscribed or otherwise received on account of the company and may withdraw the same for the purposes of the company only and may do generally what is necessary to organize the company.

Local boards and agencies.

(3) The directors may establish local advisory boards or agencies either within Canada or elsewhere at such times and in such manner as they deem expedient.

Shares.

(4) The capital stock of the company shall be divided into shares of one hundred dollars each, or if the special Act so provides, into shares of five dollars each or any multiple thereof, but not exceeding one hundred dollars each.

Increase of capital stock.

(5) The directors may, after the whole authorized capital stock of the company has been subscribed and fifty per cent paid thereon in cash, increase the capital stock from time to time to an amount not exceeding the sum named for that purpose in the special Act; but the stock shall not

be increased until a resolution of the board of directors authorizing such increase has been first submitted to and confirmed by two-thirds in value of the shareholders present or represented by proxy at a special general meeting of the members of the company duly called for that purpose.

First meeting of shareholders.

(6) As soon as the amount for that purpose mentioned in the special Act has been subscribed and ten per cent of the said amount has been paid into some chartered bank in Canada the provisional directors shall call a general meeting of the shareholders at some place to be named in the municipality where the head office of the company is situated; at which meeting the shareholders present or represented by proxy who have paid not less than ten per cent on the amount of shares subscribed for by them shall elect the shareholders' directors in the case of a life company, and the ordinary directors in the case of a company other than a life company, as set forth in the next following section.

Directors for other than life company.

(c) In the case of a company other than a life company there shall be elected at the first annual meeting and at each subsequent annual meeting a board of not less than nine nor more than twenty-one directors, who shall hold office for one year but shall be eligible for re-election;

Directors of life company.

(d) In the case of a life company there shall be elected at the first and second annual meetings not less than five nor more than nine shareholders' directors, who shall hold office for one year but shall be eligible for re-election;

Number and composition of board of directors.

(e) Every life company shall, by by-law passed not less than three months prior to the holding of its third annual meeting after the granting of a certificate of registry to it under this Act, determine the number of directors to be elected at said annual meeting by the shareholders and participating policyholders respectively, as herein provided, and the number of policyholders' directors so determined shall be at least one-third of the total number to be so elected. The company may, by the said by-law, provide that all the directors, of both classes, shall be elected for one, two or three years. If the by-law provides for a two years' or three years' term of office, it may also provide either, *(a)* that the term of office shall be continuous for all directors of both classes, or, *(b)* that a certain proportion, not less than one-third, of each class, shall retire annually. At the said annual meeting and each subsequent annual meeting there shall be elected a board as determined by by-law as aforesaid, but such board shall consist of not less than nine nor more than twenty-one directors, all of whom shall be eligible

for re-election. The shareholders' directors shall be elected by the shareholders and the policyholders' directors by the participating policyholders;

Manager may be a director.

(f) The manager of a company may be a director, but no agent or paid officer, other than the manager, shall be eligible to be elected as a director. The words "paid officer" in this paragraph shall not include the chairman of the board of directors or the president and vice-president, or the president and first vice-president if there is more than one- vice-president elected under the provisions of paragraph *(j)* of this section;

Calls on shares.

(7) The shares of the capital stock subscribed for shall be paid by such instalments and at such times and places as the directors appoint; the first instalment shall not exceed twenty-five per cent and no subsequent instalment shall exceed ten per cent, and not less than thirty days' notice of any call shall be given.

Commencement of business.

(8) The company shall not commence business until at least the amount of stock mentioned for that purpose in the special Act has been subscribed for nor until at least the sum named for that purpose in the said special Act has been paid in cash into the funds of the company to be appropriated only for the purposes of the company under the said special Act: Provided that stock upon which less than ten per cent has been paid in cash by the subscriber shall not be reckoned as part of the stock mentioned in the special Act as necessary to be subscribed, nor shall any sum paid by any shareholder upon the shares subscribed for by him which is less than ten per cent of the amount subscribed for by such shareholder be reckoned as part of the sum required to be paid thereon as in such special Act provided.

Annual meeting.

(9) A general meeting of the company shall be called at its head office once in each year after the organization of the company and the commencement of business, and at such meeting a statement of the affairs of the company shall be submitted, and special general or extraordinary meetings may at any time be called by any three of the directors or by requisition of any twenty-five shareholders, specifying in the notice the object of the meeting.

Reinsurance.

(10) The company may cause itself to be reinsured against any risk undertaken by it, and may reinsure any other company carrying on the same class of business against any risk undertaken by such other company.

Two classes of directors.

6. In this section the expression "life company" shall mean a company authorized to transact the business of life insurance.

(2.) *(a)* There shall be in the case of a life company having a capital stock, whether called by the name of capital stock, guarantee fund or any other name, two classes

of directors, namely, directors elected by the shareholders, hereinafter called shareholders' directors, and directors elected by the policyholders, hereinafter called policyholders' directors; but in the case of companies other than life companies having a capital stock, there shall be only one class of directors, namely, directors elected by the shareholders, hereinafter called ordinary directors;

Shareholders' directors.

(b) No person shall be eligible to become, or shall be elected, a shareholders' director of a life company or an ordinary director of a company other than a life company, unless he is a shareholder holding in his own name and for his own use and absolutely in his own right shares in a capital stock or guarantee capital, as the case may be, of the company to the amount of at least two thousand five hundred dollars and has paid in cash all calls due thereon and all liabilities incurred by him to the company; and the majority of directors so elected shall at all times be persons resident in Canada and subjects of His Majesty by birth or naturalization;

One vote for each share held.

(g) At all general meetings of a company each shareholder present in person or represented by proxy who has paid in cash all calls due upon his shares and all liability incurred by him to the company shall have one vote for each share held by him;

Every holder of a participating policy for $2,000 a member.

(h) In the case of a life company every person whose life is insured under a participating policy or participating policies of the company for two thousand dollars or upwards upon which no premiums are due, whether such person is a shareholder of the company or not, herein called a participating policyholder, shall be a member of the company and be entitled to attend and vote at all general meetings of the company; but participating policyholders, as such, shall not be entitled to vote for the election of shareholders' directors: Provided, however, that in case of liquidation of the company, the policyholder as such member shall not be entitled to share in the distribution of the assets or be liable to be placed on the list of contributories. Every holder of a participating policy or policies of the company for four thousand dollars or upwards, exclusive of bonus additions, upon which no premiums are due, who is not a shareholder, and who has paid premiums on such policy or policies for at least three full years shall be eligible for election as a policyholders' director. The policyholders' directors shall meet with the shareholders' directors and shall have a vote on all business matters;

Proviso.

Elections.

(i) The election of directors shall be by ballot;

President.

(j) The directors shall from among themselves elect a president, and one vice-president or more; and may elect a chairman of the board of directors;

Quorum.

(k) At all meetings of directors for the transaction of business a majority of the board shall be a quorum when the number of directors does not exceed thirteen; when the number exceeds thirteen a quorum shall be seven;

Notice of meetings.

(l) The company shall have a fixed time in each year for its annual meeting and due notice of such time shall be given at least fifteen days before in two or more daily newspapers published at or near the head office of the company, and if the company is a life company, such time shall be printed in prominent type on each renewal receipt issued by the company;

Voting.

(m) At the annual meeting no shareholder of a company other than a life company shall vote for more than the number of ordinary directors to be elected, and in the case of a life company no shareholder shall vote for more than the number of shareholders' directors to be elected, and no participating policyholder shall vote for more than the number of policyholders' directors to be elected;

Proxies.

(n) Every proxy representing a shareholder must be himself a shareholder and entitled to vote, and an instrument of proxy shall not be valid unless executed within three months of the date of the meeting at which it is to be used, and unless filed with the secretary of the company at least ten days before such meeting, and shall be used only at such meeting or any adjournment thereof, and may be revoked at any time prior to such meetings;

Instrument of proxy.

Vacancies in board of directors.

(o) Vacancies occurring in the board of directors may be filled for the remainder of the term by the directors from among the qualified shareholders or policyholders as the case may be;

Failure to elect directors.

(p) If at any time an election of directors is not made, or does not take effect at the proper time, the company shall not be held to be thereby dissolved, but such election may take place at any general meeting of the company duly called for that purpose, and the retiring directors shall continue in office until their successors are elected.

Powers of directors.

7. The directors may, in all things, administer the affairs of the company, and may make or cause to be made for the company any description of contract which the company may, by law, enter into.

By-laws.

8. The directors may make by-laws not contrary to law, or to the special Act, or to this Act, for

Stock.

(a) the regulating of the allotment of stock, the making of calls thereon, the payment thereof, the issue and

registration of certificates of stock, the forfeiture of stock for non-payment, the disposal of forfeited stock and of the proceeds thereof, and the transfer of stock;

Dividends. *(b)* the declaration and payment of dividends;

Officers. *(c)* the appointment, functions, duties and removal of all agents, officers and servants of the company, the security to be given by them to the company and their remuneration;

Meetings. *(d)* the time and place for the holding of the annual meeting of the company, the calling of meetings, regular and special of the directors and of the company, the requirements as to proxies, and the procedure in all things at such meetings;

Penalties. *(e)* the imposition and recovery of all penalties and forfeitures admitting of regulation by by-law; and

Generally. *(f)* the conduct, in all other particulars, of the affairs of the company.

Changing by-laws. **9.** The directors may, from time to time, repeal, amend or re-enact any such by-law: Provided that every such by-law, repeal, amendment or re-enactment unless in the meantime confirmed at a general meeting of the company duly called for that purpose shall only have force until the next annual meeting of the company and in default of confirmation thereat shall from the time of such default cease to have force or effect.

Confirmation necessary.

Stock to be personal estate. **10.** The stock of the company shall be transferable in such manner only, and subject to such conditions and restrictions as are prescribed by this Part, or by the special Act or the by-laws of the company.

Allotment of stock. **11.** If the special Act makes no other definite provision, the stock of the company shall be allotted at such times and in such manner as the directors, by by-law or otherwise, prescribe.

Calls on stock. **12.** The directors of the company may call in and demand from the shareholders thereof, respectively, all sums of money by them subscribed at such times and places and in such payments or instalments as the special Act or this Act requires or allows.

Interest on amount unpaid. (2) Interest shall accrue and fall due at the rate of five per cent per annum, upon the amount of any unpaid call, from the day appointed for payment of such call.

Forfeiture of shares for defaults in paying calls. **13.** If, after such demand or notice as by the special Act or the by-laws of the company is prescribed, any call made upon any share or shares is not paid within such time as by such special Act or by-laws is limited in that behalf,

the directors, in their discretion, by resolution to that effect, reciting the facts and duly recorded in their minutes, may summarily declare forfeited any shares whereon such payment is not made.

Forfeited shares go to company.

(2) Such shares shall thereupon become the property of the company, and shall be disposed of as the directors by by-law or otherwise prescribe.

Restriction as to transfer.

14. No share shall be transferable, until all previous calls thereon have been fully paid, or until it is declared forfeited for non-payment of a call or calls thereon.

Stock book to be kept containing:

15. The company shall cause a book or books to be kept by the secretary, or by some other officer specially charged with that duty, wherein shall be kept recorded

Names of shareholders;

(a) the names, alphabetically arranged, of all persons who are or have been shareholders;

Address and calling;

(b) the address and calling of every such person, while such shareholder;

Number of shares;

(c) the number of shares of stock held by each shareholder;

Amount paid in;

(d) the amounts paid in, and remaining unpaid, respectively, on the stock of each shareholder;

Transfers of stock;

(e) all transfers of stock, in their order as presented to the company for entry, with the date and other particulars of each transfer, and the date of the entry thereof; and

Names, addresses and calling of directors.

(f) the names, addresses and calling of all persons who are or have been directors of the company, with the several dates at which each became or ceased to be such director, and distinguishing in the case of a life company between shareholders' directors and policyholders' directors.

Powers of directors as to entries of transfers.

16. The directors may allow or refuse to allow the entry in any such book or books, of any transfer of stock whereof the whole amount has not been paid.

Transfer valid only after entry.

17. No transfer of stock, unless made by sale under execution or under the decree, order or judgment of a court of competent jurisdiction, shall be valid for any purpose whatsoever until entry thereof has been duly made in such book or books, except for the purpose of exhibiting the rights of the parties thereto towards each other, and of rendering the transferee liable, in the meantime, jointly and severally with the transferor to the company and its creditors.

Exception.

Stock books to be open for inspection.

18. Such books shall, during reasonable business hours of every day, except Sundays and holidays, be kept open for the inspection of shareholders and creditors of the com-

pany, and their personal representatives, and in the case of life companies of the participating policyholders, at the head office or chief place of business of the company, and every shareholder, creditor or personal representative and participating policyholder may make extracts therefrom.

Entries falsely made or neglected.

19. Every director, officer or servant of the company who knowingly makes or assists in making any untrue entry in any book required by this Part to be kept by such company, or who refuses or wilfully neglects to make any proper entry therein, or to exhibit the same, or to allow the same to be inspected and extracts to be taken therefrom, is guilty of an indictable offence, and liable to imprisonment for any term not exceeding two years.

Penalty.

Neglect to permit inspection.

Penalty.

20. Every company which neglects to keep open for inspection, as required by this Part, any book or books required by this Part to be kept by such company shall incur a penalty not exceeding fifty dollars for each day during which such neglect continues.

Liability of shareholder to creditors.

21. Every shareholder shall, until the whole amount of his stock has been paid up, be individually liable to the creditors of the company to an amount equal to that not paid up thereon; but shall not be liable to an action therefor by any creditor until an execution against the company at the suit of such creditor has been returned unsatisfied in whole or in part.

Limit of liability.

(2) The amount due on such execution, not exceeding the amount unpaid by the shareholder on his stock, shall be the amount recoverable with costs from such shareholder.

Limitation of liability of shareholders.

22. The shareholders of the company shall not, as such, be held responsible for any act, default or liability whatsoever, of the company, or for any engagement, claim, payment, loss, injury, transaction, matter or thing whatsoever, relating to or connected with the company, beyond the amount of their respective shares in the capital stock thereof.

Trustees not personally liable.

Estate liable.

23. No person holding stock in the company as an executor, administrator, tutor, curator, guardian or trustee shall be personally subject to liability as a shareholder; but the estate and funds in the hands of such person shall be liable in like manner and to the same extent as the testator, or intestate if living, or the minor, ward or interdicted person or the person interested in such trust fund if competent to act and holding such stock in his own name, would be liable.

Pledgor only liable.

(2) No person holding stock in the company as collateral security shall be personally subject to liability as a shareholder, but the person pledging such stock shall be considered as holding the same and shall be liable as a shareholder accordingly.

Notice.

24. In the absence of other provisions in that behalf in the special Act or in the by-laws of the company or in this Act, notice of the time and place for holding general meetings of the company shall be given at least ten days previously thereto, in some newspaper published at the place in which the head office or chief place of business of the company is situated, or if there is no newspaper there published, then in the newspaper published nearest thereto.

Arrears prevent voting.

25. No shareholder who is in arrear in respect of any call shall vote at any meeting of the company.

One vote for each share.

(2) In the absence of other provisions, in manner aforesaid, every shareholder shall be entitled to as many votes at all general meetings of the company as he owns shares in the company, and may vote by proxy.

Proxies.

Voting by proxy.

26. The provisions of this section shall extend and apply to every company other than a company authorized to transact life insurance, having a capital stock, whether called by the name of capital stock, guarantee fund, or any other name, and also to every mutual company, notwithstanding anything to the contrary in any special Act relating to any such company or in any by-law or by-laws thereof.

Application.

Proxy must be shareholder.

(2) At all meetings at which holders of shares in the capital stock or guarantee capital, policyholders, or members are entitled to quote, they may respectively vote by proxy and every proxy must be himself a shareholder, policyholder or member and entitled to vote.

Trustees and pledgors may vote as shareholders.

27. Every executor, administrator, tutor, curator, guardian or trustee shall represent the stock in his possession in his fiduciary capacity at all meetings of the company, and may vote as a shareholder; and every preson who pledges his stock may, notwithstanding such pledge, represent the said stock at all such meetings, and vote as a shareholder.

Special meetings may be called by shareholders.

28. Shareholders who hold one-fourth part in value of the subscribed stock of the company may at any time by written requisition signed by them call a special general meeting of the company for the transaction of any business specified in such requisition, and in the notice made and given for the purpose of calling such meeting.

Contracts by agents and officers.

29. Every contract, agreement, engagement or bargain made, and every bill of exchange drawn, accepted or endorsed, and every promissory note and cheque made, drawn or endorsed on behalf of the company, by any agent, officer or servant of the company, in general accordance with his powers as such under the by-laws of the company, shall be binding upon the company.

Affixing seal unnecessary.

(2) In no case shall it be necessary to have the seal of the company affixed to any such contract, agreement, engagement, bargain, bill of exchange, promissory note or cheque or to prove that the same was made, drawn, accepted or endorsed, as the case may be, in pursuance of any by-law or special vote or order.

Agent or officer not liable.

(3) The person so acting as agent, officer or servant of the company, shall not be thereby subjected individually to any liability whatsoever to any third person therefor.

Company not liable as to execution of trusts.

30. The company shall not be bound to see to the execution of any trust, whether express, implied or constructive, in respect of any share.

Receipt of shareholders a discharge.

(2) The receipt of the shareholder in whose name any share stands in the books of the company, shall be a valid and binding discharge to the company for any dividend or money payable in respect of such share, and whether or not notice of such trust has been given to the company.

Application of money.

(3) The company shall not be bound to see to the application of the money paid upon such receipt.

Liability of directors declaring and paying dividends when company is insolvent.

31. If the directors of the company declare and pay any dividend when the company is insolvent, or any dividend, the payment of which renders the company insolvent, or diminishes the capital stock thereof, they shall be jointly and severally liable, as well to the company as to the individual shareholders and creditors thereof, and, in the case of a life company, to the participating policyholders, for all the debts of the company then existing, and for all thereafter contracted during their continuance in office respectively.

Exoneration from liability.

(2) If any director present when such dividend is declared does forthwith, or if any director then absent does, within five days after he becomes aware of such dividend being declared and is able so to do, enter on the minutes of the board of directors his protest against the same, and within eight days thereafter publishes such protest in at least one newspaper published at the place in which the head office or chief place of business of the company is situated, or if there is no newspaper there published, in the newspaper published nearest thereto, such director may thereby and not otherwise, exonerate himself from such liability.

Liability of directors for transfer of shares.

32. Whenever entry is made in the company's book of any transfer of stock not fully paid up, to a person who is not apparently of sufficient means, the directors shall be jointly and severally liable to the shareholders and creditors of the company, and, in the case of a life company, to the participating policyholders thereof, in the same manner and to the same extent as the transferring shareholder, except for such entry, would have been liable.

Exoneration from liability.

(2) If any director present when such entry is allowed does forthwith, or if any director then absent does within five days after he becomes aware of such entry, and is able so to do, enter on the minute book of the board of directors, his protest against such transfer, and within eight days thereafter publishes such protest in at least one newspaper published at the place in which the head office or chief place of business of the company is situated, or if there is no newspaper there published, then in the newspaper published nearest thereto, such director may thereby, and not otherwise, exonerate himself from such liability.

No loan to directors or officers.

33. The company shall not loan any of its funds to any director or officer thereof, or to the wife or child of any such director or officer, except that a company authorized to transact life insurance may lend to any director or officer thereof on the security of the company's own policies.

Liability in case of loans by company to directors or officers.

34. If any loan is made by the company to any director or officer of the company in violation of the provisions of this Part, all directors and other officers of the company who make the same or assent thereto shall be jointly and severally liable to the company for the amount of such loan, and also to third persons to the extent of such loan, with lawful interest, for all debts of the company contracted from the time of the making of such loan to that of the repayment thereof.

Liability of directors for wages unpaid.

35. The directors of the company shall be jointly and severally liable to the clerks and servants thereof, for all debts, not exceeding one year's wages, due for services performed for the company whilst they are such directors respectively.

Limitation as to time.

(2) No director shall be liable to an action therefor, unless the company is sued therefor within one year after the debt became due, nor unless such director is sued therefor within one year from the time when he ceased to be such director, nor unless an execution against the company at the suit of such clerk or servant is returned unsatisfied in whole or in part.

Amount recoverable.

(3) The amount unsatisfied on such execution shall be the amount recoverable with costs from the directors.

Enforcement of payments of calls.

36. The company may enforce payment of all calls and interest thereon, by action in any court of competent jurisdiction.

Winding-up Act to apply.

37. The company shall be subject to the provisions of any general Act for the winding-up of joint stock companies.

Evidence of by-laws.

38. A copy of any by-law of the company, under its seal, and purporting to be signed by any officer of the company, shall be received as *prima facie* evidence of such by-law in all courts in Canada.

Books of company *prima facie* evidence.

39. All books required by this Part to be kept by the secretary or by any other officer of the company charged with that duty shall, in any suit or proceeding be, as against the company or against any shareholder, *prima facie* evidence of all facts purporting to be therein stated.

Proof of being a shareholder.

40. In any action by any company to enforce payment of any call or interest thereon, a certificate under the seal of the company and purporting to be signed by any officer of the company to the effect that the defendant is a shareholder, that the call or calls have been made, to enforce payment of which or of any interest thereon such action has been brought, and that so much is due by him and unpaid thereon, shall be received in all courts as *prima facie* evidence.

Company may; by by-law of shareholders;

41. Notwithstanding anything contained in its Act of incorporation, any company may,

(a) if the company has no members other than shareholders entitled to vote, by by-law passed and approved of by the votes of shareholders, representing at least two-thirds in value of the subscribed capital of the company, present or represented at a special general meeting duly called for considering the by-law; or

By by-law of members;

(b) if the company has no shareholders, by by-law passed and approved of by the votes of two-thirds of the members present or represented at a special general meeting duly called for considering the by-law; or

By by-law of shareholders and members;

(c) if the company has both shareholders and members entitled to vote, by by-law passed and approved of by at least two-thirds of the votes cast by such shareholders and members at a special general meeting duly called for considering the by-law,

Change head office and date of annual meeting.

(i) change the head office of such company from any place in Canada to any other place in Canada, or

(ii) change the date for holding its annual general meeting.

Reduction of capital by by-law.

42. The directors of any company may, subject to the proviso hereinafter contained, in the event of its paid-up capital being impaired, at any time and from time to time, after being duly authorized and empowered by a resolution approved by the votes of shareholders representing at least two-thirds of all the subscribed stock of the company at a special general meeting duly called for considering such resolution, pass a by-law for writing off the said paid-up capital any amount which they have been so authorized and empowered by the shareholders as aforesaid to write off such paid-up capital, but no part of its assets shall be distributed to its shareholders: Provided, however, that the paid-up capital shall not be reduced

Proviso.

(a) below the minimum amount fixed by the company's Act of incorporation as necessary to be paid up before the company can commence business; or

(b) in case no such amount is fixed by such Act of incorporation, then below the amount fixed by this Act or by the Treasury Board in pursuance of subsection three of section fifty-three of this Act as the company's deposit on obtaining a certificate of registry.

When capital is deemed impaired.

(2) The capital of a company shall be deemed to be impaired when its assets, exclusive of its paid-up capital, are less than its liabilities calculated according to the requirements of this Act.

Declaration in by-law.

(3) Such by-laws shall declare the par value of the shares of the stock so reduced and the capital stock of the company shall be reduced by the amount of the reduction in the paid-up portion thereof.

Liability of shareholders.

(4) The liability of the shareholders shall remain the same as if no reduction had been made in the paid-up capital stock of the company.

43. The directors may,

Subsequent increase of capital.

(a) from time to time, out of that portion of the profits of the company which belongs to the shareholders, by declaring a stock dividend or bonus or otherwise, increase the paid-up capital thereof to an amount not exceeding the amount or amounts by which the same may have been reduced under the provisions of the last preceding section, and thereafter the paid-up capital and the capital stock and each share shall represent the aggregate of the amount to which it has been reduced and the amount of such increase so declared as aforesaid; or

Issue of new stock.

(b) issue new stock to an amount not exceeding the amount of such reduction, which stock shall be first offered at not less than par to the shareholders in proportion to the existing shares held by them; and such offer shall be made by notice specifying the num-

ber of shares of new stock to which each shareholder is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time, or on the receipt of an intimation from any shareholder to whom such notice is given that he declines to accept the shares offered, the directors may dispose of the same, at not less than par, in such manner as they think most beneficial to the company. The nominal value of the shares of new stock so issued shall be the same as the nominal value of the shares of the reduced paid-up capital stock.

SEPARATE INSURANCE FUNDS.

Approval of by-laws by Treasury Board.

44. Any company may upon being authorized by a by-law made by the directors and confirmed at a general meeting of the company duly called for that purpose and upon making such further deposit and complying with such terms and conditions as may be fixed and prescribed by the Treasury Board and on complying with the provisions of this section upon the report of the Superintendent, transact such class or classes of insurance, as may be specified in the certificate of registry to be from time to time granted to the company pursuant to the provisions herein contained.

Amount of separate fund fixed by Board.

(2) The amount of the said separate and distinct fund to be maintained in respect of the class or classes of insurance business other than life insurance shall be fixed by the Treasury Board and shall depend on the number and nature of the additional class or classes of business so authorized but shall in no case be less than fifty thousand dollars.

How separate fund may be created.

(3) In the case of a company registered to transact only the business of life insurance, the company may, for the purpose of creating the said separate and distinct fund by by-law transfer as such fund or as part of such fund the whole or any portion of the balance standing to the credit of the shareholders' surplus account, or if duly authorized by by-law passed by the directors and approved by at least a two-thirds vote of the members present or represented at a special general meeting of the company duly called for that purpose, transfer as the said fund or as any part thereof an amount not exceeding twenty-five per cent of the surplus of the company or the sum of one hundred thousand dollars, whichever is the less.

"Surplus" defined.

(4) For the purpose of the last preceding subsection the word "surplus" shall be held to mean the excess of assets over the aggregate of the company's liabilities to its policyholders, the amount of the paid or guarantee capital, if any, the contingent apportionment of surplus to deferred

dividend policies, the provision for dividends accrued on quinquennial participating policies on the same scale as that used in the apportionment of surplus to deferred dividend policies of the same duration, and all its other liabilities of every kind.

Provisions of by-law when fund is created from surplus.

(5) If any portion of the said separate and distinct fund is created by a transfer from the surplus of the life insurance fund of the company, the by-law shall provide that a proportion of the profits of the said fund equal to the proportion which the amount so transferred from the said surplus is of the total amount so transferred or credited to the said fund, shall thereafter be credited to the life insurance fund of the company.

Transfer of surplus available for dividends.

(6) In the case of a company other than a company registered to transact only the business of life insurance, the company may, for the purpose of creating the said separate and distinct fund, by by-law transfer as such fund the whole or any portion of the surplus of the company which under the provisions of this Act is available for the payment of dividends to its shareholders, and the amount of such separate and distinct fund shall not be less than one hundred thousand dollars.

Separate funds may be liquidated separately.

(7) Any separate and distinct fund authorized by this section may in the case of any company be liquidated and wound up under the provisions of this Act or of the *Winding-up Act* independently of the other business of the company and the provisions of this Act and of the *Winding-up Act* shall apply to such funds as fully as if the company transacted only the class or classes of business in respect of which such funds are maintained.

Liability of capital stock to separate funds.

(8) In the winding-up of the company or of any fund thereof, the capital stock, if any, subscribed before the date of the separation of funds herein authorized shall be liable, both as to the amount paid and the amount unpaid thereon, only for claims or losses arising from the class or classes of business transacted prior to the said date.

Cost of incorporation chargeable to shareholders.

45. The entire cost of procuring the incorporation and subscriptions for stock shall be charged directly to the account of the shareholders and the amount thereof fixed by percentage on the capital stock or fixed in bulk and shown on the face of the form of the stock subscription contract, and shall not form a charge upon or be paid out of the paid-up capital nor from the insurance funds, nor be in any way chargeable directly or indirectly against the policyholders.

Statement of expenses of organization.

46. At the time application is made for a certificate of registry under this Act by a company there shall be submitted to the Minister a sworn statement setting forth the several sums of money paid in connection with the incor-

poration and organization of the company, and such statement shall, in addition, include a list of all the unpaid liabilities, if any, in connection with or arising out of such incorporation and organization;

To what limited.

(2) Until the certificate of registry is granted, no payments on account of incorporation and organization expenses shall be made out of the moneys paid in by shareholders, except reasonable sums for the payment of clerical assistance, legal services, office rental, advertising, stationery, postage and expenses of travel, if any.

Conditions precedent to issue of licence.

(3) The Minister shall not grant the certificate of registry until he is satisfied that all the requirements of this Act and of the special Act incorporating the company, as to the subscriptions to the capital stock, the payment of money by shareholders on account of their subscriptions, the election of directors and other preliminaries have been complied with, and unless he is satisfied that the expenses of incorporation and organization, including the commission payable for the sale of the company's stock, are reasonable.

If licence not obtained shareholders to control payments.

47. If the company does not obtain a certificate of registry before the expiry of its Act of incorporation, and if stock books have been opened and subscriptions in whole or in part paid, no part of the money so paid, whether on account of capital or of premium on capital or accrued interest thereon, shall be disbursed for commissions, salaries, charges for services or for other purposes, except a reasonable amount for payment of clerical assistance, legal services, office rental, advertising, stationery, postage and expenses of travel, if any, unless it is so provided by resolution of the subscribers at a meeting convened after notice, at which the greater part of the money so paid is represented by subscribers or by proxies of subscribers; and each subscriber shall be entitled at such meeting to one vote for each ten dollars paid, either as capital or as premium on capital, on account of his subscription.

Meeting and application to court to fix amount of payments.

(2) If the amount allowed by such resolution for commission, salaries or charges for services be deemed insufficient by the provisional directors or directors, as the case may be, or if no resolution for such purpose be passed after a meeting has been duly called, then the provisional directors or directors may apply to a judge of any superior or county court having jurisdiction where the head office of the company is situated, to settle and determine all charges and the reasonableness of the amount of the disbursements already made, to which such money and interest, if any, shall be subject, before distribution of the balance to the subscribers.

Notice of meeting.

(3) Notice of the meeting and notice of the application respectively referred to in the last preceding subsections shall be given by mailing the notice in the post office,

registered and post paid, at least twenty-one days prior to the date fixed for such meeting or the hearing of such application, to the several subscribers at their respective post office addresses as shown by the stock books; and each of such notices shall contain a statement, in summary form, of the several amounts for commissions, salaries, charges for services and disbursements which it is proposed shall be provided by resolution for payment, or settled and determined by a judge, as the case may be.

Voting.

(4) Votes of subscribers may be given at such meeting by proxy, but the holder of such proxy must be himself a subscriber, and subscribers may be heard either in person or by counsel on such application.

Payments by subscribers.

(5) In order that the sums paid and payable under the provisions of this section may be equitably borne by the subscribers, the provisional directors or the directors, as the case may be, shall, after the amount of such sums is ascertained as herein provided, fix the proportionate part thereof chargeable to each subscriber in the ratio of the number of shares in respect of which he is a subscriber to the total number of shares *bona fide* subscribed.

Making good of deficiency.

(6) The respective amounts so fixed shall, before return to the subscribers of the sums paid in by them, be deducted thereform, and if the respective sums paid in are less than the amounts so fixed, then the deficiency in each case shall be payable forthwith by the subscriber to the provisional directors or the directors, as the case may be.

How provided for.

