

Amount
to be
subscribed
and paid
before com-
mencement of
business.

5. The Company shall not commence business until at least four million dollars of the capital stock has been bona fide subscribed and at least one million dollars paid thereon, together with a contribution to surplus of one million dollars.

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Head office.

6. The head office of the Company shall be in the city of Toronto, in the province of Ontario.

Classes of
insurance
authorized.
Proviso.

7. The Company may undertake, transact and make contracts of mortgage insurance: Provided that every such contract of mortgage insurance shall contain 10 a provision to the effect that the Company may, at its option, limit its liability thereunder to twenty per cent of the aggregate of the following items

- (a) the unpaid principal amount of the mortgage loan as at the date of any claim under the 15 contract;
- (b) reasonable charges relating to the mortgaged property for public utilities, insurance premiums and real property taxes and rates;
- (c) all interest due or accrued and unpaid at the 20 mortgage interest rate on the amounts specified in items (a) and (b); and
- (d) reasonable legal fees and disbursements incurred in connection with the realization of the mortgage security.

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R.S., c. 31;
1956, c. 28;
1957-58, c. 11;
1960-61, c. 13.

8. The *Canadian and British Insurance Companies Act* shall apply to the Company.