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No.

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4th Session, 3rd Parliament, 14th Vict., 1851.

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## **BILL.**

An Act to Incorporate the Marine  
Mutual Insurance Company of Mon-  
treal.

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Received and read, first time,  
1851.

Second reading, 1851.

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HON. MR. BADGLEY.

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Printed by Lovell & Gibson, Front Street.

## BILL.

### An Act to incorporate the Marine Mutual Insurance Company of Montreal.

**W**HEREAS the formation and establishment of Marine Preamble.  
and Inland insurance Companies in this Province is of  
great public utility, and whereas the several persons hereinafter  
named are willing and desirous to establish and maintain  
5 such a Company with mutual division of profits between the  
shareholders and the insured, but the same cannot be effected  
with advantage without the aid and authority of the Legis-  
lature: Be it enacted, &c.

That the Honorable George Moffatt, John Gordon Macken- Incorporation  
10 zie, John Young, James B. Greenshields, Hugh Allan, L. H. of Company.  
Holton, Henry Starnes, John Glennon, Haviland L. Routh,  
William Muir, Henry M'Kay, J. O. Moffatt, James Law,  
Maurice Cuvillier, Wm. Edmonstone, James Burns, A. Gilmour,  
Edward Maitland, and every other person who shall hereafter  
15 become a shareholder of the said Company, shall be and are  
hereby united into a company for effecting and making Inland  
Navigation and Marine Insurance, according to the rules,  
orders and directions hereinafter mentioned, and for that pur-  
pose shall be one body corporate until the first day of January,  
20 one thousand nine hundred and fifty, under the name of "*The*  
*Marine Mutual Insurance Company of Montreal.*"

II. That the said Company shall have power and authority Powers and  
to make with any person, all and every insurance connected authority to  
with marine risks and risks of navigation and transportation insure vessels  
25 by water, against loss or damage of or to any vessel, steamer, cargoes, &c.  
boat or other craft, either sea-going or navigating upon the  
lakes, rivers or navigable waters of this Province or elsewhere,  
and of and to any cargo, goods, wares and merchandize, specie,  
bullion, jewels, bank notes, bills of exchange and other evidences  
30 of debt conveyed therein, and of and to any timber or other pro-  
perty of every description borne or carried by water, and of and to  
any freight, profit, commission, bottomry or respondentia interest,  
and to cause themselves to be re-insured, when deemed expedi-  
ent, against any loss or risk upon which they have made or may  
35 make insurance, and generally to do and perform all other neces-  
sary matters and things relating to such objects.

III. That the said Company shall have power and authority Power to hold  
to purchase, have and hold to them and their successors, any real estate  
real or immoveable estate, lands and tenements, which shall limited, and to  
40 not at any time exceed the value of five thousand pounds, and take same as  
which shall be necessary for their immediate accommodation in security.  
relation to the convenient transaction of their business, and the  
same to sell and dispose of and others to acquire: and to take  
and hold any real estate *bona fide* mortgaged and hypothecated  
45 to the said Company by way of security, or conveyed to them in  
satisfaction or payment of any debt previously contracted in  
the course of their dealings, or purchased at any sale under  
any judgment, order or decree of any competent Court, or by

virtue of any proceedings at law which may have been obtained for such debt, and to hold the said real estate for a period not exceeding *two* years, during which time the said Company shall be bound to sell or dispose of and convert the same into money or personal property. 5

Company may invest funds in real estate, bonds, &c.

IV. That it shall be lawful for the said Company to invest their funds or any part thereof in loans on real estate, or bond and mortgage, or mortgage *hypothèque* on real estate worth fifty per cent. more than the sum loaned thereon, and the same to call in and re-loan, as occasion may render 10 expedient, and in the purchase of any of the public securities of this Province, the stocks of any chartered bank or other chartered company, the bonds and debentures of the Government of Canada or of either of the heretofore Provinces of Upper Canada or Lower Canada, or of any incorporate 15 City or Town, or Municipal District in the said Province, and

Proviso.

to sell and transfer the same: Provided always, that the Company shall not deal in, use or employ any part of their funds in buying or selling any goods, wares or merchandises, 20

Proviso.

And provided further, that the said Company shall not invest any part of their said funds in any bottomry or respondentia bonds, excepting upon vessels which shall be insured by the said Company at the time of taking such bonds, to an amount equal to the sum secured to be paid by the condition 25 of such bond; nor shall any such bond be made payable at a time subsequent to the time at which the policy of such insurance shall expire.

Capital Stock divided into Shares.