(7) The total of the amounts of deficiency mentioned in the last preceding subsection which the provisional directors or the directors are unable to get in or collect in what seems to them a reasonable time, shall, with any legal cost incurred, be deducted by them from the sums then remaining in their hands to the credit of the several subscribers in the ratio hereinbefore mentioned, the shares in respect of which no such collections have been made being eliminated from the basis of calculation.

Return to subscribers.

(8) The provisional directors or the directors, after payment by them of the sums payable under this section, shall return to the subscribers, with any interest accretions, the respective balances of the moneys paid in by the subscribers.

PART III

Certificates of Registry

Register of companies.

48. There shall be established and maintained in the Department of Insurance a register in which shall be entered the names of all companies registered under this Part and to which certificates of registry are granted.

Registration and certificate of registry required.

49. The powers of a company shall not be exercised to transact the business of insurance in Canada, unless the company is registered and holds a certificate of registry from the Minister.

50. Every company shall, as a condition of being registered, file in the Department,—

Copy of charter.

(a) a copy of the charter, Act of incorporation, or articles of association of the company, certified by the proper officer in charge of the original thereof;

Power of attorney.

(b) a power of attorney from the company to its chief agent or attorney in Canada, in such form as may be required by the Minister;

Statement of condition and affairs.

(c) a statement, in such form as is required by the Minister, of the condition and affairs of the company on the thirty-first day of December next preceding, or up to the usual balancing day of the company, if such day is not more than twelve months before the filing of the statement, and such additional statements or information as the Minister may require as to its solvency and as to its ability to meet all its obligations.

Contents of power of attorney.

51. The power of attorney shall

(a) declare at what place in Canada the head office of the company is or is to be established; and

(b) expressly authorize such attorney to receive from the Minister and the Superintendent all notices which the law requires to be given, or which it is thought advisable to give; and

(c) declare that receipt of such notices, at such head office, or personally by such attorney at the place where such head office is established, shall be legal and binding on the company, to all intents and purposes whatsoever.

Change of chief agent.

52. Whenever any registered company changes its chief agent or head office in Canada, the company shall file a power of attorney as hereinbefore mentioned, containing any such change or changes in such respect, and containing a similar declaration as to service of notices as hereinbefore mentioned.

Deposit with the Minister.

53. Every company shall, as a further condition of being registered, make a deposit with the Minister in any of the securities hereinafter specified in that behalf.

(2) The amount of the deposit in the case of a fraternal benefit society shall be the sum of ten thousand dollars.

(3) The amount of the deposit in the case of a company other than a fraternal benefit society shall be,—

(a) in the case of a certificate of registry for life insurance, or for fire insurance, the sum of fifty thousand dollars, and

(b) in the case of a certificate of registry, for any other class of insurance, such sum as may be determined by the Treasury Board.

Companies licensed under Insurance Act deemed registered.

54. Every company which on the date of the coming into force of this Act holds a licence from the Minister, shall be deemed to have complied with the provisions of this Act precedent to the granting of a certificate of registry and to be registered hereunder, and the company shall be subject to the provisions thereof.

Form of certificate of registry.

55. The certificate of registry shall be in such form or forms, as may be from time to time determened by the Minister, and shall specify the business to be carried on by the company.

Contents of certificate.

(2) The certificate of registry and any renewal thereof shall certify that the company has complied with the provisions and conditions of its Act of incorporation or other constating instrument and with the provisions and conditions of this Act precedent to the granting of a certificate of registry.

Duration.

(3) The certificate of registry shall expire on the thirty-first day of March in each year, but may be renewed from year to year or for any term less than a year.

Limitations.

(4) Any certificate of registry or renewal thereof may contain any limitations or conditions which the Minister may deem necessary to give effect to the provisions of this Act.

Classes of insurance authorized.

56. The certificate of registry may specify such class or classes of insurance, whether mentioned in this Act or not, as the Minister may deem proper.

(2) No company shall issue policies relating to any class of insurance not specified in the certificate of registry from time to time in force, and a copy of every form of policy issued by the company shall be mailed by prepaid registered letter to the Superintendent.

Notice of having obtained a certificate of registry.

57. Every company on first obtaining such certificate shall forthwith give due notice thereof in the *Canada Gazette*, and in at least one newspaper in the county, city or place where the head office is established, and shall continue the publication thereof for the space of four weeks.

Publication of list of registered companies.

(2) The Minister shall cause to be published quarterly in the *Canada Gazette* a list of the companies registered under this Act, with the amount of deposit made by each company.

New companies.

(3) Upon any company being first registered, or upon the certificate of registry of any company being withdrawn, in the interval between the publication of two such quarterly

lists, he shall publish a notice thereof in the *Canada Gazette* for the space of four weeks.

Securities permissible.

58. All deposits required under this Act may be made by any company, in securities of or guaranteed by the Dominion of Canada, or in securities of or guaranteed by any province of Canada; or in securities of or guaranteed by the United Kingdom of Great Britain and Northern Ireland or any British Dominion or colony.

Valuation.

(2) The value of such securities shall be estimated at their market value at the time when they are deposited.

Accepting other securities.

(3) If any other than the aforesaid securities are offered as a deposit, they may be accepted at such valuation and on such conditions as the Treasury Board directs.

Further deposit if value declines.

59. If the market value of any of the securities which have been deposited by any company declines below that at which they were deposited, the Minister may notify the company to make such further deposit as will ensure the accepted value of all the securities deposited by the company being equal to the amount which it is required by this Act to deposit.

Failure to make.

(2) On failure by the company to make such further deposit within sixty days after being called upon so to do, the Minister may withdraw its certificate of registry.

Further deposits at option of company.

60. Any company registered under this Act may, at any time, deposit with the Minister, any further securities beyond the sum herein required to be deposited.

How dealt with.

(2) Any such further securities so deposited with the Minister shall be held by him and be dealt with according to the provisions of this Act in respect to the sum required to be deposited by such company, and as if the same had been part of the sum so required to be deposited.

Withdrawal of excess deposit.

61. If at any time it appears that a company has on deposit with the Minister a sum in excess of the amount required under the provisions of this Act, the Treasury Board may, upon being satisfied that the interests of the company's policyholders in Canada will not be prejudiced thereby, authorize the withdrawal of the amount of such excess or such portion thereof as may be deemed advisable.

Handing over interest on securities.

62. So long as the requirements of this Act are complied with by any company, and no notice of any final judgment against the company, or order made by the proper court in that behalf for the winding-up of the company or the distribution of its assets, is served upon the Minister, the interest upon the securities forming the deposit shall be handed over to the company as it falls due.

Investments.

Investment of company's funds.

63. Save as hereinafter provided, any company registered under this Act may invest its funds, or any portion thereof, in the purchase of

In government securities.

(a) the debentures, bonds, stocks or other securities of or guaranteed by the Government of the Dominion of Canada or of or guaranteed by the Government of any province of Canada; or of or guaranteed by the Government of the United Kingdom of Great Britain and Northern Ireland, or of any Dominion, colony or dependency thereof; or of or guaranteed by the Government of any foreign country, or state forming a portion of such foreign country; or of any municipal or school corporation in Canada, or elsewhere where the company is carrying on business; or guaranteed by any municipal corporation in Canada; or secured by rates or taxes, levied under the authority of the Government of any province of Canada on property situated in such province and collectable by the municipalities in which such property is situated;

Bonds secured by mortgage.

(b) (i) the bonds of any corporation which bonds are fully secured by a mortgage or hypothec to a trustee upon real estate or upon the plant and equipment of such corporation used in the transaction of its business; or upon bonds, debentures or other evidence of indebtedness or stocks owned by such corporation of a class or classes authorized by this section as investments of any company. The inclusion as additional security in such mortgage or hypothec of any other assets not of a class authorized by this Act as investments of any company shall not be deemed to invalidate such bonds as an investment.

Debentures.

(ii) the debentures or other evidences of indebtedness of any corporation which has paid regular dividends on its preferred or on its common stocks for a term of at least five years immediately preceding the date of investment in such debentures or other evidences of indebtedness, or

Preferred stocks.

(iii) the preferred stocks of any corporation which has paid regular dividends upon such stocks, or upon its other preferred stocks ranking equally therewith or upon its common stocks, for not less than five years preceding the purchase of such preferred stocks;

Proviso.

(iv) the stocks of any corporation which are guaranteed by a corporation which has paid regular dividends upon its preferred or common stocks for not less than five years preceding the purchase of such guaranteed stocks: Provided that the amount of stocks so guaranteed is not in excess of fifty per cent of the amount of the preferred or common stocks, as the case may be, of the guaranteeing corporation, or

Common stocks.

(v) the common stocks of any corporation upon which regular dividends of at least four per cent per annum or, in the case of stocks of no par value, of at least four dollars per share per annum have been paid for the seven years next preceding the purchase of such stocks: Provided that not more than thirty per cent of the common stocks and not more than thirty per cent of the total issue of the stocks of any corporation shall be purchased by any such company, and that no company shall be permitted to invest in its own shares or in the shares of another company authorized to transact the business of life insurance;

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Proviso. Provided further that if any such corporation has, pursuant to a voluntary reorganization of its capital account and without affecting the status or diminishing the value of its outstanding securities including the capital stock, substituted common shares of no par value for shares of par value, then dividends declared on the said no par value stock shall be deemed to be dividends of at least four dollars per share per annum if the sum thereof is equivalent to at least four per cent of the said common stock of par value and the proceeds of any additional issue of common stock made at the time of, or subsequent to, the aforesaid substitution of shares; and in such circumstances dividends of at least four per cent per annum on the common stock of par value immediately preceding the substitution shall be regarded as dividends on the no par value stock; or

Real estate mortgages.

(c) ground rents, mortgages or hypothecs on real estate in Canada, or elsewhere where such company is carrying on its business, provided that the amount paid for any such mortgage or hypothec shall in no case exceed sixty per cent of the value of the real estate covered thereby; or

Life policies.

(d) life or insurance policies or contracts issued by the company or by any other company registered to transact the business of life insurance in Canada.

Lending funds.

(2) Any such company may lend its funds or any portion thereof on the security of

Proviso.

(a) any of the bonds, debentures, stocks or other securities mentioned in the preceding subsection: Provided, however, that the amount loaned on the security thereof shall not exceed the amount which might be invested therein under the provisions of the next preceding subsection; or

(b) real estate or leaseholds for a term or terms of years or other estate or interest therein in Canada or elsewhere where the company is carrying on business:

Proviso.

Proviso. Provided, however, that no such loan shall exceed sixty per cent of the value of the real estate or interest

therein which forms the security for such loan, but this proviso shall not be deemed to prohibit a company from accepting as part payment for real estate sold by it, a mortgage or hypothec thereon for more than sixty per cent of the sale price of such real estate.

Other securities authorized by Treasury Board.

(3) The Treasury Board may authorize the acceptance by such company of bonds, stocks or debentures, not fulfilling the foregoing requirements of this section,

(a) in payment or part payment for securities sold by such company; or

(b) obtained under a *bona fide* arrangement for the reorganization of a corporation whose securities were previously owned by such company, or for the amalgamation with another corporation of the corporation whose securities were so owned;

but the bonds, stocks or debentures whose acceptance is so authorized shall be absolutely sold and disposed of within five years after the acquisition thereof, or within such further time as the Governor in Council shall on report of the Minister fix and determine, unless it can be shown to the satisfaction of the Minister that the bonds, stocks or debentures whose acceptance is so authorized are not inferior in status or value to the securities for which they have been substituted.

Dividend record in case of reorganization of capital account.

(4) For the purpose of determining the eligibility as investments under this section of the preferred or common stocks of any corporation, the capital account of which has been voluntarily reorganized without impairment of the status or value of its outstanding securities, including its capital stock dividends paid on the preferred and common stocks of the corporation before such reorganization may be counted as dividends paid on such stocks respectively of the corporation.

No loan to director or officer.

(5) No such company shall loan any of its funds to any director or officer thereof or to the wife or any child of such director or officer except on the security of the company's own policies.

Limitation on investment in common stocks.

(6) Except as hereinafter provided, the total book value of the investments of any such company in common stock shall not exceed fifteen per centum of the book value of the total ledger assets of the company.

Exception.

(7) If any such company has on hand, at the date of the coming into force of this subsection, investments in common stocks of a total book value in excess of fifteen per centum of the total book value of the ledger assets of such company at the said date, the provisions of the last preceding subsection shall not apply to such company until the first day of January, following the year in which the amount of the said investments is first reduced to fifteen per centum or less of the total ledger assets of such company, and on and

after the said date the said provisions shall apply, but until the said date no investment in common stocks shall be made by such company.

Shares acquired as dividends or rights not deemed an investment.

(8) The amount or value of shares of common stock acquired after the coming into force of this and the two next preceding subsections of this section by any such company as bonuses or dividends on preferred or common stocks or acquired in the exercise of rights or privileges arising from investments of such company in preferred or commons stocks shall not be deemed to be an investment in common stocks for the purposes of the last two preceding subsections.

Restriction of investments by companies other than life companies.

(9) Notwithstanding the foregoing provisions of this section, no company other than a company registered to transact the business of life insurance, may invest or lend its funds or any portion thereof in the purchase of, or on the security of policies of life insurance.

Power to invest in stock of other insurance companies.

64. Notwithstanding anything contained in the next preceding section any company, other than a company registered to transact the business of life insurance, may invest in the fully paid shares of any other company transacting the business of insurance or of any corporation incorporated outside of Canada and registered under the laws of the Dominion of Canada to transact such business in Canada, but the sum total of money invested in such shares shall not exceed fifteen per cent of the value of the assets of such company; and except as provided in this subsection no such company shall invest in shares of any other company or corporation transacting the business of insurance.

Additional security may be taken.

65. Any company may take any additional securities of any nature further to secure the repayment of any liability thereto, or further to secure the sufficiency of any of the securities in or upon which such company is by this Act authorized to invest or lend any of its funds.

Investments in corporate name only.

66. All investments and deposits of the funds of any company shall be made in its corporate name, and no director or other officer thereof, and no member of a committee having any authority in the investment or disposition of its funds shall accept or be the beneficiary of, either directly or indirectly, any fee, brokerage, commission, gift or other considerations for or on account of any loan, deposit, purchase, sale, payment or exchange made by or in behalf of such company, or be pecuniarily interested in any such purchase, sale or loan, either as borrower, principal, co-principal, agent or beneficiary, except that if he is a policyholder he shall be entitled to all the benefits accruing under the terms of his contract.

Exception.

(2) If the laws of any state or country in which any company transacts, or is about to transact, business, require that the deposits made or to be made by such company in such state or country shall be made in the name of, or transferred or assigned to, any person or corporation other than such company, this section shall not prohibit such company from making in the name of, or transferring or assigning to, such other person or corporation, the investments and deposits necessary to comply with the said laws.

Terms, manner of making and amount of loans.

67. Any loan by this Act authorized to be made may be made on such terms and conditions, and in such manner and at such times, and for such sums, as the directors from time to time determine.

Power to hold real estate.

68. Notwithstanding anything contained in its Act of incorporation, or in any Act amending it, every company shall have power to hold such real estate as is required for its actual use or occupation, or as may reasonably be required for the natural expansion of its business (including such, as having been lawfully acquired, is vested in it at the time of the passing of this Act) or such as is *bona fide* mortgaged to it by way of security or conveyed to it in satisfaction of debts or judgments, recovered.

Period of holding.

(2) No parcel of land, or interest therein, acquired by any company and not required for its actual use and occupation, present or prospective, as hereinbefore in this section mentioned, and not held by way of security, or acquired to protect the company's security, or acquired in payment or in part payment of an indebtedness to the company, shall be held by the company, or any trustee on its behalf, for a longer period than twelve years after the acquisition thereof, unless the Treasury Board extends the period during which such parcel of land may be so held, but shall, at or before the expiration of such period, or extended period, be absolutely sold and disposed of, so that the company shall no longer retain any interest therein except by way of security.

Saving of Provincial mortmain laws.

(3) Nothing herein contained shall be deemed to exempt any company from its obligation to comply with the laws of the province in which any such real estate is situate with respect to mortmain.

Statements and Returns.

Annual statement.

69. The president, vice-president or managing director or other director appointed for the purpose by by-law or by the board of directors, and the secretary, actuary or manager of every company registered under this Act, shall

prepare annually under their oaths, a statement of the condition and affairs of such company on the thirty-first day of December in each year, which shall exhibit the assets and liabilities of the company, and its income and expenditure during such year, and such other information as is deemed necessary by the Minister from time to time.

Declaration in annual statement.

(2) Every company shall, at the time of making the annual statement, declare that no change or amendment has been made in the charter, Act of incorporation or articles of association of the company, and that no change has been made in the head office or chief agent, without the Superintendent having been duly notified of such change or amendment.

Life company.

70. In the case of any company registered to transact the business of life insurance, the annual statement shall be in the form in the second schedule to this Act, with suitable changes made therein in the case of fraternal benefit societies, and the said statements shall be deposited in the Department within two months after the first day of January in each year.

Half-yearly statement.

(2) There shall also be prepared half yearly, as of the last days of June and December in each year, by the same officers, under their oaths, and deposited in the Department within fifteen days after the said last days of June and December in each year respectively, a statement in the form in the third schedule to this Act, showing in detail all bonds, stocks, debentures and other securities bought and all loans made, except on mortgages and policies, during the half year terminating on the date as of which such statement is made, specifying the amounts, dates of issue and maturity and par value thereof, the rate of interest payable thereon and the price paid therefor, and in the case of loans made, except on mortgages of real estate or insurance policies, particulars in detail of securities therefor, and showing also in detail all such securities sold or disposed of during the said half year, specifying similarly the amounts, dates of issue and maturity and par value thereof, the value in account thereof, the rate of interest payable thereon and the price or consideration received therefor.

To be included in Superintendent's report.

(3) The half yearly statement mentioned in the preceding subsection, the blank forms for which shall be supplied by the Superintendent, shall be embodied by him by way of appendix or otherwise in the annual report prepared by him for the Minister.

Fire companies.

(4) In the case of companies carrying on the business of fire insurance, such annual statement shall be in the form in the fourth schedule to this Act.

Other companies.

(5) In the case of companies carrying on business other than life or fire insurance, such annual statement shall be in the form in the said fourth schedule as nearly as circumstances will permit, necessary changes only being made therein.

Statement to be sworn.

(6) Such annual statement shall be sworn to, in the form A in the fifth schedule to this Act, before some person duly authorized to administer oaths in any legal proceeding, and such half yearly statements shall, in like manner, be sworn to in the form B in the said fifth schedule.

Minister or Superintendent may change forms.

(7) The Minister may, from time to time, make such changes in the form of such statements, whether such changes are of general application or are, in the opinion of the Minister, necessary to meet the circumstances of any particular case, as he may deem necessary or expedient.

Valuation of securities for annual statement.

71. In every annual statement required to be filed by this Act, the bonds, debentures, stocks and other securities shall be taken into account at the market values applicable to the said securities at the date of the statement or, in the discretion of the Superintendent, at a date not more than sixty days before the date of the statement.

Variation when values unduly depressed.

(2) When the market values of any securities valued as in the preceding sub-section are in the opinion of the Minister unduly depressed, the Minister may, on the report of the Superintendent, authorize in the case of such securities the use of values in excess of the said market values, not, however, exceeding the values at which the said securities were shown in the next preceding annual statement, or, if acquired since the date of the said preceding statement, not exceeding the book values at the date of the statement.

INSPECTION AND REPORT BY SUPERINTENDENT.

Duties of Superintendent.

72. The Superintendent shall

Securities.

(a) enter in a book, under the heading of each company, the securities deposited on its account with the Minister naming in detail the several securities, their par value, their date of maturity, and value at which they are received as deposit; and such book shall be left open to public inspection;

Report.

(b) in each case, before the granting of any new certificate of registry, or the renewal of any such certificate, make a report to the Minister that the requirements of this Act have been complied with, and that from the statement of the affairs of the company it is in a condition to meet its liabilities;

Record of.

(c) keep a record of the certificates of registry as they are granted;

Visit head office.

(d) visit personally, or cause a duly qualified member of his staff to visit, the head office of each company in Canada, at least once in every year, and examine the statements of the condition and affairs of each company, and report thereon to the Minister as to all matters requiring his attention and decision;

Annual report.

(e) prepare for the Minister, from the said statements, an annual report, giving full particulars of the condition and affairs of each company.

Inspection of companies.

73. If the Superintendent, after an examination into the condition and affairs of any company licensed to transact business in Canada, as disclosed by the annual or other statements furnished by such company to the Minister or for any other reason, deems it necessary and expedient to make a further examination into the affairs of such company and so reports to the Minister, the Minister may, in his discretion, instruct the Superintendent to visit the head office of such company, thoroughly to inspect and examine into all its affairs and to make all such further inquiries as are necessary to ascertain its condition and ability to meet its obligations, and whether it has complied with all the provisions of this Act.

Officers to open books for inspection.

(2) The officers or agents of such company shall cause their books to be open for the inspection of the Superintendent, and shall otherwise facilitate such examination so far as it is in their power.

Examination under oath.

(3) For the purpose of such inquiry, the Superintendent may examine under oath the officers or agents of such company.

Report on inspections.

74. A report of all companies so visited by the Superintendent shall be entered in a book kept for that purpose, with notes and memoranda showing the condition of each company, after such investigation.

Special report to Minister.

(2) A special report shall be communicated in writing to the Minister, stating the Superintendent's opinion as to the standing and financial position of every company so visited, and all other matters desirable to be made known to the Minister.

Appraisement of real estate held.

75. If upon an examination of the assets of any company, it appears to the Superintendent, or if he has any reason to suppose, that the value placed by the company upon the real estate owned by it or any parcel thereof is too great, he may either request such company to procure an appraisement of such real estate by one or more competent valuators, or may himself procure such appraisement at the company's expense, and the appraised value, if it varies materially from that shown in the return made by

the company, may be substituted for the latter in the annual report prepared for the Minister by the Superintendent.

Appraisement of real estate securing mortgage.

(2) If it appears to the Superintendent, or if he has any reason to suppose that the amount secured by mortgage or hypothec upon any parcel of real estate, together with the interest due and accrued thereon, is greater than the value of such parcel, or that such parcel is not sufficient security for such loan and interest, he may in like manner request the company to procure an appraisement thereof, or may himself at the company's expense procure such appraisement, and if from the appraised value it appears that such parcel of real estate is not adequate security for the loan and interest, he may write off from such loan and interest a sum sufficient to reduce the same to such an amount as may fairly be realizable from such security, in no case to exceed such appraised value, and may insert such reduced amount in his said annual report.

Special audit of company.

(3) If it appears to the Superintendent that a complete and thorough audit of the books of the company should be made or if a company makes a written request for such audit, the Superintendent may nominate a competent accountant who shall, under the direction of the Superintendent, make a special audit of the company's books, accounts and securities and report thereon to the Superintendent in writing verified by the oath of such accountant.

Expense borne by company.

(4) The expenses of such special audit shall be borne by the company and the auditor's account therefor when approved in writing by the Superintendent shall be payable by the company forthwith.

Inquiries to companies and reply.

76. The Superintendent may address any inquiries to any company registered under this Act, or to the president, manager, actuary or secretary thereof, for the purpose of ascertaining its condition and ability to meet its obligations, and it shall be the duty of any company so addressed promptly to reply in writing to any such inquiries.

(2) The Superintendent may, in his discretion, embody in his annual report to the Minister the inquiries made by him under this section and the answers thereto.

Permissible investments only to be allowed as assets.

77. In his annual report prepared for the Minister, the Superintendent shall allow as assets only such of the investments of the several companies as are authorized by this Act, or as were authorized by law at the time of their acquisition.

Correction of annual statements.

(2) In his said report the Superintendent shall make all necessary corrections in the annual statements made by the companies as herein provided and shall be at liberty to increase or diminish the liabilities of such companies to

the true and correct amounts as ascertained by him in the examination of their affairs at the head office thereof in Canada, or otherwise.

Appeal to Exchequer Court.

78. An appeal shall lie in a summary manner from the ruling of the Superintendent as to the admissibility of any asset not allowed by him, or as to any item or amount so added to liabilities, or as to any correction or alteration made in any statement, or as to any other matter arising in the carrying out of the provisions of this Act, to the Exchequer Court of Canada, which court shall have power to make all necessary rules for the conduct of appeals under this section.

Procedure on appeal.

(2) For the purposes of such appeal the Superintendent shall at the request of the company concerned give a certificate in writing setting forth the ruling appealed from and the reasons therefor, which ruling shall, however, be binding upon the company unless the company shall within fifteen days after notice of such ruling serve upon the Superintendent notice of its intention to appeal therefrom, setting forth the grounds of appeal, and within fifteen days thereafter file its appeal with the registrar of the said court and with due diligence prosecute the same, in which case action on such ruling shall be suspended until the court has rendered judgment thereon.

PART IV.

COMPANIES TRANSACTING LIFE INSURANCE.

Life insurance companies.

79. This Part applies to companies registered under this Act to transact only the business of life insurance and to companies so registered to transact the business of life and other insurance, in respect of the life insurance business of such companies.

Two classes of directors.

80. The provisions of subsections *(a)* to *(p)* inclusive of section six of this Act, in so far as they are applicable to a company authorized to transact the business of life insurance, shall apply to every company registered under this Act to transact such business.

Limitation of power to transact life insurance in combination with other classes.

81. If any company registered under the provisions of this Act to transact the business of life insurance, in the exercise of its powers, combines such business with other classes of insurance business, it shall maintain separate and distinct accounts, funds and securities in respect of its life insurance business in Canada, and such funds and securities shall be available only for the protection

of life insurance policyholders in Canada, and shall not be liable for the payment of claims arising from the other class or classes of business which the company transacts;

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provided that the maintenance of separate and distinct accounts, funds and securities in respect of any such company's life insurance business shall not be required by reason only that it combines with its life insurance business any of the following classes of insurance, namely:—

Insurance against disability.

(a) insurance against disability caused by accident or sickness, if included in a policy of life insurance and if the disability benefits do not exceed the following, namely, the waiver of premiums falling due during the continuance of such disability and a disability indemnity payable for a period or periods not exceeding one hundred weeks at a weekly rate not exceeding one-half of one per centum of the sum assured on the date of the occurrence of such disability payable in event of death, and thereafter an indemnity not exceeding one-half of the said rate, ceasing upon the termination of the life insurance risks insured against under the policy, or a lump sum disability indemnity in respect of total and permanent disability which, together with any other disability indemnity otherwise at any time paid under the policy, shall not exceed the said sum assured, and in a deferred annuity contract a disability indemnity not exceeding the rate of annuity provided by the contract;

Insurance against accidental death.

(b) insurance against death as a result of accident if included in a policy of life insurance and if the additional benefit payable in event of accidental death does not exceed the sum assured on the date of death payable in event of death from any cause;

Annuities.

(c) annuities of all kinds;

Sinking fund and other insurance.

(d) insurance providing for the establishment, accumulation and payment of sinking, redemption, accumulation, renewal or endowment funds.

"Sum assured" defined.

(2) In this section the words "sum assured" wherever they appear, shall mean the principal sum which is payable in event of death where the life insurance money is payable in one sum, or the commuted value of the income or instalments provided upon death where the life insurance money is payable otherwise than in one sum, but not including any additional sum payable under the policy on death as a result of accident.

Charter powers deemed amended.

(3) The Act of incorporation of any such company incorporated by the Parliament of Canada is hereby amended to empower the company to transact, in addition to the business of life insurance, the classes of insurance in this section enumerated within the limitations therein provided.

(4) Any company holding a certificate of registry to transact the business of life insurance may, subject to the provisions of this section, transact under the said certificate the classes of insurance par ticularly referred to in said sub-paragraphs *(a)*, *(b)*, *(c)* and *(d)* of subsection one of this section.

Annual statement to show reserve.

82. The liabilities in the annual statement, filed or required to be filed under this Act, of every company shall include a reserve for all unmatured obligations guaranteed under the terms of its policies dependent on life disability, sickness, accident, or on any other contingency, or on a term certain, and shall also include a reserve for profits ascertained and apportioned for future distribution.

Method of computation.

(2) In computing the reserve for all unmatured obligations guaranteed under the terms of the policies dependent on life contingencies only, the valuation shall be made in accordance with the following prescriptions, namely:—

(a) The rate of interest assumed shall not exceed the rate prescribed in the sixth schedule to this Act;

(b) The tables of mortality used shall be the tables prescribed in said schedule to this Act: Provided that if it appears to any company that the reserves for any particular class of policies cannot be appropriately computed by any table of mortality prescribed in the said schedule for the computation, then the company shall apply to the Superintendent for approval of the table the company deems most appropriate for the computation;

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(c) The method of valuation shall be that specified in the said schedule or any adaptation thereof approved by the Superintendent under the said schedule, or any other method the company deems appropriate: Provided that the method used shall be such that the reserve calculated in accordance therewith shall not be less at any duration than the reserve computed in accordance with the valuation provisions in the said schedule, and that the method used shall make adequate provision for the guaranteed values at the subsequent durations of the policy according to the rate of interest and the table of mortality used in the valuation;

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(d) The reserve in the first policy year need not in any event exceed the reserve computed in accordance with the rate of interest and table of mortality used in the valuation and the method of valuation described in the said schedule.

Valuation by company.

(3) In computing the reserve for all unmatured obligations, guaranteed under the terms of or arising out of policies, dependent on contingencies other than life contingencies only the bases and methods of valuation employed

by the company shall be such as to place an adequate value on the liabilities thereunder, and shall be such that the value of the benefits under each and every policy shall in no case be less than the value placed upon the future premiums.

Summary to be included in annual statement.

(4) There shall be included in the annual statement a certificate by the actuary of the company, or by the actuary responsible for the valuation if the company has no actuary, to the effect that the reserves shown in the valuation summary are not less than the reserves required by the provisions of this section, and in addition that in his opinion the reserves make a good and sufficient provision for all unmatured obligations of the company guaranteed under the terms of its policies.

Computation by Superintendent.

(5) If it appears to the Superintendent that the reserve included in the liabilities in the annual statement of any company has not been computed of accordance with the provisions of the preceding subsections in this section, he shall make known to the company in what respects in his opinion the valuation does not comply with the said provisions with a view to having such alterations made in the valuation as may be necessary to secure compliance with those provisions, and on failure of the company to have such alterations made the company shall furnish to the Superintendent, on application, the full particulars of its policies necessary for computation of the reserve required in accordance with the provisions of the preceding subsections of this section, and the reserve so computed by the Superintendent shall be substituted in the liabilities in the annual statement for the reserve computed by the company.

Valuation every five years.

(6) Once in every five years or oftener at the discretion of the Minister, the Superintendent shall himself value or cause to be valued under his supervision all the policies of every company and any such valuation shall be made on the bases and in accordance with the methods the company purports to use in computing the reserve included in the liabilities in the annual statement of the company made as of the valuation date or, if the valuation is made as of a date other than the annual statement date, then in the annual statement of the company last made preceding the date of valuation, subject to such alterations as may be made in the reserve under the provisions of subsection five of this section.

Examination of valuation.

(7) Instead of making a valuation as provided under subsection six of this section the Superintendent may satisfy himself by an examination of the valuation made by the company whether the company is maintaining the reserve it purports to maintain and whether the reserve maintained complies with the provisions of this Act.

Company may require valuation to be made by Superintendent.

(8) Any company, instead of itself computing the reserve to be included in the liabilities in it annual statement, may require the valuation to be made by the Superintendent, in accordance with the provisions of this section, on payment to him of three cents for each policy or bonus addition so valued, which amount the Superintendent shall pay over to the Minister: Provided that the company in preparing the data for valuation may group any number of policies in a manner satisfactory to the Superintendent so that they may be valued as one policy and the charge for the valuation of each group shall be three cents; and a like charge shall be made and paid over to the Minister in respect of any valuations made by the Superintendent under the provisions of subsection five of this section.

