

No. 60.

1st Session, 2nd Parliament, 36 Victoria, 1873.

BILL.

**An Act to incorporate the Dominion Fire
and Inland Marine Insurance Company.**

(PRIVATE BILL.)

MR. WITTON.

OTTAWA:

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1873.

An Act to incorporate the Dominion Fire and Inland Marine Insurance Company.

WHEREAS Edward Brown, Anthony Copp, John Harvey, Preamble.

Edward Martin, Alexander Harvey, C. R. Murray, A. McInnes, Dennis Moore, W. G. Stark, Adam Brown, A. T. Wood, Alexander Murray, W. E. Sanford, and others, have by their
 5 petition represented that the establishment of an association for the insurance of fire and inland marine risks would be greatly beneficial, and have prayed for an act of incorporation for the purpose of carrying on a business of that nature under the name of the Dominion Fire and Inland Marine Insurance Com-
 10 pany, and it is expedient to grant their prayer; Therefore Her Majesty, by and with the advice of the Senate and House of Commons of Canada, enacts as follows :

1. The persons hereinbefore mentioned, and all such persons as
 now are or hereafter shall become shareholders of the said Com- Certain persons incor-
 15 pany, shall be and are hereby ordained, constituted and declared to be a body corporate and politic in law, in fact, and in name, by the style and title of the Dominion Fire and Inland Marine Inland Insurance Company, for effecting insurance, against fire and inland marine risks.

2. The capital stock of the said Company shall be one million Capital stock.
 20 dollars, divided into twenty thousand shares of fifty dollars each, which said shares shall be and are hereby vested in the several persons who shall subscribe for the same, their legal representatives and assigns, subject to the provisions of this Act.

3. For the purpose of organizing the said Company, A. Mc- Provisional
 25 Innes, Edward Moore, Anthony Copp, John Harvey, C. R. Murray, Edward Martin and Alexander Harvey shall be provisional directors thereof, and they, or a majority of them may cause stock books to be opened, after giving due public notice thereof
 30 by advertisement for two weeks in one or more of the daily papers published in the city of Hamilton, upon which stock books shall be recorded the subscriptions of such persons as shall desire to become shareholders in the said Company, and such books shall be opened in the city of Hamilton, and elsewhere, at the discre-
 35 tion of the said provisional directors, and shall remain open as long as they deem it necessary, and the provisional directors are hereby authorized to receive from the shareholders a deposit of five per cent. on the amount of their stock subscribed by them respectively. Stock books may be
 opened.
 Deposit on
 account of
 shares.

4. When and so soon as two hundred and fifty thousand dollars First general
 40 of the said capital stock shall have been subscribed as aforesaid, and five per cent. of the amount so subscribed paid in, the said meeting of
 shareholders.

provisional directors shall call a general meeting of shareholders at some place to be named in the city of Hamilton, giving at least ten days' notice thereof in the *Canada Gazette*, and also in some daily newspaper published in the said city; at which annual meeting the shareholders present in person or by proxy shall elect seven directors in the manner and qualified as herein- 5
after provided, who shall constitute a board of Directors, and hold office for one year after their election.

