

EXPLANATION
OF THE PRINCIPAL
FEATURES OF

The Returned Soldiers' Insurance Act

TOGETHER WITH
FORM OF POLICY; OPTIONS AVAILABLE ON
SURRENDER OF POLICY, TABLE
OF PREMIUM RATES,
ETC.

[SECOND EDITION.]

1920

COMMISSIONERS, RETURNED SOLDIERS' INSURANCE
TRANSPORTATION BUILDING
OTTAWA, ONTARIO

INTRODUCTION.

The Returned Soldiers' Insurance Act became effective on September 1, 1920, and applications will be received thereunder up to, and including, September 1, 1922.

Application must be made upon printed forms provided for the purpose, and must be accompanied by remittance covering the amount of the first premium. When possible, proof of age should be submitted with the application.

Any additional information can be obtained from the Commissioners, Returned Soldiers' Insurance, Transportation Building, Ottawa.

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PREMIUM RATES.

Age.	Monthly Rates for \$1,000 Insurance Payable at Death.				Payable till age 65.	Single Premium for \$1,000 Insurance payable at death
	Payable for					
	Life.	10 years.	15 years.	20 years.		
\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	
18.....	1 04	2 48	1 82	1 54	1 08	237 72
19.....	1 06	2 52	1 85	1 56	1 10	242 22
20.....	1 08	2 56	1 90	1 58	1 12	246 92
21.....	1 10	2 62	1 94	1 60	1 14	251 80
22.....	1 14	2 68	1 98	1 64	1 18	256 86
23.....	1 18	2 74	2 02	1 68	1 22	262 06
24.....	1 22	2 80	2 06	1 72	1 26	267 52
25.....	1 24	2 86	2 10	1 76	1 30	273 12
26.....	1 28	2 92	2 14	1 80	1 34	278 98
27.....	1 32	2 98	2 20	1 84	1 38	284 98
28.....	1 36	3 06	2 26	1 88	1 42	291 20
29.....	1 40	3 12	2 32	1 92	1 48	297 64
30.....	1 44	3 18	2 38	1 96	1 54	304 30
31.....	1 48	3 26	2 44	2 02	1 60	311 22
32.....	1 52	3 34	2 50	2 08	1 66	318 28
33.....	1 58	3 42	2 56	2 14	1 72	325 60
34.....	1 64	3 50	2 62	2 20	1 78	333 18
35.....	1 70	3 58	2 68	2 26	1 86	340 98
36.....	1 76	3 66	2 74	2 32	1 94	348 98
37.....	1 82	3 76	2 82	2 38	2 02	357 26
38.....	1 88	3 86	2 90	2 44	2 12	365 76
39.....	1 96	3 96	2 98	2 50	2 22	374 48
40.....	2 04	4 06	3 06	2 58	2 32	383 46
41.....	2 12	4 16	3 14	2 66	2 44	392 64
42.....	2 20	4 28	3 22	2 74	2 56	402 08
43.....	2 28	4 40	3 32	2 82	2 70	411 74
44.....	2 38	4 52	3 42	2 90	2 84	421 66
45.....	2 48	4 64	3 52	3 00	3 00	431 78
46.....	2 58	4 76	3 62	3 10	3 16	442 10
47.....	2 70	4 90	3 72	3 20	3 36	452 68
48.....	2 82	5 04	3 84	3 30	3 58	463 42
49.....	2 96	5 18	3 96	3 42	3 82	474 40
50.....	3 10	5 32	4 08	3 54	4 08	485 58
51.....	3 24	5 48	4 22	3 66	4 38	496 92
52.....	3 38	5 64	4 36	3 80	4 74	508 46
53.....	3 54	5 80	4 50	3 94	5 14	520 14
54.....	3 72	5 98	4 66	4 10	5 60	531 94
55.....	3 90	6 16	4 82	4 26	6 16	543 94
56.....	4 10	6 34	5 00	4 44	6 82	556 02
57.....	4 30	6 54	5 18	4 62	7 66	568 22
58.....	4 52	6 76	5 38	4 82	8 70	580 54
59.....	4 76	6 98	5 58	5 04	10 08	592 90
60.....	5 02	7 20	5 80	5 28	12 00	605 32
61.....	5 30	7 44	6 04	5 52	.....	617 82
62.....	5 58	7 68	6 30	5 78	.....	630 30
63.....	5 90	7 96	6 56	6 06	.....	642 82
64.....	6 22	8 24	6 84	6 36	.....	655 28
65.....	6 56	8 54	7 14	6 70	.....	667 72

NOTE.—Rates for ages above 65 will be computed on the same basis as those shown above, and will be furnished on application.

INSTRUCTIONS FOR COMPUTING PREMIUMS FOR LARGER AMOUNTS.

					Multiply given premium by
Monthly for.....	\$2,000	\$3,000	\$4,000	\$5,000	2, 3, 4, 5
Quarterly for.....	\$1,000	2,000	3,000	4,000	5,000 3, 6, 9, 12, 15
Half-yearly for.....	1,000	2,000	3,000	4,000	5,000 6, 12, 18, 24, 30
Yearly for.....	1,000	2,000	3,000	4,000	5,000 12, 24, 36, 48, 60

The insurable age is the age on the birthday nearest to the date upon which the policy is to become effective.

1. Who may be Insured. The Act applies to all persons, male or female, domiciled and resident in Canada at time of application who served in and were honourably discharged from the Canadian naval, military or air forces whether they served overseas or in Canada. All persons who served in the Imperial or Allied Forces are also eligible if they were resident and domiciled in Canada in August, 1914. Widows of returned soldiers who died subsequent to discharge are eligible until September 1, 1921.

2. Amount of Insurance. Policies are issued for \$500, \$1,000, \$1,500, \$2,000, \$2,500, and so on up to a maximum of \$5,000. More than one policy may be obtained by one person, but the aggregate of all such policies must not exceed \$5,000.

3. Premiums. Premiums may be paid monthly, quarterly, half-yearly, yearly or in a single payment, according to the convenience of the insured. The annual premium is exactly twelve times the amount of the monthly rate. All premiums are payable in advance and are due on the first of the month. Thirty days' grace in which to make payments is allowed.

