

No. 65.

4th Session, 1st Parliament, 34 Vict., 1871.

B I L L

An Act to incorporate the Mutual Insurance Company of Canada.

Private Bill.

MR. WORKMAN.

OTTAWA.

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An Act to incorporate "The Mutual Insurance Company of Canada."

WHEREAS William Workman, President of the City Bank, F. P. Pominville, Q.C., John Grant, M. P. Ryan, M.P., Angus C. Hooper, Alexander Empey, George Smith, William Darling, Frederick W. Henshaw, Alexander Walker, the Honorable L. S. Huntington, M.P., Q.C., W. W. Ogilvie, of A. W. Ogilvie & Co., William Sache, John Cavan, John Ogilvy, and Edward Rawlings, all of the City of Montreal, in the Province of Quebec, have petitioned the Legislature of the Dominion of Canada, praying that a Company be incorporated under the name of "The Mutual Insurance Company of Canada," to enable the said petitioners and their associates to carry on the business of insurance, in the several branches usually known as Life Insurance, Guarantee of Fidelity Insurance, and Accident Insurance; Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. All such persons as now are or shall hereafter become members of the said Company, and their respective administrators, executors and assigns, shall be and are hereby constituted and declared to be a corporation, body politic and corporate, under the name of "The Mutual Insurance Company of Canada," and shall be legally authorized to effect contracts of insurance, with any persons or corporations, on life or lives, or on any event, loss, or risk in any manner dependent on life or lives; to grant, sell, or purchase annuities; to grant endowments; to purchase contingent rights, reversions, remainders, and generally to enter into any transaction dependent on the contingency of life and such as are usually transacted by Life Assurance Companies, including re-insurance.

2. To effect contracts of insurance against any error, default, irregularity, misconduct, dishonesty, embezzlement, or malversation of agents, attorneys, clerks, depositaries, warehousemen, employés, or any person entrusted with or employed in the management of the affairs of others, whether as a public officer, or as acting for a Corporation or an individual, and in whole or in part entrusted with their moneys and effects, including re-insurance.

3. To effect contracts of insurance against all or any accident whatever to the person, as well as against loss through sickness or injury, and against loss and damage to property, by accident, either by land or water (except from risks generally distinguished as fire and marine risks), including re-insurance.

4. The business of Life Assurance and its accessories, as hereinbefore firstly described, shall be entered into, prosecuted and main-

tained by the Company as a distinct department, under the name and style of "The Mutual Insurance Company of Canada, Life."

Guarantee Insurance.

3. The business of Guarantee Insurance and its accessories, as hereinbefore secondly described, shall be entered into, prosecuted, and maintained by the Company as a distinct department, under the name and style of "The Mutual Insurance Company of Canada, Guarantee." 5

Accident Insurance.

4. The business of Accident Insurance and its accessories, as hereinbefore thirdly described, shall be entered into, prosecuted, and maintained by the Company as a distinct department, under the name and style of "The Mutual Insurance Company of Canada, Accident." 10

Separate accounts.

5. The Company shall maintain separate accounts of its general business as well as of the several departments, so that the same shall be kept separate and distinct in every respect, as if they were distinct Companies. Nothing however herein contained shall be held to prevent the Company from providing for the management of the three departments by one board, either with or without sub-boards, as may be found convenient, or from charging expenses which are for the benefit of two or more of the departments as general expenses, and apportioning the same equally among the separate departments. 15 20

Separate Funds.

6. The funds of each department shall be received, invested, and the accumulations and profits or liabilities and losses apportioned to the parties assured or investing in such department, nor shall the assets or profits of one department be in any way liable for, nor applied to the purposes of any other department than that in which the same originated or was invested, and the same shall be kept distinct, both as to losses, liabilities, claims, and expenses, as to assets, investments and profits. 25 30

Membership.

7. Any individual, corporation, or legal or beneficial holder of a policy of insurance, or certificate of guarantee deposit, as a subscriber of at least one thousand dollars to the guarantee fund hereinafter mentioned, and who shall have paid the calls thereon, shall be a member of the Company, and entitled to all the benefits thereof, under the provisions of this Charter and the by-laws of the Company. 35

Head Office and Agencies.

8. The head office of the Company shall be in the City of Montreal, in the Province of Quebec, but branch boards or agencies may be established, either within the Dominion of Canada or elsewhere, as well as sub-boards for the separate departments in such manner as the directors may from time to time appoint. 40

Conduct of business.

9. The Company is authorized to conduct its business on such principle and plan as the Board of Directors may from time to time determine. 45

By-laws for the management of the Company.

10. The Company shall enact by-laws to carry out the objects of this Act, and for the organization, maintenance and government of the Company, as hereinafter provided, and such by-laws shall in the first instance be submitted at a meeting of the members specially called for that purpose, after due notice, as hereinafter 50

provided, and may be adopted by a vote of the majority of the members present at such meeting, and may from time to time be altered and amended by the Directors, under the sanction of the majority of the members present at any meeting called for such purpose; and all such by-laws so legally made in accordance with the objects of this Act, and not inconsistent with law, shall be legal and binding, until altered, amended or repealed.