V. That the Capital Stock of the said Company shall be formed of the sum of twenty-five thousand pounds, divided 30 into shares of twenty-five pounds each, which shall be paid in cash, or secured by the hypothecation of the Stocks or Public Securities mentioned in the previous Section, and being worth, at least ten per cent. more than the amount for which they shall be hypothecated; and the said Capital Stock, with the 35 property of the Company and the premiums reserved shall be held liable for the payment of all engagements, loss or damage, that may from time to time occur and be justly claimed from or charged upon the said Company; and the said Capital Stock may be increased to a sum not exceeding one hundred 40 thousand pounds, as a majority of the Shareholders at a meeting expressly convened for the purpose shall agree; which said increase shall be divided into Shares of similar amount, and be paid, invested and secured, and be liable for the debts of the Company in the same manner as the original Stock; 45 and the Shares of the increased Stock shall entitle to vote at any election, and be assignable and transferable, and be subject to the same rules and regulations from time to time established and made by the Directors, in the same manner as the said original Stock. 50

Management by a Board of Directors.

VI. That the Corporate powers, property and business of the Company shall be conducted and managed by a Board of five Directors, which Board, in the first instance and until the first 55 General Annual Meeting of the Company as hereinafter provided, and until others may be chosen and appointed thereafter as herein provided, shall consist of the said Hon. George Moffatt, John Gordon Mackenzie, Hugh Allan, John Young, L. H. Holton,

named in the first section of this Act; but shall be immediately eligible for re-election; and thereafter the Directors shall be elected annually at the said General Annual Meeting, and be eligible for re-election as aforesaid; and all elections of Directors shall be by ballot, and shall be held at a General Meeting of the Company by the Members thereof, present in person or by proxy, and in case of a failure, to elect from an equality in the number of votes for more than five Directors a new election shall be held to fill the undetermined places: And in case of any vacancy occurring in the number of Directors, such vacancy shall be filled up for the remainder of the year in which it may happen, by a Member, to be nominated by a majority of the Directors: Provided that no Member shall be elected or nominated to the office of Director, who shall not be a Shareholder in the Company to the extent of twenty Shares, at the time of his election, and during his continuance in office: Provided always, That the authority to any such proxy to vote at such Meeting shall be produced, thereat. And further provided, that one person only shall be allowed to vote at the same election on the same Share or Certificate.

Election by ballot.

Proviso.

Proviso.

VII. That each holder of Shares, held by him in his own name, or the name of a firm of which he is a partner, and each person having in his possession a certificate representing actual profits at the time of the election, to the amount of not less than fifty pounds, undiminished by payments, or subsequent losses, shall severally be entitled to one vote, in the election of Directors, for each Share so held by him, or for each such amount of actual profits.

Qualification of electors.

VIII. That the Corporation shall not be deemed to be dissolved by a failure to elect Directors at the time when such election should be made pursuant to this Act, but such election may be made on any other day, in such manner as may be directed and required by the By-laws of the Company, and the Directors in office shall continue until such new election shall be made.

Failure to elect not a dissolution of the Company

IX. That the Annual General Meetings of the Company shall be held on the first Tuesday of the month of April in each year, of which the first shall be held on the said day in the year one thousand eight hundred and fifty-two; and Public Notice of all such Meetings shall be given in the Canada Gazette, and in one Newspaper, published in the Cities of Montreal and Quebec respectively, at least ten days previous to the time of holding such General Meeting: Provided that any ten or more Shareholders representing one-third of the Stock of the Company, may require the Directors to call a Special General Meeting of the Shareholders, in the manner provided for the Annual Meetings; and on their refusal or neglect so to do, may, themselves, call such meeting in the same manner.

Time of General Annual Meetings.

Proviso to call Special Meetings

X. That any number of the Directors aforesaid being a majority of them, shall have full power and authority to make, prescribe, alter, amend or repeal such By-laws Rules, Regulations and Ordinances, as shall appear to them proper and needful, touching the well ordering of the Company, the management and disposition of its Stock, property, estate and effects, the rates and amount of Insurance, and the issuing of Policies; and also to call in any instalment at such time and season as they shall think fit, giving due notice thereof as hereinafter pro-

Directors may make By-laws, &c.

vided, and also to issue Certificates to the respective Stockholders of the Company and persons insured therein of any dividend of profits which shall be declared, and to appoint a Manager and such other officers as to them may appear necessary for the carrying on the business of the Company, and to take security from them for the due performance of their respective duties, with such salary and allowances to each as they shall think meet and advisable: Provided always, That for the purposes in this section mentioned, except as hereinafter specially provided, a majority of the Directors shall be present and assisting, and no less a number than were present at the time shall have power to alter, repeal or amend any matter or thing so done: And provided further, That no such By-laws, Rules, Regulations and Ordinances made as aforesaid, shall be valid or have effect unless approved and confirmed by the majority of Shareholders voting at an Annual or other Special General Meeting convened as aforesaid.

Proviso:  
By-laws to be approved at General Meeting

Weekly Meetings of the Board.