Premiums may be paid throughout life, or for ten, fifteen or twenty years or until age of 65. The insurance may also be paid for by a single premium. If a term of years is chosen the premium is higher, but at the end of the term the policy is fully paid up and no further premiums are payable. Table of rates on page 3.

4. How Payable. The maximum amount which may be paid in one sum at death is one-fifth of the amount of the policy. If the policy was for \$5,000 the maximum sum payable at death would be \$1,000. The balance is payable at the option of the insured in equal annual instalments over a period of five, ten, fifteen or twenty years, or for life, according to the desire of the policyholder. The various plans of payment are mathematically equivalent. The annual instalments are larger when a short period of payment is chosen. Following are illustrations of the various plans of payment:—

ANNUITY CERTAIN.

If the insurance is \$5,000 and the insured has chosen to have \$1,000 paid at death, the remaining \$4,000 can then be converted into an annuity certain for five, ten, fifteen, or twenty years. If a five-year term is chosen, the annual payments commence one year from the date of death of the insured and continue for five years and will be \$898.52 each. The benefit will then cease whether the beneficiary be alive or dead. If the beneficiary dies before the payments are completed the remaining payments will be made to the beneficiary's heirs.

If a ten-year period is chosen the annuity payments will be \$493.16; for a fifteen-year period, \$359.76; and for a twenty-year period, \$294.32 each.

LIFE ANNUITY.

If a life annuity is chosen the annual payments will depend upon the age of the beneficiary and payments will be continued throughout life, but will absolutely cease at death. For a beneficiary aged 25 years at the death of the insured, the life annuity provided by the remaining \$4,000 is \$219.16; for age 35, \$240.12; for age 45 \$272.28; for age 55, \$324.52; for age 65, \$431.84; and for age 75, \$679.24. The age of the beneficiary is to be taken as the age at the nearest birthday to the date of the death of the insured and the first annuity payment in each case will be made one year after the said date.

GUARANTEED ANNUITY.

One objection to the Annuity Certain is that at the end of the term the beneficiary may still be alive and in as great need as ever. On the other hand, a Life Annuity ceases completely at death and should the beneficiary die after receiving a small number of payments nothing would be left for other dependents. Under the Guaranteed Annuity plan these objections are overcome to some extent as the payments continue as long as the beneficiary may live and if death occurs before the expiration of the selected period of five, ten, fifteen or twenty years the unpaid instalments will be paid to the beneficiary's heirs.

The amount of the annuity depends upon the age of the beneficiary at the death of the insured. For a beneficiary aged 35 the annual payment provided by a Policy for \$5,000.00 after \$1,000.00 had been paid at death would be \$222.92 as an annuity for life guaranteed for 20 years.

5. Change of option. If the policyholder desires to change the method of payment originally chosen, he may do so upon application. Furthermore, if after death of the insured it is shown to the satisfaction of the Minister that the needs of the beneficiary would be better met by changing the method of payment, this may be done upon application by the beneficiary.

6. Beneficiaries. A married man may name only his wife, his child, or children, or both his wife and his child, or children, as beneficiaries of his insurance.

A single man, or a widower without children, may only name his future wife or future wife and children as beneficiaries. In completing application form unmarried men should place the words "future wife" in the space provided for the names of beneficiaries.

It should be understood that only the term "Future Wife" shall be used in the application. This does not refer to a particular person and if a policy holder dies unmarried and prior to his death desires to make his mother, or other relative, beneficiary, he may do so by making a will in favour of such relative. The only persons to whom the insurance money may be paid are, wife, husband, child, stepchild, grandchild, brother, or sister of the insured, or father, mother, grandfather, grandmother, stepfather, or stepmother of either the insured or his wife.

If the insured is a female she may name any of the above-mentioned relatives as beneficiary unless she is insured as the widow of a returned soldier, in which case the beneficiary must be dependent upon her.

If the insured survives all persons to whom payments may be made his estate will be entitled only to the amount he has paid in premiums, plus the difference between this amount and the reserve on the policy.

If it is desired to make some person not of the relationship named above such as foster-mother, beneficiary of the insurance, the case should be submitted to the Commissioners for special consideration.

7. Disability Benefit. The foregoing paragraphs are based on the assumption that no disability benefit has been paid to the insured under the policy. The disability benefit becomes payable when the insured becomes totally and permanently disabled and rendered incapable of pursuing continuously any substantially gainful occupation, and consists of relief from premium payments and of an annual payment of one-twentieth of the amount of insurance during the lifetime and continued disability of the insured, but not exceeding twenty such payments in all. If the insurance is \$5,000 the annual payment will be \$250, these payments continuing so long

as the insured lives and remains disabled, but not exceeding twenty payments in all. Should the insured survive twenty years and receive the twenty payments of disability benefit, all benefits under the policy come to an end.

Proof of disability is required in the form of a certificate from a physician named by the Board, and if necessary such certificate may be submitted to a medical referee, also named by the Board. The fees of the physician must be paid by the insured. The insured must also, when requested by the Board, furnish satisfactory proof of continuance of disability.

Payments of disability benefit are deducted from the death benefit. If, for example, the insurance is for \$5,000 and the insured has received four annual instalments of disability benefit and then dies, the death benefit will be reduced to \$4,000 of which not more than \$800 can be paid in one sum, leaving at least \$3,200 to be converted into an annuity.

If the insured recovers from disability or fails to furnish proof of continued disability when requested to do so, premiums will again become payable under the policy at the original rate and the insurance will be continued at the original amount of the policy less the total amount paid as disability benefit.

8. Options on Lapses.

If, after premiums have been paid for two full years, default is made in the payment of a premium falling due the insured has the option of obtaining (1) paid up insurance for a smaller amount, and (2) surrendering the policy for its cash value. If application is not made for either of these options the policy will be automatically continued in force for the full amount for whatever period the cash value would purchase if applied as a single premium. It must be clearly understood, however, that at the end of such automatic extension period the insured loses all interest in the Policy and no payments will be made to the beneficiary if death occurs thereafter.

If the policy lapses for non-payment of premiums and if paid-up insurance or the cash surrender value has not been applied for, or if the automatic extension period provided for has not expired, the insured may with the consent of the Board, and after such medical examination as the Board may deem necessary reinstate the policy at any time within two years from date of lapse by payment of the arrears of premiums with interest thereon at 6% per annum compounded annually.

