

No. 29.

3rd Session, 8th Parliament, 61 Victoria, 1898

BILL.

An Act respecting the Federal Life Assurance Company of Ontario, and to change its name to the Federal Life Assurance Company of Canada.

First reading, February 22nd, 1898.

(PRIVATE BILL.)

Mr. MACPHERSON.

OTTAWA

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1898

An Act respecting the Federal Life Assurance Company of Ontario, and to change its name to the Federal Life Assurance Company of Canada.

WHEREAS the Federal Life Assurance of Ontario has, by Preamble
 its petition represented that it was incorporated by an
 Act of the legislature of the province of Ontario, being chap-
 5 ter 68 of the statutes of 1874, under the name of "The Indus-
 trial and Commercial Life Assurance Company of Canada,"—
 that the said Act was amended by section 7, chapter 1 of the
 statutes of 1875,—that by an order of the Lieutenant-Governor, Ont., 1874,
 c. 68.
 10 of the said province, in council, dated the eleventh day of
 April, one thousand eight hundred and eighty-two, the name
 of the said company was changed to "The Federal Life Assur-
 ance Company of Ontario," and that the said company duly
 obtained a license under *The Insurance Act* of Canada, bearing
 date the twenty-eighth day of April, one thousand eight hun-
 15 dred and eighty-two, and has since carried on the business of
 life insurance in Canada; and whereas the said company has,
 by its petition, prayed that an Act be passed declaring it to
 be a body corporate within the jurisdiction of the Parliament
 of Canada, under the name of "The Federal Life Assurance
 20 Company of Canada," with the powers hereinafter set forth,
 and it is expedient to grant the prayer of the said petition:
 Therefore Her Majesty, by and with the advice and consent
 of the Senate and House of Commons of Canada, declares and
 enacts as follows :—

1. The Federal Life Assurance Company of Ontario, here-
 25 inafter called "the Company," as now organized and consti-
 tuted under the statutes mentioned in the preamble, is here-
 by declared to be a body corporate and politic within the
 legislative authority of the Parliament of Canada; and this
 Act and *The Insurance Act* shall apply to the Company and
 30 its business, instead of the said Acts of Ontario and the Acts of
 Ontario respecting insurance; provided that nothing in this
 section shall affect anything done, any right or privilege
 acquired, or any liability incurred under the above-mentioned
 Acts of Ontario up to and at the time of the passing of this
 35 Act, to all of which rights and privileges the Company shall
 continue to be entitled, and to all of which liabilities the
 Company shall continue to be subject. Incorporation.

2. The name of the Company is hereby changed to "The
 Federal Life Assurance Company of Canada," but such change
 40 in name shall not in any way impair, alter or affect the rights
 or liabilities of the Company, nor in anywise affect any suit
Name changed.

or proceeding now pending or judgment existing either by, or in favour of, or against the Company, which, notwithstanding such change in the name of the Company, may be prosecuted or continued, completed and enforced as if this Act had not been passed. 5