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Tables of mortality approved to be described in Superintendent's report.

(9) In any case where the Superintendent approves of a table of mortality under the provisions of this section he shall include in his annual report to the Minister such information concerning the origin and characteristics of the table and the circumstances in which it may be used as the Superintendent deems necessary and appropriate; and approval of any such table may in like manner be withdraw by the Superintendent.

Surplus under deferred dividend policies and quinquennial apportionment of profits.

(10) In computing the reserve to be included in the said annual statement for profits ascertained and apportioned for future distribution in respect of policies providing for distribution of surplus or profits at intervals less frequent than quinquennial, and known as deferred dividend policies, the profits or surplus to which each class of such policyholders may be equitably entitled shall be ascertained and apportioned at least once in every five years, reckoning from the date of the policies and the total sum of the shares so ascertained and apportioned shall be a liability of the company and shall be so shown in its accounts until actually distributed and paid to the policyholders entitled thereto: Provided that in respect of deferred dividend policies issued before January 1, 1911, the amount of profits or surplus so ascertained and apportioned may be shown in the accounts as a contingent apportionment and not as a liability.

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Separate accounts of participating and non-participating business.

83. Every company, notwithstanding anything to the contrary in any special Act or elsewhere, shall keep separate and distinct accounts of participating and non-participating business.

Ascertainment of profit from participating policies.

84. In the case of companies which have a capital stock, the directors may, from time to time, set apart such portion of the net profits as they deem safe and proper for distribution as dividends or bonuses to shareholders and holders of participating policies, ascertaining the part thereof which

has been derived from participating policies and distinguishing such part from the profits derived from other sources; and the holders of participating policies shall be entitled to share in that portion of the profits so set apart which have been distinguished as having been derived from participating policies (including a share of the profits arising from the sale of securities in the proportion of the mean participating fund to the mean total funds), to the extent of not less than ninety per cent thereof; and before fixing or arriving at the amount of divisible profits, interest on the amount of unimpaired paid-up capital stock, but not including any premiums or bonuses paid thereon or in respect thereof, which have been expended in the establishment, prosecution or extension of the company's business or applied to making good any impairment of capital, and on any other sum or sums from time to time standing at the credit of the shareholders may be allowed or credited to such shareholders at the average net rate of interest earned in the preceding year, or other period under consideration, upon the mean invested funds of the company; such shareholders to be, however, charged with a fair proportion of all losses incurred upon investments or other losses of a similar character in proportion of the mean shareholders' fund to the mean total funds.

Right of participating policyholders to profit.

(2) The provisions of subsection one of this section shall not interfere with the right of the participating policyholders of any such company to share in the profits realized from the non-participating branch of its business in any case in which such policyholders are so entitled under the Acts relating to such company in force on the fourth day of May, one thousand nine hundred and ten.

Securities to be held in Canada.

85. Every such company shall at all times retain in Canada and under its own control assets of a value at least equal to the amount of its total liabilities to its policyholders in Canada and of such assets an amount at least equal to two-thirds of its said total liabilities in Canada shall consist of investments in or loans upon Canadian securities: Provided, however, that in the event of its being necessary to remove from Canada any portion of the securities held in Canada for the purpose of exchanging the same for other securities authorized under this Act, or for any similar purpose, they may be entrusted for the purpose intended to a responsible bank, trust corporation or other corporttion carrying on business outside of Canada.

Deposit outside Canada.

(2) Any such company may deposit in any country outside of Canada such portion of its funds and securities as may be necessary or desirable for the protection of the reserves on, or for the purpose of paying claims under, the company's policies issued in such country, but the amount

so deposited in any such country shall not exceed the reserves on the company's policies in such country or the amount required to be so deposited by the laws of such country whichever is the greater, together with a proportion of the combined paid capital, contingency reserves and unappropriated surplus of the company equal to the proportion which the reserves in such country are of the company's reserve on all its policies.

Funds in foreign country.

(3) Funds and securities for the protection of, or for the purpose of paying claims under policies issued in one country outside of Canada and payable in the currency of another such country, may be deposited in the country in whose currency the policies are payable, and the securities so deposited shall not be deemed to be funds and securities deposited in such country within the meaning of subsection two of this section; and funds and securities held in Canada in trust for policyholders outside of Canada in pursuance of a reinsurance agreement between such company and any other company shall not be deemed to be funds and securities retained in Canada.

Saving.

(4) Save as in this section provided all the securities of every company shall be held at the head office of the company or elsewhere in Canada.

86. For the purpose of enabling the Superintendent to determine the liabilities of companies registered under the provisions of this Act, each such company shall deposit and keep deposited with the Superintendent a copy of its established premium rates for all plans of insurance, together with particulars concerning the several equities, if any, guaranteed under each plan of insurance, in event of surrender or termination of premium payment at any time, and in respect of special plans of insurance the company shall deposit like information on request by the Superintendent; and also copies of all forms of policy contracts issued in Canada.

Salaries of officers and agents.

87. No salary, compensation or emolument shall be paid to any director of any company for his services as such director unless authorized by a vote of the members in the case of a mutual company, and by a vote of the shareholders and other members, if any, in the case of a company having capital stock.

Approval of Board of Directors required.

(2) No salary, compensation or emolument shall be paid to any officer or trustee of any such company unless authorized by a vote of the directors, nor shall any salary, compensation or emolument amounting in any year to more than five thousand dollars be paid to any agent or employee unless the contract under which such amount becomes payable, if made after the fourth day of May, one thousand nine hundred and ten, has been approved by the board of directors.

Salary agreement for not more than five years.

(3) No company shall have power to make any agreement with any of its directors, trustees, officers or agents, to pay for any services rendered or to be rendered, any salary, compensation or emolument extending beyond a period of five years from the date of such agreement, but the company may make an agreement with any agent in respect of insurance secured or to be secured by such agents, such insurance amounting in any year to less than twenty per cent of the total insurance secured in that year by the company.

Staff Pension and Insurance Fund.

88. The company shall have power by by-law of the directors to provide for the creation of a staff pension and insurance fund, but such by-laws shall before becoming effective be submitted to and be approved of at an annual meeting of the company or at a special general meeting of the members thereof, notice of the intention to consider such by-laws having been in either case duly given.

Amalgamation, transfer and reinsurance.

89. Every company registered to transact the business of life insurance shall have power, with the permission of the Minister, to make an agreement to amalgamate its property and business with the property and business of any other such company, which has power to make such an agreement or to transfer all or any portion of its policies to or reinsure the same in any other such company, or to transfer its property and business or any part thereof to any other such company, or to reinsure the policies or any portion thereof of any other such company, or to purchase and take over the business and property or any portion thereof of any other such company, and to enter into all contracts and agreements necessary to such amalgamation, transfer or reinsurance upon compliance with the conditions hereinafter in this section set forth.

Sanction of Treasury Board.

(2) When an agreement for any such amalgamation, transfer or reinsurance has been entered into, the directors of the companies which are parties to such agreement may apply to the Treasury Board to sanction and confirm the same, and the Treasury Board, after hearing the directors and other persons whom it considers entitled to be heard upon the petition, or giving them an opportunity to be so heard, may confirm the same.

Notice of application to Board.

(3) Before any such application is made to the Treasury Board notice thereof together with

(a) a statement of the nature and terms of the amalgamation, transfer or reinsurance as the case may be, and

(b) An abstract containing the material facts embodied in the agreement under which such amalgamation, transfer or reinsurance is proposed to be effected, and

(c) copies of the actuarial or other reports upon which such agreement is founded, including a report by an independent actuary;

shall be served on the shareholders and on the holders of all policies in Canada other than industrial policies of each company: Provided, however, that the Superintendent may dispense with the services of such documents on the policyholders of the reinsuring company and on the policyholders of the reinsured company not included in the reinsurance.

Proviso.

Service on policyholder.

(4) Such notice and documents shall be served by being transmitted through the post office directed to the registered or other known address of each such shareholder and policyholder, and within such period that they may be delivered in due course of delivery thirty days at least before the day appointed for the hearing of the application.

Agreement open to inspection.

(5) The agreement under which such amalgamation, transfer or reinsurance is proposed to be effected shall be open to the inspection of the policyholders and shareholders at the principal office of the company or companies for a period of thirty days after the issue of the abstract herein provided for.

Publication of notice.

(6) A copy of such notice shall also be published in the *Canada Gazette* at least thirty days before the application is made; but this subsection shall not apply to any company which issues industrial insurance.

Opposition by policyholders.

(7) The Treasury Board shall not sanction any amalgamation, transfer or reinsurance in any case in which it appears to the Board that the policyholders representing one-fifth or more of the total amount assured in any company which it is proposed to amalgamate, or in any company the business of which it is proposed to transfer or reinsure, dissent from such amalgamation, transfer or reinsurance.

Capital to be unimpared after amalgamation.

(8) No company shall be permitted to amalgamate its business with, transfer its business to, or reinsure its business in any other company, if the capital of the combined company after such amalgamation, or of the continuing company after such transfer or reinsurance, shall be impaired, the policy and annuity liabilities of the combined or continuing company being calculated in accordance with the provisions of this Act.

Deposit of documents.

(9) When an amalgamation takes place between any companies, or when the business of one company is transferred to or reinsured in another company, the combined company, or the continuing company, as the case may be, shall, within ten days from the date of the completion of the amalgamation, transfer or reinsurance, deposit with the Superintendent the following documents, that is to say:—

(a) certified copies of the statement of the assets and liabilities of the companies concerned in such amalgamation, transfer or reinsurance; and

(b) a statement of the nature and terms of the amalgamation, transfer or reinsurance; and

(c) a certified copy of the agreement under which such amalgamation, transfer or reinsurance is effected; and

(d) certified copies of the actuarial or other reports upon which such agreement is founded; and

(e) a declaration under the hands of the president and manager of each company that to the best of their knowledge and belief every payment made or to be made to any person whatsoever on account of the said amalgamation, transfer or reinsurance is therein fully set forth, and that no other payments beyond those set forth have been made or are to be made either in money, policies, bonds, valuable securities or other property, by or with the knowledge of any of the parties to the amalgamation, transfer or reinsurance.

Sanction of Treasury Board essential.

(10) No company shall amalgamate with another company, transfer its business to or reinsure its business in another company, unless such amalgamation, transfer or reinsurance is sanctioned by the Treasury Board in accordance with this section: Provided, however, that this section shall not apply to the contracts of reinsurance made by companies in the ordinary course of their business.

Proviso.

Exemption.

(11) Subsections three to seven, both inclusive, of this section shall not apply to the reinsurance by any company of the business of a company which is not registered and never has been registered or licensed to transact business in Canada.

Exemption.

(12) Subsections two to seven, both inclusive, and subsection eleven of this section shall not apply to the reinsurance by a company of any of the policies other than policies in Canada of any company incorporated outside of Canada.

Definition of "Company" extended.

(13) The word "company", when used in this section with reference to another party with which a company is authorized to make an agreement, shall extend to and include any corporation transacting the business of life insurance and incorporated under the laws of any country other than Canada or under the laws of any province of Canada.

PART V.

FRATERNAL BENEFIT SOCIETIES.

Fraternal benefit societies.

90. This Part applies only to fraternal benefit societies registered under this Act.

Exemptions.

(2) Every society registered under the provisions of this Act, shall, when so registered, be exempt from the provisions of Part II of this Act with the exception of sections twenty-six and forty-one to forty-four thereof both inclusive and from the provisions of sections eighty-two, eighty-three and eighty-four.

When certificate is not to be granted.

91. No fraternal benefit society shall be registered under this Act if it is in effect the property of its officers or collectors or belongs to any private proprietary, or if it is conducted as a trading or mercantile venture, or for purposes of commercial gain.

92. It shall be a condition of the granting of a certificate of registry to a fraternal benefit society that no by-law of the society shall empower or purport to empower any subordinate branch of the society to grant sickness benefits to any member of the branch unless the by-law makes adequate provision to secure upon an actuarial basis the solvency of the sick benefit fund of the branch.

(2) Any provision of the charter, act of incorporation or articles or memorandum of association of any such society, which prohibits the society or such branch from so granting sickness benefits, is hereby repealed.

Actuarial valuation before certificate granted.

93. Every fraternal benefit society shall before a certificate of registry is granted to it under this Act, file with the Superintendent, in addition to the other statements and documents required by this Act to be filed, a report made by an actuary, appointed by the society, including therein, in such detail as the Superintendent may require, the results of an actuarial valuation made by the said actuary as at the next preceding thirty-first day of December or such later date as the Superintendent may specify, of each of the benefit funds maintained by the society having regard to the prospective liabilities of, and contributions to, each fund.

Declaration by actuary.

(2) Such report shall include a declaration by the said actuary that in his opinion the assets of the society applicable to each fund, taken at the value accepted by the Superintendent, together with the premiums, dues and other contributions to be thereafter received from the members according to the scale in force at the date of the said valuation, are sufficient to provide for the payment at maturity of all the obligations of the fund without deduction or abatement.

Statement of condition and affairs.

(3) The society shall also file with the Superintendent a statement of its condition and affairs in such detail as the Superintendent may require, as at the date of the said valuation.

Form of annual statements.

94. The annual statements deposited in the Department under the provisions of this Act, by every fraternal benefit society registered under this Act, shall be in the form in the second schedule to this Act, with such changes therein as the Superintendent may from time to time deem necessary to better exhibit the condition and affairs of the society and the state of its various funds.

Computation of reserve—mortuary fund.

(2) There shall be included in the said annual statement a report made by an actuary appointed by the society, including therein, in such detail as the Superintendent may from time to time require, the results of an actuarial valuation, as at the date of the statement, of each of the benefit funds maintained by the society, having regard to the prospective liabilities of, and contributions to each fund, and the actuary shall certify as to each fund that, in his opinion, the reserve shown by such valuation, together with the premiums, dues and other contributions to be thereafter received from the members according to the scale in force at the date of valuation, is sufficient to provide for the payment at maturity of all the obligations of the fund without deduction or abatement.

Other fund.

(3) The reserve shown by such valuation, in respect of each fund, or at the option of the society any higher reserve, shall be entered as liabilities of the fund, but the reserve so entered shall not be less than the reserve, if any, which the society is required to maintain by its act of incorporation or by the general laws to which it is subject.

Special valuation if assets deficient.

95. If it appears to the Superintendent, from the annual statement filed with him or from any examination or valuation made in pursuance of this Act, that the assets of any fraternal benefit society registered under this Act, or of any benefit fund thereof, are insufficient to provide for the maturity of its policies without deduction or abatement or without increase of premiums or additional premiums, he shall make a special report to the Minister on the condition of the society and shall in such report state the amount of the deficiency in the society's assets, shown by the annual statement or by any examination or valuation made as aforesaid; provided that, before so reporting to the Minister, the Superintendent may make a special valuation of the liabilities of the society under the said policies.

Minister to request that deficiency be made good.

(2) If the Minister after consideration of the said report concurs in the opinion of the Superintendent, he shall request the society within such time, not exceeding four years, as he may prescribe, to make good the deficiency.

Certificate withdrawn for non-compliance.

(3) If the society does not within the time so prescribed comply with the request of the Minister, the certificate of registry of the society may be withdrawn.

Valuation balance sheet to be sent to policyholders.

96. Every fraternal benefit society registered under this Act shall, not later than the first day of June in each year, mail to each policyholder in Canada a copy of the valuation balance sheet on the basis used for the purpose of the annual statement mentioned in subsection two of section ninety-four of this Act, and an explanation of the facts concerning the condition of the society thereby disclosed; or in lieu thereof, shall publish in its official paper such balance sheet and explanation and mail a copy of the issue of said paper containing the same to each of the society's policyholders in Canada.

Separate funds.

97. Every fraternal benefit society which on the thirty-first day of December one thousand nine hundred and nineteen held a licence from the Minister, shall continue to maintain such separate funds as it was required by its charter or by its constitution and laws to maintain at the said date.

Society may insure.

98. Any fraternal benefit society registered under this Act, if duly authorized by by-law of the society passed on the recommendations of its actuary, shall have power to,—

Dependent children.

(a) insure the dependent children of the members of the society;

Endowment contracts.

(b) issue to its members endowment assurance contracts maturing at the age of sixty-five years, or at any higher age, or at the end of a term of not less than twenty years;

Maximum policy $10,000.

(c) issue life or endowment assurance policies in any amount not exceeding ten thousand dollars on the life of any one member;

Paid-up policies and other equities.

(d) grant loans to its members on the security of their policies, grant paid-up policies or other equities in lieu thereof to members desiring to be relieved of payment of future premiums or any part thereof, or pay cash surrender values for policies and purchase the interest of members in the said policies;

Maintain separate funds.

(e) maintain such separate funds as may from time to time be authorized by by-law, validly enacted by the society and approved by the Superintendent;

Additional separate funds.

(2) A by-law authorizing the insurance of dependent children small establish a separate fund to which the receipts and payments in respect of any contracts issued under the by-law shall be credited and charged respectively.

Corporate powers amended.

(3) The powers enumerated in this section may be exercised by any such society as if conferred upon the said society by its Act of incorporation and the said Act of incorporation of every such society is hereby amended accordingly.

"Actuary" defined.

99. The term "Actuary" in this Part means a Fellow by examination of the Institute of Actuaries of Great Britain, the Faculty of Actuaries in Scotland, the Actuarial Society of America, or of the American Institute of Actuaries: Provided that anyone admitted to fellowship otherwise than by examination and who prior to the fourteenth day of April, one thousand nine hundred and twenty-seven, had made an actuarial report in accordance with the provisions of subsection two of section one hundred and twelve of the *Insurance Act, 1917*, as enacted by chapter fifty-seven of the statutes of 1919, shall for the purposes of this section be deemed to be a Fellow by examination.

PART VI.

COMPANIES OTHER THAN FRATERNAL BENEFIT SOCIETIES TRANSACTING INSURANCE OTHER THAN LIFE INSURANCE.

Fire insurance companies.

100. This Part applies to all companies other than fraternal benefit societies registered under this Act to transact the business of insurance in respect of any class of such business other than life insurance, marine, or inland marine insurance.

(2) No company shall be required to be registered under this Act in respect of the business of marine or inland marine insurance.

Computation of reserve liability.

101. For the purposes of the annual statement required to be furnished to the Superintendent under this Act the liability of every company in respect of all its outstanding unmatured policies shall be eighty per cent of the unearned premiums computed *pro rata* as at the date of such statement.

Proviso.

Provided that every company which transacts the business of non-cancellable sickness and accident insurance in Canada shall compute the liability in respect of its outstanding unmatured non-cancellable sickness and accident policies in Canada in accordance with such bases and methods as the Superintendent may prescribe in respect of each such company.

Premium note business.

(2) In the case of any company which transacts a non-hazardous three year business on the premium note system or partly on the cash system and partly on the premium note system, the liability of such company, for the purposes of such statement, in respect of its premium note business shall be eighty per cent of the unearned portion of the assessments which have been levied in respect of all outstanding premium notes held by the company computed *pro rata* as at the date of such statement and the unassessed portion of such premium notes shall be treated as a contingent asset.

(3) The provisions of this section shall not apply to the business of title insurance.

Assets minimum amount of.

102. Every company shall at all times maintain assets, allowable as such under the provisions of this Act or which were authorized by law at the time of their acquisition, to a value at least fifteen per cent in excess of the total of the unearned premiums upon all its outstanding unmatured policies, calculated *pro rata* for the time unexpired, together with the amount of matured claims and all its other liabilities of every kind, and in computing such excess there shall be deducted from the assets of the company the amount of any investment in the shares of any other company transacting the business of insurance made under the authority of section sixty-four of this Act.

Hail surplus fund.

(2) Every company registered to transact the business of hail insurance shall, in each year, set aside as a hail insurance surplus fund at least fifty per cent of the profit realized from such business during the said year, until or so that the said surplus fund shall in any year be not less than fifty per cent of the net premiums received by it in respect of its business of hail insurance during the preceding calendar year.

Dividend not to impair capital.

(3) Subject to the provisions of subsection four of this section, no dividend shall be paid by any company while its capital is impaired or while its assets are less than the amount required by subsections one and two of this section nor shall any dividend be paid which would reduce its assets below the said amount or impair its capital.

Preferential dividends.

(4) Where any company has, prior to the fourth day of May, one thousand nine hundred and ten, under the provisions of its Act of incorporation or 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 three of this section shall be read and construed as meaning as to such company its preferred capital exclusively in so far as regards the payment of such preferential dividends.

Contravention.

(5) If it appears to the Superintendent that the assets of any company fall below the requirements of subsections one and two of this section, he shall report the fact to the Treasury Board and shall in said report state whether or not the company appears to him to have failed to comply with the requirements of subsection three, and if the Treasury Board after a full consideration of the matter and after a reasonable time has been given to the company to be heard by them, so directs the Minister shall

Penalty.

(a) forthwith withdraw the company's certificate of registry; or

(b) upon such terms and conditions as the Board deems proper, limit a time within which the company shall

make good the deficiency (the company's certificate of registry being continued in the meantime) and upon the company's failure to make good such deficiency within the time so limited, its certificate of registry shall be withdrawn:

Proviso. Provided, however, that if the company's assets are less than the total liabilities including the unearned premiums calculated as provided in subsection one of this section, or if the company has violated the requirements of subsection two of this section, its certificate of registry shall be withdrawn.

103. Every company shall at all times retain in Canada and under its own control assets of a value at least equal to its total liabilities to its policyholders in Canada including among such liabilities the full unearned premiums computed *pro rata* in respect of the unexpired periods of the policies; provided, however, that in the event of it being necessary to remove from Canada any portion of the securities held in Canada for the purpose of exchanging the same for other securities authorized under this Act, or for any similar purpose, they may be entrusted to a responsible bank, trust corporation or other corporation carrying on business outside of Canada.

(2) Any such company may deposit outside of Canada such portion of its funds and securities as is necessary to the maintenance of any foreign branch or branches, but all other securities of such company shall be held at the head office of the company or elsewhere in Canada.

104. For the purpose of enabling the Superintendent to determine liabilities of any company the company shall deposit and keep deposited with the Superintendent a copy of its established rates for all classes of risks and copies of all forms of policy contracts issued by the company.

"Surplus" defined. **105.** 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.

Appropriation of profits for surplus. (2) Subject to the payment of preferential dividends as provided in subsection five of section one hundred and two until the surplus of the company shall equal or exceed the reserve of unearned premiums computed as provided in section one hundred and one on all outstanding unmatured policies in Canada not reinsured, the company shall at the end of each year appropriate towards the surplus of such company at least twenty-five per cent of the profits of the company for the year last past.

Exemption. (3) This section shall not apply to any company which has a paid capital of not less than one million dollars, a

surplus of not less than five hundred thousand dollars and a combined paid capital and surplus of not less than the amount of the reserve of unearned premiums computed as provided in the last preceding subsection.

Par value of shares reduced by by-law.

106. Notwithstanding anything contained in its Act of incorporation or in this Act any company having a capital stock may by by-law passed by the directors and approved by votes of the shareholders, representing at least two-thirds in value of the subscribed capital of the company, present or represented at a special general meeting duly called to consider such by-law, decrease the par value of the shares of the capital stock of the company unissued at the date of the passing of such by-law to the amount of five dollars per share or any multiple thereof and the number of unissued shares shall be increased so that the par value of the total unissued capital after the date of the passing of the by-law shall be the same as before the said date.

Non-voting shares created by by-law.

(2) The said by-law may also provide that any part of the said unissued capital stock shall be issued as shares without voting rights or with such limitations or restrictions as respects voting rights and control over the affairs of the company as may be deemed desirable, in which event the by-law shall provide that any such limitation or restriction shall be fully set out or clearly indicated in the certificates of such shares, and in the event of such limitations or restrictions not being so set out or clearly indicated they shall not be deemed to qualify the rights of the holders of such shares.

Voting rights of reduced shares.

(3) Subject to the provisions of the last preceding subsection any by-law passed under the provisions of this section by which the par value of the shares of the unissued capital is decreased shall provide that any holder of the shares of decreased par value shall have as a shareholder of the company a number of votes determined by dividing the total par value of his shares in the capital stock of the company by the par value of each share before the date of the passing of the said by-law.

Classes of hazards covered by certificate.

107. Every company registered under this Act to transact the business of fire insurance shall be deemed to be thereby authorized to insure, either by the same or a separate contract or by endorsement, the same property against loss or damage arising from any of the following classes of hazards, namely,—tornado, hail, sprinkler leakage, limited or inherent explosion and civil commotion, which, under the laws of the province in which the property insured is situate, may be so insured.

Delivery of securities.

108. When any company has ceased to transact business in Canada, and has given written notice to that effect to the Minister, the securities of such company in the hands of the Minister shall not be delivered to the company until all its outstanding risks are insured or until surrenders thereof are obtained to the satisfaction of the Minister.

Application for securities.

(2) Upon making application for its securities the company shall file with the Minister a list of all policyholders who have not been so reinsured, or who have not surrendered their policies; and it shall at the same time publish, and continue the publication for three calendar months, in the *Canada Gazette* and in at least one newspaper in the county, city or place in which the head office is established, a notice that it will apply to the Minister for the release of its securities on a certain day not less than three months after the date of the notice, and calling upon its policyholders opposing such release to file their opposition with the Minister on or before the day so named.

Partial release.

(3) After the day so named in the said notice, if the Minister, with the concurrence of the Treasury Board, be satisfied that the deposit of the company with him is substantially in excess of the requirements of this Act in respect of the continuing policyholders, he may from time to time release to the company such portion of the excess as he deems proper in the circumstances, and shall continue to hold the remainder of the deposit for the protection of the continuing policyholders as by this Act provided.

Further releases.

(4) Thereafter from time to time as such policies lapse, or proof is adduced that they have been satisfied, further amounts may be released on the authority aforesaid.

Released to liquidator.

(5) Notwithstanding the provisions of this and the last preceding section, if the company is in liquidation the securities of the company may, on the order of any court having jurisdiction under the *Winding-up Act*, be released by the Minister to the liquidator.

PART VII.

WITHDRAWAL OF CERTIFICATES OF REGISTRY AND PENALTIES.

Withdrawal of certificates of registry.

Life companies.

109. If it appears from the annual statements or from an examination made of the condition and affairs of any company registered to transact the business of life insurance, or of any fraternal benefit society registered to transact any class or classes of insurance, that its liabilities to its policyholders in Canada, in respect of the class or classes of insurance business for which the company or society is so registered, including matured claims and the

reserve for outstanding policies in Canada required under this Act to be included in the liabilities in the annual statement, after deducting any claim the company has against such policies, exceed its assets in Canada, including the deposit with the Minister, the Minister shall notify the company or society and request it to make good the deficiency, and in the event of its failure to make the same good within sixty days after being so requested, he may withdraw its certificate of registry.

Companies other than life.

110. If it appears from the annual statements or from an examination of the condition and affairs of any company, other than a fraternal benefit society, registered to transact any class of business other than life insurance, that the reserve of unearned premiums on all its outstanding policies in Canada, issued in the transaction of any such class of business computed in accordance with the provisions of section one hundred and one of this Act, together with other liabilities in Canada, exceeds its assets in Canada, including the deposit with the Minister, or if in the case of a company registered to transact the business of hail insurance its hail insurance surplus fund falls below the amount required by subsection two of section one hundred and two of this Act, the Minister shall notify the company and request it to make good the deficiency; and, on its failure to make the same good within sixty days after being so requested, he may withdraw its certificate of registry.

Withdrawal of certificate for non-payment of claims.

111. When satisfactory proof has been furnished to the Minister of any undisputed claim upon the company arising under any policy of insurance in Canada, remaining unpaid for the space of sixty days after becoming due, or of a disputed claim remaining unpaid after final judgment in regular course of law and tender of a legally valid discharge to the company, the Minister may withdraw the certificate of registry of the company.

Report when assets insufficient.

112. If it appears to the Superintendent that the liabilities of any company in relation to its assets are such as to render the company incapable of complying with the requirements of this Act, he shall make a special report on the affairs of such company to the Minister.

Withdrawal of certificate.

(2) If the Minister, after consideration of the report, and after a reasonable time has been given to the company to be heard by him, and upon such further inquiry and investigation as he deems proper, reports to the Governor-in-Council that he agrees with the Superintendent in the opinion so expressed in his report, and the Governor-in-Council also concurs in such opinion, he may withdraw the certificate of registry of such company.

Modified or conditional certificate.

(3) Notwithstanding such withdrawal, the Minister may grant such modified or conditional certificate of registry as may be necessary for the protection of its policyholders, but the granting of such modified or conditional certificate shall not, in the case of a life insurance company, be deemed to be a renewal of the company's certificate of registry, within the meaning of Part III of the *Winding-up Act*, or of section one hundred and fifteen of this Act.

Report to Treasury Board.

113. If it appears to the Superintendent that the liabilities of any company authorized to transact the business of life insurance, including matured claims and the reserve for outstanding policies computed in accordance with the provisions of section eighty-two of this Act, exceed its assets, he shall report the fact to the Treasury Board; and if the Treasury Board, after full consideration of the matter and after a reasonable time has been given to the company to be heard by the Board so directs, the Minister shall

(a) forthwith withdraw the company's certificate of registry; or

(b) upon such terms and conditions as the Board deems proper, limit a time, not exceeding three years, within which such company shall make good the deficiency, during which term the company's certificate of registry shall be continued.

Failure to comply with terms.

(2) Upon the company's failure to make good such deficiency within the time so limited, its certificate of registry shall be withdrawn: Provided that if the company's liabilities exceed its assets by twenty per cent or upwards, its certificate of registry shall be forthwith withdrawn.

Valuators may be appointed.

(3) For the purpose of carrying out the provisions of this section, the Treasury Board may, upon the recommendation of the Minister, appoint such actuaries, valuators, or other persons as the Board deems 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.

Withdrawal of certificate for violation of Act.

114. If any company registered under this Act violates any of the provisions of this Act, or fails to comply with any of the provisions of its charter or Act of incorporation, it shall be the duty of the Superintendent to report the same to the Minister, and thereupon the Minister, may, in his discretion, after a reasonable time has been given to the company to be heard, withdraw the company's certificate of registry.

Removal from register.

115. Every company shall cease to be registered and its name shall be removed from the register if the certificate of registry granted to it has been withdrawn or if on expiry such certificate has not been renewed.

Renewal of certificate of registry.

(2) When the certificate of registry of any company has been withdrawn by the Minister under any of the provisions of this Act, such certificate may be renewed if, within thirty days after withdrawal, the company complies with the requirements of this Act to the satisfaction of the Minister, and thereupon its name shall be restored to the register.

Company deemed insolvent when certificate withdrawn and not renewed.

(3) If the certificate of registry of any company has not been renewed on the expiry thereof by reason of the Superintendent having made a report to the Minister that, from the statement of affairs of the company, such company is not in a condition to meet its liabilities, or if the certificate of registry of any company has been withdrawn under section one hundred and nine, section one hundred and ten, section one hundred and eleven, section one hundred and twelve or section one hundred and thirteen of this Act, and has not been renewed within thirty days after such expiry or withdrawal, such company shall be deemed to be insolvent, and be subject to be wound up under the provisions of the *Winding-up Act*.

PENALTIES

Penalty for transacting business without registration.

116. Any company which, not being duly registered under the provisions of this Act, and any person who, acting on behalf of any such company, transacts the business of insurance in Canada, shall be guilty of an offence and liable upon indictment or upon summary conviction to a penalty not exceeding one hundred dollars; and in the case of a natural person, to imprisonment for any term not exceeding six months.