11. The first Board of Directors of the Company shall consist of not less than seven nor more than twenty-one Directors, five of whom shall form a quorum, and one of such Directors shall be elected President by the other Directors. Such of the said petitioners hereinbefore named, or other persons necessary to complete the Board, who shall qualify themselves to act as Directors by a subscription of at least one thousand dollars to the guarantee fund (hereinafter provided for), and who shall apply for a policy of insurance in the Company, and subscribe to a declaration to that effect in a sum of at least two thousand dollars on a life policy, or of at least five thousand dollars on a guarantee or accident policy, shall be entitled to act as Directors of the Company on the first Board at the head office, and to continue to act as such for three years immediately subsequent to the organization of the Company, and shall prepare the by-laws for the management of the Company, as hereinbefore provided. The last named of the said petitioners shall, on qualification as a Director as aforesaid, be entitled to act as Managing Director of the Company for three years, and shall, under the direction of the Board, and on such terms as they may appoint, manage the affairs of the Company. The Board of Directors shall have the right to appoint all the officers of the Company, and to appoint sub-boards and agents, and the same to remove and others in their place to nominate, in whatever manner a vacancy may arise.

First Board of Directors.

12. A general meeting of the Company shall be called once in each year, as the Directors may appoint, after not less than ten days' notice in one or more newspapers published in the city of Montreal; at which meeting a statement of the affairs of the Company for the past year shall be submitted. Special general meetings may at any time be called by the Directors, specifying in the notice the object of such meeting.

Annual meeting.

Annual statements.

Special meetings.

13. After the term of three years for which the first Board of Directors are appointed shall have expired, one-third of the Directors shall retire annually, by ballot among themselves, and the election of their successors shall be held at the annual meeting; nothing, however, shall prevent the retiring Directors from being re-elected.

Retiring Directors.

14. The Company shall be authorized to establish a guarantee fund of not less than fifty thousand dollars in each or all of the said departments, and to pay to the subscribers thereof, out of the profits of such department to which the subscription is made applicable, not more than six per cent interest per annum on the amount actually paid up, together with not more than ten per cent per annum of the profits, and to repay the principal in instalments of not less than twenty-five per cent. to the subscribers, out of the profits of the Company, so soon as the Company shall

Guarantee Fund.

have deposited a like sum in the hands of the Receiver General of the Dominion of Canada, under the provisions of the Act intituled "An Act respecting Insurance Companies," or any amendment thereto, to which last recited Act, and to all the provisions thereof the Company is declared subject. 5

Preliminary expenses, &c.

15. The guarantee fund, to the extent of twenty-five per cent. may, if necessary, be used and applied during the three years immediately succeeding the organization of the Company, in the payment of any losses which may occur, or in preliminary expenses, for the benefit of one or all of the several departments. 10

Commencement of business.

16. So soon as twenty persons shall have applied for policies of insurance in any one or all of the said departments, to the extent of at least fifty thousand dollars in the aggregate, and subscriptions shall have been made of at least fifty thousand dollars to the guarantee fund in the life department, and twenty-five per cent. paid 15 thereon, as well as a license issued by the Receiver General, the Company may commence business in the Life Department.

Failure of one department.

17. The failure of one department shall not necessitate the suspension of the business of the other departments, nor subject the remaining department or departments to the provisions of the Act 20 thirty-first Victoria, cap. forty-eight, as relates to their becoming insolvent.

No loans to officers of the Company.

18. No officer of the Company shall become a borrower of any portion of its funds, nor become surety for any other person, who shall become a borrower from the Company. 25

Corporate seal.

19. The Company may sue or be sued, but shall not require a corporate seal, although they may, if they see fit, adopt and use one.

Real estate securities.

20. The Company may hold such real estate as shall have been 30 *bonâ fide* mortgaged to it by way of security, or conveyed to it in satisfaction of debts or judgments recovered, and it shall be lawful for the Company to invest its funds in the securities of the Dominion of Canada, or of any of the Provinces comprising the Dominion, and in the bonds, debentures and stock of any municipality 35 or incorporated Company transacting business in any of the Provinces of the Dominion, or on mortgage of real estate; Provided always, that all real estate so mortgaged or conveyed in security as aforesaid, shall be sold and disposed of within ten years from the time of its becoming the absolute property of the Company. 40

Foreign securities.

21. The Company may invest or deposit such portion of its funds in foreign securities as may be necessary in the establishment or maintenance of any foreign branch.

Real estate.

22. The Company may hold real estate for its use and accommodation, as well as personal property, and may sell or mortgage 45 the same; Provided that the real estate shall be of not more than the yearly value of twenty thousand dollars.

23. The Company may, with the consent of a majority of the members present at a meeting called for such purpose, acquire the business of other Insurance Companies, or amalgamate with them. Amalgamation, &c.

24. The shares of the subscribers to the guarantee fund shall be transferable under the sanction of the Company, and in accordance with the by-laws; but the Company shall not be liable for the execution of any trust, whether expressed, implied or constructive. Shares in Guarantee Fund transferable.

25. Sections twelve, fourteen, thirty-one, thirty-seven, and forty of "The Canada Joint Stock Companies Clauses Act, 1869," shall apply to this Act, and be incorporated therewith. Sections of Joint Stock Companies Act.