Specimen cash surrender values and amounts of paid up and extended term insurance are as follows:—

WHOLE LIFE.

AGE 25.				AGE 35.				
Cash Value.	Paid-up Insurance.	Extended Term Insurance.		Full year's Premiums Paid.	Cash Value.	Paid-up Insurance.	Extended Term Insurance.	
		Years.	Mos.				Years.	Mos.
\$ 16	\$ 57	2	4	2	25	69	2	10
43	141	4	3	5	94	168	6	10
93	274	12	4	16	138	319	11	9
152	396	16	5	15	219	452	14	2
218	506	18	5	29	308	566	14	10
AGE 45.				AGE 55.				
37	81	2	10	2	53	94	2	3
95	195	6	2	5	135	222	4	8
197	363	9	5	10	271	406	6	9
305	505	10	9	15	405	556	7	4
415	622	10	10	22	529	674	7	2

Life—Premiums payable during 20 years.

AGE 25.				Full year's Premiums Paid.	AGE 35.			
Cash Value.	Paid-up Insurance.	Extended Term Insurance.			Cash Value.	Paid-up Insurance.	Extended Term Insurance.	
\$	\$	Years.	Mos.		\$	\$	Years.	Mos.
29	100	4	3	2	36	100	4	2
76	250	11	8	5	95	250	10	4
170	500	23	0	10	216	500	18	2
288	750	31	1	15	364	750	23	10
432	1,000	For life		20	544	1,000	For life	

AGE 45.				AGE 55.				
Cash Value.	Paid-up Insurance.	Extended Term Insurance.		Cash Value.	Paid-up Insurance.	Extended Term Insurance.		
\$	\$	Years.	Mos.		\$	\$	Years.	Mos.
45	100	3	6	2	57	100	2	5
121	250	7	11	5	151	250	5	3
272	500	13	1	10	334	500	8	5
454	750	16	11	15	546	750	10	11
668	1,000	For life		20	785	1,000	For life	

Complete tables of options available in default of premiums are furnished to each policy holder. Details of cash value, paid up or extended term insurance for any age or plan may be obtained upon application.

9. Change of apportionment. Where more than one beneficiary is named in the policy the insurance money may be divided among them as the insured sees fit, and if any beneficiary or beneficiaries should die the share belonging to such beneficiary or beneficiaries may be re-apportioned among the survivors.

10. Deduction on Account of Pension. Section ten of the Act provides for the deduction from the insurance benefit of the capitalized value of any pension that may become payable under the Pension Act to the dependents of the insured. If such deduction is made premiums paid by the insured will be refunded with interest at 4 per cent compounded annually.

It should be clearly understood that this section does not operate in any way unless a pension is awarded to the dependents of the policyholder. A pension is only payable when death is directly attributable to war service, unless the pensioner receives pension in classes 1 to 5, which means that his disability must be 80 per cent or higher. Only a very small number of cases are covered by this section at the present time. It is essential for pension purposes to distinguish between deaths due to service and deaths from other causes. Unless death is directly due to war service, no pension is awarded except to the dependents of a pensioner who dies while receiving pension in classes 1 to 5. The number of deaths due to service will decrease with the lapse of time. The fact that a returned man is himself in receipt of pension does not indicate that his dependents will receive a pension after his death.

The capitalized value of a pension depends upon the age of the pensioner and is determined by means of tables shewing the expectancy of life. Except in the case of pension awarded to children, the capitalized value will, in almost every instance, be greater than the maximum amount of insurance.

11. Policy Unassignable. Returned Soldiers' Insurance is unassignable and the insurance money cannot be attached by creditors of either the insured or the beneficiary. There is no provision for policy loans by the Government and the policy cannot be used as collateral for the purpose of borrowing from other sources.

12. Proof of Age. The age, for the purpose of determining the premium under the policy, is the age of the insured on the birthday nearest to the date on which the policy becomes effective. It is very desirable that before the issue of the policy, proof of age should be furnished by the applicant in order that admission thereof may be made on the policy before delivery. Proof of age before issue may avoid much trouble and inconvenience to the beneficiary in the event of a claim later on.

The proof of age should be, if possible, a certificate from the registrar of births for the municipality or province in which the insured was born. In some cases, however, births are not, or have not always been so registered in which case the next best proof is a baptismal certificate showing the date of birth and certified by the clergyman or church officer in charge of the record.

If neither of the above proofs are available there should be furnished a statutory declaration by a parent, giving the date of birth of the insured. If this is not possible the proof should be such as may be prescribed by the Board and all such cases should be referred specially to the Board for consideration.

If the age is proved it will be admitted by endorsement on the policy by the Board. If the policy is issued without admission of age and if, when proof is furnished, the age is found to have been understated, the amount of insurance will be reduced in the proportion which the premium at the stated age bears to the premium at the correct age. If the age has been over-stated the excess premiums paid, up to date of proof will be refunded.

13. Policy Incontestable. All policies issued under the Act are incontestable after one year from date of issue, this period being allowed for correction of any error which may have been made. After the expiration of one year, provided the age has been correctly stated, or admitted, and the premiums paid when due, the policy cannot be contested by the Government except for fraud on the part of the insured.

FORM OF POLICY.

Premium \$.....Sum Insured \$.....

THE DOMINION OF CANADA.

(Crest).

No.....Age.....

Under the provisions of the Returned Soldiers' Insurance Act 9-10 Geo. V., Chap. 54.

HEREBY INSURES the life of

.....
(hereinafter called the insured)

on the following conditions:—

1. Plan of Insurance —Life-premiums payable.....
2. Amount of Insurance —.....Dollars.
3. When Payable —On the death of the insured or upon his becoming totally and permanently disabled and rendered incapable of pursuing continuously any substantially gainful occupation.
4. How and to whom payable—
 - (1) Death Benefit (if not reduced by payment of Disability Benefit).
 - (a) Payable at death —.....Dollars as follows..