Default in filing annual and other statements.

117. Every company which makes default in depositing in the Department the annual or other statements herein provided for, shall incur a penalty of ten dollars for each day during which such default continues.

Recovery of penalty.

(2) All such penalties shall be recoverable and enforceable with costs at the suit of His Majesty, instituted by the Attorney General of Canada, and, shall, when recovered, be applied towards payment of the expenses of the Department.

Withdrawal of certificate of registry if not paid.

(3) If such penalties are not paid, the Minister, with the concurrence of the Treasury Board, may order the certificate of registry of such company to be withdrawn, and until such penalties are paid, the certificate of registry of such company shall not on expiry be renewed.

Penalties for offences not otherwise provided for.

118. Any company which, or person who, does, causes or permits to be done any matter, act or thing contrary to any provision of this Act, or to the regulations of the

Governor in Council, or to the orders or directions of the Minister, or of the Superintendent, made under this Act, or omits to do any matter, act or thing by this Act required to be done by or on the part of such company or person, shall, if no other pecuniary penalty for such act or omission is provided in this Act, be liable for each such offence to a penalty of not less than twenty dollars and not more than five thousand dollars in the discretion of the court before which such penalty is recoverable.

Recovery and application.

(2) All such penalties shall be recoverable and enforceable with costs at the suit of His Majesty, instituted by the Attorney General of Canada, and shall when recovered be applied towards payment of the expenses of the Department.

PART VIII.

BRITISH COMPANIES.

Annual statement.

119. In this Part, unless the context otherwise requires,—

(a) "annual statement" includes both the statement of the Canadian business and of the general business of the company required by this Act to be made;

Assets in Canada.

(b) "assets in Canada" means all deposits which a company has made with the Minister and all assets which have been vested in trust for the company under, and for the purposes of, this Act;

Chief agency.

(c) "chief agency" means the principal office or place of business of the company in Canada;

Chief agent.

(d) "chief agent" means the chief agent of the company in Canada, named as such in the power of attorney hereinafter referred to by whatever name he is designated;

President.

(e) "president" includes the chairman, governor, manager or other principal officer of the company.

CERTIFICATES OF REGISTRY AND DEPOSITS.

Register of British companies.

120. There shall be established and maintained in the Department of Insurance a register in which shall be entered the names of all British companies registered under this Part and to which certificates of registry are granted.

Certificates of registry required.

121. No British company shall transact the business of insurance in Canada save as hereinafter expressly provided, unless it is registered and holds a certificate of registry from the Minister.

Conditions of registration.

122. Every British company shall as a condition of being registered

Documents.

(a) (i) file in the Department in the case of a British company other than an association the several documents required to be so filed by a company under section fifty of this Act, and in the case of an association such document or documents relating to its constitution as the Minister may require;

Undertaking.

(ii) an undertaking by it in such form as may be required by the Minister that it will at all times while registered under this Part comply with the provisions of this Act applicable to it;

Evidence of authorization in home jurisdiction.

(iii) evidence satisfactory to the Minister that the British company is authorized under the laws of the country in which its head office is situate to transact the business of insurance in such country; and

Deposit.

(b) make a deposit with the Minister in any of the securities specified in section fifty-eight of this Act, in the following sum or sums, namely:—

(i) for the transaction of the business of life or fire insurance, the sum of one hundred thousand dollars, and

(ii) for the transaction of any other class of insurance business such sum as may be determined by the Treasury Board.

Name of company.

123. If the name of any British company applying to be registered is in his opinion that of any company or British company registered under this Act or any name liable to be confounded therewith or otherwise on public grounds objectionable, the Superintendent shall so report to the Minister and the Minister may refuse to register the company.

(2) Such report, if based upon the objection that the name of the company applying to be registered is that of any company or British company registered under this Act or any name liable to be confounded therewith, shall be deemed to be a ruling of the Superintendent from which an appeal shall lie under and subject to the provisions of section seventy-eight of this Act.

Form of certificate of registry.

124. The certificate of registry shall be in such form or forms as may be from time to time determined by the Minister, and shall specify the business to be carried on by the British company: Provided that the business of life insurance shall not be specified in the certificate of registry granted to any association.

Certificate of an association.

Duration.

(2) The certificate of registry shall expire on the thirty-first day of March in each year, but may be renewed from year to year, or for any term less than a year.

Limitations.

(3) Any certificate of registry or renewal thereof may contain any limitation or condition which the Minister may deem necessary to give effect to the provisions of this Act.

Assets to be maintained in Canada by life companies.

125. Every British company registered under this Act to transact the business of life insurance shall in respect of its life insurance business at all times, maintain assets in Canada of an amount at least equal to its liabilities to policyholders in Canada, including matured claims and the reserve for outstanding policies in Canada required under this Act to be included in the annual statement after deducting any claim such company has against such policies.

Assets to be maintained in Canada by other companies.

126. Every British company registered under this Act to transact any class of insurance other than life insurance shall at all times maintain assets in Canada of an amount at least equal to the liability of the company in Canada including the liabilities of the company in respect of its outstanding unmatured policies in Canada computed in accordance with the provisions of section one hundred and forty of this Act together with other liabilities in Canada:—

Proviso.

Provided, however, that the assets in Canada of a purely mutual British Company registered to transact the business of fire insurance shall continue to form part of the general assets of the company, available *pari passu* to all its creditors or members in or out of Canada in the same manner as its other funds and provided further that such company or exchange causes to be printed in conspicuous type in vertical lines in red ink on the first page of every policy issued by it in Canada the following: "This Company (or exchange as the case may be) although registered under the Foreign Insurance Companies Act, 1932 of Canada does not maintain assets in Canada available exclusively for the protection of policyholders in Canada", but no such company shall, except with the consent of the Treasury Board, and upon such terms and conditions as the Treasury Board may provide, reduce the amount of its assets in Canada below the amount required by this Act to be maintained in Canada.

Assets vested in trustees.

127. Any British company may vest assets in Canada in trust for the company for the purposes of this Act in a trust corporation incorporated by or under the authority of an Act of the Parliament of Canada or of the Legislature of one of the provinces thereof appointed by the company and approved by the Minister.

(2) The assets which may be so vested in trust for the purposes of this Act shall be bonds, debentures, stocks and loans on mortgage of the classes authorized in that behalf by sections sixty-three and sixty-four of this Act as investments or loans of companies having regard to the class or classes of insurance business in respect of which the assets are so vested in trust.

Trust deed.

(3) The trust deed shall first be approved by the Minister, who with the approval of the Treasury Board shall determine from time to time the value at which such assets shall be accepted for the purposes of this Act, and the trustees may deal with such assets in any manner provided by the deed of trust appointing them, but so that the accepted value of the assets held by them shall not fall below the value required by this Act.

STATEMENTS AND RETURNS.

Annual statements.

128. Every British company registered under or subject to the provisions of this Act, shall make annual statements of its condition and affairs, at the balancing day of the company in each year, and the form and manner of making such statement shall, as to the Canadian business of such company, be the same, so far as applicable, as is required of companies registered under this Act; and, as to its general business, shall be in the same form as such British company is required by law to furnish to the government of the country in which its head office is situate.

Form thereof.

(2) Where such British company is not required by law to furnish a statement to the government of the country in which its head office is situate, then the statement, as to its general business, shall be in such form as the company usually submits to its members or shareholders.

Form in certain cases.

(3) In the event of no such statement being submitted to its members or shareholders, then the company shall file a statement showing in concise form the assets and liabilities of the company at such balancing day, and the income and expenditure of the company for the year ending on such balancing day.

Date of filing.

(4) The annual statements of Canadian business provided for in this section, shall be deposited in the Department on the first day of January next following the date at which the condition and affairs of the company are thereby shown, or within two months thereafter.

Declaration in annual statement.

(5) Every such company shall, at the time of making the annual statement declare that no change or amendment has been made in the charter, Act of incorporation or articles of association of the company, and that no change has been made in the chief agency or chief agent, without the Superintendent having been duly notified thereof.

Forms supplied.

(6) The blank forms of the statements of the Canadian business shall be supplied by the Superintendent.

Time for filing general statements.

129. The statement of general business provided for in the next preceding section shall be deposited in the Department within thirty days after it is required by law to be made to the government of the country in which the head office of the British company whose statement it is, is

situate, or within thirty days after the submission of the same at the annual meeting of the shareholders or members of the company, whichever date first occurs: Provided that no such statement of general business need be so deposited earlier than the first day of June, nor shall it be so deposited later than the thirtieth day of June next following the date at which the condition and affairs of the company are thereby shown.

Proviso.

Statements to be verified by oath.

(2) Such statements shall, as to the Canadian business be verified by the oath of the company's chief agent in Canada; and, as to the general business, be verified by the oath of the president, vice-president or managing director, and the secretary, manager or actuary of the company.

Verification of statements of insurer.

(3) Such statements shall, in the case of any association registered under this Act, be verified in such manner as the Superintendent may direct and prescribe.

Records to be kept by chief agent.

130. Every British company registered under this Part shall keep at its chief agency in Canada records and documents sufficient to enable the chief agent to prepare and furnish the required statement of Canadian business, and such that the said statement may be readily verified therefrom: Provided that in the case of any such company which does not issue policies signed or countersigned by a resident agent or an official of a branch office in Canada, such records and documents shall be sufficient if they exhibit, in respect of its Canadian business: *(a)* insurance written and in force, including cancellations, and gross premium deposits thereon; *(b)* dividends or refunds of unabsorbed premium deposits paid or credited to policyholders in Canada; *(c)* losses incurred and losses paid to policyholders in Canada; and *(d)* all assets in Canada.

Proviso.

Additional records required in some cases.

(2) It shall be sufficient for any such company having in Canada, in addition to a chief agent, one or more general agents reporting to the head office, and not to the chief agent, to keep on file at the chief agency, in addition to the necessary records and documents relating to the business transacted by or through the chief agent, annual statements of the business transacted by each general agent, duly verified by the oath of each general agent, and such additional records and documents, transmitted through the company's head office as shall, taken together, show the company's entire Canadian business.

Date of statements.

(3) The said annual statements of the business of such general agents shall, when kept on file as aforesaid, be made up to the thirty-first day of December in each year, and blank forms for such statements shall, on application, be furnished by the Superintendent.

Examination at head office.

(4) The Superintendent shall be at liberty, if he considers it necessary or desirable so to do, to visit the head office of any such company, and there to examine the

books, records, vouchers, receipts and other documents of such company relating to its business in Canada, for the purpose of checking and verifying the said statement of such business and the schedules or other documents relating to or forming part thereof, and shall have power to make all necessary corrections in said statement, in accordance with the information obtained from the said books, records and documents.

Half-yearly statements by life companies' trustees.

131. The trust corporation in which assets are vested in trust, for the purposes of this Act, for any British company registered under this Part to transact the business of life insurance, shall prepare, a half-yearly statement, as of the last days of June and December in each year, showing in detail,

(a) all bonds, stocks, debentures and other securities bought and all loans made, except on mortgages and policies, during the half year terminating on the date as of which such statement is made, specifying the amounts, dates of issue and maturity and par value thereof, the rate of interest payable thereon and the price paid therefor, and in the case of loans made, except on mortgages of real estate or insurance policies, particulars in detail of securities therefor; and

(b) all such securities sold or disposed of during the said half year, specifying similarly the amounts, dates of issue and maturity and par value thereof, the value in account thereof, the rate of interest payable thereon and the price or consideration received therefor.

Deposit and verification of statement.

(2) Such statement, on a form to be supplied by the Superintendent, shall be deposited in the Department within fifteen days after each of the said dates, and shall be verified by the manager and secretary or other principal officers of such trust corporation.

To be included in Superintendent's report.

(3) The statements so deposited shall be embodied by the Superintendent by way of appendix or otherwise in the annual report prepared by him for the Minister.

132. In his annual report prepared for the Minister, the Superintendent shall include a list of the assets in Canada of each company registered under this Act.

(2) In his said report the Superintendent shall make all necessary corrections in the annual statements made by the companies as herein provided and shall be at liberty to increase or diminish the liabilities of such companies to the true and correct amounts as ascertained by him in the examination of their affairs at the chief agencies thereof in Canada, or otherwise.

Examination at head office of.

133. The Minister may, from time to time, instruct the Superintendent to visit the head office of any British company registered under this Act, and to examine into the general condition and affairs of such company.

RELEASE OF ASSETS IN CANADA

Release of assets on discontinuance of business.

134. Any British company registered under this Part which desires to obtain the release of its assets in Canada by reason of such company having decided to discontinue business in Canada may make application in writing to the Minister for the release of such assets in Canada.

Condition of release.

(2) The assets in Canada of any such company shall not, except as herein otherwise provided, be released, unless

(a) the company has obtained the surrender of its outstanding policies in Canada, or has transferred such policies to some company or companies registered under this Act; and

(b) the company files with the Minister a list of all policyholders in Canada whose policies have been so surrendered or transferred and also a list of all policyholders in Canada, if any, whose policies have not been so surrendered or transferred, together with a financial statement of the condition and affairs of the company; and

(c) the company furnishes proof of the publication, for three calendar months in the *Canada Gazette*, and in at least one newspaper in the county, city or place in which the chief agency is established, of a notice that it will apply to the Minister for the release of its assets in Canada on a certain day, which shall be not less than three months after the date of the notice, and calling upon its policyholders in Canada opposing such release to file their opposition with the Minister on or before the day so named.

Minister may release.

(3) After the day so named in the said notice, if the Minister, with the concurrence of the Treasury Board, be satisfied that the company is not liable under any policies of insurance, and has discharged all its obligations in Canada, he shall release to the company its assets in Canada.

Employment of assets for surrender or release.

(4) The Minister, with the concurrence of the Treasury Board, may authorize the trustee in which assets are vested in trust for any such company, to employ any portion of such assets for the purpose of effecting the surrender or transfer of outstanding policies in Canada as aforesaid, but not so as to reduce the assets of the company in Canada below the requirements of this Act in respect of continuing policyholders.

Partial release.

(5) If it appears that any such company has not obtained the surrender of, or transfer as aforesaid, of its outstanding policies in Canada, but that the deposit of the company

with the Minister is substantially in excess of the requirements of this Act in respect of the continuing policyholders, the Minister, after the day so named in the notice aforesaid, may, from time to time, release to the company such portion of the excess as he deems proper in the circumstances, and shall continue to hold the remainder of the deposit for the protection of the continuing policyholders as by this Act provided.

Release to liquidator.

(6) Notwithstanding the provisions of this section, if the company is in liquidation the securities of the company may, on the order of any court having jurisdiction under the *Winding-up Act*, be released by the Minister to the liquidator.

Retired companies.

135. In the case of any British company which gave written notice to the Minister before the thirty-first day of March, one thousand eight hundred and seventy-eight, of its intention to avail itself of the proviso contained in section seven of the *Consolidated Insurance Act, 1877*, the deposit which was in the hands of the Minister on the twenty-eighth day of April, one thousand eight hundred and seventy-seven, shall be dealt with in regard to policies, issued prior to the thirty-first day of March, one thousand eight hundred and seventy-eight, in conformity with sections four and five of chapter nine of the statutes of 1871, intituled: "*An Act to amend the Act respecting Insurance Companies*"; and whenever the full liability under such policies falls below the amount so held by the Minister, he may, with the concurrence of the Treasury Board, direct the whole or any portion of the difference as he deems advisable shall be released and handed over to the company, and so on, from time to time, until the total deposit with the Minister is reduced to the amount of fifty thousand dollars.

Application of sections of this Act.

136. The provisions of sections fifty-one, fifty-two, fifty-four, fifty-six to sixty-two inclusive, seventy-one to seventy-four inclusive, sub-sections one and two of seventy-five, seventy-six, and section seventy-eight shall apply *mutatis mutandis*, to or in respect of every British company registered to transact any class or classes of insurance business under this Part to the same extent as the said provisions are applicable to or in respect of a company registered to transact the same class or classes of insurance business under Part III of this Act

Chief agency.

(2) In any provision so made applicable to a British company registered under this Part, the words "head office" wherever they appear, shall in respect of the application of any such provision to a British company, be read as if the words "chief agency" were substituted therefor.

LIFE INSURANCE COMPANIES.

Application of sections of this Act.

137. The provisions of subsections one, two and four of section eighty-one, section eighty-two and eighty-six shall apply, *mutatis mutandis*, to every British company registered under this Part to transact only the business of life insurance and to every company so registered to transact the business of life and other insurance, in respect only of the life insurance business of such companies: Provided that said section eighty-two shall apply to every such company only in respect of the annual statement of its Canadian business required to be filed under section one hundred and twenty-eight of this Act.

Proviso.

BRITISH COMPANIES TRANSACTING INSURANCE OTHER THAN LIFE INSURANCE.

Special application of sections of this Part.

138. The provisions of sections 104 and 139 to 141 inclusive of this Act shall apply to all British companies registered under this Act to transact the business of insurance in respect of any class of such business other than life insurance.

Reserve Liability for annual statement.

139. For the purposes of the annual statement required to be deposited in the Department under this Act, the liability of every British company in respect of its outstanding unmatured policies in Canada, shall except as hereinafter provided be eighty per cent of the unearned premiums computed *pro rata* as at the date of such statement: Provided that every British company which transacts the business of non-cancellable sickness and accident insurance in Canada shall enter in the liabilities in the said annual statement in respect of its outstanding unmatured non-cancellable sickness and accident policies in Canada a reserve computed in accordance with the bases and methods used by the company in computing the reserve for such policies of the several classes thereof in its statement of general business or such higher reserve as the Superintendent may deem necessary to make adequate provision for the obligations of the company under such policies.

Proviso. Non-cancellable sickness and accident insurance.

Premium note business.

2. Where any British company transacts a non-hazardous three year business on the premium note system or partly on the cash system and partly on the premium note system, the liability of the company in respect of its premium note business shall be eighty per cent of the unearned portion of the assessments which have been levied in respect of all outstanding premium notes held by the company computed *pro rata* as at the date of such statement, and the unassessed portion of such premium notes shall be treated only as a contingent asset.

Reserve liability for determining assets in Canada.

140. For the purposes of determining the amount of assets in Canada required to be maintained by every British company in accordance with the provisions of section one hundred and twenty-six of this Act the liability of every company in respect of its outstanding policies in Canada shall be,

(a) the full unearned premiums computed *pro rata* in respect of the unexpired periods of the policies; or

(b) twice the net annual cost to the insured of insurance in force in Canada on the date of the annual statement ascertained by deducting from the annual premiums charged to such insured a credit allowance computed at the rate of the weighted average dividend or refund paid or credited by the insurer to its policyholders during the preceding five years;

whichever be the less: Provided that the liability in respect of outstanding non-cancellable sickness and accident policies in Canada shall be computed in accordance with the provisions of the last preceding section of this Act.

2. An addition shall be made to the said liability so computed in respect of every company which transacts the business of hail insurance in Canada in an amount at least equal to fifty per cent of the total net premiums received by the company in respect of the business of hail insurance in Canada during the preceding calendar year.

Classes of hazards covered by certificate.

141. A British company registered under this Part to transact the business of fire insurance shall be deemed to be thereby registered to insure, either by the same or a separate contract or by endorsement, the same property against loss or damage arising from any of the following classes of hazards, namely, tornado, hail, sprinkler leakage, limited or inherent explosion, or civil commotion, which under the laws of the province in which the property insured is situate, may be so insured.

Title insurance.

142. The provisions of sections 139 and 140 of this Act shall not apply to the business of title insurance transacted in Canada by any British company registered under this Act.

WITHDRAWAL OF LICENCES

Special application of sections of this Act.

143. The provisions of sections one hundred and nine, one hundred and ten, one hundred and eleven, one hundred and twelve and one hundred and fifteen of this Act shall apply, *mutatis mutandis*, to every British company registered under this Part to the same extent as such provisions are applicable to a company registered to transact the same class or classes of insurance under Part III of this Act.

Withdrawal of certificate for violation of Act.

144. If any British company registered under this Part violates any of the provisions of this Act applicable thereto, it shall be the duty of the Superintendent to report the same to the Minister, and thereupon the Minister may, in his discretion, after a reasonable time has been given to the company to be heard, withdraw the company's certificate of registry.

Withdrawal for refusing information.

145. If any British company registered under this Part declines to permit the examination authorized by section one hundred and thirty or by section one hundred and thrity-three of this Act, or refuses to give any information desired for such purpose in its possession or control, its certificate of registry may be withdrawn by the Minister.

PENALTIES

Penalty for carrying on business without registration.

146. Any British company which, not being duly registered under the provisions of this Part, transacts the business of insurance in Canada, or does or performs in Canada any one or more of the acts constituting the business of insurance (save as provided in section one hundred and forty-eight of this Act) and any person who, acting on behalf of any such company transacts such business or does or performs in Canada any such act or acts, shall be guilty of an offence and liable upon indictment or upon summary conviction, to a penalty, for each and every such offence, not exceeding five thousand dollars in the case of a company and not exceeding one thousand dollars in the case of a person acting on behalf of any such company; and, in addition, in the case of a natural person, to imprisonment for any term not exceeding six months.

Other penalty provisions applicable.

147. The provisions of sections one hundred and seventeen and one hundred and eighteen of this Act shall apply *mutatis mutandis* to every British company registered under this Part.

EXEMPTIONS

Application of Act. Marine and inland marine insurance.

148. The provisions of this Part shall not apply

(a) to any British company in respect of its business of marine or inland marine insurance carried on in Canada nor,

(b) to any British company in respect of fire insurance on property situated in Canda, if such insurance is effected outside of Canada and without any solicitation whatsoever directly or indirectly on the part of such company, and further if such company does not within Canada advertise their business in any newspaper or other publication or by circular mailed in

Canada or elsewhere, and does not maintain an office or agency therein for the receipt of applications or the transaction of any act, matter or thing relating in any way to their said business; and, subject to the foregoing provisoes, such company may inspect the property insured or to be insured under this section and may adjust any loss incurred in respect thereof, nor

(c) to any British company which, previously to the twenty-eighth day of April, one thousand eight hundred and seventy-seven, was licensed to transact the business of life insurance in Canada, and which ceased to transact such business before the thirty-first day of March, one thousand eight hundred and seventy-eight, having before that date given written notice to that effect to the Minister in respect of the collection and receipt of premiums due or to become due on policies in Canada issued before the last mentioned date or in respect of the payment of claims arising thereon or the transaction of any business appertaining thereto, nor

(d) except as hereinbefore provided, shall its provisions apply

Policies prior to 22nd May, 1868.

(i) to any British company which has not, on or since the twenty-second day of May one thousand eight hundred and sixty-eight, been licensed to carry on business in Canada, in respect of any life insurance policy in Canada issued before the said date;

Policies issued by unlicensed company to non-residents of Canada.

(ii) to any British company not registered under this Act, in respect of the collection or receipt of premiums on, or other business relating to any life insurance policy issued to a person not resident in Canada at the time of the issue of such policy.

PART IX.

PROVINCIAL COMPANIES.

Register of provincial companies.

149. There shall be established and maintained in the Department of Insurance a register in which shall be entered the names of all provincial companies registered under this Part and to which certificates of registry are granted.

Conditions of registration.

150. Every provincial company shall, as a condition of being registered, file in the Department with its application for registration under the provisions of this Part the documents required to be filed by a company under the provisions of section fifty of this Act, and an undertaking in such form as may be required by the Minister that it will, if granted registration, and so long as registered,

submit to and comply with all the provisions of this Act (save only the provisions hereinafter specified), applicable to it in respect of the class or classes of insurance specified in the certificate of registry granted to it and to the terms of such certificate.

151. If any provincial company registered under this Part violates any of the provisions of this Act applicable thereto it shall be the duty of the Superintendent to report the same to the Minister and thereupon the Minister may in his discretion, after a reasonable time has been given to the company to be heard, withdraw the company's certificate of registry.

152. The provisions of sections fifty to fifty-four, inclusive, subsections one, three and four of section fifty-five, sections fifty-six to sixty-four, inclusive, sections sixty-nine to seventy-eight, inclusive, section eighty-one, section eighty-two, section eighty-five, section eighty-six, section one hundred, section one hundred and one, subsections one, two and five of section one hundred and two, section one hundred and three, section one hundred and four, sections one hundred and seven to one hundred and thirteen, inclusive, and section one hundred and fifteen shall apply *mutatis mutandis* to every provincial company registered under this Part to transact any class or classes of insurance business to the same extent as the said provisions are applicable to or in respect of a company registered to transact the same class or classes of insurance business under Part III of this Act. Provided that to the extent to which any provision of the said sections would have effect to enlarge in any respect the corporate powers or rights of any provincial company under its constating instrument such provision shall not be applicable to a provincial company.

PART X.

DECLARATION

Declaration of intent.

153. It is hereby declared that this Act has been passed with the object and intent of prescribing the status and powers of insurance companies incorporated by the Parliament of Canada, limitations thereof and the conditions on which such companies and British insurance companies and associations may be registered for the purpose of transacting the business of insurance in Canada; of providing for the voluntary registration of provincial companies; of determining the conditions upon which all such companies

shall be deemed to be insolvent, and of preventing any such companies which are insolvent, from commencing or continuing to transact the business of insurance in Canada; and if any provision of this Act should hereafter be determined to have any operation or effect beyond the legislative competence of the Parliament of Canada to authorize and sanction, and to be in that respect void and inoperative, it shall, in such respect, be treated as severable from the other provisions of this Act, and such other provisions shall continue to have full force and effect according to their tenor.

C. 101, R.S. 1927, repealed.

154. *The Insurance Act*, chapter one hundred and one of the *Revised Statutes, 1927*, is hereby repealed.

Section .

FIRST SCHEDULE.

MODEL BILL.

FOR INCORPORATION OF INSURANCE COMPANY.

An Act to incorporate the *(state the name of the Company)*.

WHEREAS the persons hereinafter named have by their petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. *(Insert names of the persons applying for incorporation)* together with such persons as become shareholders in the company, are incorporated under the name of *(state name of company)*, hereinafter called "the Company".

2. The persons named in section one of this Act *(or as the case may be)* shall be the provisional directors of the Company. *(The name, address and addition of each director must be given.)*

3. The capital stock of the Company shall be..... dollars, which may be increased to.....dollars.

4. The amount to be subscribed before the general meeting for the election of directors is called shall be .....dollars.

5. The Company shall not commence business until .....dollars of the capital stock have been subscribed and.....dollars paid thereon.

6. The head office of the Company shall be in the .....of....., in the province of.....

7. The Company may make contracts of insurance *(state particulars of the kinds of insurance intended to be carried on)*.

8. *The Dominion Insurance Companies Status and Powers Act, 1932*, shall apply to the Company.

FORM
R.S., 1927

Section .

SECOND SCHEDULE.

.....

(Name of Company.)

STATEMENT FOR THE YEAR ENDING DECEMBER 31, 19....

OFFICERS.

(As at date of filing statement.....19....)

President..... Vice-President.....

Secretary..... Manager.....

Actuary..... .....

Head Office.....

Organized (date).....

Acts of Incorporation and amending Acts (Acts and dates).....

.....

.....

.....

Commenced business (date).....

Amendments to charter since date of filing last statement.....

I. CAPITAL STOCK.

1. Authorized..... $.....
2. Subscribed..... .....
3. Paid in cash..... .....
4. Premium on capital stock paid by shareholders.....

NOTES RE CAPITAL STOCK.

Item 2.—Capital Stock forfeited for non-payment of calls is not to be included.

Item 3.—Only amounts for which payment has actually been made in cash are to be included.

II. SUMMARY BALANCE SHEET.

(a) Assets		*(b) Liabilities*	
1. Total ledger assets	$.....	1. Total liabilities	$.....
2. Deduct excess of total book value of ledger assets over total market value	$.....	2. Excess of assets over liabilities:—	
3. Add excess of total market value of ledger assets over total book value	$.....	(1) Capital stock paid in cash	$.....
4. Total ledger assets taken at market value	$.....	(2) Deficit	.....
5. Non-ledger assets	.....	*(3) Surplus	.....
6. Total assets	$		
7. Deduct assets not admitted	.....		
8. Total admitted assets	$	3. Total	$.....

*Including $..... surplus contingently apportioned to deferred dividend policies issued prior to January 1, 1911.

*In excess of $..... surplus absolutely apportioned to deferred dividend policies issued prior to January 1, 1911.

III. SYNOPSIS OF LEDGER ACCOUNTS.

1. As at December 31, 19 :—		4. Decrease in ledger assets in 19 :—	
(a) Net ledger assets	$.....	*(a)* Disbursements	$.....
(b) Borrowed money	.....	*(b)* Amount by which ledger assets were written down *(Details in a separate schedule)*	.....
(c) Bank overdraft	.....	*(c)* Decrease in borrowed money	.....
.....	.....	*(d)* Decrease in bank overdraft	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
(d) Total ledger assets	$.....	*(e)* Total decrease	$.....
2. Increase in ledger assets in 193 :—		5. As at December 31, 19 :—	
(a) Income	$.....	*(a)* Net ledger assets	$.....
(b) Amount by which ledger assets were written up *(Details in a separate schedule)*	.....	*(b)* Borrowed money	.....
(c) Increase in borrowed money	.....	*(c)* Bank overdraft	.....
(d) Increase in bank overdraft	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
(e) Total increase	$.....	*(d)* Total ledger assets	$.....
3. Total	$.....	6. Total	$.....

Notes *re* Items in the Summary Balance Sheet.

II. Items 2 and 3. Enter the full amount even if not extended or if only a portion is extended.

IV. ASSETS.

Ledger Assets		
1. Book value of real estate (less $.....encumbrances) held by the Company *(Details in Schedule A)*	$.....	.....
1 (a) Book value of real estate held under agreements of sale *(Details in a separate schedule)*	.....	.....
2. Mortgage loans on real estate, first liens $.....; other than first lien $..... *(Details in a separate schedule)*		
3. Loans secured by bonds, stocks or other marketable collaterals *(Details in Schedule B)*	.....	.....
4. Amounts as above on which interest has been overdue for one year or more previous to statement:— Agreements of sale, $.....; mortgages, $.....; collateral loans, $.....; total, $..... *(Details of each item in a separate schedule).*		
5. Amount secured by the Company's policies in force, the reserve on each policy being in excess of all indebtedness:—		
(a) Loans to policyholders..... $.....		
(b) Advances to policyholders under automatic non-forfeiture provisions.....		
(c) Premium obligations.....	.....	.....
6. Book value of bonds, debentures and debenture stocks owned by the Company *(Details in Schedule C)*	.....	.....
7. Book value of stocks owned by the Company *(Details in Schedule D)*	.....	.....
8. Cash:—*(a)* At head office, $.....; *(b)* in banks, $..... *(Details in Schedule E)*	.....	.....
9. All other ledger assets *(Details in a separate schedule)*	.....	.....
10. TOTAL LEDGER ASSETS	$.....	.....
11. Deduct excess of total book value of real estate, bonds, debentures and stocks over total market value	.....	.....
12. Add excess of total market value of real estate, bonds, debentures and stocks over total book value	.....	.....
13. Total ledger assets taken at market value	$.....	.....

Non-Ledger Assets.