XI. That there shall be a Weekly Meeting of the Board of Directors, at such time and place as shall be designated in the By-laws, and any three or more of the Directors shall be a *quorum* for transacting and managing the details of the business and affairs of the Company; and at all meetings of the said Board, all questions before them shall be decided by a majority of votes, and in case of an equality of votes, Presiding Director, shall give the casting vote, over and above his proper vote as a Director: Provided always, That the said Directors shall be indemnified and saved harmless by the Members of the Company, in proportion to their several interests in the same, in and for their giving out and signing Policies of Insurance and all other lawful acts, deeds and transactions done and performed in pursuance of this Act: and they shall not be answerable for or chargeable with the defaults, neglects or misdeeds of others of them or of any Officer or Clerk of the said Company.

Proviso.

Punishment of Officers for fraud.

XII. That any Manager or other Officer of the Company who shall be guilty of any wilful falsehood or fraud, in any matter or thing pertaining to his office or duty, shall be guilty of a misdemeanor; and any person falsely personating a Member entitled to vote, and offering to vote as such Member at any election of Directors, or who shall falsely sign or affix the name of any Member of the Company to any appointment of a proxy, shall be guilty of a misdemeanor.

Directors to open Books of Subscription.

XIII. That it shall be the duty of the said Board of Directors, or of a majority of them, to cause Books of Subscription for Shares in the Company to be opened at the City of Montreal, or, at their option, in any of the other principal Cities and Towns of this Province, of which public notice shall be first given by them, and under such regulations as they shall direct: and as soon as the aforesaid capital stock of twenty-five thousand pounds shall have been subscribed, paid in or secured as aforesaid and not before, the said Board of Directors shall thereafter organize the said Company, and proceed with the business and purposes thereof.

Amount of Subscription.

XIV. That any person may subscribe for such and so many shares as he may think fit, and five per centum on each share shall be paid at the time of subscribing therefor, and the remainder and at such times as the Directors for the time being

shall appoint; and if any Shareholders refuse or neglect to pay the said instalment, at the time required so to do, he shall forfeit his share, together with the amount paid thereon, and the said share shall be sold and the sum arising from such sale, together with the amount so previously paid, shall be accounted for and divided in like manner as the other moneys of the Company, unless the sum produced from such sale shall be more than sufficient to pay all arrears and interest on such instalment together with the expense of such sale, and in such case 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 expense.

XV. That in case the said Directors shall deem it more expedient in any case to enforce the payment of any unpaid instalment than to forfeit the said share therefor, it shall and may be lawful for the Company to sue for and recover the same from such Shareholder, with interest thereon, in any action for debt, in any Court having civil jurisdiction to the amount claimed: and in any such action it shall be sufficient to allege that the Defendant is the holder of one or more shares, (stating the number of shares), and is indebted to the Company in the sum to which the calls in arrear may amount; and to maintain such action it shall be sufficient that the signature of the Defendant to some book or paper by which his subscription for such share be proved by one witness, whether in the employment of or interested in the Company, or in any way allied or related to any of the said Directors, or Shareholders or other persons interested in the said Company or not, and that the number of calls in arrear has been made.

Proceeding to enforce payment.

XVI. That the shares of the said Company, and the certificates of profits to be issued by the said Company as hereinafter provided; shall be assignable and transferable according to such rules as the Board of Directors shall appoint and establish, and be recognized and acknowledged by the Company, only after the transfer therefor shall have been entered in the books of the Company; and no Shareholder or Member indebted to the Company, shall be permitted to make a transfer or receive a dividend until his debt is paid, or security to the satisfaction of the Directors, be given to them that it will be paid.

Shares and Certificates assignable.

XVII. That no transferred share or certificate of profits shall entitle the person to whom it is transferred to a vote until the expiration of thirty days after such transfer.

Assigned Share not to vote until after 30 days.

XVIII. That all policies of insurance issued or entered into by the Company, shall be signed by any two of the Directors, and countersigned by the Manager and by him sealed with the Seal of the Company, and being so signed, countersigned and sealed, shall be deemed valid and binding upon them according to the tenor and meaning thereof.

Policies signed by two Directors, &c.

XIX. That for the better security of parties dealing with the Company, notes for premiums in advance may be received by the Company from persons intending to receive policies, and may be negotiated for the purpose of paying claims or otherwise in the course of the business of the Company; and on such portions of said notes as may exceed the amount of premiums paid by the respective makers thereof at the successive annual periods of the last day of February in each year

Advanced notes may be paid in.

and on new notes taken in advance thereafter, a compensation to the makers at a rate to be determined by the Directors, but not exceeding six per cent. per annum, shall and may be allowed and paid from time to time.