T.....of the insured....Dollars
 - (b) Balance of.....Dollars as follows:—

To.....of the insured....Dollars
to be applied to purchase an annuity.....
 - (2) Disability Benefit payable to the insured (payments of this benefit go to reduce the Death Benefit). —During the continuance of total and permanent disability—
 - (a) Waiver of premiums falling due, and
 - (b) An annual payment of one-twentieth of the amount of insurance, commencing on the occurrence of disability and continuing during the lifetime of the insured, but not exceeding twenty payments in all.
5. Premium —.....Dollars and.....

cents on or before the date of this policy and thereafter a like amount on the first day of..... in each year until payments have been made for..... years, or until the previous death of insured.

Receipt of the first premium is hereby acknowledged.

This policy is subject to the conditions hereinafter set forth, including the endorsements hereon and to the provisions of the said Act and any amendments thereto and regulations made thereunder, as fully as if the same were written above the signatures hereto set.

Signed at the City of Ottawa, in the Province of Ontario, this..... day of.....192...

.....Commissioner.

Minister of Finance.

Board of Pension Commissioners for Canada.

CONDITIONS.

- 1. Consideration.** This policy is issued for the amount, and is payable in the manner, and to the beneficiary or beneficiaries, stated on the first page hereof, and in consideration of the premiums thereon specified and of the insured's application for the policy.
- 2. Policy.** The policy includes the endorsements hereon and the application hereof and is subject to the provisions of the Returned Soldiers' Insurance Act, any amendments thereto, and regulations made thereunder. All statements made by the insured in his application for the policy shall in the absence of fraud be deemed representations and not warranties.
- 3. Days of grace.** A grace of one month will be allowed for the payment of any premium, other than the first, due under the policy, without interest, during which time the policy shall continue to be in force, but if a claim occurs during the days of grace and before the payment of the premium due, the amount of the said premium will be deducted on the payment of the claim.
- 4. Change of beneficiary.** The beneficiary or beneficiaries named in this policy and the apportionment of the insurance money thereto if more than one, may be changed by the insured to the extent, and in the manner, provided in the Returned Soldiers' Insurance Act.
- 5. Death benefit.** The death benefit mentioned on the first page hereof will be payable in the manner thereon provided on receipt of proof of death of the insured to the satisfaction of the Board of Pension Commissioners for Canada (hereinafter called "the Board").
- 6. Deduction on account of pensions.** If, on the death of the insured, a pension becomes payable under the Pension Act to any person or persons within the classes mentioned in section four of the Returned Soldiers' Insurance Act there will be deducted from the death benefit payable under this policy the aggregate present value of the pension or pensions so payable and in such case there will be returned to the beneficiary or beneficiaries in proportion to their respective interests under this policy the proportion of the premiums paid with interest at four per cent per annum compounded annually which the amount of the said deduction is of the original amount of insurance. The present value of the pensions payable shall be computed on the bases of the British Offices Life Annuity Tables, 1893 (ultimate), male or female, according to the sex of the pensioner, supplemented at the earlier ages by such tables of mortality as the Board deems appropriate and a rate of interest of four per cent per annum, and in the case of a pension to a spinster or widow such table showing the probabilities of marriage or remarriage as the Board deems fit.
- 7. Change of mode of payment.** The mode of payment of the death benefit stated on the first page hereof is that elected by the insured in his application, but may be varied by declaration of the insured endorsed upon or attached to the policy. Alternative

modes of payment of the instalments of death benefit are shown in Tables A and B printed on the third page hereof.

8. Paid-up insurance.

If after the policy has been in force for two years, two years' premiums having been paid thereon, the insured fails to pay within the days of grace any premium due under the policy, the insured, by applying therefor in writing within three months from the date on which the said premium fell due, will be entitled to receive in lieu thereof paid-up insurance for a reduced amount. In the case of a policy with premiums payable for ten, fifteen or twenty years, the amount of such paid-up insurance will be the proportion of the original amount of insurance which the number of premiums paid is of the total number of premiums originally payable, and in the case of all other policies the said paid-up insurance will be for such an amount as the reserve on the policy at the said date will provide when applied as a net single premium at the attained age of the insured. Such paid-up insurance will be payable on the same conditions as the original insurance, except that if it is less than one-fifth of the original insurance the entire amount of the paid-up insurance may be paid in one sum on the death of the insured.

9. Cash Surrender Value.

If after two years' premiums have been paid, and while the policy is in force, or within three months of the falling due of any unpaid premium under the policy, written application is made to the Board by the insured and by the beneficiary or beneficiaries mentioned in the policy, or the survivor or survivors thereof, for the payment of a cash surrender value, the Board may in its discretion pay to the insured, upon surrender and discharge of the policy, the reserve on the paid-up insurance to which the insured would have been entitled under the provisions of the next preceding condition.

10. Automatic extended insurance.

If after the policy has been in force for two years the insured fails to pay within the days of grace any premium due under the policy, the policy will, unless paid-up insurance or a cash surrender value has been applied for as hereinbefore provided, be automatically continued in force for the full amount thereof for such an extension period, disregarding fractional parts of a month, as the cash surrender value, at the date on which the said premiums fell due, will provide when applied as a net single premium at the attained age of the insured, but if the insured dies before the expiration of three years from the said date the unpaid premiums falling due before the death of the insured will be deducted from the amount payable under the policy.

11. Disability Benefit.

If the insured becomes totally and permanently disabled and rendered incapable of pursuing continuously any substantially gainful occupation, and if such disability is not deemed to be attributable to his service so as to bring him under the provisions of the Pension Act, the premiums thereafter falling due under this policy will be waived and the insured will be entitled to receive the disability benefit mentioned on the first page hereof. If the insured dies before the twentieth annual payment of the disability benefit has been made the balance of the amount of insurance will be payable as a death benefit to the beneficiary or beneficiaries in the same proportion as the original death benefit would have been paid if such disability had not occurred. If the disability is caused by the mental derangement of the insured the disability benefit may be paid to such person or persons on his behalf as the Board may deem fit.

12. Proof of disability.

If the insured makes application for the payment of disability benefit he shall present himself for examination to such physician as may be named for that purpose by the Board. The physician's report on such examination shall be forwarded by the physician to the Board and if the physician is satisfied that the insured is totally disabled and incapable of pursuing continuously any substantially gainful occupation and that it is unlikely that he will at any time recover in whole or in part from such disability and incapacity he shall so certify. If the physician does not so certify, or if his certificate is qualified, or if from a consideration of his report the Board considers it desirable so to do, the report may at the request of the insured be submitted by the Board to a medical referee in the City of Ottawa to be named for that purpose by the Board and the decision of the said referee shall be final. The fees of the physician shall be paid by the insured.