	(1) Due.	(2) Accrued.		
14. Interest dividends and rents, due and accrued:—				
(a) Interest or dividends on—				
(1) Mortgages	$.....	$.....		
(2) Sale agreements	.....	.....		
(3) Collateral loans	.....	.....		
(4) Bonds and debentures	.....	.....		
(5) Stocks	.....	.....		
(6) Premium notes, policy loans and liens	.....	.....		
(7) Other assets *(Details in a separate schedule)*	.....	.....		
(8) Totals	$.....	$.....		
(b) Rents	.....	.....		
15. Total interest, dividends and rents, due and accrued	-.....	$.....	.....	$..... .....
16. Due from other licensed companies on reinsured contracts for losses or claims paid				....

IV. ASSETS.—*Concluded.*

	(1) First Year	(2) Renewal	(3) Single.		
17. (1) Gross premiums, less reinsured:—					
(a) Due and uncollected	$.....	$	$.....		
(b) Deferred	.....	.....	.....		
(c) Totals	$.....	$.....	$.....		
(2) Deduct commissions and estimated loss in collection	.....	.....	.....		
(3) Net premiums due and uncollected, and deferred	$.....	$.....	$.....		
18. (1) Consideration for annuities, less reinsured:—					
(a) Due and uncollected	$.....	$.....	$.....		
(b) Deferred	.....	.....	.....		
(c) Totals	$.....	$.....	$.....		
(2) Deduct commissions and estimated loss in collection	.....	.....	.....		
(3) Net consideration for annuities due and uncollected, and deferred	$.....	$.....	$.....		
19. All other assets:—					
.....				.....	.....
20. TOTAL NON-LEDGER ASSETS				$.....	.....
21. Deduct assets not admitted:—					
Office furniture			$.....		
.....			.....		
.....			.....		
.....			.....		
.....			.....		
.....			.....		
.....			.....	.....	.....
22. *TOTAL ADMITTED ASSETS				$.....	.....

*Give a list of any assets owned by the company which have been completely written off and which are not included in the Assets shown above.

NOTES RE ITEMS IN THE ASSETS.

Item 1 (a)—Real estate held under an agreement of sale should in no case be included in mortgages. Where real estate is sold in consideration of a cash payment of less than 40% and the balance on mortgage, the mortgage is to be returned as an agreement of sale until the amount thereof unpaid is reduced to 60% of the sale price. The details of Item 1 (a) may be given in the Mortgage Registers under the designation, "Agreements of Sale", the sale price being entered in the valuation column.

Item 2.—Two or more successive liens on the same property held by the same company are, for the purposes of this item, to be dealt with as though the whole amount were loaned under the first of such liens.

Item 4.—The details in the schedule for this item should show: (1) the loan number or agreement of sale number; (2) the principal outstanding; (3) charges; (4) interest due and accrued separately; and, (5) date up to which interest is charged.

Items 11 and 12.—Enter the full amount even if not extended or if only a portion is extended. Delete from the description of these items any classes of investments not in the Assets of the company.

Items 17 and 18.—Only premiums and annuity consideration on contracts in force (that is, included in the Statement of Actuarial Liabilities) are to be included in these Items. Premiums and annuity consideration subject to temporary or permanent reduction through application of dividends are to be entered for the full original amount, the amount of the reduction on outstanding premiums so included in the assets being shown against item V, 8.

V. LIABILITIES.

1. Net liability under assurance, annuity, and supplementary contracts in force for payments not due, dependent on life, disability or any other contingency or on a term certain *(See Statement of Actuarial Liabilities)*..... $.....

2. Net surrender values claimable under cancelled contracts..... .....

3. Net liability for payments due under contracts:—

		(1) Death Losses.	(2) Matured Endowments.	(3) Annuity Claims	(4) Supplementary Contracts.	(5) Disability Claims.	
(a) Adjusted but unpaid.	Ordinary...	$.....	$.....	$.....	$.....	$.....	
	Industrial...	.....	.....	.....	.....	.....	
	Group.....	.....	.....	.....	.....	.....	
(b) Unadjusted..	Ordinary...	.....	.....	.....	.....	.....	
	Industrial...	.....	.....	.....	.....	.....	
	Group.....	.....	.....	.....	.....	.....	
(c) (1) Resisted, in suit.	Ordinary...	.....	.....	.....	.....	.....	
	Industrial...	.....	.....	.....	.....	.....	
	Group.....	.....	.....	.....	.....	.....	
(2) Resisted, not in suit.	Ordinary...	.....	.....	.....	.....	.....	
	Industrial...	.....	.....	.....	.....	.....	
	Group.....	.....	.....	.....	.....	.....	
(d) Totals.....	Ordinary...	$.....	$.....	$.....	$*.....	$.....	
	Industrial..	.....	.....	.....	.....	.....	
	Group.....	.....	.....	.....	.....	.....	....

4. (a) Provision for unreported death losses and disability claims..... ....

(b) Provision for disability claims intimated but not admitted..... ....

5. Amounts left with the Company (arising out of assurance contracts) including interest accumulations..... ....

6. Received from policyholders in advance:—*(a)* Premiums, $.....;

(b) interest, $..... ....

7. Net dividends to policyholders due and unpaid..... ....

8. Premium reductions on outstanding premiums and annuity consideration..... ....

9. Net profits credited to deferred dividend policies issued on and after January 1, 1911..... ....

9a. Net profits credited to deferred dividend policies issued prior to January 1, 1911..... .....

10. Provision for profits to policyholders (other than deferred dividends) payable in the year following the date of account..... ....

11. Provision for accrued profits to policyholders not included above..... ....

12. Dividends to shareholders due and unpaid..... ....

13. Balance of shareholders' surplus account..... ....

*Including $..... under supplementary contracts not involving life contingencies.

V. LIABILITIES—*Continued.*

14. Provincial, municipal and other taxes due and accrued	$.....	.....
15. Salaries, rents and office expenses, due and accrued	.....	.....
16. Medical examiners' fees due and accrued, $.....; legal fees due and accrued, $.....	.....	.....
17. Commissions to agents due and accrued	.....	.....
18. Advance payments other than from policyholders:— *(a)* Rents, $.....; *(b)* interest, $.....; *(c)* all other amounts, $.....	.....	.....
19. Borrowed money, $.....; interest thereon due and accrued, $.....	.....	.....
20. Bank overdrafts *(Details in Schedule E)*	.....	.....
21. Reserve, special, or surplus funds not included above *(Give items and amounts):*—.		
.....		
.....	.....	.....
22. All other liabilities due and accrued *(Give items and amounts excluding capital):*—.		
.....		
.....	.....	.....
23. TOTAL LIABILITIES	.....	.....

NOTES RE ITEMS IN LIABILITIES.

Items 3 *(b)*, (1) to (5).—Claims reported prior to the close of the year but for which proofs have not been filed are to be included in these items as well as all other adjusted claims. "Disability claims" is to include payments due under "disability annuities."

Item 5.—"Interest accumulations" is to include accrued interest to the date of account, but the accrued interest need not necessarily be calculated separately for each individual amount left with the company.

Item 10.—The wording of this item should, if practicable, be amended by each company so as to indicate the nature of the provision made, as for example, "the present value of the accrued portion of profits payable, etc.", or "the total estimated amount of profits payable, etc.", or such other special provision as is made by the company; or the nature of the provision made may be described in a foot-note.

Item 11.—Any company making provision for accrued profits in addition to amounts shown against items 9 and 10 should show the amount of the provision against this item, amending the wording or inserting a foot-note to properly describe the provision made.

Item 17.—This item should include any balance to the credit of any agent working under an "advance contract."

Item 21.—If the whole or any part of a reserve fund is required to cover the excess of total book value of ledger assets over total market value, the amount so required should be shown parenthetically or otherwise.

NOTES RE ITEMS IN INCOME.

Item 1.—The premiums for contracts classed in the Assurance Section of the Statement of Actuarial Liabilities are to be shown against this item. The full amounts are to be entered without deduction for commission or expenses, or for reduction by application of dividends. The cash equity of any assurance contract or benefit or of any part thereof which is applied to purchase a new *assurance* contract or benefit or to continue any *assurance* contract or benefit in accordance with the terms of the original contract is only to be included in "assurance premiums" provided the new or continued contract or benefit may properly be included among "new issued" in the "Exhibit of Policies." Premiums or any portion thereof which have ceased or do not fall due, temporarily or permanently, on account of the failure, change, or termination of the status on which payment of the premium was dependent, as, for example, the failure of a life or lives, the completion of or survival by a life or lives of a term of years, the occurrence of disability, etc., etc., the contract being still in force, are not to be included in the income nor in the disbursements.

Item 2.—The same as above, mutatis mutandis. This item does not include supplementary contracts nor disability annuities.

Item 5.—If the benefit arising out of a death claim or a matured endowment (see VII, 1) is payable otherwise than in one sum the commuted value of the benefit (including any payments due on acceptance of proof of claim) is to be entered as a death claim or a matured endowment in VII, 1, and the same commuted value as income under this item. If the payment of any portion of the benefit is dependent on life contingencies, the commuted value of the whole benefit is to be included in *(a)* of this item; otherwise the commuted value is to be included in *(b)*. Annuity or instalment benefits payable during the continuance of disability are not to be dealt with in this manner; but if as a consequence of the occurrence of disability an annuity certain becomes payable, the commuted value of the annuity certain should be entered as a disability claim in item 1 page 10, and should be included in item 5 (b) page 9.

V. LIABILITIES—*Concluded.*

Item 10.—Payments on capital stock by application of a stock dividend are to be shown separately.

NOTE.—Amounts recovered on assets written off are not to be included in Income but may be used in writing up assets.

Item 6 *(a)*.—See VII, 1 *(c)* (2).

Premiums included in VI, 1, for benefits granted under life assurance contracts, other than life assurance benefits.

Premiums for--	Gross received	Paid for reinsurance	Net
(a) Disbability benefits	$.....	$.....	$.....
(b) Additional accidental death benefits	.....	.....	.....

(Not to be included in VI, 1)

Premiums waived on account of disability:—Gross, $....., reinsured $.....; net, $.....

VI. INCOME.

	(1) First Year.	(2) Renewal.	(3) Single.		
1. *(a)* Assurance premiums *(ordinary)*	$.....	$.....	$*.....		
(b) Less reinsurance premiums paid	.....	.....	.....		
(c) Total net premiums	$.....	$.....	$.....	$.....	.....
2. *(a)* Consideration for annuities *(ordinary)*	$.....	$.....	$†.....		
(b) Less reinsurance consideration paid	.....	.....	.....		
(c) Total net consideration for annuities	$.....	$.....	$.....	.....	.....
3. *(a)* Consideration for sinking-fund and capital redemption assurances	$.....	$.....	$.....	.....	.....
(b) Total industrial premiums				.....	.....
(c) Total group premiums:—gross, $.....; reinsurance $; .....net				.....	.....
(d) Total group annuity premiums				.....	.....
4. TOTAL NET PREMIUM INCOME AND CONSIDERATION FOR ANNUITIES				$.....	.....
5. Consideration for supplementary contracts:— *(a)* Involving life contingencies, $.....; *(b)* not involving contingencies, $				.....	.....
6. Amounts left with the Company at interest (arising out of assurance contracts):- *(a)* Dividends, $.....; *(b)* amounts assured, $..... *(c)* all other amounts, $				.....	.....
7. Interest, dividends and rents:— *(a)* Gross interest or dividends on— (1) Mortgages (less $..... paid for accrued interest on mortgages acquired during year)			$.....		
(2) Agreements of sale			.....		
(3) Collateral loans			.....		
(4) Bonds and debentures (less $..... paid for accrued interest on bonds acquired during year)			.....		
(5) Stocks			.....		
(6) Premium notes....., policy loans and liens			.....		
(7) Other assets (*Details on page 8*)			.....		
(8) Total			$.....		

VI. INCOME—*Concluded*

7. Interest, dividends and rents—*Concluded* (*b*) Gross rents for Company's property (including $..... for Company's occupancy of its own buildings), less $..... for taxes, expenses and repairs in connection with such properties (see VII, 10).....	.....	
8. TOTAL INTEREST, DIVIDENDS AND RENTS.....	.....	.....
9. Advances made to agents in previous years and recovered during the year....		
10. Income from all other sources (*Details on the blank lines following in paragraph form*):— (*a*) Staff Pension Fund contribution: by employees, $....., by the Company, $.....	.....	.....
11. Gross profit on sale or maturity of ledger assets:— Real estate, $.....; bonds, $.....; stocks, $.....	.....	.....
12. TOTAL INCOME.....	$.....	.....

* Including $..... single premiums paid by application of assurance dividends and $..... single premiums paid by application of amounts on deposit withdrawn. (The total of item VII, 1 (c) (3).)

† Including $..... consideration for annuities paid by application of annuity dividends.

VII. DISBURSEMENTS.

1. In respect of assurance contracts:—	(1) Death Claims	(2) Matured Endowments.	(3) Disability Claims.		
(*a*) Death, endowment and disability claims—					
(1) Amount assured — Ordinary...	$.....	$.....	$.....		
(1) Amount assured — Industrial...	.....	.....	.....		
(1) Amount assured — Group.....	.....	.....	.....		
(2) Bonus addition — Ordinary...	.....	.....	.....		
(2) Bonus addition — Industrial...	.....	.....	.....		
(2) Bonus addition — Group.....	.....	.....	.....		
(3) Totals — Ordinary...	$.....	$.....	$.....		
(3) Totals — Industrial...	.....	.....	.....		
(3) Totals — Group.....	.....	.....	.....		
(4) Less received for reinsured.....	.....	.....	.....		
(5) Net totals — Ordinary...	$.....	$.....	$.....		
(5) Net totals — Industrial...	.....	.....	.....		
(5) Net totals — Group.....	.....	.....	.....		
(*b*) Net surrender values.....				.....	.....
(*c*) Net dividends—					
(1) In cash.....			$.....		
(2) Left with the company at interest.....			.....		
(3) Applied as single premiums:—					
(*a*) To purchase bonus addition.....		$.....			
(*b*) To purchase premium reduction.....		.....			
(*c*) To shorten the endowment or premium period.....			.....		
.....		.....	.....		
(4) Total net dividends.....				.....	.....

VII. DISBURSEMENTS—*Continued*

2. Total net disbursements in respect of assurance contracts	$.....	.....
3. In respect of life annuity contracts:—		
(*a*) Cash payments to annuitants (less $.....reinsured).. $.....		
(*b*) Net surrender values.....		
(*c*) Net dividends: (1) In cash, $.....; (2) left with the company at interest, $.....; (3) applied to increase annuity, $.....; (4) applied in reduction of annuity consideration, $.....	.....	.....
(*d*) In respect of sinking-fund and capital redemption assurances.....	.....	.....
4. TOTAL NET DISBURSEMENTS IN RESPECT OF ASSURANCE AND ANNUITY CONTRACTS.....	$.....	.....
5. Payments from Staff Pension Fund.....	.....	.....
6. Net payments on supplementary contracts:— (*a*) Involving life contingencies, $.....; (*b*) not involving life contingencies, $.....	.....	.....
7. Net reduction in premiums resulting from application of dividends.....	.....	.....
8. Amounts left with the company and interest accumulations withdrawn.....	.....	.....
9. Interest or dividends to shareholders (including $.....applied to in payment of capital stock).....	.....	.....
*10. Taxes, licences and fees (including taxes on investments but excluding taxes on real estate [see VI, 7 (*b*)]).....	.....	.....
*11. Head office expenses:—Salaries, $.....; directors' fees, $.....; auditors' fees, $.....; travelling expenses, $.....; rents, $.....; .....; miscellaneous, $.....	.....	.....
*12. Branch office and agency expenses:—Assurance commissions—first year, $.....; renewal, $.....; single, $.....; commuted renewals, $.....; Annuity commissions—first year, $.....; renewal, $.....; single, $.....; advanced to agents, $.....; salaries, $.....; travelling expenses, $.....; rents, $.....; .....; miscellaneous, $.....	.....	.....
*13. All other expenses:—Advertising, $.....; books and periodicals, $.....; express, telegrams and telephones, $.....; legal fees, $.....; medical fees, $.....; office furniture, $.....; postage, $.....; printing and stationery, $.....; commissions on loans, $.....; appraisement expenses, $.....; .....miscellaneous, $.....	.....	.....
14. All other disbursements:—(*a*) Payment to Staff Pension Fund.....	.....	.....
15. Gross loss on sale or maturity of ledger assets:—(*a*) Bonds exchanged for higher yield or longer term securities, $.....; (*b*) bonds other than those included in (*a*), $.....; (*c*) stocks, $.....; (*d*) real estate, $.....	.....	.....
16. TOTAL DISBURSEMENTS.....	$.....	.....

VII. DISBURSEMENTS—*Concluded*

* Investment expenses included in these items:—Salaries: Head Office, $..... ; Branch Offices, $.....; travelling expenses: Head Office, $.....; Branch offices, $..... taxes on investments, $.....; commissions on loans, $.....;.....; appraisement expenses, $.....; rents, $.....; directors' fees, $.....; ....miscellaneous, $.....; total investment expenses, $.....

NOTE.—In respect of any item of expenditure only partly incurred in the care and management of investments an apportionment is to be made to investment expenses as shown above believed to represent that portion of the item so incurred. The several items of investment expenses are to be given as an item of account, not as a percentage of ledger assets, interest or some other item of account.

NOTES RE ITEMS IN DISBURSEMENTS.

Item 1 (*a*).—Death claims and matured endowments payable otherwise than in one sum are to be entered for the commuted value only (including any payments due on acceptance of proof of claim). In respect of disability claims only payments made to the policyholder on the occurrence of or during the continuance of disability are to be included; provided that if an annuity certain becomes payable on account of the occurrence of disability, the commuted value of the annuity certain should be included in "disability claims" and in VI, 5 (*b*). Any payment made at death following disability (not having fallen due prior to death) together with the commuted value of any instalment payments to be made thereafter is to be included in "death claims" and in VI, 5 (*b*); and, similarly any payment falling due on the completion of an endowment period together with the commuted value of payments to be made thereafter, independently of the continuance of disability, is to be included in "matured endowments" and in VI, 5 (*b*). Premiums, or any portion thereof, which have ceased, temporarily or permanently, on account of the failure, change or termination of the status on which payment was dependent, as, for example, the failure of a life or lives, the survival by a life or lives of a term of years, the occurrence of disability, etc., the contract being still in force, are not to be included in the disbursements nor in the income.

Item 1 (*b*).—The cash equity of any *assurance* contract or benefit or of any part thereof which is applied to purchase a new *assurance* contract or benefit or to continue any *assurance* contract or benefit in accordance with the terms of the original contract is only to be included in "surrender values" provided the new or continued contract or benefit may properly be included among "new issued" in the "Exhibit of Policies".

Item 1 (*c*).—"Dividends to Policyholders" is to be divided into three classes on the following principles:—If taken in cash, applied to the payment of a loan, applied in payment of a premium (not in reduction of future premiums), or applied to the purchase of any benefit outside the provisions of the contract or in any other way which is, in effect, the same as cash, the dividend is to be regarded as a cash payment; if left on deposit with the company the amount is to be shown against (2), but interest credited to dividends so left on deposit must not be included in this nor in any other dividend item; and if applied to purchase a future benefit as a part of the original contract the cash value of the dividend so applied is to be classed as "single premium" under (3) and included in VI, 1 (*a*) (3). (NOTE.—Dividends "applied as single premiums to purchase premium reduction" does not include dividends applied as cash in payment of the premium next falling due only. If the annual premium is payable in instalments (not true fractional premiums), and if the dividend is applied to reduce the instlaments of the annual premium equally or otherwise, the dividend is to be treated as a cash dividend, and the amount thereof unpaid at December 31, is to be treated as due but unpaid.)

Item 3.—See above for Item 1, mutatis mutandis.

Item 6.—If a supplementary contract involves life contingencies the current payments thereunder during the continuance of the life or lives are to be shown against (*a*) even though made under the term certain portion of the contract, if any; otherwise the amount is to be shown against (*b*). Payments due on acceptance of proof of claim are to be included in this item when paid.

Item 7.—The reductions in premiums paid in the year due to the application of dividends of the year and of previous years "to purchase premium reduction" are to be shown against this item.

Item 10.—Include shareholders' income tax.

NOTE 1.—The amount entered against any "Net" item is to be found by deducting from the total payments during the year in respect of the item, the amount received during the year in respect of the item from reinsuring companies, whether in respect of payments made by the Company during the year or in previous years.

NOTE 2.—Interest paid on any amount disbursed in respect of assurance or annuity contracts for any period from the maturity date of the payment to the date of actual payment is not to be included in the disbursements but is to be deducted from interest income; if payment is made in advance of the maturity date at a discount, the net amount paid should be treated as a surrender value.

EXHIBIT OF ANNUITIES

(In respect of entries in this exhibit, "reinsured" means "reinsured in other companies licensed in Canada.")

Classification.	Life Annuities Proper.		Arising out of Life Assurance Contracts.						Totals.	
			Involving Life Contingencies. (Supplementary Contracts)		Not involving Life Contingencies. (Supplementary Contracts)		Disability Annuities.			
	No. (1)	Annual Payment. (2)	No. (3)	Annual Payment. (4)	No. (5)	Annual Payment. (6)	No. (7)	Annual Payment. (8)	No. (9)	Annual Payment. (10)
		$ cts.		$ cts.		$ cts.		$ cts.		$ cts.
1. At end of 19....	....	.....	....	.....	....	.....	....	.....	....	.....
2. New issued....	....	.....	....	.....	....	.....	....	.....	....	.....
3. Old revived....	....	.....	....	.....	....	.....	....	.....	....	.....
4. Old increased....	....	.....	....	.....	....	.....	....	.....	....	.....
	—	— — —	—	— — —			—	— — —		
5. Transferred to....	....	.....	....	.....	....	.....	....	.....	....	.....
6. Totals....	....	.....	....	.....	....	.....	....	.....	....	.....
Less ceased by:—										
7. Death....	....	.....	....	.....	....	.....	....	.....	....	.....
8. Expiry....	....	.....	....	.....	....	.....	....	.....	....	.....
9. Surrender....	....	.....	....	.....	....	.....	....	.....	....	.....
10. Lapse....	....	.....	....	.....	....	.....	....	.....	....	.....
11. Decrease....	....	.....	....	.....	....	.....	....	.....	....	.....
12. Recovery from	—	— — —	—	— — —	—	— — —				
disability....	....	.....	....	.....	....	.....	....	.....	....	.....
13. Not taken....	....	.....	....	.....	....	.....	....	.....	....	.....
	—	— — —			—	— — —				
14. Transfer from....	....	.....	....	.....	....	.....	....	.....	....	.....
15. Total ceased....	....	.....	....	.....	....	.....	....	.....	....	.....
16. At end of 19....	....	.....	....	.....	....	.....	....	.....	....	.....
	—		—		—		—		—	
17. Reinsured....	....	.....	....	.....	....	.....	....	.....	....	.....

Notes re Exhibit of Annuities

Annuities payable (except for a term certain) by reason of an assured life having become disabled are to be classed during the continuance of the life as "Disability Annuities." All other annuities arising out of life assurance contracts and involving life contingencies are to be classed as "Involving Life Contingencies" during the continuance of the life on which payment depends, and if payable thereafter for a term certain they are to be transferred from "Involving Life Contingencies" and transferred to "Not involving Life Contingencies." In the "Statement of Actuarial Liabilities" these annuities are to be classed as here indicated. If there should be any class of annuities not provided for in the exhibit, as for example original annuities certain, a specially prepared exhibit should be used with any necessary columns added. Vested annuities arising under Group Annuity Contracts should not be included in "Life Annuities Proper" nor in "Disability Annuities"; these should be shown in the "Exhibit of Group Annuities."

Notes re Exhibit of Policies (Ordinary) and Miscellaneous.

Note 1. Instalment policies and policies with deferred payments should be entered at the commuted value.

Note 2. "New issued" is not to include paid-up or extended insurance (or policies) granted in lieu of surrendered policies whether surrendered at the end of the deferred dividend period or at any other time), nor policies which are mere transfers or changes of former policies. The reduction in the face amount of the original policy, due to any such changes in the status of the policy, is to be shown opposite "decreased".

EXHIBIT OF ANNUITIES—*Concluded.*

NOTE 3. A policy surrendered on the completion of its deferred dividend period, is to be shown as ceased "by surrender" and not "by maturity" or "by expiry".

NOTE 4. "Not taken" is to include only policies which were never in force.

NOTE 5. "Ceased by disability" is to include only policies under which, by reason of the occurrence of disability, (1) the contract finally matures or terminates, and (2) the sum assured (*a*) becomes payable in instalments for a term certain, or (*b*) is reducible by amounts payable during the continuance of disability. From the time of the acceptance of proof of disability, contracts of class 2(a) above are to be regarded as supplementary contracts not involving life contingencies, while contracts of class 2 (b) are to be regarded as disability annuities and are to be so classed in "Exhibit of Annuities" and in the "Annuity Section" of the "Statement of Actuarial Liabilities". In the event of recovery from disability (2 (b) cases) the contract is to be restored to the "Exhibit of Policies" and to the Assurance Section" of the "Statement of Actuarial Liabilities".

NOTE 6. "Transferred to"; "Transferred from". These lines are to be used for changes from one class of policy to another, as for example a change from whole life or endowment assurance to extended term assurance. When a change in amount is made at the same time as a change in plan, the change in amount should appear as "increase" or "decrease".

NOTE 7. In "Miscellaneous," "new policies paid for in cash" should not include any policy unless validly issued, accepted and the whole of the first premium (whether quarterly, half-yearly or annual) paid in cash. If a part of the first premium was received in the year preceding the year of account and the balance in the year of account the policy is to be included for the year of account. Bonus additions should not be included.

NOTE 8. Re additional accidental death benefits.—"Gross amount issued" is to include only policies issued in the year of account. "Terminated by accidental death" is to include only policies so terminated in the year of account. "In force" is to include all policies in force at the end of the year of account, whether issued during that year or previously.

EXHIBIT OF GROUP ANNUITIES.

(In respect of entries in this Exhibit, "reinsured" means "reinsured in other companies licensed in Canada".)

Classification.	Number of Policies (1)	Deferred Annuities.		Vested Annuities.				Total.		
				Regular.		Disability.				
		Number of Employees. (2)	Annual Payment. (3)	Number of Employees. (4)	Annual Payment. (5)	Number of Employees. (6)	Annual Payment. (7)	Number of Policies. (8)	Number of Employees. (9)	Annual Payment. (10)
			$ cts.		$ cts.		$ cts.			$ cts.
1. At end of 19										
2. New policies issued										
3. New employees covered										
4. Transfer to										
5. Revived										
6. Increase										
7. Total										
Less ceased by:— 8. Surrender										
9. Death										
10. Withdrawal										
11. Reduction										
12. Transfer from										
13. Total ceased										
14. At end of 193										
15. Reinsured										

NOTE.—Vested annuities arising out of Group Assurance Contracts are not to be included in this Exhibit; they are to be included in the "Exhibit of Annuities".

EXHIBIT OF POLICIES (Ordinary)

(In respect of entries in this Exhibit and in "Miscellaneous" following, "reinsured" means "reinsured in other companies licensed in Canada".)

Classification.	Whole Life.		Endowment Assurances		Term and Other.		Bonus Additions. (7)	Totals.	
	Number (1)	Amount. (2)	Number (3)	Amount. (4)	Number (5)	Amount. (6)		Number (8)	Amount. (9)
		$		$		$	$		$
1. At end of 19									
2. New issued							— — — — —		
3. Old revived									
4. Recovered from disability									
5. New bonus additions	— — —	— — — — —	— — —	— — — — —	— — —	— — — — —		— — —	
6. Old increased							— — — — —		
7. Transferred to									
8. Totals									
Less ceased by:—									
9. Death									
10. Maturity									
11. Expiry									
12. Disability									
13. Surrender									
14. Lapse									
15. Decrease									
16. Not taken									
17. Transfer from									
18. Total ceased									
19. At end of 19									
20. Reinsured	— — —		— — —		— — —			— — —	

Miscellaneous.

New policies paid for in cash:—Number,.....; gross amount, $.....; reinsured, $.....

Claims reinsured:—Death claims, $.....; matured endowments, $.....

Total amount in force divided as to dividend plan:—Annual, $.....; quinquennial, $.....; deferred, $.....;

.....

non-participating, $.....; total, $.....

Additional accidental death benefits:—Gross amount issued, $.....; reinsured, $.....; terminated by accidental death, $.....

reinsured, $.....; in force, $..... ; reinsured, $.....

Sinking fund and capital redemption policies (not to be included in the "Exhibit of Policies")—New issued,$.....; terminated, $.....; in force, $.....

Note.—Are temporary additions (return premiums, etc.) to the sums assured included in the above Exhibit?..... If so, give details in summary form of the amounts so included.

EXHIBIT OF POLICIES. (Group)

(In respect of entries in this exhibit "reinsured" means "reinsured in other companies licensed in Canada".)

Classification	Whole Life.			Endowment Assurances.			Term			Bonus Additions.	Totals		
	Number			Number			Number				Number		
	Policies (1)	Employees. (2)	Amount (3)	Policies (4)	Employees (5)	Amount (6)	Policies (7)	Employees (8)	Amount (9)	(10)	Policies (11)	Employees (12)	Amount (13)
			$			$			$	$			$
1. At end of 19													
2. New policies issued													
3. Old policies revived													
4. New employees insured during 19....after date of original issue of policy													
5. Employees recovered from disability													
6. Increase in insurance on individual lives													
7. Totals													
Less ceased:—													
Policies—													
8. By expiry													
9. By surrender													
10. By lapse													
Employees—													
11. By termination of employment:													
(a) With conversion													
(b) Without conversion													
12. By death													
13. By maturity													
14. By disability													
15. By decrease													
16. Total ceased													
17. At end of 19													
18. Reinsured	— —	— — —		— —	— — —		— —	— — —			— —	— — —	

Miscellaneous.

New policies paid for in cash:—Number,.....; gross amount, $.....; reinsured, $.....

Claims reinsured:—Death claims, $.....; matured endowments, $.....

Total amount in force divided as to dividend plan:—Annual, $.....; quinquennial, $.....; deferred, $.....; non-participating, $.....; total, $.....

Disability claims (net of reinsured) being paid in instalments:—Number.....; annual instalments, $.....; amount exposed to risk of death $.....

EXHIBIT OF NET INSURANCE IN FORCE (Ordinary) INCLUDING DISABILITY BENEFITS.

(Included in the Exhibit of Policies (Ordinary) except as noted below.)

Classification according to Nature of Disability Benefit.	No. (1)	Face amount assured less reinsured. (2)
1. Prior to the occurrence of disability:—		
(a) Participating—		
(1) Waiver of premiums only		$
(2) Waiver of premiums and the sum assured payable by instalments, the balance at death or maturity		
(3) Waiver of premiums and the sum assured payable by instalments during a term certain		
(4) Waiver of premiums and a disability annuity without reduction in the sum assured		
(5) Totals		$
(b) Non-participating—		
(1) Waiver of premiums only		
(2) Waiver of premiums and the sum assured payable by instalments, the balance at death or maturity		
(3) Waiver of premiums and the sum assured payable by instalments during a term certain		
(4) Waiver of premiums and a disability annuity without reduction in the sum assured		
(5) Totals		$
2. Grand Totals		$

EXHIBIT OF NET INSURANCE IN FORCE (Ordinary) INCLUDING DISABILITY BENEFITS—*Concluded.*

Classification according to Nature of Disability Benefit.	No. (1)	Net annual instalments and annuity payments. (2)	Amount exposed to risk of death less reinsured. (3)	Premiums waived less premiums on reinsured (4)
3. After the occurrence of disability, premiums having been waived:—		— — — —		
(a) Participating—				
(1) Premiums waived only	.....	$.....	$.....	$.....
(2) *Sum assured being paid by instalments.	.....	.....	.....	.....
(3) Disability annuity being paid without reduction in the sum assured	.....	.....	.....	.....
(4) All other contracts:—				
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
(5) Totals	.....	$.....	$.....	$.....
(b) Non-participating—		— — — —		
(1) Premiums waived only	.....	$.....	$.....	$.....
(2) *Sum assured being paid by instalments.	.....	.....	.....	.....
(3) Disability annuity being paid without reduction in the sum assured	.....	.....	.....	.....
(4) All other contracts:—				
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
(5) Totals	.....	$.....	$.....	$.....
4. Grand Totals	.....	$.....	$.....	$.....