- Payment of instalments on shares.** 5. The shares of capital stock subscribed for shall be paid, in and by such instalments and at such times and places as the said Directors shall appoint; no such instalment shall exceed ten per cent., of which call thirty days' notice shall be given, and executors, administrators and curators paying instalments upon the shares of deceased shareholders shall be and they are respectively indemnified for paying the same. Provided always that it shall not be lawful for the said Company to commence the business of fire and inland marine insurance, until a sum of not less than twenty-five thousand dollars shall have been actually paid in on account of the subscribed stock. 15
- Proviso.**
- Annual general meeting.** 6. The stock, property, affairs and concerns of the said Company shall be managed and conducted by seven directors, one of whom shall be chosen President and one Vice-President, who shall hold office for one year, which Directors shall be shareholders residing in Canada, and be elected (after the expiry of the year for which the board to be elected under the provisions of the fourth section shall hold office) at the annual general meeting of shareholders to be holden at Hamilton on the anniversary of the first election of Directors, and on the same or such other day in each following year as may be appointed by by-law not less than ten days' notice of such meeting being given, as provided in section four; the said election shall be held and made by such of the shareholders present in person or by proxy as shall have paid all calls made by the Directors and then due; and all such elections shall be by ballot, and the seven persons who shall have the greatest number of votes at any such election shall be Directors, except as hereinafter directed; and if two or more persons have an equal number of votes in such a manner that a greater number of persons than seven shall appear to be chosen as Directors, then the Directors who shall have the greater number of votes, or a majority of them, shall determine which of the said persons so having an equal number of votes shall be the Director or Directors, so as to complete the whole number of seven; and the said Directors (as soon as may be after the said election) shall proceed in like manner to elect by ballot one of their number to be the President, and one to be the Vice-President, but shareholders not residing within the Dominion of Canada shall be ineligible, and if any Director shall move his domicile out of Canada, his office shall be considered as vacant; and if any vacancy should at any time happen amongst the said Directors by death, resignation, disqualification, or removal during the current year of office, such vacancy shall be filled for the remainder of the year by the remaining Directors, or the majority of them, electing in such place or places a shareholder or shareholders eligible for such an office; Provided always that no person shall be eligible to be or continue as Director unless he shall hold in his name and for his own use stock in the said Company to the amount of forty shares, whereof after the first election of Directors at least ten per cent. shall have been paid in, and shall have paid all calls 20
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- Election of directors.**
- Who may vote. Proxies. Ballot.**
- Equality of votes.**
- President and Vice-President.**
- Vacancies.**
- Qualification of directors.**

made upon his stock, and all liability actually matured and incurred by him with the Company.

7. In case it should at any time happen that an election of Directors of the said Company should not be made on any day when pursuant to this Act it should have been made, the said Company shall not for that cause be deemed to be dissolved, but it shall be lawful on any other day to hold and make an election in such a manner as may be regulated, directed and appointed by the Directors for the time being, and the Directors in office shall so continue until a new election is made.

Provision in case of failure to hold election.

8. At all general meetings of the said Company each shareholder shall be entitled to give one vote for every share held by him for not less than fourteen days prior to the time of voting upon which all calls then due have been paid up, such votes may be given either in person or by proxy, the holder of any such proxy being himself a shareholder, and all questions proposed for the consideration of the shareholders shall be determined by the majority of votes; the chairman presiding at such meeting having the casting vote in case of an equality of votes: provided that no clerk or other employee of the said Company shall vote either in person or by proxy at the election of Directors.

Voting at general meetings.

Proviso.

9. The said Company shall have power and authority to make and effect contracts of assurance with any person or persons, body politic or corporate, against loss or damage by fire on any houses, stores or other buildings whatsoever, and in like manner on any goods, chattels or personal estate whatsoever, for such time or times, and for such premiums or considerations and under such modifications and restrictions, and upon such conditions as may be bargained and agreed upon or set forth by and between the Company and the person or persons agreeing with them for such insurance, and also to make and effect contracts of insurance with any person or persons, body politic or corporate, against loss or damage of or to lake-going ships, boats, vessels, steamboats, or other craft, or on any ships, boats, vessels, steamboats, or other craft, navigating the River St. Lawrence from Quebec upwards, or lakes, or any other inland navigable waters whatsoever, from any inland port or ports in Canada, or to any other inland port or ports in Canada, or to any inland foreign port or ports, upon the lakes, rivers, or other inland navigable waters aforesaid, or from one inland foreign port through inland navigable waters to another inland foreign port, or from any inland foreign port or ports, through inland navigable waters, to any inland port or ports in Canada, or elsewhere, upon all or any of the lakes, rivers, and inland navigable waters aforesaid, and against any loss or damage of or to the cargoes or property conveyed in or upon such ships, vessels, boats, or other craft, and the freight due or to grow due in respect thereof; or of or to timber or other property of any description conveyed in any manner upon all or any of the said lakes, rivers, and inland navigable waters aforesaid; or on any railway, or stored in any warehouse or railway station, and generally to do all matters and things relating to or connected with inland marine insurances on all or any of the lakes, rivers and inland navigable waters aforesaid, and to make and grant policies therein and thereupon, and to cause themselves to be insured against any loss or risk they may have incurred in the course of their business, and generally to do and perform all other necessary matters and

Business of the Company.

things connected with and proper to promote those objects; and all policies or contracts of insurance issued or entered into by the said Company shall be under the seal of the said Company, and shall be signed by the President or Vice-President, and countersigned by the Managing Director or Secretary, or otherwise, as may be directed by the by-laws, rules and regulations of the Company in case of the absence of any of the said parties, and being so sealed, signed and countersigned, shall be deemed valid and binding upon them according to the tenor and meaning thereof; and the chief place of business of the Company shall be in the city of Hamilton, and no insurance shall be effected by them in any Province other than the Province of Ontario, until the Company shall have established an office in such other Province, with a local agent, and in that case service of process in such other Province may be made at such local office or upon such local agent personally.

