

No. 68.

4th Session, 8th Parliament, 62 Victoria, 1899

B I L L

An Act respecting the London Mutual
Fire Insurance Company of Canada.

First reading, April 21, 1899.

(PRIVATE BILL.)

MR. CALVERT.

OTTAWA

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1899

An Act respecting the London Mutual Fire Insurance
Company of Canada.

WHEREAS the London Mutual Fire Insurance Company Preamble.
of Canada has, by its petition, prayed that it be enacted
as hereinafter set forth, and it is expedient to grant the prayer
of the said petition: Therefore Her Majesty, by and with the
5 advice and consent of the Senate and House of Commons of
Canada, enacts as follows:—

1. The board of directors of the London Mutual Fire Insu- Share or stock
rance Company of Canada, hereinafter called “the Company,” capital.
may, by by-law passed by the said board, raise a share or stock
10 capital of not less than one hundred thousand dollars, and not
more than five hundred thousand dollars, in shares of one
hundred dollars each.

2. Every subscriber to the said share or stock capital shall, Shareholders
on allotment of one or more shares to him, become a member to be members
15 of the Company with all incidental rights, privileges and liabi- of Company.
lities, but no subscriber shall be allotted more than thirty
shares, and no subscriber, shareholder or member of the Com- Number of ;
pany shall, at any time, hold more than thirty shares of the shares to be
said share or stock capital. held.

20 3. The shares shall be personal estate, and shall be trans- Transfer of
ferable, but no transfer shall be valid unless made on the books shares.
of the Company; nor shall any transfer be valid while any
call previously made remains unpaid, and the Company shall
have a lien on the shares of any shareholder for unpaid calls
25 or other debts due by him to the Company, and for any obli-
gation held by the Company against him, and after any call,
debt or obligation becomes due the Company may, upon one
month’s notice to the shareholder, his executors or administra-
tors, sell his shares, or a sufficient portion thereof, to pay the
30 call, debt or obligation, and transfer the shares so sold to the
purchaser.

4. The Company may also, after default made in the pay- Default in
ment of any call upon any share for one month and after notice in payment
having been first given, as in the next preceding section men- on shares.
35 tioned, declare the share, and all sums previously paid thereon,
forfeited to the Company, and the Company may sell or re-
issue forfeited shares on such terms as they think fit for the
benefit of the Company.

5. After one hundred thousand dollars of the share or stock Insurance
40 capital has been *bona fide* subscribed, and ten per cent paid for cash
premiums.

thereon into the funds of the Company, the Company may make insurance for premiums payable wholly in cash, but no insurance on the wholly cash principle shall make the insured liable to contribute or pay any sum to the Company or to its funds, or to any other member thereof, beyond the cash premium agreed upon, or give him any right to participate in the profits or surplus funds of the Company. 5

Application of profits.

6. The net annual profits and gains of the Company (not including therein any premium notes or undertakings) shall be applied, in the first place, to pay a dividend on the share capital, and the surplus (if any) shall be applied in the manner provided by the by-laws of the Company. 10

Qualification of directors.

7. After the share capital has been subscribed as aforesaid at least two-thirds of the persons to be elected directors of the Company, in addition to the qualifications required by section 13 of chapter 40 of the statutes of 1878, shall be holders of shares of the capital stock to the amount of one thousand dollars upon which all calls have been duly paid, and the other one-third of the directors to be elected shall possess at least the qualifications required by the said section 13. 15 20

Directors may make by-laws.

8. The board of directors of the Company may make such by-laws subject to the provisions of this Act and not inconsistent with, or contrary to law, as may be necessary to carry out the objects and intentions of this Act, and to give effect to the provisions thereof. 25

Ownership of Company's property.

9. In the event of a share or stock capital being raised, as provided by this Act, the Company shall thereupon be composed of its policy holders and of the subscribers to the share or stock capital to whom an allotment of one or more shares shall be made, as provided by section 2 of this Act, and in such an event the policy holders other than those on the wholly cash premium plan and the subscribers to the share or stock capital aforesaid shall own all the property and affairs of the Company. 30

Votes of shareholders.

10. In the event of a share or stock capital being raised, as provided by this Act, each shareholder of such share or stock capital shall be entitled at all meetings of the Company to one vote for each share held by him in the share or stock capital; provided that no shareholder and no person representing a shareholder shall be entitled at any of the said meetings to more than thirty votes. 35 40

Proviso.

Directors to be members of Company and policy holders.

11. In the event of a share or stock capital being raised, as provided by this Act, the directors of the Company shall be members of the Company and insured therein for the time they hold office to the amount of eight hundred dollars at least, and two-thirds of the directors shall have the further qualification mentioned in section 7 of this Act. 45

Liability to creditors.

12. Each shareholder of such share or stock capital, until the whole of his shares of stock has been paid up, shall be individually liable to the creditors of the Company to an amount 50

equal to that not paid up thereon, but shall not be liable to an action therefor by any creditor before an execution against the Company has been returned unsatisfied in whole or in part; and the amount due on such execution, but not beyond the 5 amount so unpaid of his said shares of stock, shall be the amount recoverable, with costs, against such shareholder.

2. The shareholders of such share of stock capital shall not as such be held responsible for any act, default or liability ^{Limited} whatsoever of the Company, or for any engagement, claim, ^{liability.} 10 payment, loss, injury, transaction, matter or thing whatsoever relating to or connected with the Company beyond the unpaid amount of their respective shares in the said share or stock capital.