13. Recovery from disability.

Notwithstanding that proof of total and permanent disability may have been accepted by the Board, the insured shall at any time at the request of the Board, furnish satisfactory evidence of the continuance of such disability, and on his failing so to do the payment of the instalments of disability benefit will cease and premiums thereafter falling due will be payable by the insured.

14. Disability after paid-up insurance applied for.

If the disability occurs after paid-up insurance has been applied for, the instalments of disability benefit will be reduced in the same proportion as the death benefit.

15. Disability during extension period.

If the disability occurs during the automatic extension period and one or more instalment payments are made on account of such disability, and

(a) if the insured dies before the end of the extension period the death benefit payable will be reduced by the total amount paid as disability benefit;

(b) if the insured recovers, or fails to furnish proof of continued disability when requested by the Board so to do during the extension period, the instalments of disability benefit shall cease and the insurance shall continue until the end of the extension period for the reduced amount as aforesaid;

(c) if the insured dies, or recovers, or fails to furnish proof of continued disability when requested by the Board so to do, after the end of the extension period all payments and all rights and claims under the policy shall cease.

16. Reinstatement.

If the policy lapses for non-payment of premiums and paid-up insurance or cash surrender value has not been applied for, or if the automatic extension period herein provided for has not expired, the insured may, with the consent of the Board, reinstate the policy at any time within two years from date of lapse by payment of the arrears of premiums with interest thereon at six per cent per annum compounded annually.

17. Age.

The age of the insured at his birthday nearest to the date of the policy will be taken as his age for the purpose of determining the premium payable under the policy.

18. Proof and misstatement of age. Proof of age of the insured shall be furnished before any payment of the insurance money is made. If proof is furnished during the life-time of the insured the age may be admitted by endorsement on the policy signed by the persons authorized to sign the policy. If the age has been understated in the policy the amount payable thereunder will be the amount which the premium payable would have provided at the correct age and any cash surrender value, paid-up insurance or automatic extended insurance granted under the policy shall be reduced in the same proportion. If the age has been overstated the excess premium paid will be refunded.

19. Incontestability. Subject to the provision for misstatement of age the policy shall be incontestable after one year from the date it takes effect, except for fraud and non-payment of premiums, and is free of all restriction as to travel, residence, and occupation, including military, naval, and air service.

20. Policy Unassignable. The insurance money payable under this policy shall be unassignable and shall not be subject to the claims of creditors of the insured or of the beneficiary. Any attempted dealing with such money by pledge, assignment, or otherwise will be disregarded as null and void.

TABLE A.

Showing the annual payment to beneficiary per \$1,000 in the net amount to be applied to purchase an annuity-certain for a term of years, first payment due one year after the death of the insured. Annual payments for a greater or less net amount than \$1,000 will be proportionate.

Term of years.	Annual payment.
5	\$224 63
10	123 29
15	89 94
20	73 58

TABLE B.

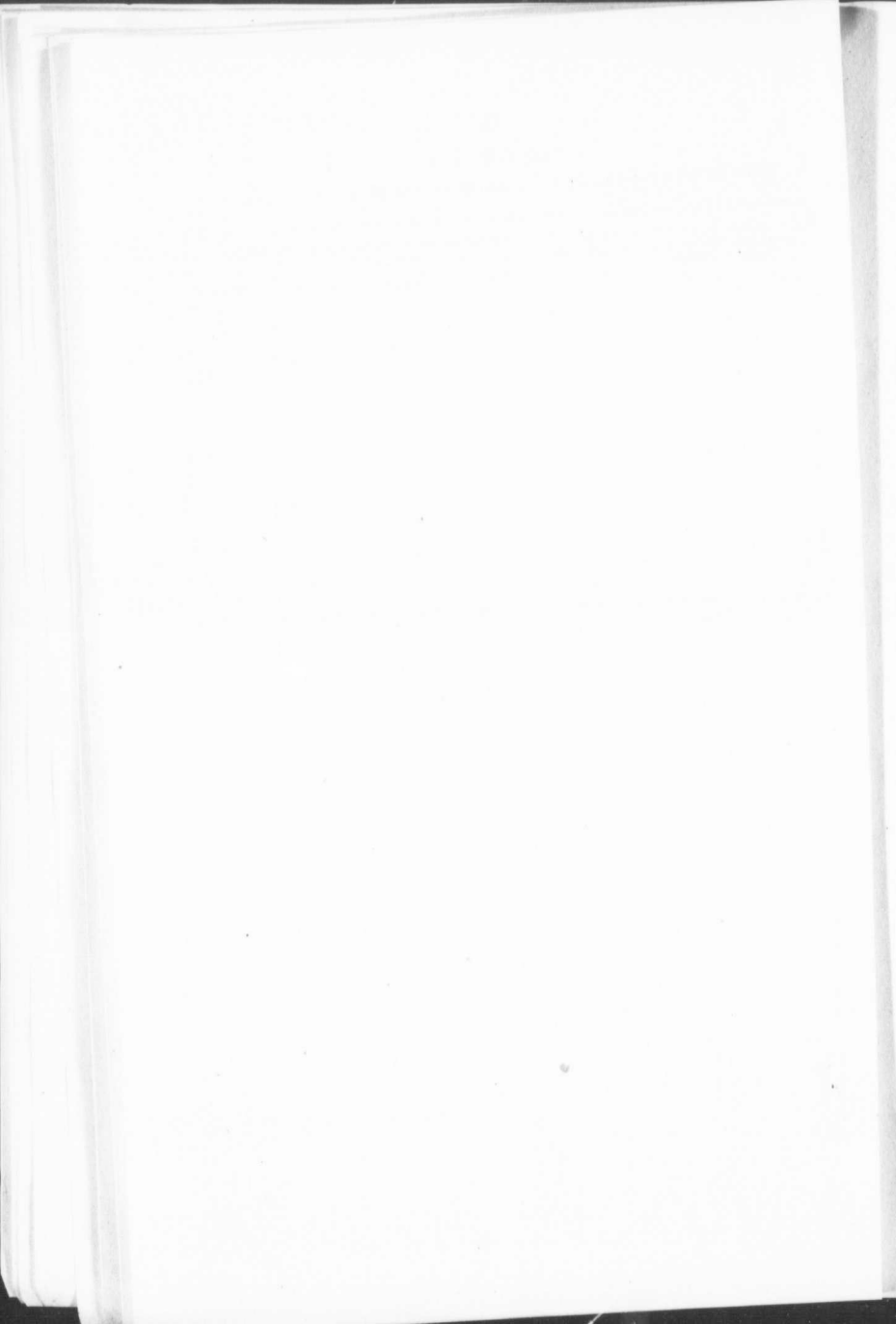
Showing the annual payment to beneficiary, per \$1,000 in the net amount to be applied to purchase an annuity for life (Col. 1), or to be applied to purchase an annuity guaranteed for a term of years as shown below and as long thereafter as the beneficiary shall live (Cols. 2, 3, 4 and 5). In each case the first payment under the annuity will fall due one year after the death of the insured. Annual payments for a greater or less net amount than \$1,000 will be proportionate.