*These amounts are not included in the "Exhibit of Policies." For disability annuities see "Exhibit of Annuities" and "Statement of Actuarial Liabilities."

NOTE.—This Exhibit is intended to give a concise statement of the *net* business in force under the various classes of contracts involving disability benefits. "Face Amount Assured" should not include bonus, return premium, or other additions. "Amount Exposed to Risk of Death" should be the "Face Amount Assured" less any instalments paid (or due) deductable therefrom at death (or maturity). "Premiums Waived" is to be the premiums which would be payable annually but for the occurrence of disability.

STATEMENT OF ACTUARIAL LIABILITIES.

Assurance Section.

Class of Contract.	Gross in Force.			Reinsured in other Companies licensed in Canada.	
	Number (1)	Amount (2)	Reserve. (3)	Amount. (4)	Reserve. (5)
		$	$	$	$
1. *Ordinary with Profits:—*					
(*a*) *Life					
(*b*) *Endowment assurance					
(*c*) *Term, etc					
(*d*) Bonus addition	— — —				
(*e*) Premium reduction	— — —	(.....)		(.....)	
(*f*) Additional accidental death benefits		(.....)		(.....)	
(*g*) †Disability benefits					
(*h*) Sinking-fund and capital redemption					
(*h*) Totals					
2. *Ordinary without Profits:—*					
(*a*) *Life					
(*b*) *Endowment assurance					
(*c*) *Term, etc					
(*d*) Additional accidental death benefits		(.....)		(.....)	
(*e*) Disability benefits					
(*f*) Sinking-fund and capital redemption					
(*g*) Totals					
3. *Industrial without Profits:—*					
(*a*) Life					
(*b*) Endowment assurance					
(*c*) Term, etc					
(*d*) Totals					

STATEMENT OF ACTUARIAL LIABILITIES—*Continued.*

ASSURANCE SECTION—*Concluded.*

Class of Contract.	Gross in Force			Reinsured in other Companies licensed in Canada.	
	Number. (1)	Amount. (2)	Reserve. (3)	Amount. (4)	Reserve. (5)
		$	$	$	$
4. *Group with Profits:—*					
(*a*) *Life					
(*b*) *Endowment assurance					
(*c*) *Term, etc					
(*d*) Totals					
5. *Group without Profits:—*					
(*a*) *Life					
(*b*) *Endowment assurance					
(*c*) *Term, etc					
(*d*) Totals					
6. Grand Totals—Assurance Section					

STATEMENT OF ACTUARIAL LIABILITIES—*Continued.*

ANNUITY SECTION.

Class of Annuity.	Gross in Force.			Reinsured in other Companies licensed in Canada.	
	Number. (1)	Annual Payment. (2)	Reserve. (3)	Annual Payment. (4)	Reserve. (5)
		$ cts.	$	$ cts.	$
1. *With Profits:*—					
(*a*) Life annuities proper:—					
(1) Immediate					
(2) Deferred					
(*b*) Supplementary contracts:—					
(1) Involving life contingencies					
(2) Not involving life contingencies					
(*c*) Disability annuities					
(*d*) Group annuities:—					
(*e*) Totals					

*Give separately, on blank lines provided, amount of insurance included in these amounts issued subsequent to January 1, 1911, and prior to January 1, 1927, with premiums less than 102·5 per cent of Om (5) 3½ per cent net premiums, and additional reserves thereon required by Sec. 103 (3) of Insurance Act, 1917.

†Reserves for annuities payable on lives disabled at date of statement are to be shown in the Annuity Section. Premiums waived on account of disability are not to be considered as annuities.

NOTE I.—All liabilities of the company for payments not due, dependent on life, disability or any other contingencies, or on a term certain, including items of special reserve specified in question 1 (2) of the "Miscellaneous Statement", are to be included in the "Statement of Actuarial Liabilities" (except items V, 4, 4a, 9, 9a, 10 and 11), and if necessary a separate entry is to be made properly describing the item. Any additional or special reserve maintained in respect of any class of contract (*i.e.* classes 1, 2, 3, 4 and 5 in the Assurance Section; or classes 1 and 2 of the Annuity Section) is to be shown under the class in respect of which it is maintained. Any special reserve maintained in respect of the business as a whole is to be shown opposite V, 21.

NOTE. II—Reinsured contracts are to be classed as to the plan of the original contract.

NOTE III.—Reserve for "return premiums" may be included with the reserve for the main benefit, but the amount at risk under "return premiums", if included in the amount in force in the above, is also to be shown separately in a foot-note.

NOTE IV.—Are temporary additions to the sums assured included in the Statement of Actuarial Liabilities?..... If so give details in summary form of the amounts so included.

STATEMENT OF ACTUARIAL LIABILITIES—*Concluded.*

ANNUITY SECTION—*Concluded.*

	Gross in Force.			Reinsured in other Companies licensed in Canada.	
	Number. (1)	Annual Payment. (2)	Reserve. (3)	Annual Payment. (4)	Reserve. (5)
		$ cts.	$ cts.	$ cts.	$ cts
2. *Without Profits:*—					
(a) Life annuities proper:—					
(1) Immediate					
(2) Deferred					
(b) Supplementary contracts:—					
(1) Involving life contingencies					
(2) Not involving life contingencies					
(c) Disability annuities					
(d) Group annuities:—					
(e) Totals					
3. Grand Totals—Annuity Section					

SUMMARY OF RESERVE.

	(1) With Profits.	(2) Without Profits.	(3) Total.
1. Total reserve, assurance and annuity contracts	$	$	$
2. Total reserve on reinsured contracts			
3. Net reserve carried in the liabilities (1)—(2)	$	$	$

NOTE I.—If under a contract classed as a "disability annuity" provision is made for the payment of any benefit at or following the failure of the life or at or following the completion of a term of years the reserve for any such benefit is to be included in the reserve for "disability annuities."

MISCELLANEOUS STATEMENT.

NOTE.—The answers to questions in the Miscellaneous Statement are to be so drafted that they may be intelligently read without reference to the questions, and in the form it is desired they should appear in the Annual Report issued by the Department. Sufficient detail should be given to indicate clearly the practices of the company. The symbols of the Text Books of the Institute of Actuaries and the "Disability Symbols" given in Volume 13, VIII, of the Transactions of the Actuarial Society of America, may be used in the senses intended, without explanation, in answer to questions; and if a method or process followed by the company is accurately and adequately described in a generally accessible actuarial publication, the method or process may be described by reference thereto. The usual abbreviations for designating a valuation basis may be used.

The answers should be numbered (and for sub-questions, inset) to accord with the numbers (and insetting) of the corresponding questions.

I. The Calculation of the Reserve in the Statement of Actuarial Liabilities—(Preface reply by quoting this line).

(1) State the general principles adopted in the valuation of policy and annuity contracts, and the method followed in the valuation of special classes, including a description of any groupings made and a statement concerning the tables of mortality and disability and the rates of interest used. Specific reference is to be made to the following:—
Special Classes—(Preface reply by quoting this line.)
(a) Policies issued on lives resident in tropical or sub-tropical countries;
(b) Policies issued at premiums corresponding to ages higher than the true ages;

MISCELLANEOUS STATEMENT—*Concluded.*

(c) Policies providing for payment at death during certain periods of an amount less than the full amount of insurance, being policies subject to liens;
(d) Policies issued at, or subsequently subject to, an extra premium: (1) payable in one sum; (2) payable annually;
(e) Policies otherwise issued on lives classed as substandard for the plan of contract issued, or on special class lives;
(f) Policies providing for disability benefits (waiver of premium and other benefits): (1) before occurrence of disability; (2) thereafter; the various benefits granted and the method and bases of reserving therefor being described;
(g) Annuities issued to lives classed as under-average;
(h) Policies providing for additional accidental death benefits.

(2) Items of Special Reserve—(Preface reply by quoting this line).
State the general principles and methods used in the calculation of any reserve maintained—
(a) Under limited and single premium policies on account of prepaid or limited loadings, and under immediate annuities to cover future expenses;
(b) In respect of guaranteed benefits which exceed in value the net premium reserve on the basis of valuation employed;
(c) In excess of the cash surrender value on account of lapsed policies, not continued in force under automatic nonforfeiture provisions, but being subject to reinstatement (state the method of calculating the reserve and the amount);
(d) To cover the option of renewal under term policies;
(e) To cover the option of conversion either during a fixed term or at the end thereof into higher premium policies, the premium on the new policy being fixed (1) as at original age of entry, or (2) as at age attained at date of conversion;
(f) Items of special reserve other than specified above.

[If the contracts of any class were valued individually from tables of "mid-year" reserves calculated according to the net premium method, or if contracts of the same class issued in the same calendar year and at the same age at entry (or at several consecutive ages at entry) were grouped and valued as one contract, it will be sufficient to so describe the general principles of valuation and groupings; but whether so valued individually or in groups it should be stated how the age at entry for valuation purposes was determined, and whether it differs from the age used in determining the premium or consideration in the contract. Any modifications made in the table of mortality or disability used in calculating a table of "mid-year" reserves should be stated. If for purposes of valuation the benefit under any contract was assumed to consist of two or more benefits, each partial benefit being valued from tables of "mid-year" reserves, it may be assumed in answering this question that the valuation was made from a single table of "mid-year" reserves calculated so as to take account of the whole benefit.

For all classes valued otherwise full information is to be given with special reference, where necessary, to (1) the age at entry for valuation purposes and whether it differs from the age used in fixing the premium or consideration in the contracts, (2) the duration of the contract for valuation purposes, (3) the age attained used for valuation purposes, (4) the net premium or other premium valued.]

II. As compared with "normal" class policies, what modifications or limitations, if any, are made under the special class policies referred to in I (1) (a) to (f) above in respect of guaranteed values —namely, cash surrender value, paid-up insurance, extended term insurance, or automatic exended term insurance.

III. State the average rate of interest earned during the year as determined by the formula $\frac{2\,I}{A+B-I}$ where I represents the sum of gross interest and net rents earned, A the net ledger assets at the beginning of the year, and B the net ledger assets at the end of the year.

IV. The Distribution of Surplus—(Preface reply by quoting this line).
(a) State the general principles and methods used in the distribution of surplus as between shareholders and policyholders.
(b) State the method by which dividends to policyholders, illustrated in the dividend schedule, have been computed, and the basis and conditions on which these dividends were convertible into premium reduction, reversionary bonus addition, reduction of premium term, reduction of endowment period, or other benefit, and the basis of cash surrender value of bonus additions; also state the method by which surplus has been apportioned to deferred dividend policies (in conformity with sections 86 and 89 of the Act) which have not completed their dividend period. (In answer to this question, the actual factors as respects mortality, interest, loading and any other sources of profit used in the computation should be stated. Specific reference is to be made to tropical and sub-tropical policies and to any other class dealt with separately.)
(c) If in the event of termination of a policy of any class between two dividend dates a dividend ("interim bonus") is apportioned, state the method followed in the apportionment.
(d) State the method by which dividends to annuitants are computed giving the same information as required under (b) above, mutatis mutandis. An illustrative tabular exhibit of dividends actually paid during the year of account, in convenient tabular form, is to be appended to the "Dividend Schedule".
(e) State the method by which dividends in respect of group insurance contracts are computed, giving the same information as required under (b) above, mutatis mutandis.

DEFERRED DIVIDEND POLICIES.

Issued prior to January 1, 1911, and amount of profits contingently apportioned thereto.

Year of Issue.	Total Net Amount in Force.	Profits Contingently Apportioned.	Remarks.
18.....	$.....	$.....	.....
18.....	.....	.....	.....

DEFERRED DIVIDEND POLICIES.

Issued on and after January 1, 1911, and amount of profits credited thereto.

Year of Issue.	Total Net Amount in Force.	Profits Credited.	Remarks.
19.....	$.....	$.....	.....
19.....	.....	.....	.....

EXHIBIT A.

REAL ESTATE OWNED BY THE COMPANY.

Description of property. NOTE.—Mark each item I (improved), or U (unimproved).	Date. Acquired.	Amount of Encumbrances.		†Actual Cost.		Book Value.		Market Value.		Operations during 19 .							
										Expended for Repairs and Improvements on Capital Account.		Gross Income.		Taxes and all running Expenses.		Net Income.	
		$	cts.	$	cts.	$	cts.	$	cts.	$	cts.	$	cts.	$	cts.	$	cts.

†In this column there should be shown the actual cost at time of acquisition, increased by the amount of expenditure for improvements on capital account since acquisition and decreased by the amount realized from the sale of any portion of the property originally acquired.

EXHIBIT B.

LOANS SECURED BY BONDS, STOCKS OR OTHER MARKETABLE COLLATERALS.

Description of Collateral.	Par Value.	Market Value.	Amount Loaned.
.....	$.....	$.....	$.....
.....	.....	.....	.....

EXHIBIT C.

BONDS AND DEBENTURES OWNED BY THE COMPANY.

Description.	Date of Maturity.	Interest.		Par Value.		Book Value.		Rate used to obtain Market Value.	Market Value.		Interest Due.		Interest Accrued.	
		Rate.	How Paid.	$	cts.	$	cts.		$	cst.	$	cts.	$	cts.

EXHIBIT D.

STOCKS OWNED BY THE COMPANY.

Description.	No. of Shares.	Rate of Dividend in each of last three years.			Par Value.		Book Value.		Rate used to obtain Market Value.	Market Value.	
					$	cts.	$	cts.		$	cts.

EXHIBIT E.

CASH IN BANKS AND OVERDRAFTS.

Name of Bank and Location.	Cash in Banks.		Overdrafts.	
	$	cts.	$	cts.
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

NOTE.—The total of the cash in banks is to be carried into the assets and the total of the overdrafts into the liabilities.

EXHIBIT F.

DIRECTORS AND SHAREHOLDERS.

.....Company

List of Directors—(As at.....)

Shareholders' Directors—(Name and address).....

.....

.....

.....

Policyholders' Directors—(Name and address).....

.....

.....

.....

List of Shareholders—(As at December 31, 19...)

Name.	Address.	No. of Shares.	Amount Subscribed.		Amount Paid in Cash.	
			$	cts.	$	cts.
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....

EXHIBIT G.

SEPARATION OF ACCOUNTS.

PARTICIPATING AND NON-PARTICIPATING ACCOUNTS (A).

	Particf-pating		Non-par-ticipating			Partici-pating		Non-par-ticipating	
	$	cts.	$	cts.		$	cts.	$	cts.
1. Funds, Dec. 31, 19 :—					14. Claims admitted or intimated under assurance policies:—				
(*a*) Reserve (Item , page of previous statement)									
(*b*) Accumulated amounts on deposit					(*a*) By death				
(*c*) (1) Credited to deferred dividend policies issued since Jan. 1, 1911					(*b*) By maturity				
(2) Credited to deferred dividend policies issued prior to Jan. 1, 1911					(*c*) By disability (admitted only)				
(*d*) Provision for other accrued profits					(*d*) Surrender values				
(*e*) Provision for unreported claims					15. Annuities—(*a*) Life				
(*f*) Provision for unadmitted disability claims									
(*g*) Other funds (if any) to be specified					16. Annuities surrendered				
					17. Dividends to policyholders				
(*h*) Surplus including *contingent* apportionment to deferred dividend policies issued prior to Jan. 1, 1911	(.....)		— —	—	18. Payments on supplementary contracts				
					18.(*a*) Premium reductions				
2. Totals					19. Deposits (including interest) withdrawn				
3. Assurance Premiums—					20. Commission to agents:				
(*a*) First year (1) annual					(*a*) First year				
(2) Single					(*b*) Renewal (include commissions on group assurances, first year and renewal separately.)				
(*b*) Renewal (Include group assurance premiums similarly classified)					21. Taxes, licences and fees				
					22. Medical fees				
4. Consideration for annuities					23. Expenses incurred definitely apportionable to the respective funds				
5. Consideration for supplementary contracts					24. Expenses incurred not definitely apportionable to the respective funds (excluding investment expenses)				
6. Amounts left on deposit									
7. Interest, dividends and rents earned (less investment expenses)					25. Loss on sale of securities*				
					26. Loss on investments				
8. Profit on sale of securities*					27. Decrease in assets due to revaluation†				
9. Increase in assets due to revaluation†					27. (*a*) Proportion of unadmitted assets				
10. Miscellaneous profits					28. Transferred to Investment Reserve Fund				
11. Miscellaneous revenue									

SEPARATION OF ACCOUNTS—*Continued.*

PARTICIPATING AND NON-PARTICIPATING ACCOUNTS (A)—*Concluded.*

	Participating		Non-participating	
	$	cts.	$	cts.
12. Transferred from Investment Reserve Fund.....				
13. Transferred from Shareholders' Fund...				
Total revenue.....				
Totals.....				

	Participating		Non-participating	
	$	cts.	$	cts.
29. Transferred to Shareholders' Fund.....				
30. Miscellaneous losses...				
31. Miscellaneous payments.....				
32. Total disbursements				
33. Funds, Dec. 31, 193 —				
(*a*) Reserve (Item 3, page 19).....				
(*b*) Accumulated amounts on deposit.				
(*c*) (1) Credited to deferred dividend policies issued since Jan. 1, 1911.....			— —	—
(2) Credited to deferred dividend policies issued prior to Jan. 1, 1911.....			— —	—
(*d*) Provision for other accrued profits.....				
(*e*) Provision for unreported claims.....				
(*f*) Provision for unadmitted disability claims.....				
(*g*) Other funds (if any) to be specified				
(*h*) Surplus..... including *contingent* apportionment to deferred dividend policies issued prior to Jan. 1, 1911.....	(.....	...)	— —	—
34. Totals.....				
Totals.....				

* Entry should be made only in respect of net profit or loss on sale of securities.

† Entry should be made only in respect of net increase or net decrease in assets due to revaluation.

NOTE 1.—These accounts are to be made up strictly on a revenue basis. NOTE 2.—Items in these accounts are to be net amounts after deduction of the amounts paid and received in respect of reassurances. NOTE 3.—*Re* Items 23 and 24: Payments to staff pension or insurance funds, being expenses, are to be included in expenses.

SEPARATION OF ACCOUNTS-*Continued.*

INVESTMENT RESERVE FUND. (B).

1. Balance, Dec. 31, 19	$.....	.....	3. Transferred from the Fund during 19 :—		
2. Transferred to the Fund during 19 :—			(*a*) To Participating Fund.....	$.....	.....
(*a*) From Participating Fund..	.....	.....	(*b*) To Non-participating Fund..	.....	.....
(*b*) From Non-participating Fund.....	.....	.....	(*c*) To Shareholders' Fund.....	.....	.....
(*c*) From Shareholders' Fund.	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	4. Balance, Dec. 31, 19	.....	.....
Total.....	$.....	.....	Total.....	$.....	.....

SHAREHOLDERS' SURPLUS ACCOUNT. (C).

1. Balance, Dec. 31, 19	$.....	.....	5. Dividends to shareholders.....	$.....	.....
2. Interest added during 19	.....	.....	6. Proportion of expenses.....	.....	.....
3. †Shareholders' proportion of profits:—			7. Income tax.....	.....	.....
(*a*) Participating Fund.....	.....	.....	8. Shareholders' proportion of losses:—		
(*b*) Non-participating Fund....	.....	.....	(*a*) On investments.....	.....	.....
(*c*) Increase in assets due to revaluation*.....	.....	.....	(*b*) Decrease in assets due to revaluation*.....	.....	.....
4. Transferred from Investment Reserve Fund.....	.....	.....	9. Transferred to Participating Fund.....	.....	.....
.....	.....	.....	10. Transferred to Non-participating Fund.....	.....	.....
			11. Transferred to Investment Reserve Fund.....	.....	.....
.....	.....	.....	12. Other deductions, with details.	.....	.....
			.....	.....	.....
			.....	.....	.....
			13. Balance, Dec. 31, 19	.....	.....
Total.....	$.....	.....	Total.....	$.....	.....

* Entry is made only in respect of the net increase or decrease in assets due to revaluation.
† State how determined.

STAFF PENSION FUND

1. Balance, Dec. 31, 19	$.....	.....	.....	$.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	Balance, Dec. 31, 19	.....	.....
Total.....	$.....	.....	Total.....	$.....	.....

SEPARATION OF ACCOUNTS—*Concluded.*

SUMMARY OF FUNDS AND AMOUNTS OWING BY COMPANY. (D).

1. Funds, Dec. 31, 19 :—		
(*a*) Participating Fund	$.....	.....
(*b*) Non-participating Fund	.....	.....
(*c*) Shareholders' Fund (including $.....unimpaired paid-up capital)	.....	.....
(*d*) Investment Reserve Fund	.....	.....
(*e*) Staff Pension Fund	.....	.....
(*f*) Other funds (if any) to be specified	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
2. Total funds	$.....	.....
3. Amounts owing by the company:—		
(*a*) Claims admitted or intimated but not paid	$.....	.....
(*b*) Annuities due and unpaid	.....	.....
(*c*) Dividends to policyholders due but not paid	.....	.....
(*d*) Premiums paid in advance	.....	.....
(*e*) Interest paid in advance	.....	.....
(*f*) Unclaimed surrender values	.....	.....
(*g*) Taxes, licences and fees, due and accrued	.....	.....
(*h*) Reinsurance premiums due and unpaid	.....	.....
(*i*) Commissions due and accrued	.....	.....
(*j*) Medical fees	.....	.....
(*k*) Directors' and auditors' fees	.....	.....
(*l*) Due on investments	.....	.....
(*m*) Other amounts owing itemized as in V	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
4. Total amounts owing	$.....	.....
5. Total funds and amounts owing, Dec. 31, 19	$.....	.....
6. Total admitted assets, Dec. 31, 19	$.....	.....

NOTE 1.—"Total funds" should be the total admitted assets of the company (not including deferred premiums in respect of industrial policies) decreased by all sums owing by the company. Amounts left on deposit with the company (dividends, sums assured, etc.) whether withdrawable on application or at some future date, are not to be classed as sums owing by the company (i.e., they are to form part of the funds), and in the "Patriciating and Non-Participating Accounts" should be shown against items 1 (*b*) and 33 (*b*). Items in suspense and any other amounts which are not "funds" should be shown separately under Item 3, appropriately described.

NOTE 2.—A statement is to be given setting forth in respect of each item not definitely apportionable, the principles and methods used in apportioning the same to the several accounts, and in making transfers from one account to another. It is to be stated whether items which are in the nature of things definitely apportionable have in fact been so apportioned, and if not, the principles and methods used in the apportionment are to be given.

SECTION .

THIRD SCHEDULE.

REAL ESTATE PURCHASED OR ACQUIRED

Description and location of property	From whom purchased	Date of purchase or of acquisition	Commission paid (if any)	Price paid, or value at which transferred to real estate account	
				$	cts.

REAL ESTATE SOLD

Short description of property	To whom sold	When sold	Date of purchase or of acquisition	Commission paid (if any)	Price paid, or at which carried into R.E. Account		Value in account		Price received for each parcel	
					$	cts.	$	cts.	$	cts.

COLLATERAL LOANS MADE

To whom made	Time	Rate of interest	Amount of loan		Description of collateral taken	Par value		Market value	
			$	cts.		$	cts.	$	cts.

COLLATERAL LOANS REPAID

By Whom Paid.	Amount Repaid.		Description of Collateral Released.	Par Value.		Market Value.	
	$	cts.		$	cts.	$	cts.

BONDS AND DEBENTURES PURCHASED

(Including purchases not taken up.)

Description.	Date of Issue.	Date of Maturity.	Rate of Interest.	Par Value.		Price Paid.		Commission Paid.	When Purchased.	From Whom Purchased.
				$	cts.	$	cts.			

BONDS AND DEBENTURES SOLD OR MATURED.

Description.	Date of Issue.	Date of Maturity.	Rate of Interest.	Par Value.		Value in Account.		Price or other consideration received.		Commission Paid.	When Sold.	To Whom Sold.
				$	cts.	$	cts.	$	cts.			

STOCKS PURCHASED

(Including purchases not taken up.)

Description. (State whether Preferred or Common)	No. of Shares	Rate of Dividend	Par Value.		Price Paid.		Cost per Share.	Commission Paid.	When Purchased.	From Whom Purchased.
			$	cts.	$	cts.				

STOCKS SOLD

Description. (State whether Preferred or Common.)	No. of Shares.	Rate of Dividend.	Par Value.		Value in Account.		Price or other consideration received.		Commission Paid.	When Sold.	To Whom Sold.
			$	cts.	$	cts.	$	cts.			

SYNOPSES OF LEDGER ACCOUNTS.

Real Estate.

Balance of ledger account at beginning of half year	$.....
Ledger value of real estate purchased or acquired during half year	.....
Taxes or charges, etc., on real estate acquired	.....
Total	$.....
Ledger value of real estate sold during half year	.....
Revenue derived from real estate and credited to account	.....
Real estate written off	.....
Balance of ledger account at end of half year	$.....

Agreements For Sale.

Balance of ledger account at beginning of half year	$.....
Ledger value of agreements acquired during half year	.....
Taxes or other charges advanced during half year	.....
Total	$.....
Amount collected on account during half year	.....
Amount transferred back to real estate during half year	.....
Amount transferred to mortgages during half year	.....
Amount written off during half year	.....
Total	$.....
Balance of ledger account at end of half year	$.....

Mortgage Loans.

Amount secured by way of loan on real estate by bond or mortgage, beginning of half year	$.....
Total amount invested in such loans during half year	.....
Total	$.....
Total amount of principal moneys repaid during half year	.....
Balance—total amount of such loans at end of half year	$.....

Collateral Loans.

Amount of loans secured by bonds, stocks, or other marketable collaterals at beginning of half year	$.....
Amount of loans made during half year	.....
Total	$.....
Amount of loans repaid during half year	.....
Balance—amount of loans at end of half year	$.....

SYNOPSES OF LEDGER ACCOUNTS—*Continued*

POLICY LOANS

(Including A.N.F. Loans and Premium Obligations.)

Amount of loans to policyholders as at beginning of half year		$.....
Amount of loans made during half year		.....
Total		$.....
Amount of loans repaid during half year:—		
(*a*) On surrender of the policy	$.....	
(*b*) On maturity of the policy by death	.....	
(*c*) On maturity of the policy otherwise than by death	.....	
(*d*) Prior to termination of the policy	.....	$.....
Balance—amount of loans at end of half year		$.....

BONDS AND DEBENTURES.

Balance of ledger account at beginning of half year	$.....
Ledger value of securities purchased during half year	.....
Accumulation towards par through the interest account	.....
Total	$.....
Ledger value of securities sold or matured during half year	.....
Amortization of premium through the interest account	.....
Bonds and debentures written off	.....
Total	$.....
Balance of ledger account at end of half year	$.....

STOCKS.

Balance of ledger account at beginning of half year	$.....
Ledger value of stocks purchased during half year	.....
Total	$.....
Ledger value of stocks sold during half year	.....
Stocks written off	.....
Balance of ledger account at end of half year	$.....

Section .

FOURTH SCHEDULE.

This Statement to be completed and returned in triplicate to the Department of Insurance on or before 1st March, 193

.....

(Name of Company)

Head Office.....

STATEMENT for the Year ending 31st December, 193

Organized or incorporated (Act and date).....

Amendments to charter (Acts and date of each):.....

Commenced business (date):.....

OFFICERS

(As at date of filing statement.....19)

President.....*Manager*.....

Vice-President..... *Secretary*.....

DIRECTORS

.....

.....

.....

.....

I. STATEMENT OF CAPITAL STOCK

1. Amount of capital stock authorized.....$.....

	Amount subscribed for	Amount paid in cash	
	$	$	cts.
2. Capital stock at beginning of year			
3. Calls on capital received during year			
4. Increased capital			
5. Total			
6. Deduct capital stock forfeited or cancelled			
7. Capital stock at end of year			

PREMIUM ON CAPITAL STOCK

	$	cts.
8. Total amount paid as premium on capital stock at beginning of year		
9. Amount received during the year		
10. Total amount paid to December 31, 193		

LIST OF STOCKHOLDERS

(As at 31st December, 193)

Name	Residence	No. of Shares held	Amount Subscribed for		Amount Paid in cash	
			$	cts.	$	cts.

(To be given in separate schedule attached.)

II.—ASSETS.

	$	cts.
1. Book value of real estate (less encumbrances) held by the Company ..... *(For details see Schedule A, page .)*	.....	....
2. Mortgage loans on real estate, first liens	.....	....
3. The same, second liens ..... *(Detailed statement of loans in 2 and 3 to be given in a separate schedule.)*	.....	....
4. Amount of loans secured by bonds, stocks or other marketable collaterals ..... *(For details see Schedule B, page .)*	.....	....
5. Book value of bonds, debentures and debenture stocks owned by the Company .. *(For details see Schedule C, page .)*	.....	....
5a Deposits with Trust Companies for investment. *(Details in a separate schedule)* ..	.....	....
6. Book value of stocks owned by the Company. *(For details see Schedule D, page)*	.....	....
7. Cash at head office, $.....; at branches, $.....	.....	....
8. Cash in banks *(with details on page)*	.....	....
9 Interest and dividends due, $.....; accrued, $..... *(With details on page .)*	.....	....
10. Rents due, $.....; accrued, $.....	.....	....
11. Agents' balances and premiums uncollected:		
On business written prior to Oct. 1, 19 *(net of commission)* .....$.....		
On business written subsequent to Oct. 1, 19 *(net of commission)*		
Total	.....	....
12. Amount due for reinsurance on losses already paid *(with details on page)*		
13. Plans, $.....; Furniture and fixtures, $.....	.....	....
14. *Amount of premium notes on hand on which policies are issued .....$.....		
Deduct amount paid thereon .....$.....		
Amount assessed thereon remaining unpaid	.....	....
Balance *(unassessed)* carried out	.....	....
15. *Total assessments on premium notes .....$.....		
Deduct amount paid thereon		
Balance carried out	.....	....
16. *Amount of assessment on stock notes .....$.....		
Deduct amount paid thereon	.....	....
Balance carried out	.....	....
Carried forward	.....	....

*For Fire Insurance Companies transacting business on the Mutual Plan.

NOTE TO ITEMS (5) and (6). If any of these securities have any lien upon them for the benefit of any particular class of policyholders, or if they are deposited with the Government of any State or Country, these securities and their location are to be indicated in Schedules C and D on pages and .

II.—ASSETS—*Concluded.*

	$	cts.
Brought forward		
17. All other assets, viz.:—		
.....$.....		
.....		
.....		
.....		
.....		
18. Total		
19. Market value of real estate, bonds, stocks, etc., over or under book value		
20. Gross assets of the Company		
21. Deduct assets not admitted:—		
Agents' balances and premiums uncollected (written prior to Oct. 1, 19).....$.....		
Office furniture and fixtures		
Maps and plans		
Unassessed portion of premium notes		
Other items or amounts not admitted, viz.:—		
Item No.....$.....Item No.....		
Total deductions.....$.....		
22. Net admitted assets of the Company		

III.—LIABILITIES.

