

ment of fine and costs in 1 mo. may be imprisoned 6 mos. When the M. of F. has proof that an undisputed claim on a policy or one on which final judgment has been obtained has remained unpaid for 60 days, he may withdraw a license; but in this as in the cases of diminished deposit, if the co. puts itself right within 30 days he may renew it. Whenever a license is so withdrawn, or is allowed to lapse, and is not renewed in 30 days, the co. may be proceeded against as if insolvent. In that case the deposits must be distributed *pro rata* among all the policy holders in Canada—the distribution to be made according to order obtained in chancery or equity in the other Provinces, or from the Superior Court in Quebec or Manitoba. When such application is made the Court appoints an assignee, who calls on the co. to furnish a statement of its Canadian policies, and on the policy holders to file their claims. Such claims may be contested and appeals taken according to the ordinary practice of the Court. They shall be for the full net value of the policies, including bonus additions and accrued profits. The superintendent of insurance may be called on to make the valuation according to the table of the Institute of Actuaries of Great Britain, and at the rate of $4\frac{1}{2}$ p. c. interest, or for bonus or accrued profits at the rates on which they were originally based. For this, 3 cents are allowed him and retained by the R. G. on each policy or bonus. The amounts so ascertained to be due rank with those due under judgments or on matured policies in the distribution. When the schedule of all claims is thus established, the securities held by the R. G. and trustees are to be sold as directed by the Court, and paid *pro rata* to the claimants, except what may be used to re-insure claims under any other act,—any balance to be handed over to the co.; but if a claim matures between the filing of the co's statement and the order for final distribution, or the amount realized, is insufficient to pay the sums adjudged due, the claimants are not deprived of recourse against the co., or any director or shareholder, for any sums remaining due after such distribution. If a policyholder be insured upon the mutual principle and the co. be incorporated or organized in a country where foreign policyholders may share in the distribution of general assets elsewhere as well as in Canada, then he may only receive in the distribution of Canadian assets a share thereof, at the rate which, by such general distribution, he would receive out of the total assets. Cos. already licensed and doing business, but which give notice of their intention to discontinue taking new business before the time fixed for the first renewal of license under this Act, may continue to receive premiums and pay claims on policies already issued, as if this Act had not passed—its deposits being also so dealt with. A Co. desiring to withdraw from business may give notice to the Minister of Finance, and use the funds in the hands of trustees to procure the surrender or transfer to other licensed Cos., of the policies issued. It must then furnish the Minister of Finance with a list of all its Canadian policyholders, shewing those transferred and

surrendered, and give notice in the *Canada Gazette* that it will apply for a surrender of its securities on a day not less than 3 mos. after, and calling on policy-holders opposing such surrender to file their opposition within such time. On such day the Minister of Finance with the concurrence of the Treasury Board, retaining sufficient to cover the net surrender value (calculated as above) of the policies not surrendered or transferred, may release the remainder. Tender of the amounts retained is then to be made to the policy holders entitled to them. If accepted, the policy is cancelled. If not the securities are returned to the Co. and the holder retains his policy and recourse against the Co.; or it may be continued in force by special agreement with the Co. and the equivalent securities so released. Tender is to be made by publication of a schedule with notice attached for 30 days in the *Canada Gazette*, and in other papers named by the Minister of Finance for such length of time as he orders, also by mailing from the office of the Supt. of Insurance, 30 days before the day fixed, to each policy-holder a similar notice. A policyholder not notifying his acceptance in the 30 days is held to decline the tender, but may be allowed to receive the amt. at any time before the assets are handed over to the Co. Annual sworn statements of the affairs of each Co., made by the chief officers thereof, in a form settled by the Minister of Finance, are to be furnished to him during the first 3 mos. of the year. Foreign Cos. use the form furnished for their Canada business, making that of their general business according to the form provided by the law of the country where incorporated or organized. For violation of these regulations a Co. forfeits \$50, and \$100 per month for a continuing neglect, for non-payment of which, license may be suspended or withdrawn. In computing the reserves necessary to be held to secure Canadian policy holders the Co. may use any standard table used by it in settling its rates and a rate of interest not over $4\frac{1}{2}$ p. c.; but if it appears to the Superintendent that so computed it falls short of the amt. under the table above prescribed—he may upon order of the Minister of Finance re-calculate them on that basis and substitute his amounts for the Cos., in its annual statement—the Co. being obliged to furnish him all necessary information and pay fees as above. The Co. may require the Superintendent to do this for them on payment of such fees. An exceptional rate of interest may be used, as above provided, for bonus additions and accrued profits. Cos. heretofore licensed which have computed their reserves hitherto on the basis of 5 p. c. interest may continue to do so for 10 years. The Superintendent is given like authorities and duties with respect to Life Cos., as are assigned to him by § V. c. 20, with respect to Fire and Inland Marine Cos. He shall, once in 5 years, (or oftener if ordered) value all Canadian policies on the above basis. He may, from time to time, when instructed visit the head office of a Co. and inspect its affairs, the Co. forfeiting its license if it refuses any necessary documents or information. They are to pay with other licensed Cos. *pro rata* upon their gross premiums, towards the expenses of the Superintendent's office