Age of Beneficiary as at birth-day nearest to the date of Death of Insured.	Annual payment under an Annuity for Life.	Annual payment, under an Annuity for Life, Guaranteed for			
		5 Years	10 years	15 Years	20 Years
		(1)	(2)	(3)	(4)	(5)
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
5	49 08	48 86	48 52	48 06	47 53
6	49 09	48 88	48 55	48 11	47 60
7	49 11	48 94	48 64	48 22	47 71
8	49 21	49 07	48 78	48 37	47 86
9	49 38	49 25	48 97	48 55	48 03
10	49 61	49 49	49 20	48 76	48 22
11	49 88	49 76	49 46	49 00	48 44
12	50 18	50 06	49 73	49 25	48 66
13	50 51	50 37	50 02	49 51	48 90
14	50 85	50 70	50 32	49 78	49 14
15	51 20	51 04	50 63	50 06	49 39
16	51 55	51 37	50 93	50 34	49 64
17	51 89	51 70	51 24	50 62	49 89
18	52 23	52 02	51 55	50 90	50 14
19	52 57	52 35	51 85	51 18	50 40
20	52 91	52 68	52 17	51 47	50 67
21	53 26	53 02	52 49	51 78	50 94
22	53 62	53 38	52 83	52 08	51 21
23	54 00	53 74	53 17	52 40	51 50
24	54 38	54 12	53 53	52 73	51 79
25	54 79	54 51	53 91	53 08	52 10
26	55 21	54 93	54 30	53 43	52 42
27	55 65	55 36	54 71	53 80	52 74
28	56 12	55 82	55 13	54 19	53 07
29	56 60	56 29	55 58	54 58	53 42
30	57 11	56 79	56 04	55 00	53 77
31	57 65	57 31	56 52	55 43	54 14
32	58 20	57 85	57 02	55 87	54 52
33	58 79	58 41	57 54	56 32	54 91
34	59 40	59 00	58 07	56 80	55 31
35	60 03	59 61	58 63	57 29	55 73
36	60 69	60 24	59 21	57 79	56 15
37	61 38	60 91	59 82	58 31	56 59
38	62 10	61 60	60 44	58 85	57 04
39	62 85	62 32	61 08	59 41	57 51
40	63 63	63 06	61 75	59 98	57 98
41	64 44	63 84	62 45	60 58	58 48
42	65 29	64 65	63 17	61 20	58 99
43	66 18	65 49	63 92	61 83	59 51
44	67 10	66 37	64 70	62 50	60 05
45	68 07	67 28	65 51	63 18	60 60
46	69 08	68 24	66 37	63 90	61 17
47	70 14	69 25	67 25	64 64	61 75
48	71 26	70 30	68 18	65 41	62 35
49	72 43	71 41	69 15	66 22	62 96
50	73 67	72 57	70 17	67 05	63 59
51	74 98	73 81	71 24	67 92	64 22
52	76 37	75 12	72 38	68 82	64 86
53	77 85	76 51	73 57	69 76	65 50
54	79 43	77 99	74 84	70 73	66 15
55	81 13	79 57	76 17	71 73	66 79
56	82 95	81 27	77 59	72 76	67 43
57	84 91	83 08	79 07	73 82	68 05
58	87 03	85 04	80 64	74 89	68 65
59	89 33	87 14	82 30	75 99	69 23
60	91 81	89 40	84 03	77 09	69 78
61	94 52	91 83	85 85	78 19	70 30
62	97 46	94 44	87 74	79 28	70 79
63	100 66	97 35	89 70	80 35	71 23
64	104 31	101 10	91 73	81 39	71 63
65	107 96	103 48	93 79	82 40	71 99

TABLE B.—*Con.*Showing the annual payment to beneficiary per \$1,000, etc.—*Con.*

Age of Beneficiary as at birth-day nearest to the date of Death of Insured.	Annual pay- under an Annuity for Life.	Annual payment under an Annuity for Life, Guaranteed for.			
		5 Years	10 Years	15 Years	20 Years
		(1) \$ cts.	(2) \$ cts.	(3) \$ cts.	(4) \$ cts.
66	112 08	106 91	95 90	83 35	72 30
67	116 59	110 56	98 02	84 26	72 57
68	121 48	114 43	100 15	85 09	72 80
69	126 81	118 51	102 26	85 86	72 99
70	132 57	122 80	104 34	86 55	73 14
71	138 85	127 29	106 36	87 17	73 26
72	145 67	131 98	108 32	87 71	73 36
73	153 05	136 84	110 17	88 18	73 43
74	161 08	141 86	111 93	88 57	73 48
75	169 81	147 02	113 56	88 90	73 51
76	179 28	152 28	115 06	89 16	73 54
77	189 57	157 60	116 43	89 37	73 56
78	200 80	162 97	117 65	89 53	73 57
79	213 04	168 35	118 72	89 66	73 57
80	226 40	173 67	119 65	89 75	73 58
81	240 96	178 89	120 44	89 81	73 58
82	257 00	183 99	121 09	89 86	73 58
83	274 50	188 89	121 64	89 90	73 58
84	293 77	193 54	122 07	89 91	73 58
85	314 96	197 94	122 41	89 93	73 58