(1) Liabilities in Canada	$	cts.
1. Total provision for unpaid claims in Canada *(Details to be given on page)*	.....	....
2. Present value of claims payable by instalments not yet due	.....	....
3. Total net reserve, $.....; carried out at 80 per cent thereof *(With details on page)*	.....	....
4. Reserve and unpaid losses under unlicensed reinsurance, unsecured, Fire	.....	....
5. Reserve and unpaid losses under unlicensed reinsurance, unsecured, Other	.....	....
6. Cash dividends to stockholders: *(a)* due and unpaid	.....	....
(b) declared, but not yet due	.....	....
7. Agency and other expenses due and accrued, Fire, $.....; Other, $	.....	....
8. †Taxes due and accrued, Fire, $.....; Other, $	.....	....
9. Amount of money borrowed *(Stating in a separate schedule the amount of each loan, the security)*	.....	....
10. Reinsurance premiums due	.....	....
11. Return premiums due to policyholders	.....	....
12. Investment Reserve Fund	.....	....
13. All other liabilities in Canada, viz.:—	.....	....
.....	.....	....
14. Total liabilities in Canada	.....	....

†Taxes due and accrued on real estate are not to be included in this item. Such taxes, if any should be included in Item 13. Details of Item 8 are required to be given, as follows:—

	Fire	Other
Special War Revenue Act	$.....	$.....
Under Income War Tax Act	.....	.....
Provincial and Municipal taxes, licences and fees	.....	.....
Totals	$.....	$.....

III.—LIABILITIES—*Concluded.*

(2) Liabilities Outside Canada	$	cts.
1. Total provision for unpaid claims outside Canada *(Details to be given on page)*	.....	....
2. Present value of claims payable by instalments not yet due	.....	....
3. Total net reserve $.....; carried out at 80 per cent thereof *(With details on page)*	.....	....
4. Agency and other expenses due and accrued, Fire, $.....; Other, $	.....	....
5. Taxes due and accrued, Fire, $.....; Other, $	.....	....
6. Amount of money borrowed *(Stating in a separate schedule the amount of each loan, the security)*	.....	....
7. Reinsurance premiums due	.....	....
8. Return premiums due to policyholders	.....	....
9. All other liabilities outside Canada, viz:—		
10. Total Liabilities outside Canada	.....	....
11. Total Liabilities in all Countries	.....	....
12. Excess of assets over all liabilities	.....	....
13. Capital stock paid in cash	.....	....
14. Surplus, if any, of assets over all liabilities and paid capital	.....	....

Hail Insurance Surplus Fund

Balance of fund at December 31st, 193	$.....
Increase in fund during 193	.....
Total	$.....
Decrease in fund during 193	.....
Balance of fund at December 31st, 193	$.....

IV.—UNDERWRITING ACCOUNT

It is to be noted that all the items in this Account are to be given on the "Written", or "Incurred," and not "Received" or "Paid" basis.

I.—Premiums Written

		$	cts.
1. Total net premiums written—*(a)* In Canada, Fire	$.....		
(b) In Canada, Other	.....		
(c) Outside Canada, Fire	.....		
(d) Outside Canada, Other	.....		
Total net premiums written in all countries		.....	....
(For details see pages)			

IV.—UNDERWRITING ACCOUNT—*Concluded.*

2. Losses and Expenses Incurred

	Fire		Other Classes		Total	
	$	cts.	$	cts.	$	cts.
1. Total net amount incurred for claims including adjustment expenses:—						
(a) In Canada						
(b) Outside Canada						
(For details, see page)						
2. Commission or brokerage in Canada						
3. Commission or brokerage outside Canada						
4. Commission on profits in Canada						
5. Commission on profits outside Canada						
6. Taxes incurred under:—						
Special War Revenue Act						
Income War Tax Act						
Other taxes, licences and fees						
7. Salaries, fees and travelling expenses:—						
Salaries of Head Office officials and employees						
Salaries of General and Special Agents and Branch Office Employees						
Directors' fees						
Auditors' fees						
Travelling expenses, Officials						
" " Agents						
8. All other expenditure, viz.:—						
Advertising						
Furniture and fixtures						
Inspections and surveys						
Legal expenses						
Maps and plans						
Medical excaminers' fees						
Mercantile Agencies' reports						
Postage, telegrams, telephones and express						
Printing and stationery						
Rents						
Statistical service						
Underwriters' Boards, Tariff Associations, etc.						
9. Total						

V.—PROFIT AND LOSS ACCOUNT

	$	cts.		$	cts.
Losses incurred (including adjustment expenses)			Reserve of unearned premiums at the beginning of year (80% reserve)		
All other expenses incurred			Net premiums written		
Reserve of unearned premiums at end of year (80% reserve)					
Underwriting gain			Underwriting loss		
Underwriting loss brought down			Underwriting gain brought down		
Loss in market value of investments			Interest, dividends and rents earned		
Loss on sale of invetsments			Increase in paid capital stock		
Bad debts written off			Premium on capital stock		
Increase in disallowed assets			Gain in market value of investments		
Increase in unsecured unlicensed reinsurance, Fire			Gain on sale of investments		
Increase in unsecured unlicensed reinsurance, Other			Bad debts recovered (previously written off)		
Dividends declared			Decrease in disallowed assets		
All other losses (specify)			Decrease in unsecured unlicensed reinsurance, Fire		
			Decrease in unsecured unlicensed reinsurance, Other		
			All other gains (specify)		
Net gain during the year			Net loss during the year		
Total			Total		

BALANCE

Surplus of assets over liabilities at beginning of year ..... $.....

Add (or deduct) net gain (or net loss) as above .....

Surplus of assets over liabilities at end of year ..... $.....

VI.—MISCELLANEOUS

Recapitulation of Fire Risks and Premiums Written or Renewed during the Year

(1) In Canada

Exp'ring in Year	Term	Gross Amount Written	Premiums	
		$	$	cts.
19	Less than one year			
19	One year or less			
19	Two years			
19	Three years			
	Totals			

(2) In Other Countries

Expiring in Year	Term	Gross Amount Written	Premiums	
		$	$	cts.
19	Less than one year			
19	One year or less			
19	Two years			
19	Three years			
19	Four years			
19	Five year			
	Totals			

FIRE PREMIUMS AND LOSSES IN CANADA.

(Reinsurance in Licensed Companies deducted.)

Province	Net Premiums Written.	Net Losses Incurerd (Including adjustment expenses.)
	$	$
Alberta		
British Columbia		
Manitoba		
New Brunswick		
Nova Scotia		
Ontario		
Prince Edward Island		
Quebec		
Saskatchewan		
Yukon		
Totals		

STATEMENT OF REINSURANCES OF CANADIAN BUSINESS IN COMPANIES NOT LICENSED UNDER THE INSURANCE ACT

—	$	cts.
1. Amount of reinsurance premiums ceded to unlicensed companies		
2. Amount of commission thereon		
3. Amount of losses and adjustment expenses incurred by said companies		
4. Amount of taxes and other expenses incurred by said companies		
5. Reserve of unearned premiums on all risks reinsured in unlicensed companies, $.....; carried out at 100 per cent		
6. Amount of losses and adjustment expenses due and recoverable from said companies		
7. Amount of taxes and other expenses recoverable from said companies		
8. Amount of reinsurance premiums payable to said companies		
9. Amount of cash or other securities held as security for recovery of losses, etc		

Names of such reinsuring companies, viz.:—.....

.....

SUMMARY OF RISKS AND PREMIUMS

Risks and Premiums.	In Canada.			Outside Canada.			Totals in all Countries.		
	Amount.	Premiums.		Amount.	Premiums.		Amount.	Premiums.	
	$	$	cts.	$	$	cts.	$	$	cts.
Gross in force at end of 19									
Taken in 19 —new and renewed									
Totals									
Less ceased (including renewed)									
*Gross in force at end of 19									
*Less reinsured									
*Net in force at end of 19									

*Details to be given in Schedule on pages 00 and 00 in cases where policies have been written for terms longer than one year.

VII—RECAPITULATION OF RISKS IN CANADA.

AMOUNTS AND PREMIUMS IN FORCE AND RESERVE OF UNEARNED PREMIUMS.

Year Written.	Term.	Gross Amount in Force.	Premiums thereon.		Amount Reinsured.	Premiums thereon.		Net Amount in Force.	Premiums thereon.		Fraction Unearned.	Reserve of Unearned Premiums.	
		$	$	cts.	$	$	cts.	$	$	cts.		$	cts.
19	One year or less										1/2		
19	Two years										1/4		
19	Two years										3/4		
19	Three years										1/6		
19	Three years										2/6		
19	Three years										3/6		
	Totals												

NOTE:—A similar schedule to be furnished for business outside of Canada.

EXHIBIT A.

REAL ESTATE OWNED BY THE COMPANY.

Description of Property.	Date Acquired.	Amount of Encumbrances.		Actual Cost.		Book Value.		Market Value.		Operations During 19 .							
										Expended for Repairs and Improvements on Capital Account.		Gross Income.		Taxes and all running Expenses		Net Income.	
		$	cts.	$	cts.	$	cts.	$	cts.	$	cts.	$	cts.	$	cts.	$	cts.

N.B.—Indicate write up or write down of book value during the year, including depreciation, by distinct special separate memorandum.

EXHIBIT B.

AMOUNT OF LOANS SECURED BY STOCKS, BONDS AND OTHER COLLATERAL

*Description of Security Pledged	Par Value		Market Value		Amount Loaned		Interest Due		Interest Accrued		Date of Loan	Date when due
	$	cts.	$	cts.	$	cts.	$	cts.	$	cts.		

*If Security pledged is a bond or debenture, give date of maturity and rate of interest.

EXHIBIT C

BONDS AND DEBENTURES OWNED BY THE COMPANY

Description	Date of maturity	Interest		Par Value		Book Value		Market Value		Interest Due		Interest Accrued	
		Rate	When Payable	$	cts.	$	cts.	$	cts.	$	cts.	$	cts.

EXHIBIT D

STOCKS OWNED BY THE COMPANY

Description.	Number of Shares.	Rate of Dividend in Each of last Three Years.			Par value.		Book value.		Rate used to obtain Market value.	Market value	
					$	cts.	$	cts.		$	cts.

EXHIBIT E.

ALL REAL ESTATE, BONDS, STOCKS OR OTHER SECURITIES OWNED BY THE COMPANY, OR IN WHICH IT HAD AN INTEREST AS AT THE DATE OF THE STATEMENT WHICH ARE NOT ENTERED IN ANY OTHER SCHEDULE OF THE STATEMENT OR INCLUDED IN THE FINANCIAL STATEMENT FOR THE CURRENT YEAR.

Description of Security.	Date acquired.	Date written off.	Actual Cost Value.		Book value at date finally written off.		Present Market Value, if any.	
			$	cts.	$	cts.	$	cts.
.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....

Section

FIFTH SCHEDULE.

FORM A.

FORM OF DECLARATION TO ACCOMPANY THE STATEMENT.

Province of
County of

President, and

Secretary of

Company being duly sworn, depose and say, and each for himself says, that they are the above described officers of the said company, and that on the day of last all the above described assets were the absolute property of the said company, free and clear from any liens or claims thereon except as above stated, and that the foregoing statement, with the schedules and explanations hereunto annexed and by them subscribed, are a full and correct exhibit of all the liabilities, and of the income and expenditure, and of the general condition and affairs of the said company on the said day of last, and for the year ending on that day, according to the best of their information, knowledge and belief, respectively, and they declare that no change or amendment has been made in the Charter, Act of Incorporation, or Articles of Association of the Company, and no change in the Chief Agency or Chief Agent, without the Superintendent having been duly notified of such change or amendment.

Signatures.

Subscribed and sworn to before me this.....day of.....A.D. 19 .

FORM B.

VERIFYING HALF YEARLY STATEMENT.

Province of
County of

President, and

Secretary of

Company being duly sworn, depose and say, and each for himself says, that they are the above described officers of the said company, and that according to the best of their knowledge, information and belief the foregoing statement correctly sets forth the information required by the Third Schedule hereof, with full and accurate particulars

in each case as called for by the said statement during the six months commencing the first day of.....19....
and ending the.....day of.....19....

Signatures.

Subscribed and sworn to before me, at the.....
.....of.....
in the county of.....
this.....day of.....19 .

NOTE—*In the case of the half yearly statement required of Trustees, the above form applies with such changes only as are necessary.*

BONDS AND DEBENTURES OWNED BY THE COMPANY.

Description.	Date of Maturity.	Interest.		Par Value.		Book Value.		Market Value.		Interest due.		Interest Accrued.	
		Rate.	How Payable.	$	cts.	$	cts.	$	cts.	$	cts.	$	cts.

STOCKS OWNED BY THE COMPANY.

Description.	Number of Shares.	Rate of Dividend in each of last Three Years.			Par value.		Book Value.		Rate used to obtain Market Value.	Market value.	
					$	cts	$	cts.		$	cts.

Section

SIXTH SCHEDULE.

BASES AND METHODS TO BE USED IN COMPUTING THE MINIMUM RESERVE WHICH MAY BE INCLUDED IN THE LIABILITIES IN THE ANNUAL STATEMENT, APART FROM THE BENEFITS GUARANTEED ON DISCONTINUANCE OF PREMIUM PAYMENT WITHOUT SURRENDER.

(A)—As respects benefits depending upon life contingencies only in or arising out of life insurance policies (other than industrial policies) and excluding life annuity settlements.

1. Policies at uniform annual premiums for a uniform amount of insurance throughout.

The bases of valuation for any particular class of group of policies shall be an assumed rate of interest not exceeding three and a half per cent per annum and one of the tables of mortality specified below or any other table which may be approved by the Superintendent.

Tables of Mortality.

(a) Canadian Men Table, C^M (5)
(b) British Offices Life Tables, 1893, O^m (5)
(c) British Offices Life Tables, 1893 O^m
(d) British Offices Life Tables, 1893, $O^{[m]}$
(e) Institute of Actuaries of Great Britain, H^m
(f) American Men Table, AM (5)
(g) American Experience Table, Am Exp.

The value of the policy at any time after issue is to be the difference between the value of the sum assured thereunder (including the present value of any bonus or addition thereto, or reduction in future premiums, made after the date of issue of the policy and subsisting as at the date of valuation), and the present value of the valuation premium (as hereinafter defined) assumed to be payable on each anniversary of the policy following the date of valuation during the term for which premiums are required to be paid in accordance with the terms of the policy to be valued.

If the net level premium for the life insurance risk incurred by the company in issuing the policy does not exceed the whole life net level premium for a like amount of whole life insurance, the valuation premium is to be the net level premium for a like policy as of an age one year greater than the age at entry assumed to be payable at the beginning of the second and each subsequent policy year for which premiums are payable under the terms of the policy to be valued.

If the net level premium for the life insurance risk incurred by the company in issuing the policy exceeds the net level premium payable throughout life for a like amount of whole life insurance, the valuation premium shall be obtained by adding to each net level annual premium, excluding the first, such an amount, assumed to be payable at the beginning of the second and each subsequent policy year for which premiums are payable under the terms of the policy to be valued, as is equal in value as of the date of issue of the policy to the difference between the net level premiums payable throughout life for a whole life policy and the one year term premium for, in each case, a policy of like amount and of the same age at entry as the policy to be valued.

2. Policies other than those at uniform annual premiums for a uniform amount of insurance throughout shall be valued on bases determined in accordance with the foregoing provisions of this Schedule with such adaptations in the valuation methods as seen to the Superintendent appropriate in the circumstances.

(B)—As respects benefits depending upon life contingencies only in or arising out of industrial life insurance policies, excluding life annuity settlements.

The bases of valuation for any particular class or group of policies shall be an assumed rate of interest not exceeding $3\frac{1}{2}$ per cent per annum and one of the tables of mortality specified below or any other table which may be approved by the Superintendent.

Tables of Mortality.

(a) Any of the tables named under (A) (1) above.
(b) The Standard Industrial Table.

No reserve shall be held at any valuation within the first year after issue of any policy. In valuations thereafter the insurance risk of the first policy year shall be ignored, and, for valuation purposes, the date of issue of the policy shall be assumed to be one year after the actual date of issue, the age at issue shall be assumed to be one year greater than the actual age at issue and the premium term shall be assumed to commence as of the assumed date of issue and to be conterminous with the premium term stated in the policy to be valued.

The valuation premium shall be such a level premium as of the assumed age at issue, payable for the assumed premium term, as is equal in then present value to the insurance risk incurred by the company as from the attainment of the assumed age at issue.

In valuations made after the attainment of the assumed age at issue the value of the policy shall be the difference between the present value of the sums assured (including the present value of any bonus or addition thereto, or reduction in future premiums, made after the date of issue of the policy and subsisting as of the date of valuation), and the present value of the valuation premium assumed to be payable following the date of valuation during the term for which premiums are required to be paid in accordance with the terms of the policy.

If the terms of any particular class or group of policies are such that the above method of valuation appears to be inapplicable or inappropriate, adaptations in the above method may be made subject to the approval of the Superintendent.

(C)—As respects Life Annuities (Immediate or Deferred) including life annuity settlements (other than disability annuities), arising out of life insurance contracts.

The bases of valuation shall be tables of mortality approved by the Superintendent, deduced from the actual mortality experience covering the period 1900-1920, published on behalf of the Institute of Actuaries and the Faculty of Actuaries in Scotland, male or female, according to the sex of the nominee, with a rate of interest not exceeding four per cent per annum.

In the valuation of Deferred Annuities the method of valuation shall be the net level premium method subject to such adaptations as the Superintendent may deem appropriate in any case where the premium for the policy may not be uniform throughout the premium paying period.

(D)—As respects future payments dependent on a term certain only, including term certain annuities arising out of life insurance contracts.

The valuation shall be made at a rate of interest not exceeding four per cent per annum, and the method of valuation shall be the net level premium method subject to such adaptations as the Superintendent may deem appropriate in any case where the premium for the policy may not be uniform throughout the premium paying period.

Sections and

SEVENTH SCHEDULE.

Form A.

In the matter of the *(here insert name of the company)*. Notice is hereby given that the Minister of Finance has, pursuant to the eighty-second and eighty-third sections of the Dominion Insurance Companies Status and Powers Act, 1932, directed assets to be retained, sufficient in amount to cover the full equitable net surrender value of the policies in the above company (including bonus additions and accrued profits) which have not been transferred or surrendered or in respect of which opposition has been filed as provided by the said eighty-second section; and the assets so retained are hereby tendered to the aforesaid policyholders *pro rata* according to the aforesaid values of their respective policies. A list of such policyholders and of the amounts tendered to them respectively is hereunder given, and notice is hereby given that any policyholder not signifying in writing to the Superintendent of Insurance his acceptance of the amount hereby tendered to him on or before the day of , A.D. 19 , shall be deemed to have refused the same, and the amount tendered may, pursuant to the said Act, be paid over to the company.

List of policyholders and amounts tendered.

Name.	Address, so far as known.	Amount and Number of Policies.	Amount Tendered.

Dated at Ottawa, this day of , A.D. 19 .

(Signed)

Minister of Finance, Canada.

(Signed)

Superintendent of Insurance.

Form.

FORM B.

INSURANCE DEPARTMENT,

OTTAWA, 19 .

In the matter of the *(here insert the name of the company)*.

You are hereby notified that the Minister of Finance has, pursuant to the eighty-second section of the Dominion Insurance Companies Status and Powers Act, 1932, directed assets to be retained sufficient in amount to cover the full equitable net surrender value of the policies in the above company, including bonus additions and accrued profits, which have not been transferred or surrendered or in respect to which opposition has been filed as provided by the said eighty-second section. The assets so retained are tendered to the aforesaid policyholders *pro rata* according to the aforesaid values of their respective policies.

The amount hereby tendered to you, and the policy or policies in respect of which the same is tendered, are given below, and you are hereby notified that unless on or before the day of A.D. 19 , you signify in writing to the Superintendent of Insurance your acceptance of the amount hereby tendered, you shall be deemed to have refused the same, and the amount tendered may, pursuant to the same Act, be paid over to the company.

Yours, etc.,

(Signed)

Superintendent of Insurance.

Name.	Number and Amount of Policy.	Amount Tendered.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL H[1].

An Act for the relief of Eva Corker Trill.

Read a first time, Friday, 15th April, 1932.

The Honourable the Chairman of the
Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
41615 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL H[1].

An Act for the relief of Eva Corker Trill.

Preamble.

WHEREAS Eva Corker Trill, residing at the city of Montreal, in the province of Quebec, advertising copy writer, wife of Matthew Henry Trill, advertising manager, who is domiciled in Canada and residing at the said city, has by her petition alleged that they were married on the ninth day of October, A.D. 1917, at the city of Toronto, in the province of Ontario, she then being Eva Corker, a spinster; and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Eva Corker and Matthew Henry Trill, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Eva Corker may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said Matthew Henry Trill had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL I[1].

An Act for the relief of George Senkler Morgan.

Read a first time, Friday, 15th April, 1932.

The Honourable the Chairman of the
Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
41618 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL I[1].

An Act for the relief of George Senkler Morgan.

Preamble.

WHEREAS George Senkler Morgan, domiciled in Canada and residing at the city of Westmount, in the province of Quebec, physician, has by his petition alleged that on the thirteenth day of August, A.D. 1921, at the city of Montreal, in the said province, he and Doris Louise White, who was then of the said city of Montreal, a spinster, were married; and whereas by his petition he has prayed that, because of her adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of his petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between George Senkler Morgan and Doris Louise White, his wife, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said George Senkler Morgan may at any time hereafter marry any woman whom he might lawfully marry if the said marriage with the said Doris Louise White had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL J[1].

An Act for the relief of Agnes May Jack Evans.

Read a first time, Friday, 15th April, 1932.

The Honourable the Chairman of the Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
41619 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL J[1].

An Act for the relief of Agnes May Jack Evans.

Preamble.

WHEREAS Agnes May Jack Evans, residing at the city of Montreal, in the province of Quebec, housekeeper, wife of Arnold George Evans, salesman, who is domiciled in Canada and formerly resided at the said city, has by her petition alleged that they were married on the sixteenth day of October, A.D. 1920, at the village of Châteauguay Basin, in the district of Beauharnois, in the said province, she then being Agnes May Jack, a spinster; and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Agnes May Jack and Arnold George Evans, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Agnes May Jack may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said Arnold George Evans had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL K[1].

An Act for the relief of Mabel Constance Small Cossar.

Read a first time, Friday, 15th April, 1932.

The Honourable the Chairman of the
Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
41622 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL K[1].

An Act for the relief of Mabel Constance Small Cossar.

Preamble.

WHEREAS Mabel Constance Small Cossar, residing at the city of Montreal, in the province of Quebec, wife of Robert George Cossar, labour foreman, who is domiciled in Canada and residing at the said city, has by her petition alleged that they were married on the twenty-second day of June, A.D. 1921, at the said city, she then being Mabel Constance Small, a spinster; and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Mabel Constance Small and Robert George Cossar, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Mabel Constance Small may at any time herafter marry any man whom she might lawfully marry if the said marriage with the said Robert George Cossar had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL L[1].

An Act for the relief of Olive Pearl Beattie Watkins.

Read a first time, Friday, 15th April, 1932.

The Honourable the Chairman of the Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
41620 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL L[1].

An Act for the relief of Olive Pearl Beattie Watkins.

Preamble.

WHEREAS Olive Pearl Beattie Watkins, residing at the city of Sherbrooke, in the province of Quebec, housekeeper, wife of Hartwell Arthur Watkins, farm labourer, who is domiciled in Canada and residing at the village of Clapham, in the said province, has by her petition alleged that they were married on the twenty-third day of June, A.D. 1920, at the village of Kinnear's Mills, in the said province, she then being Olive Pearl Beattie, a spinster; and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Olive Pearl Beattie and Hartwell Arthur Watkins, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Olive Pearl Beattie may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said Hartwell Arthur Watkins had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL M[1].

An Act for the relief of Assad Kalil Eddy, otherwise known as Joseph Canille.

Read a first time, Friday, 15th April, 1932.

The Honourable the Chairman of the Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
42927 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL M[1].

An Act for the relief of Assad Kalil Eddy, otherwise known as Joseph Canille.

Preamble.

WHEREAS Assad Kalil Eddy, otherwise known as Joseph Canille, domiciled in Canada and residing at the city of Montreal, in the province of Quebec, manufacturer, has by his petition alleged that on the eighth day of September, A.D. 1902, at the city of Moncton, in the province of New Brunswick, he and Mary Sayre, who was then of the said city of Moncton, a spinster, were married; and whereas by his petition he has prayed that, because of her adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of his petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Assad Kalil Eddy, otherwise known as Joseph Canille, and Mary Sayre, his wife, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Assad Kalil Eddy, otherwise known as Joseph Canille, may at any time hereafter marry any woman whom he might lawfully marry if the said marriage with the said Mary Sayre had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL N[1].

An Act for the relief of Georgina Linda McIndoe Howard.

Read a first time, Wednesday, 20th April, 1932.

The Honourable the Chairman of the
Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
41623 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL N[1].

An Act for the relief of Georgina Linda McIndoe Howard.

Preamble.

WHEREAS Georgina Linda McIndoe Howard, residing at the city of Westmount, in the province of Quebec, nurse attendant, wife of Henry Chase Howard, clerk, who is domiciled in Canada and residing at the said city of Westmount, has by her petition alleged that they were married on the twentieth day of September, A.D. 1916, at the city of Montreal, in the said province, she then being Georgina Linda McIndoe, a spinster; and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Georgina Linda McIndoe and Henry Chase Howard, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Georgina Linda McIndoe, may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said Henry Chase Howard had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL O[1].

An Act for the relief of Antonio Poliseno.

Read a first time, Wednesday, 20th April, 1932.

The Honourable the Chairman of the Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
41629 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL O[1].

An Act for the relief of Antonio Poliseno.

Preamble.

WHEREAS Antonio Poliseno, domiciled in Canada and residing at the city of Montreal, in the province of Quebec, real estate agent, has by his petition alleged that on the sixteenth day of June, A.D. 1902, at the said city, he and Marie Florida Hélène Soubre dit St. Jean, who was then of the said city, a spinster, were married; and whereas by his petition he has prayed that, because of her adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of his petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Antonio Poliseno and Marie Florida Hélène Soubre dit St. Jean, his wife, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Antonio Poliseno may at any time hereafter marry any woman whom he might lawfully marry if the said marriage with the said Marie Florida Hélène Soubre dit St. Jean had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL P[1].

An Act for the relief of Dorothy Gertrude Silcock Wilson.

Read a first time, Wednesday, 20th April, 1932.

The Honourable the Chairman of the Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
41616 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL P1.

An Act for the relief of Dorothy Gertrude Silcock Wilson.

Preamble.

WHEREAS Dorothy Gertrude Silcock Wilson, residing at the city of Montreal, in the province of Quebec, wife of Leslie David Wilson, salesman, who is domiciled in Canada and formerly resided at the said city, has by her petition alleged that they were married on the twenty-fifth day of September, A.D. 1925, at the said city, she then being Dorothy Gertrude Silcock, a spinster; and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Dorothy Gertrude Silcock and Leslie David Wilson, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Dorothy Gertrude Silcock, may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said Leslie David Wilson had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL Q[1].

An Act for the relief of Beulah Isobel Phillips Eakin.

Read a first time, Wednesday, 20th April, 1932.

The Honourable the Chairman of the Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
42929 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL Q[1].

An Act for the relief of Beulah Isobel Phillips Eakin.

Preamble.

WHEREAS Beulah Isobel Phillips Eakin, residing at the city of Westmount, in the province of Quebec, wife of Irwin Hamilton Eakin, steamship agent, who is domiciled in Canada and residing at the said city of Westmount, has by her petition alleged that they were married on the sixteenth day of January, A.D. 1930, at the city of Montreal, in the said province, she then being Beulah Isobel Phillips, a spinster; and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Beulah Isobel Phillips and Irwin Hamilton Eakin, her husband, is hereby dissolved and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Beulah Isobel Phillips may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said Irwin Hamilton Eakin had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL R[1].

An Act for the relief of George Seymour Dixon.

Read a first time, Wednesday, 20th April, 1932.

The Honourable the Chairman of the Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
41627 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL R[1].

An Act for the relief of George Seymour Dixon.

Preamble.

WHEREAS George Seymour Dixon, domiciled in Canada and residing at the city of Montreal, in the province of Quebec, civil servant, has by his petition alleged that on the twenty-fourth day of January, A.D. 1925, at the city of London, England, he and Isobel Gardiner Plant, who was then of the said city of London, a spinster, were married; and whereas by his petition he has prayed that, because of her adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of his petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between George Seymour Dixon and Isobel Gardiner Plant, his wife, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said George Seymour Dixon may at any time hereafter marry any woman whom he might lawfully marry if the said marriage with the said Isobel Gardiner Plant had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL S[1].

An Act for the relief of Audrey Meredith Mann Redpath.

Read a first time, Wednesday, 20th April, 1932.

The Honourable the Chairman of the Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
41626 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL S[1].

An Act for the relief of Audrey Meredith Mann Redpath.

Preamble.

WHEREAS Audrey Meredith Mann Redpath, residing at the city of Westmount, in the province of Quebec, wife of John Watson Redpath, bond salesman, who is domiciled in Canada and residing at the city of Victoria, in the province of British Columbia, has by her petition alleged that they were married on the twenty-first day of August, A.D. 1926, at the town of Beaconsfield, in the said province of Quebec, she then being Audrey Meredith Mann, a spinster; and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Audrey Meredith Mann and John Watson Redpath, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Audrey Meredith Mann may at any time hereafter marry any man she might lawfully marry if the said marriage with the said John Watson Redpath had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL T[1].

An Act for the relief of Ethel Seigler Nissenson.

Read a first time, Wednesday, 20th April, 1932.

The Honourable the Chairman of the Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
41625 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL T[1].

An Act for the relief of Ethel Seigler Nissenson.

Preamble.

WHEREAS Ethel Seigler Nissenson, residing at the city of Toronto, in the province of Ontario, wife of Abraham Nissenson, manager, who is domiciled in Canada and residing at the city of Montreal, in the province of Quebec, has by her petition alleged that they were married on the eighth day of April, A.D. 1930, at the said city of Toronto, she then being Ethel Seigler, a spinster; and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Ethel Seigler and Abraham Nissenson, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Ethel Seigler may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said Abraham Nissenson had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL U[1].

An Act to incorporate The W. S. Newton Company.

Read a first time, Thursday, 21st April, 1932.

Honourable SENATOR McMEANS.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
40735 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL U[1].

An Act to incorporate The W. S. Newton Company.

Preamble.

WHEREAS a petition has been presented praying that it be enacted as hereinafter set forth and it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Incorporation.

1. Walter Selkirk Newton, Leslie Cooney, Raymond Harrison Funnell and Daniel King, accountants, and William Harry Sharman, estates manager, all of the city of Winnipeg, in the province of Manitoba, together with such other persons as become shareholders in the Company, are hereby incorporated under the name of "The W. S. Newton Company," hereinafter called "the Company."

Corporate name.

Provisional directors.

2. The provisional directors shall be the said Walter Selkirk Newton, Leslie Cooney and William Harry Sharman.

Capital stock.

3. The capital stock shall be fifty thousand dollars, divided into one thousand shares of fifty dollars each.

Head office.

4. The head office of the Company shall be in the city of Winnipeg, in the province of Manitoba.

Powers of Company.

