



63 VICTORIA

CHAP. 35

An Act to amend the law regarding the inspection of insurance companies

[Assented to 23rd March, 1900]

HER MAJESTY, by and with the advice and consent of the Legislature of Quebec, enacts as follows :

1. Article 5382 of the Revised Statutes is replaced by the R. S., 5382, following articles : replaced.

“ 5382. Once in every five years, or oftener at the discretion of the Provincial Treasurer, the inspector shall himself value, or procure to be valued under his supervision all the policies of companies, and the first inspection shall be made after the first day of January, 1901 ; and such valuation shall, as to policies issued on or after the first day of January, 1901, and bonus additions or profits accrued or declared in respect thereof, be based on the mortality tables of the Institute of Actuaries of Great Britain, and on a rate of interest of three and one half per centum per annum. Valuation of policies by inspector.
When first inspection to be held.
Basis of valuation.

The word “ policies ” applies to annuity contracts as well. “Policies” interpreted.

“ 5382a. If it appear to the inspector that the liabilities of any company, including matured claims and the full reserve or re-insurance value for outstanding policies estimated or computed on the basis mentioned in the next preceding article, exceed its assets, or that its assets are insufficient to justify its continuance of business, or that it is unsafe Report by inspector in certain cases.

for the public to effect insurance with it, he shall report the fact to the Provincial Treasurer."

Arts. added
after R. S.,
5394.

Tables of
mortality to
be used by
companies in
estimating,
&c., reserve.

2. The following articles are added after article 5394 of the Revised Statutes :

"5394a. In computing or estimating the reserve necessary to be held in order to cover the liability to policy-holders, each company may, as to policies issued on or after the first day of January, 1900, and bonus additions or profits accrued or declared in respect thereof, employ any of the standard tables of mortality as used by it in the construction of its tables and any rate of interest not exceeding three and one-half per centum per annum ; but if it appear to the inspector that such reserve falls below that computed on the basis stated in article 5382 of these Revised Statutes, he shall so report to the Provincial Treasurer, who may thereupon direct the inspector to compute or to procure to be computed under his supervision the reserve on the basis therein mentioned ; and the amount so computed, if it differ materially from the return made by the company may be substituted in the annual statement of assets and liabilities ; and in such case the company shall furnish to the inspector, on application, the full particulars of each of its policies necessary for such computation, and shall pay to the inspector an amount at the rate of three cents for each policy or bonus addition so computed, which amount he shall pay over to the Provincial Treasurer.

Act not to
apply to cer-
tain business.

"5394b. This act shall not apply to business transacted before the first of January, 1901."

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Most Excellent Majesty.