s.
 53
 60
 71
 86
 80
 03
 22
 44
 66
 90
 14
 39
 64
 89
 0 14
 0 40
 0 67
 0 94
 .1 21
 .1 50
 .1 79
 .2 10
 .2 41
 .2 74
 .3 07
 .3 42
 .3 77
 .4 14
 .4 52
 .4 91
 .5 31
 .5 73
 .5 15
 .5 59
 .5 04
 .5 51
 .5 98
 .5 8 48
 .5 8 99
 .5 9 51
 .6 0 05
 .6 0 60
 .6 1 17
 .6 1 75
 .6 2 35
 .6 2 96
 .6 3 59
 .6 4 22
 .6 4 86
 .6 5 50
 .6 6 15
 .6 6 79
 .6 7 43
 .6 8 05
 .6 8 65
 .6 9 23
 .6 9 78
 .7 0 30
 .7 0 79
 .7 1 33
 .7 1 63
 .7 1 99





10-11 GEORGE V.

CHAP. 54.

Act to provide for the Insurance of Returned Soldiers by the Dominion of Canada.

[Assented to 1st July, 1920.]

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 Returned Soldiers' Insurance Act*. Short title.
2. In this Act and in any regulation, unless the context otherwise requires,—
 - (a) "brother" includes a half-brother and "sister" includes a half-sister; "Brother."
 - (b) "child" includes,
(i) a child legally adopted before the first day of July, nineteen hundred and twenty, or not less than five years before the death of the insured;
(ii) a stepchild, if a member of the returned soldier's household;
(iii) an illegitimate child acknowledged or maintained by the insured or for whom he has been judicially ordered to provide support; "Child."
 - (c) "grandchild" means a child as above defined of a child as above defined; "Grand-child."
 - (d) "Minister" means the Minister of Finance; or such other Minister as the Governor in Council may from time to time determine; "Minister."
 - (e) "parent" includes a father, mother, grandfather, grandmother, stepfather, stepmother, of either the returned soldier or his wife; "Parent."
 - (f) "regulation" means a regulation made under the provisions of this Act; "Regulation"
 - (g) "returned soldier" means any person, male or female, who served as an officer or warrant officer or who enlisted or was enrolled or was drafted for service in the naval, military or air forces of Canada in the Great War, or having been domiciled and resident in Canada on the fourth day of August, one thousand nine hundred and fourteen, has served in any of His Majesty's naval, military or air forces in the said war; or, having been domiciled and resident as aforesaid, has served in the naval, military or air forces of one of His Majesty's Allies or Associated Powers in the Great War; and who has been retired or obtained honourable discharge therefrom; "Returned soldier."
 - (h) "widow" means the widow of a returned soldier who has died after retirement or honourable discharge from service and before the expiration of twelve months from the coming into force of this Act; "Widow."
 - (i) "the insured" means any person with whom the Minister enters into a contract under this Act. "The insured."

Insurance and limits thereof.

3. (1) The Minister may enter into an insurance contract with any returned soldier domiciled and resident in Canada or with any widow so domiciled and resident, providing for the payment of five hundred dollars or any multiple thereof, not, however, exceeding five thousand dollars in the event of the death of the insured.

How payable.

(2) The said payment shall, as to an amount not exceeding one-fifth thereof, be made on the death of the insured and the remainder or the portion thereof to which any beneficiary is entitled, shall at the option of the insured be payable as a life annuity or as an annuity certain for five, ten, fifteen or twenty years, or as an annuity guaranteed for five, ten, fifteen or twenty years, and payable thereafter as long as the beneficiary may live.

Options how exercised.

(3) Any option as to the mode of payment, chosen by the insured in his application for insurance, may be subsequently varied by declaration of the insured endorsed upon or attached to the policy.

Options may be varied by beneficiary.

(4) The said option as to mode of payment chosen by the insured may after the death of the insured be varied by the beneficiary with the consent of the Minister.

Payments in case of disability not due to war.

(5) The contract may also provide that if the insured becomes totally and permanently disabled and rendered incapable of pursuing continuously any substantially gainful occupation, and if such disability is not deemed to be attributable to his service so as to bring him under the provisions of The Pension Act, the premiums thereafter falling due under the contract shall be waived and the insured shall be entitled to receive as a disability benefit an annual payment not exceeding one-twentieth of the sum insured, the said benefit to continue during the life-time of the insured but not to exceed twenty such payments in all; and that if the insured dies before the twentieth such payment has been made the balance of the sum assured shall be payable as a death benefit, in accordance with the provisions of this section.

Payments, who to be made to.

4. The said payments shall be made to the wife, husband, child, grandchild, parent, brother or sister of the insured or such other person as may by regulation as hereinafter provided be declared to be entitled to become a beneficiary under the contract.

Beneficiaries when insured is married.

5. If the insured is a married man, or a widower with a child or children, the contract shall be for the benefit of his wife, or of his children, or of some one or more of his children, or of his wife and some one or more of his children; and when the contract is effected for the benefit of more than one, the insured may apportion the insurance money among them as he deems fit.

Beneficiaries when insured is unmarried.

6. If the insured is an unmarried man or a widower without children, the insurance contract shall be for the benefit of his future wife, or of his future wife and children, and the insured may apportion the insurance money among them, as he deems fit; but if at his death he is still unmarried or is a widower without children the insurance money shall, subject to sections four and eleven of this Act, fall into and become part of the estate of the insured.

When insured is a female.

7. (1) If the insured is a female and the contract is effected for the benefit of more than one beneficiary the insured may apportion the insurance money among them as she deems fit.

When insured is a widow.

(2) If the insured is a widow the contract shall be for the benefit of such person or persons within the classes mentioned in section four

hereof as may be shown to the satisfaction of the Minister to be to a substantial extent dependent upon the widow for support.

8. Any apportionment under the next three preceding sections may be made in the insurance contract, or by a declaration endorsed thereon or annexed thereto and signed by the insured.

Apportionment, how made.