Policies to be under seal; and by whom signed.

Chief place of business.

Appointment of agents.

10. It shall be lawful for the Dominion Fire and Inland Marine Insurance Company to appoint under the corporate seal of the Company resident agents at any port or place within the Dominion of Canada or elsewhere, for the purpose of effecting at such ports or places inland marine insurance upon ships, freights, and cargoes and insurances against losses by fire on buildings and other property, real and personal, subject to such conditions, restrictions and provisos as the said Company shall from time to time establish and impose.

Forfeiture of shares for non-payment of calls.

11. If any shareholder shall refuse or neglect to pay the instalments due upon any share or shares held by him, the Directors may forfeit such share or shares, together with the amount previously paid thereon, in such manner as may be provided by the by-laws; and such forfeited share or shares may be sold at a public sale by the Directors after such notice as they may direct, and the moneys arising therefrom shall be applied for the purposes of this Act; Provided always, that in case the money realized by any sale of shares be more than sufficient to pay all arrears and interest, together with the expenses of such sale the surplus of such money shall be paid on demand to the owner, and no more shares shall be sold than what shall be deemed necessary to pay such arrears, interest and expenses.

Calls may be paid after forfeiture.

12. If payment of such arrears of calls, interest and expenses be made before any share so forfeited shall have been sold, such share shall revert to the owner as if the same had been duly paid before forfeiture thereof, and in all actions or suits for the recovery of such arrears or calls it shall be sufficient for the Company to allege that the defendant being the owner of such shares is indebted to the said Company in such sum of money as the calls in arrear amount to, for such and so many shares, whereby an action hath accrued to the Company by virtue of this Act, and on the trial it shall only be necessary to prove that the defendant was owner of the said shares in the Company that such calls were made, and that notice was given as directed by this Act, and it shall not be necessary to prove the appointment of the Directors who made such calls, or any other matter whatsoever other than what is before mentioned; a copy of any by-law, rule, regulation, or minute, or of any entry in any book of the Company certified to be a true copy or extract under the hand of the President or a Vice-President or the Manager or Secretary of the Company, and sealed with the corporate seal, shall be received in all Courts and proceedings as *prima facie* evidence of such by-law, rule,

Suits for recovery of calls and what only need be alleged and proved therein.

regulation, minute or entry without further proof thereof, and without proof of the official character or signature of the officer signing the same, or of the corporate seal.

13. At all meetings of Directors there shall be a quorum for the transaction of business, and all questions before them shall be 5 decided by a majority of votes, and in case of an equality of votes the President, Vice-President or Presiding Director shall give the casting vote in addition to his vote as a Director. Meetings of directors.

14. At the annual meeting of the shareholders the election of Directors shall be held and all business transacted without the 10 necessity for specifying such business in the notice of such meeting; and at such meeting a general balance sheet and statement of the affairs of the Company, with a list of all the shareholders thereof, and all such further information as may be required by the by-laws, shall be laid before the shareholders. 15 Special general meetings of shareholders may be called in such manner as may be provided for by the by-laws; and at all meetings of the shareholders the President, or in his absence the Vice-President, or in the absence of both of them a Director 20 chosen by the shareholders shall preside, who, in case of an equality of votes shall give the casting vote in addition to his vote as a shareholder. Business to be transacted at annual meetings. Special general meetings. Who shall preside.

