



CHAPTER 75

An Act to amend the Quebec Insurance Act for certain purposes

[Assented to, the 18th of May, 1935]

HIS MAJESTY, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows:

1. Section 94 of the Quebec Insurance Act (Revised R. S., c. 243, Statutes, 1925, chapter 243), as amended by the acts 18 George V, chapter 75, section 4, and 22 George V, chapter 82, section 1, is again amended by adding thereto, after sub-paragraph *e* of subsection 4 thereof, the following sub-paragraph:

“*f.* For every provincial mutual benefit association, such amount as may, on the recommendation of the Superintendent of Insurance, be required by the Lieutenant-Governor in Council;”

2. The said act is amended by adding thereto, after section 135 thereof, as replaced by the act 18 George V, chapter 75, section 7, and amended by the act 20 George V, chapter 90, section 4, the following:

“**135a.** No insurer, and no officer, employee or agent thereof, shall, directly or indirectly, make or attempt to make any agreement upon the premium to be paid for a policy other than as set forth in the policy, or pay, allow or give, or offer or agree to pay, allow or give, any rebate of the whole or part of the premium stipulated by the policy, or any other consideration intended to be in the nature of a rebate of premium, to any person insured or applying for insurance in respect of life, person, property, or other

insurable interests in the Province; and every insurer or other person who violates the provisions of this section shall be guilty of an offence under this act.

Permissible
payments.

Nothing in this section shall affect any payment by way of dividend, bonus, profit or savings which is provided for by the policy, nor be construed so as to prevent an insurer compensating a *bona fide* salaried employee of its head office or of any of its branch offices in respect of insurance issued by such insurer upon the life, person, property, or other insurable interests of its said employee, nor so as to require that such employee shall be licensed as an insurance agent under this act to effect such insurance."

R. S., c. 243,
s. 136, am.

Certain ac-
tions deem-
ed to be
offence.

3. Section 136 of the said act is amended by adding thereto, after the word "lapse", in the fifth line thereof, the words: "and any person acting as an agent for life insurance under this act who induces, directly or indirectly, an insured to allow to lapse or to forfeit or surrender, for cash, or for paid-up or extended insurance, or for other valuable consideration, his contract of life insurance with one insurer in order to effect a contract of life insurance with another insurer, or makes any false or misleading statement or representation in the solicitation or negotiation of the insurance, or coerces or attempts, directly or indirectly, to coerce a prospective buyer of life insurance in respect of the placing of life insurance, shall be guilty of an offence under this act".

R. S., c. 243,
s. 142a, add-
ed.

4. The said act is amended by adding thereto, after section 142 thereof, as replaced by the act 18 George V, chapter 75, section 8, the following:

Informa-
tion, etc., to
be privileged
etc.

"**142a.** Any information, document, record, statement or thing, communicated to or filed with the Superintendent of Insurance by an insurance company, concerning any person licensed or applying for a license under this act, shall be absolutely privileged and shall not be used as evidence in any action or proceeding in any court, brought by or on behalf of or against such person."

R. S., c. 243,
s. 172, am.

Reducing of
capital
stock.

5. Section 172 of the said act is amended by adding thereto, after subsection 1 thereof, the following subsection:

"1a. The board of directors of any joint-stock insurance company, incorporated under this act or a special act, may, when its paid-up capital stock is impaired, order by by-law the reduction of its paid-up capital stock by the sum necessary to wipe out such impairment, provided:

1. That the said by-law has been ratified by a special ^{Proviso.} general meeting of the shareholders representing at least two-thirds of the capital stock subscribed;

2. That the reduction of the paid-up capital stock be not less than the minimum amount that the company must possess in virtue of its incorporation;

3. That the by-law, as ratified by the shareholders, establish the par value of the shares of paid-up capital so reduced, and that the capital stock subscribed and not paid-up be reduced by a sum equal to the reduction ordered.

No by-law passed under this subsection may be put into force before having been approved by the Lieutenant-Governor in Council on the recommendation of the Superintendent of Insurance.” ^{Coming into force of by-law.}

6. Section 217*b* of the said act, as enacted by the act 20 George V, chapter 90, section 8, is replaced by the following: ^{R. S., c. 243, s. 217*b*, re-placed.}

“**217*b*.** Notwithstanding any law to the contrary, a minor of the full age of fifteen years may insure his life in his own favour or in favour of his lawful heirs or of any one or more of them, but he cannot exercise during his minority any option or privilege contained in the policy nor give a valid discharge to the company for any sum paid thereunder without the consent of a family council.” ^{Insuring by minor.}

7. The said act is amended by adding thereto, after section 217*c* thereof, as enacted by the act 22 George V, chapter 83, section 1, the following: ^{R. S., c. 243, s. 217*d*, added.}

“**217*d*.** Any person, other than an insurer or the duly authorized agent thereof, who advertises or holds himself out as a purchaser of life insurance policies or of benefits thereunder, or who trafficks or trades in life insurance policies for the purpose of procuring the sale, surrender, transfer, assignment, pledge or hypothecation thereof to himself or any other person, shall be guilty of an offence under this act.” ^{Certain advertising, etc., deemed to be offence.}

The provisions of this section shall not apply to persons, associations or corporations, accepting, in so far as their interests are concerned, transfers of policies as collateral security or, if there be occasion therefor, availing themselves of the conditions provided for by the contract determining such transfers.” ^{Restrictions.}

8. This act shall come into force on the day of its sanction. ^{Coming into force.}