9. (1) Where an apportionment has been made as provided in sections five and six of this Act, and one or more of the persons in whose favour the apportionment has been made die in the life-time of the insured, the insured may, by an instrument in writing endorsed on or attached to the insurance contract, declare that the shares formerly apportioned to the persons so dying shall be for the benefit of the wife and children of the insured, or for one or more of them as he sees fit.

When a beneficiary dies in life-time of insured.

(2) In default of such declaration the shares of the persons so dying shall be for the benefit of the survivor or survivors of the persons in whose favour the apportionment was so made, in equal shares if more than one.

(3) If all the persons so entitled die in the life-time of the insured, the insured may by an instrument in writing endorsed on or attached to the insurance contract, declare that the insurance money shall be for the benefit of his wife, if living, or of his surviving children, if any, or some one or more of them, or of his wife and children, or of his wife and some one or more of his children, in such proportions as he sees fit, and in default of such declaration, the insurance shall be for the benefit of his wife, if living, and of his children, if any, in equal shares.

(4) If the insured survives his wife and all his children the insurance money shall, subject to section four of this Act, fall into and become part of the estate of the insured.

(5) A duplicate of every declaration made in pursuance of this and the next preceding section shall be filed with the Minister at the time such declaration is made.

10. If on the death of the insured a pension becomes payable under *The Pension Act* to any person or persons within the classes mentioned in section four of this Act, there shall be deducted from the benefit payable under this Act the aggregate present value of the pension or pensions so payable computed on such bases as may be prescribed by regulation made under the provisions of section seventeen of this Act, and in such case there shall be returned to the beneficiary or beneficiaries in proportion to their respective interests under the contract the proportion of the premiums paid (with interest at four per cent per annum, compounded annually), which the amount of the said deduction is of the total amount assured under the contract.

Limit of benefits when death of insured attributable to war service.

11. (1) If the insured survives all the persons to whom the death benefit may be paid under the provisions of section four of this Act, or if all the said persons die before the payment of the instalments of the death benefit have been completed, the estate of the insured shall be entitled to receive only the amount by which the reserve under the contract at the time of the death of the insured exceeds the sum of the payments so made.

When all beneficiaries predecease insured or before all payments are made.

- "Reserve." (2) In this section the word "reserve" means the net premium value of the contract on the basis of the British Offices Life Tables, 1893, Om (5), with interest at the rate of four per cent per annum.
- When no apportionment made. 12. When no apportionment is made of the insurance money as hereinbefore provided, all persons interested as beneficiaries under this Act shall be held to and shall share equally therein.
- Minister may refuse to insure. 13. The Minister may refuse to enter into an insurance contract in any case where there are in his opinion sufficient grounds for his refusing.
- Premiums. 14. (1) The insurance contract may provide for the payment of a single premium, or of premiums uniform throughout the life-time of the insured, or during the life-time of the insured for a period of ten, fifteen or twenty years, or until he attains the age of sixty-five years; (2) The premiums payable under the various plans of contract shall be those shown in the Schedule to this Act.
- Medical examinations. 15. No medical examination or other evidence of insurability shall be required in respect of any contract issued under this Act: Provided, however, that the Minister may, for the purpose of determining whether he shall refuse to enter into a contract of insurance in any case under the provisions of section thirteen of this Act, require such medical examination or other evidence of insurability of the insured as he may deem necessary.
- Insurance unassignable and not liable to creditors. 16. The insurance money payable under the contract shall be unassignable and shall not be subject to the claims of creditors of the insured or of the beneficiary.
- Regulations. 17. The Governor in Council may, for the purposes of this Act, make regulations,—
- (a) prescribing the mode and form of making contracts;
 - (b) prescribing the mode of proving the age, identity and existence or death of persons;
 - (c) prescribing the mode of paying money in connection with insurance contracts;
 - (d) dispensing with the production of probate of a will or letters of administration, either generally or in any particular case or class of cases;
 - (e) prescribing the accounts to be kept and their management;
 - (f) determining before hand the cases or classes of cases in which an insurance contract may be surrendered and a cash surrender value paid therefor, or a paid-up insurance contract issued instead thereof and for prescribing the manner in which such cash surrender value or amount of paid-up insurance shall be determined;
 - (g) determining the cases, not otherwise provided for in this Act, in which a person not originally named as, but who is eligible under this Act to be a beneficiary, may be made a beneficiary;
 - (h) determining the cases, not otherwise provided for in this Act, in which an apportionment of the insurance money may be made or varied;

- (i) determining the class or classes of persons other than those mentioned in section four of this Act to whom payments may be paid;
- (j) determining the cases in which a dependent, other than the wife or child, of the insured may be named as a beneficiary under the contract;
- (k) determining in cases not otherwise provided for by the contract or by declaration or by this Act, the person or persons entitled to the share and the apportionment thereof in the death benefit of any beneficiary dying before the payment of instalments of the said benefit has been completed; and,
- (l) any other purpose for which it is deemed expedient to make regulations in order to carry this Act into effect.

18. The moneys received under the provisions of this Act shall form part of the Consolidated Revenue Fund, and the moneys payable under the said provisions shall be payable out of the said Consolidated Revenue Fund.

Moneys received to go to Consolidated Revenue Fund.

19. (1) The provisions of this Act may be administered in such department or departments of the Government as the Governor in Council may from time to time determine.

Administration.

(2) The Superintendent of Insurance or such other officer as may be appointed for that purpose by the Governor in Council shall, within three months after the close of each fiscal year, prepare for the Minister a statement showing the amount received for premiums during the last fiscal year for all insurance contracts entered into previous to the said date, the amount of all sums paid in connection therewith during the said period, also the number of new contracts entered into since the previous statement and the gross amount thereof, with such further details and particulars as the Minister deems advisable.

Statement to be made for Minister.

(3) The Minister shall lay the said statement before Parliament within fifteen days after the statement has been submitted to him if Parliament is then sitting, and, if not, then within fifteen days of the opening of the session of Parliament held next thereafter.

Statement to be laid before Parliament.

20. No application for insurance shall be received under this Act after the first day of September, nineteen hundred and twenty-two.

No insurance after 1st September, 1922.

21. This Act shall come into force on the first day of September, one thousand nine hundred and twenty.

Commencement of Act.