5. The Company may throughout Canada:—

(a) Acquire and take over as a going concern the business of liquidators and receivers now carried on in the city of Winnipeg, in the province of Manitoba, under the style or firm of W. S. Newton and Company, and all or any of the assets and liabilities of the proprietors of that business;

(b) inquire and report upon the financial standing of persons, merchants, firms and corporations, and to

exchange among subscribers information as to the credit and standing of merchants and others;

(c) collect book accounts and negotiable instruments and carry on a general collecting agency, and carry on a jobbers credit clearing house in all its branches;

(d) print, publish and issue any trade or other pamphlet, journal, magazine or bulletin, and buy or sell advertising space therein;

(e) acquire, hold and dispose of shares of the capital stock of any other company, and invest its funds in the purchase of such shares;

(f) accept and execute the offices of assignees and trustees for the benefit of creditors, receivers, liquidators, arbitrators, and in cases where the person for whom, or the partnership company or association for which the Company acts as receiver, liquidator, assignee or trustee for the benefit of creditors, is the holder of an office as executor or administrator, to accept and complete the execution of such office, and to receive, hold, manage, lease, sell or dispose of any and all property which may come to or devolve upon it by virtue of any position of trust or which may be subject to any such trust;

(g) act generally as agent or attorney for the management or winding up of estates, partnerships, companies or associations;

(h) act as agent for the sale and purchase of stocks, bonds, debentures, real and personal estate, as insurance agent and fire adjuster;

(i) receive and collect such remuneration for its services as is agreed upon or as fixed or allowed from time to time by law and all usual customary charges, costs and expenses;

(j) do all such things as are incidental or conducive to the attainment of the above objects or which may be calculated directly or indirectly to enhance the value of or to facilitate the realization of and to render profitable the Company's properties or rights.

Issuing of securities and taking of deposits prohibited.

6. Nothing in this Act contained shall authorize the Company to issue bonds, debentures and other securities for money borrowed or to accept deposits.

Borrowing powers.

7. (1) If authorized by by-law sanctioned by a vote of not less than two-thirds in value of the subscribed stock of the Company represented at a general meeting duly called for considering the by-law, the directors may from time to time:—

(a) borrow money upon the credit of the Company;

(b) limit or increase the amount to be borrowed;

(c) hypothecate, mortgage or pledge the real or personal property of the Company, or both, to secure the payment of any money borrowed for the purposes of the Company.

(2) Nothing in this section contained shall limit or restrict the power of the Company to borrow money on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Company.

Companies Act to apply.

8. Part II of the *Companies Act*, chapter twenty-seven of the *Revised Statutes, 1927*, and amendments thereto shall so far as applicable, and when not inconsistent with this Act, apply to the Company and to its undertaking, and the Company shall have and may exercise all the powers conferred by the said Act so far as applicable to the Company.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL V[1].

An Act for the relief of Gordon Alexander Cowan.

Read a first time, Wednesday, 27th April, 1932.

The Honourable the Chairman of the
Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
41621 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL V1.

An Act for the relief of Gordon Alexander Cowan.

Preamble.

WHEREAS Gordon Alexander Cowan, domiciled in Canada and residing at the city of Westmount, in the province of Quebec, traffic production manager, has by his petition alleged that on the thirtieth day of June, A.D. 1927, at the town of Montreal West, in the said province, he and Marion Turnbull Binns, who was then of the said town, a spinster, were married; and whereas by his petition he has prayed that, because of her adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of his petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Gordon Alexander Cowan and Marion Turnbull Binns, his wife, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Gordon Alexander Cowan may at any time hereafter marry any woman whom he might lawfully marry if the said marriage with the said Marion Turnbull Binns had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL W[1].

An Act for the relief of Ida Tarantour Waxman.

Read a first time, Wednesday, 27th April, 1932.

The Honourable the Chairman of the Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
43797 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL W[1].

An Act for the relief of Ida Tarantour Waxman.

Preamble.

WHEREAS Ida Tarantour Waxman, residing at the city of Outremont, in the province of Quebec, sales clerk, wife of Phillip Waxman, butcher, who is domiciled in Canada and residing at the city of Montreal, in the said province, has by her petition alleged that they were married on the first day of January, A.D. 1918, at the said city of Montreal, she then being Ida Tarantour, a spinster; and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Ida Tarantour and Phillip Waxman, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Ida Tarantour may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said Phillip Waxman had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL X[1].

An Act for the relief of Frances Helen Dawes Porteous.

Read a first time, Wednesday, 27th April, 1932.

The Honourable the Chairman of the
Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
42928 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL X[1].

An Act for the relief of Frances Helen Dawes Porteous.

Preamble.

WHEREAS Frances Helen Dawes Porteous, residing at the city of Montreal, in the province of Quebec, wife of Bartholomew Hazen Porteous, broker, who is domiciled in Canada and residing at the said city of Montreal, has by her petition alleged that they were married on the nineteenth day of September, A.D. 1911, at the city of Lachine, in the said province, she then being Frances Helen Dawes, a spinster; and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Frances Helen Dawes and Bartholomew Hazen Porteous, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Frances Helen Dawes may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said Bartholomew Hazen Porteous had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL Y[1].

An Act for the relief of Minnie Jones Chandler.

Read a first time, Wednesday, 27th April, 1932.

The Honourable the Chairman of the
Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
45284 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL Y[1].

An Act for the relief of Minnie Jones Chandler.

Preamble.

WHEREAS Minnie Jones Chandler, residing at the village of Stanbridge East, in the district of Bedford, in the province of Quebec, wife of William Chandler, farmer, who is domiciled in Canada and residing in the township of Stanbridge, in the said province, has by her petition alleged that they were married on the third day of December, A.D. 1907, at the town of Franklin, in the county of Franklin, in the state of Vermont, one of the United States of America, she then being Minnie Jones, a spinster; and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Minnie Jones and William Chandler, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Minnie Jones may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said William Chandler had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL Z[1].

An Act for the relief of Elizabeth Irene Woolnough.

Read a first time, Wednesday, 27th April, 1932.

The Honourable the Chairman of the Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
42930 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL Z[1].

An Act for the relief of Elizabeth Irene Woolnough.

Preamble.

WHEREAS Elizabeth Irene Woolnough, residing at the city of Toronto, in the province of Ontario, bookkeeper, wife of Edward Harvey Woolnough, importer of jewellery, who is domiciled in Canada and residing at the city of Montreal, in the province of Quebec, has by her petition alleged that they were married on the twenty-second day of December, A.D. 1915, at the said city of Toronto, she then being Elizabeth Irene Irwin, a spinster; and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Elizabeth Irene Irwin and Edward Harvey Woolnough, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Elizabeth Irene Irwin may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said Edward Harvey Woolnough had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL A[2].

An Act for the relief of Ellery Sanford Johnston.

Read a first time, Wednesday, 27th April, 1932.

The Honourable the Chairman of the Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
41624 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL A2.

An Act for the relief of Ellery Sanford Johnston.

Preamble.

WHEREAS Ellery Sanford Johnston, domiciled in Canada and residing at the city of Montreal, in the province of Quebec, secretary, has by his petition alleged that on the fourth day of February, A.D. 1920, at the town of St. Stephen, in the province of New Brunswick, he and Olive Faith Goodill, who was then of the parish of Rollingdam, in the county of Charlotte, in the said province of New Brunswick, a spinster, were married; and whereas by his petition he has prayed that, because of her adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of his petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Ellery Sanford Johnston and Olive Faith Goodill, his wife, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Ellery Sanford Johnston may at any time hereafter marry any woman whom he might lawfully marry if the said marriage with the said Olive Faith Goodill had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL B[2].

An Act for the relief of Farla Goldman Rother.

Read a first time, Wednesday, 27th April, 1932.

The Honourable the Chairman of the
Committe on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
41628 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL B2.

An Act for the relief of Farla Goldman Rother.

Preamble.

WHEREAS Farla Goldman Rother, residing at the city of Montreal, in the province of Quebec, wife of Abraham Rother, realtor, who is domiciled in Canada and residing at the city of Westmount, in the said province, has by her petition alleged that they were married on the seventeenth day of October, A.D. 1929, at the said city of Montreal, she then being Farla Goldman, a spinster; and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Farla Goldman and Abraham Rother, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Farla Goldman may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said Abraham Rother had not been solemnized.

Third Session, Seventeenth Parliament, 22 George V, 1932

THE SENATE OF CANADA

BILL C2.

An Act to amend the Winding-up Act.

Read a first time, Friday, 29th April, 1932.

Rt. Honourable Senator Meighen.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
46351 1932

3rd Session, 17th Parliament, 22 Geo. V, 1932

THE SENATE OF CANADA

BILL C2.

An Act to amend the Winding-up Act.

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

R.S.C., 1927, c. 213.

1. Section two of the *Winding-up Act*, chapter two hundred and thirteen of the *Revised Statutes of Canada, 1927*, is hereby amended by repealing paragraph *(f)* thereof and substituting therefor the following:—

"Insurance company."

"*(f)* 'insurance company' means a company transacting the business of insurance and includes any unincorporated association or reciprocal exchange transacting such business."

Part III repealed.

2. The said Act is further amended by repealing sections one hundred and sixty to one hundred and seventy-four, both inclusive, and substituting therefor the following:—

"PART III.

INSURANCE COMPANIES.

Application of Part.

"**160.** This Part shall apply only to insurance companies, and the word 'company' shall mean an insurance company.

"Assets."

(2) If any company, in respect of the business of life insurance and any other class or classes of insurance transacted by the company in combination therewith, maintains funds and securities separate and distinct from the funds and securities maintained by the company in respect of any other class or classes of insurance business transacted by the company, then for the purposes of this Part 'assets' shall mean, as the circumstance may require, either the funds and securities maintained in respect of the life insurance business of the company and any other business

transacted in combination therewith or the funds and securities maintained in respect of the other class or classes of insurance business transacted by the company.

"Policy."

(3) Without limiting the generality of its meaning 'policy' in this Part includes 'policy' as defined in the *Canadian and British Insurance Companies Act, 1932*, and in the *Foreign Insurance Companies Act, 1932*.

"Superintendent."

(4) 'Superintendent' shall mean the Superintendent of Insurance within the meaning of the *Department of Insurance Act*.

When company deemed insolvent.

161. A company shall be deemed to be insolvent if,—

Non-payment of claim by any company.

(a) being any company whatsoever to which this Part applies, it has failed to pay any undisputed claim arising under any policy of the company, or a disputed claim after final judgment in regular course of law, for a space of ninety days after tender of a legally valid discharge and after notice of failure to pay has been given to the Minister; or

Non-renewal of expired certificate of registry on account of inability to meet liabilities.

(b) being any company registered under the provisions of the *Canadian and British Insurance Companies Act, 1932*, or under the provisions of the *Foreign Insurance Companies Act, 1932*, its certificate of registry on the expiry thereof has not been renewed within thirty days after such expiry by reason of the Superintendent having made a report to the Minister that, from a statement of the affairs of the company, such company is not in a condition to meet its liabilities; or

Non-renewal of withdrawn certificate of registry.

(c) being any company so registered, the certificate of registry has been withdrawn and has not been renewed within thirty days thereafter and it is expressly provided in the Act under which the company is registered that in such case the company shall be deemed to be insolvent and be subject to be wound up under the provisions of this Act.

Application for a winding-up order.

(2) When any company is deemed to be insolvent under the provisions of this Act, or of any other Act of the Parliament of Canada, the Attorney General of Canada, on the request of the Minister, may apply to the court for an order that the company be wound up.

Order of priority for payment of claims.

162. Subject to the provisions of this Act, claims shall be paid in the following order of priority:—

First.—Costs of liquidation.

Secondly.—Claims of preferred creditors, specified in section seventy-two of this Act.

Thirdly.—Claims of policyholders of the company ranking as follows:—

(A) If reinsurance is not effected as hereinafter provided, claims which have arisen under the policies of the company, in accordance with the terms thereof,

prior to the date of the filing of the statement of the liquidator in the Department of Insurance as hereinafter provided, less any amount previously advanced by the company on the security of the policies, and the claims of policyholders to the value of their policies computed as hereinafter provided; or

(B) If reinsurance is effected, first, claims which have arisen under the policies of the company, in accordance with the terms thereof, of which notice is received by the company prior to the date the reinsurance is effected, less any amount previously advanced by the company on the security of the policies; secondly, the consideration payable for the reinsurance of policies under which no claims have arisen.

Other creditors.

(2) Creditors of the company, other than policyholders, reinsurers if any, and the aforementioned preferred creditors, shall be entitled to receive a dividend on their claims only if the assets are more than sufficient to pay the claims specified in the next preceding subsection of this section.

Priority of claims of policyholders in British or foreign countries.

(3) Notwithstanding anything contained in this Part, if the company is a British company registered under the *Canadian and British Insurance Companies Act, 1932*, or a foreign company registered under the *Foreign Insurance Companies Act, 1932*, no claim, after the payment of costs of liquidation, other than claims of the preferred creditors hereinbefore specified, holders of policies of a class of insurance for which the company was so registered, and reinsurers of such policies, if any, shall rank against the assets in Canada maintained by the company under and for the purposes of the said Acts, if such assets are maintained solely for the protection of policyholders in Canada; and the balance, if any, of the said assets, remaining after the said claims are paid, shall be applied by the liquidator in satisfaction of the claims of any other creditors of the company in Canada, but not including policyholders of any such company in respect of a class of insurance for which the company was not registered under either of the Acts aforesaid.

Release of balance of assets to company.

(4) The liquidator may, with the approval of the court and the Treasury Board, release to the company any balance of the assets in Canada remaining after payment of claims in the order of priority prescribed by the next preceding subsection.

Reinsurance of contracts by liquidator.

163. The liquidator may, without the consent of the policyholders, arrange for the reinsurance of the policies of the company, in the case of a company other than a British or foreign company, and of its policies in Canada in the case of a British or foreign company, in some company or companies registered under the *Canadian and British Insurance Companies Act, 1932*, or the *Foreign Insurance*

Companies Act, 1932, and in such case the reinsurance shall be in lieu of the claim for the value of their policies computed as hereinafter provided.

Reinsurance may be for a percentage of sum assured.

(2) If the assets of the company are insufficient to provide for the preferred claims specified in section seventy-two of this Act and for claims under the policies of the company of which notice has been received by the company prior to the date of reinsurance, and for the reinsurance in full of the policies of the company, the reinsurance may be effected for such a percentage of the full amount of the policies as the said assets will secure.

Approval of contracts of reinsurance.

(3) No contract of reinsurance made in pursuance of this section shall become effective until approved by the court and by the Treasury Board.

Holders of unmatured policies to claim for value computed.

164. If the reinsurance is not effected, holders of policies of all classes of insurance on which no claims have arisen in accordance with the terms of the policies prior to the date of the winding-up order shall be entitled to claim against the assets of the company for the value of their respective policies computed as of the date of the winding-up order in accordance with such bases, methods and rules of computation as the Treasury Board may deem just and equitable, less any amount previously advanced by the company on the security of the policies.

Bases and methods of valuation.

(2) In prescribing bases, methods and rules of computation, the Treasury Board shall take into consideration the prospective indemnities, benefits and equities guaranteed under the terms of the policies of the several classes thereof (including any bonus or other additional indemnity or benefit granted after date of issue of the policy and subsisting at the date of the winding-up order and profits apportioned to policies but not distributed), the prospective premium payments, if any, the contingencies on which the payment of indemnities, benefits and premiums may depend, and such rate or rates of interest as may be deemed appropriate, but in no case shall the value for which a policyholder may claim be less than the value for which he might have claimed under the terms of his policy on cancellation thereof as of the date of the winding-up order.

Amendment thereof.

(3) The bases, methods and rules of computation so prescribed by the Treasury Board shall be binding on all concerned, subject only to revocation or amendment by the Treasury Board.

Computation by Superintendent.

(4) The liquidator may require the Superintendent to compute the values of policies in respect of which claims are made and the expense of such valuation at the rate of three cents for each policy valued shall be paid by the liquidator to the Minister and applied toward payment of the expenses of the Department of Insurance.

Transfer of funds and securities to the liquidator.

Assets in Canada.

165. The funds and securities of the company in Canada which may be on deposit with any government in Canada or with trustees or otherwise held for the company or for the protection of the policyholders of the company of the class or classes which are affected by the winding-up order shall, on order of the court having jurisdiction, be transferred to the liquidator.

Assets on deposit outside of Canada.

(2) If the company is a Canadian company which has deposited with the government of any state or country outside of Canada, or with any trustee or other person in such state or country, any of its funds or securities for the protection of the company's policyholders in such state or country, the liquidator may request such government, trustee or other person to transfer to him the said funds and securities and on such transfer being made, the said funds and securities shall be used for the benefit of all the company's policyholders in the same manner as any other assets of the company.

Consequence of non-transfer of assets.

(3) If the said government, trustee or other person does not transfer the said funds and securities within such period commencing with the date of the liquidator's request therefor as the Court may fix, the policyholders of the company, for whose protection the said deposit was made, shall be deemed to have refused the reinsurance, if any, arranged by the liquidator, and, whether reinsurance has been arranged or not, to have forfeited all right and claim to any share of the assets of the company other than the funds or securities so deposited for their protection outside of Canada.

Transfer of assets in Canada to British or foreign liquidator.

166. If a British company registered under the *Canadian and British Insurance Companies Act, 1932*, or a foreign company registered under the *Foreign Insurance Companies Act, 1932*, is in liquidation in the country in which its head office is situate, the Treasury Board may, if they deem it advisable and in the interests of the policyholders in Canada, authorize the liquidator, subject to the approval of the court, to transfer the assets in Canada of the company to the liquidator in such country.

Liquidator to prepare statement of claimants and creditors.

167. The liquidator shall, without the filing of any claim, notice or evidence, or the taking of any action by any person, prepare a statement of all the persons appearing by the books and records of the company to be creditors of the company or to be claimants under any policy including any matured, valued or cancelled policy, taking cognizance in this connection of all claims which have arisen in accordance with the terms of the policies of which he has notice, and such statement shall show the amount, determined as hereinbefore provided in respect of policyholders, for which each such person is to rank as a claimant

or a creditor and every such person shall be collocated and ranked as, and shall be entitled to the right of, a claimant or a creditor for the amount so ascertained by the liquidator, without filing any claim, notice or evidence, or taking any action: Provided that any such collocation may be contested by any person interested, and any person who is not collocated, or who is dissatisfied with the amount for which he is collocated, may file his own claim.

Proviso.

Amendment of statement.

(2) The liquidator or the court may rectify any such statement on account of omissions or errors therein notified to the liquidator or discovered by him at any time before the completion of the liquidation, and only the claims appearing in such statement or amended statement shall be regarded in the distribution of the assets.

Right of action not debarred if assets insufficient to pay claims.

168. If the assets are not sufficient to cover in full all claims appearing in the statement or amended statement, the policyholders shall not be barred from any recourse they have, either in law or equity, against the company issuing the policy or against any shareholder or director thereof, except in respect of the share, if any, received in the distribution of the assets aforesaid.

Copy of statement to be filed in Department of Insurance.

169. A copy of the above mentioned statement, certified by the liquidator, shall be filed in the Department of Insurance, after not less than thirty days' notice of his intention so to do has been given by the liquidator by notice in the *Canada Gazette* and in the official gazette of each province, and in two newspapers issued at or nearest to the place where the head office of the company or the chief agency of the company in Canada, as the case may be, is situate.

When policyholder to rank as creditor.

(2) Any claim which has arisen under the terms of a policy of which notice is received by the liquidator after the date of the filing of the said statement, shall rank upon the assets only for the value entered in the said statement, unless the assets are sufficient to pay all claimants in full, and in such case, the policyholder shall rank as a creditor for the balance of his claim.

Notice of filing sent to claimants and creditors.

170. The liquidator shall also forthwith send by mail prepaid, a notice of such filing to each claimant or creditor named in the said statement, addressed to the latest address on record with the company, stating therein the amount for which the creditor or claimant is entitled to rank against the assets of the company.

Report by the liquidator to the Superintendent of Insurance.

171. If the company is registered under the *Canadian and British Insurance Companies Act, 1932*, or under the *Foreign Insurance Companies Act, 1932*, the liquidator shall report to the superintendent once in every six months, or

oftener, as the Superintendent may require, on the condition of the affairs of the company, with such particulars as the Superintendent may require.

Publication of notice of proceedings to be notice to policy-holders.

172. Publication in the *Canada Gazette*, and in the official gazette of each province, and in two newspapers published at or nearest to the place where the head office or chief agency in Canada, as the case may be, of the company is situate, of notice of any proceedings of which, under this Act, creditors should be notified, shall be sufficient notice to holders of policies in respect of which no notice of claim has been received.

Priority of certain claims not affected.

173. Nothing in this Part shall prejudice or affect the priority of any mortgage, lien or charge upon the property of the company.

Third Session, Seventeenth Parliament, 22-23 George V, 1932

THE SENATE OF CANADA

BILL D[2].

An Act for the relief of Roméo Xavier Vandette.

Read a first time, Tuesday, 10th May, 1932.

The Honourable the Chairman of the
Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
43357 1932

3rd Session, 17th Parliament, 22-23 George V, 1932

THE SENATE OF CANADA

BILL D[2].

An Act for the relief of Roméo Xavier Vandette.

Preamble.

WHEREAS Romeo Xavier Vandette, domiciled in Canada and residing at the city of Montreal, in the province of Quebec, motion picture operator, has by his petition alleged that on the thirteenth day of April, A.D. 1910, at the city of Ottawa, in the province of Ontario, he and Rose Anna Larocque, who was then of the said city of Ottawa, a spinster, were married; and whereas by his petition he has prayed that, because of her adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of his petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Roméo Xavier Vandette and Rose Anna Larocque, his wife, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Roméo Xavier Vandette may at any time hereafter marry any woman whom he might lawfully marry if the said marriage with the said Rose Anna Larocque had not been solemnized.

Third Session, Seventeenth Parliament, 22-23 George V, 1932

THE SENATE OF CANADA

BILL F2.

An Act for the relief of Ida Judith Clark Freudberg.

Read a first time, Tuesday, 10th May, 1932.

The Honourable the Chairman of the Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
43026 1932

3rd Session, 17th Parliament, 22-23 George V, 1932

THE SENATE OF CANADA

BILL F2.

An Act for the relief of Ida Judith Clark Freudberg.

Preamble.

WHEREAS Ida Judith Clark Freudberg, residing at the city of Montreal, in the province of Quebec, wife of Leo Freudberg, manufacturer, who is domiciled in Canada and residing at the said city, has by her petition alleged that they were married on the ninth day of October, A.D. 1926, at the said city, she then being Ida Judith Clark, a spinster; and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Ida Judith Clark and Leo Freudberg, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Ida Judith Clark may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said Leo Freudberg had not been solemnized.

Third Session, Seventeenth Parliament, 22-23 George V, 1932

THE SENATE OF CANADA

BILL G2.

An Act for the relief of Elizabeth Ann Routledge Gunther.

Read a first time, Tuesday, 10th May, 1932.

The Honourable the Chairman of the Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
43110 1932

3rd Session, 17th Parliament, 22-23 Geo. V, 1932

THE SENATE OF CANADA

BILL G2.

An Act for the relief of Elizabeth Ann Routledge Gunther.

Preamble.

WHEREAS Elizabeth Ann Routledge Gunther, residing at the city of Montreal, in the province of Quebec, wife of Roy Alfred Gunther, manager, who is domiciled in Canada and residing at the said city of Montreal, has by her petition alleged that they were married on the first day of May, A.D. 1920, at the city of London, in the province of Ontario, she then being Elizabeth Ann Routledge, a spinster; and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Elizabeth Ann Routledge and Roy Alfred Gunther, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Elizabeth Ann Routledge may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said Roy Alfred Gunther had not been solemnized.

Third Session, Seventeenth Parliament, 22-23 George V, 1932

THE SENATE OF CANADA

BILL H².

An Act for the relief of Chesley Hastings Potter.

Read a first time, Tuesday, 10th May, 1932.

The Honourable the Chairman of the Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
43652 1932

3rd Session, 17th Parliament, 22-23 George V, 1932

THE SENATE OF CANADA

BILL H².

An Act for the relief of Chesley Hastings Potter.

Preamble.

WHEREAS Chesley Hastings Potter, residing at the town of Methuen, in the county of Essex, in the state of Massachusetts, one of the United States of America, wife of Gerald Edward Potter, salesman, who is domiciled in Canada and residing at the city of Valleyfield, in the province of Quebec, has by her petition alleged that they were married on the seventeenth day of October, A.D. 1929, at the said town of Methuen, she then being Chesley Hastings, a spinster; and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Chesley Hastings and Gerald Edward Potter, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Chesley Hastings may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said Gerald Edward Potter had not been solemnized.

Third Session, Seventeenth Parliament, 22-23 George V, 1932

THE SENATE OF CANADA

BILL I[2].

An Act for the relief of Theo Alice MacFarlane Lamb.

Read a first time, Tuesday, 10th May, 1932.

The Honourable the Chairman of the
Committee on Divorce

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
45503 1932

3rd Session, 17th Parliament, 22-23 George V, 1932

THE SENATE OF CANADA

BILL I[2].

An Act for the relief of Theo Alice MacFarlane Lamb.

Preamble.

WHEREAS Theo Alice MacFarlane Lamb, residing at the town of Valois, in the province of Quebec, wife of George Percival Lamb, clerk, who is domiciled in Canada and residing at the city of Montreal, in the said province, has by her petition alleged that they were married on the twenty-ninth day of June, A.D. 1927, at the said city of Montreal, she then being Theo Alice MacFarlane, a spinster; and whereas by her peitition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Theo Alice MacFarlane and George Percival Lamb, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Theo Alice MacFarlane may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said George Percival Lamb had not been solemnized.

Third Session, Seventeenth Parliament, 22-23 George V, 1932

THE SENATE OF CANADA

BILL J[2].

An Act for the relief of Chia Hannah Shiff.

Read a first time, Tuesday, 10th May, 1932.

The Honourable the Chairman of the
Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
43651 1932

3rd Session, 17th Parliament, 22-23 George V, 1932

THE SENATE OF CANADA

BILL J2.

An Act for the relief of Chia Hannah Shiff.

Preamble.

WHEREAS Chia Hannah Shiff, residing at the city of Montreal, in the province of Quebec, factory employee, wife of Samuel Shiff, otherwise known as Samuel Shiffman, tailor, who is domiciled in Canada and residing at the said city of Montreal, has by her petition alleged that they were married on the twenty-eighth day of May, A.D. 1920, at the city of Slutzk, in the province of Minsk, in Russia, she then being Chia Hannah Gutzeit, a spinster; and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Chia Hannah Gutzeit and Samuel Shiff, otherwise known as Samuel Shiffman, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Chia Hannah Gutzeit may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said Samuel Shiff, otherwise known as Samuel Shiffman had not been solemnized.

Third Session, Seventeenth Parliament, 22-23 George V, 1932

THE SENATE OF CANADA

BILL K[2].

An Act for the relief of Margaret Spencer Heald.

Read a first time, Tuesday, 10th May, 1932.

The Honourable the Chairman of the Committee on Divorce.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1932

44631

3rd Session, 17th Parliament, 22-23 George V, 1932.

THE SENATE OF CANADA

BILL K2.

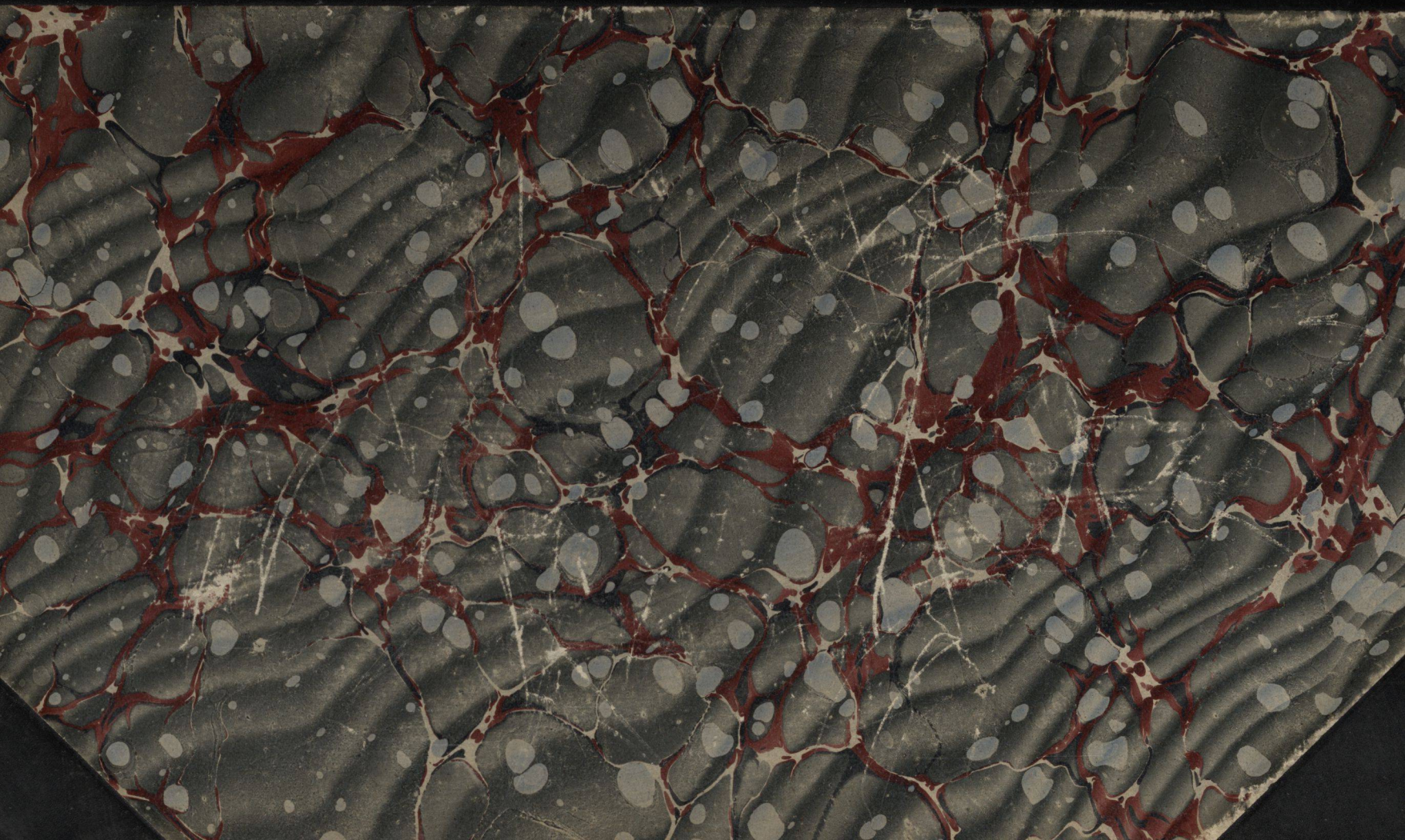
An Act for the relief of Margaret Spencer Heald.

Preamble.

WHEREAS Margaret Spencer Heald, residing at the city of Montreal, in the province of Quebec, secretary, wife of Leonard Heald, dog fancier, who is domiciled in Canada and residing at the said city, has by her petition alleged that they were married on the twenty-ninth day of June, A.D. 1912, at the said city, she then being Margaret Spencer, a spinster; and whereas by her petition she has prayed that, because of his adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Marriage dissolved.

1. The said marriage between Margaret Spencer and Leonard Heald, her husband, is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

Right to marry again.

2. The said Margaret Spencer may at any time hereafter marry any man whom she might lawfully marry if the said marriage with the said Leonard Heald had not been solemnized.