15. The Directors shall have full power and authority to make, and from time to time to alter such by-laws, rules, regulations and ordinances as shall appear to them proper and needful, touching 25 the well-ordering of the Company, the management and disposition of its stock, property, estate and effects; the calling of special general meetings; the regulation of the meetings of the Board of Directors; the increasing the number of Directors; the appointment of a Managing Director, and of sub-boards to facilitate the 30 details of business and the definition of the duties and powers of such sub-boards; the making of calls upon the subscribed capital; the issue and allotment of shares; the appointment and removal of officers and agents of the Company; the regulation of their powers and duties, and the salaries to be paid to them; the regulation of the transfer of stock and the form thereof; the compensation of Directors, and the establishment and regulation of agencies: 35 Provided always, that all such by-laws, rules, regulations and ordinances made by the Directors as aforesaid, shall only be valid and binding until the next annual general meeting of the shareholders, unless they are then approved by such meeting, and shall 40 thereafter have force and effect as so approved or modified at such meeting; and provided further that such by-laws do not contravene the provisions of this Act. Power of directors to make by-laws. Provide; by-laws to be submitted for approval of shareholders.

16. The Company shall have power to acquire and hold real 45 estate for the purpose of its business within the Dominion of Canada of an annual value not exceeding ten thousand dollars, and to sell or dispose of the same and acquire other property in its place, as may be deemed expedient, and to take, hold and acquire all such lands and tenements, real or immovable estate, as shall 50 have been *bona fide* mortgaged to it by way of security or conveyed to it in satisfaction of debts previously contracted in the course of its dealings, or purchased at sales upon judgments which shall have been obtained for such debts, or purchased for the purpose of avoiding a loss to the Company in respect thereof, or of the

- owners thereof, and to retain the same for a period not exceeding ten years; and the Company may invest its funds or any part thereof in the public securities of the Dominion of Canada, or of any of the Provinces thereof, or of any foreign state or states (such investments in the securities of foreign states not to exceed fifty percent. of the paid up capital stock of the Company) or in the stocks of any chartered banks or building societies, or in the bonds or debentures of any incorporated city, town or municipality authorized to issue bonds or debentures, or in mortgages on real estate, and may from time to time vary or sell the said securities or mortgage, or pledge the same from time to time as occasion may require
- Investment of funds.** 5
- Transfer of shares.** 17. No transfer of any share of the stock of the said Company shall be valid until entered in the books of the said Company according to such form as may from time to time be fixed by the by-laws; and until the whole of the capital stock of the said Company is paid up it shall be necessary to obtain the consent of the Directors to such transfer being made; Provided always, that no shareholder indebted to the Company shall be permitted to make a transfer or receive a dividend until such debt is paid or secured to the satisfaction of the Directors; and no transfer of stock shall at any time be made until all calls thereon have been paid in. 20
- Proviso.**
- Liability of shareholders limited.** 18. Each shareholder shall be individually liable to the creditors of the Company to an amount equal to the amount unpaid on the stock held by him for the debts and liabilities thereof, but no further, and the shares shall be deemed personal estate. 25
- Shareholders to be competent witnesses.** 19. Suits may be prosecuted or maintained by any shareholder by or against the Company, and no shareholder shall be incompetent as a witness in any proceeding by or against this Company.
- Declaration of dividends.** 20. The Directors of the Company at a meeting held for such specified purpose may declare such annual or semi-annual dividends upon the capital stock as they shall deem justified by its business, so that no part of the capital thereof be appropriated to such dividends; and also may by resolution order that the holders of policies or other instruments shall be paid such portion of the actual realized profits in such proportions, at such times, and in such manner as the said Directors may think proper, and may enter into obligations so to do either by endorsement on the policies or otherwise; Provided always, that the holders of policies or other instruments so participating in the profits, shall not be in anywise answerable or responsible for the debts of the said Company. 30
- Participation by policy-holders.** 35
- Proviso.** 40
- Where suits may be tried.** 21. Any suit cognizable in any division or local court upon or for any premium note given for any marine or fire insurance may be entered and tried and determined in the Court for the division wherein the head office or any agency of the Company is situated. 45
- This Act and the Company to be subject to Insurance Acts.** 22. This Act and the Company hereby incorporated, and the exercise of the powers hereby conferred, shall be subject to the provisions contained in the Act thirty-first Victoria, chapter forty-eight, intituled "An Act respecting Insurance Companies," as amended by the Act thirty-fourth Victoria, chapter nine, and 50 to such other legislation on the subject of insurance as may from time to time be passed.