Interest  
allowed to  
Shareholders,

XX. That there shall also be allowed to the Shareholders 5  
respectively who shall have paid their shares in cash, an annual  
interest not exceeding six per cent. upon the amount of the  
shares held by each, which shall be reserved and taken from  
the profits of the Company, and shall be made up annually to  
the said last day of February and paid from time to time, and 10  
to the said Shareholders who shall have secured the payment  
of their shares by stocks as aforesaid, the interest thereon as it  
shall accrue and have been received by the Company.

Annual  
statements,  
dividends, &c.

XXI. That no separate statement shall be required for the  
part of the year following the day on which the Company shall 15  
have issued their first policy, but after that period an annual  
dividend statement shall be made, which shall exhibit a full  
and unreserved statement of the affairs of the Company, of  
their funds, property and securities, the amount in real estate,  
bonds and mortgages, notes and other securities therefor, 20  
public debt or other stock, and the amount of debt due to and  
from the Company, together with a fair estimate of the net  
profits of the Company not before divided, up to and including  
the last day of February in each year and allowing for any  
previous or probable deficiencies, which said annual statement 25  
shall be completed in the month of March succeeding the  
period to which it relates, and shall be submitted to the Annual  
General Meeting aforesaid.

Declaration of  
dividend.

XXII. That at each Annual General Meeting, after the  
submission of the said statement and approval thereof by the 30  
Shareholders, the Board of Directors shall declare a dividend of  
the nett profits of the preceding period, certificates whereof shall  
be issued by the Company of a certain amount per centum to be  
computed on the said capital, and the amount of premiums to be  
the persons in whose name the policies of insurance not marked 35  
off were originally made, or their heirs, executors, representatives  
or assigns; and to the Shareholders or their heirs, executors  
and representatives, who shall be entitled to receive the same per  
cent. of dividends out of the profits of the Company, as may  
be declared and may be made payable to the insured, 40  
and the amount named in such certificates shall be conclu-  
sive on the parties entitled to receive them at such periods,  
and shall not be changed by subsequent events, showing the  
actual payment to be more or less favourable than the esti-  
mate; and the certificates aforesaid shall be subject to any 45  
future losses and expenses of the Company, until the same  
are redeemed, as herinafter provided for, and shall be subject  
to be reduced by the Board of Directors, in case of losses and  
expenses in any subsequent year exceeding the estimated  
profits of such year; and the original certificates may be 50  
called in and new ones issued in their stead, less the proper  
reduction.

Limitation of  
liability.

XXIII. That the Shareholders shall not be held liable for any  
claim, engagement, loss or payment whatsoever, for, or by reason  
of the said Company beyond the amount of the share or shares 55  
which each may respectively hold; and the persons insuring  
and entitled to or holding certificates as aforesaid, shall not be  
held liable for any such claim, engagement, loss or payment,



or for any matter or thing in this Act contained, beyond the amount of their premiums, certificates or notes given in advance for premiums.

XXIV. That all shares, certificates and interest in the Company shall be deemed personal property. Shares to be personal property.

XXV. That no original certificate shall be issued for a less sum than £2 10s., nor for the fractional sums between even sums of £2 10s.; but all such shall be passed to the contingent accounts of the Company. Fractions not allowed in accounts.

XXVI. That no dividends shall be declared or paid out of the capital stock of the Company, nor shall any dividend out of the said net profits be declared or paid, unless the said capital shall be unimpaired, and six per cent. annual interest upon the amount, paid in from the time of payment, allowed and reserved to the Shareholders, who shall have paid their shares in cash as aforesaid, together with such dividends and interests as shall have been collected upon stocks hypothecated to the Company for security as aforesaid. No dividends out of capital.

XXVII. Whenever the accumulations of the profits of the Company, and for which certificates shall have been issued, shall exceed a sum equal to the capital of the Company for the time being, the excess shall be applied from year to year, or semi-annually, as shall be provided by a By-law to that effect, towards the redemption of each year's certificates, in whole or in part, as may be determined on by the said Board, but the certificates of a subsequent year shall not be redeemed until those of the preceding year are provided for. Divisions of accumulations of profits beyond capital.

XXVIII. Suits at law or in equity may be prosecuted and maintained by any member against the said Company; and no member of the Company, not being in his individual capacity a party to such suit, shall be incompetent as a witness in suits and legal proceedings by or against the Company. Suits by Members against Company.

XXIX. The operations and business of the Company shall be carried on at such place in the City of Montreal as the Directors shall direct, but agencies may be elsewhere established as the Directors shall deem expedient. Business to be carried on in Montreal.

XXX. That this Act shall be a Public Act, and shall be subject to the provisions contained in the Interpretation Act of this Province, 12 Victoria, chapter 16, which shall be held to form part hereof, so far as the same shall apply. Public Act, &c.