- Head office. 3. The head office of the Company shall be in the city of Hamilton, but the directors may, from time to time, change the said office to some other place in Canada, and branches, Branch offices. sub-boards and agencies may be established and maintained elsewhere, as the directors from time to time appoint. 10
- Capital stock. 4. The capital stock of the Company shall be one million dollars, divided into shares of one hundred dollars each.
- Increase of stock. 2. The directors may, after the whole capital stock has been subscribed for, and five hundred thousand dollars paid thereon in cash, increase the amount of the capital stock from time to time to an amount not exceeding two million dollars, but the stock shall not be increased until a resolution of the directors authorizing such increase has first been submitted to, and confirmed by, a majority in number and amount of the shareholders present, or represented by proxy, at an annual general meeting of the Company, or at a special general meeting of the shareholders duly called for that purpose. 15
- Capital stock. 3. The capital stock of the Company, as authorized by the above-mentioned statutes of Ontario, shall be deemed to be the same as the capital stock mentioned in subsection 1 of this section, and no right or claim as to any share thereof shall be prejudiced by anything contained in this Act. 20
- Members of Company. 5. The members of the Company shall be all the shareholders of the Company at the time of the passing of this Act together with such persons as become shareholders therein. 30
- Directors to continue. 6. The present board of directors of the Company shall continue to be directors of the Company until replaced, and By-laws. all by-laws, rules and regulations of the Company not contrary to law or inconsistent herewith shall continue in force until amended or repealed in pursuance of the provisions hereof. 35
- Number of directors. 7. The affairs of the Company shall be managed by a board of not more than twenty-five, nor less than nine directors, of whom five shall be a quorum.
- Qualification of directors. 2. No person shall be a director unless he holds in his own name, and for his own use, at least twenty shares of the capital stock of the Company, and has paid all calls due thereon, and all liabilities incurred by him to the Company. 40
- Annual meeting. 8. A general meeting of the Company shall be held at the head office once in each year, and at such meeting a statement of the affairs of the Company shall be submitted. 45
- Business of Company. 9. The Company may effect contracts of life insurance throughout Canada and elsewhere with any person, and may grant, sell or purchase annuities, grant endowments, purchase contingent rights, reversions or remainders, enter into any

transactions dependent on the contingency of life, and generally carry on the business of life insurance in all its branches.

10. The shares of the capital stock subscribed for shall be paid by such instalments and at such times and places as the directors appoint. No such instalment shall exceed ten per cent, and not less than thirty days' notice of any call shall be given; provided that the shareholders of the Company at the time of the passing of this Act shall be liable for so much only of their subscriptions as remains unpaid.

Payment
of calls.

11. The Company may invest its funds in or on the debentures, bonds or stocks or other securities of the Dominion of Canada, or of any province of Canada, or the securities of any municipal or school corporation in Canada, or the security of the stock, bonds or debentures of any incorporated building society, loan or investment company, waterworks company, gas company, street railway company, electric light or power company, electric railway company, or telegraph company incorporated in Canada, or of bank stock, or on the security of real estate or mortgage security thereon, or on the security of leaseholds for a term of years, or other estate or interest in real property or mortgage security thereon, in any province of Canada, or in or on policies issued by the Company or by other companies, or in the purchase of ground rents, and in or upon the stock, bonds or debentures of the United States or of any state thereof, or of any municipality in the United Kingdom or in the United States or any state thereof, or in, or on mortgages on real estate therein, (but the amount so invested in the United States shall not at any time exceed the reserve upon all outstanding policies in force in the United States, and the amount so invested in the United Kingdom shall not at any time exceed the reserve upon all outstanding policies in force in the United Kingdom, and such reserve in each case shall be calculated upon the basis prescribed by *The Insurance Act*), and to change and reinvest the same as occasion from time to time requires; and to take, receive and hold all or any of such securities in the corporate name of the Company, or in the name of trustees for the Company appointed by the directors, whether for funds invested by being advanced or paid in the purchase of such securities, or loaned by the Company on the security of the said debentures, bonds, stocks, mortgages or other securities, as aforesaid; such loans to be on such terms and conditions, and in such manner and at such times and for such sums, and in such sums of repayment, whether of principal or interest, or principal and interest together, and at such interest and return, as the directors may from time to time determine and direct, and whether they are taken absolutely or conditionally or as collateral security, or whether such securities are taken in satisfaction of debts due to the Company or judgments recovered against any person in its behalf, or in security for the payment of the same or of any part thereof; provided further, that the Company may take any additional securities of any nature to further secure the repayment of any liability to the Company or to further secure the sufficiency of any of the securities upon which the Company is hereby authorized to invest or lend any of its funds.

Investment
of funds.

Additional
security.

Foreign securities for branches.

12. The Company may invest or deposit such portion of its funds in foreign securities as is necessary for the maintenance of any foreign branch.

Powers as to real estate.

13. The Company may hold such real estate as is bona fide mortgaged to it by way of security or conveyed to it in satisfaction of debts or of judgments recovered ; provided always that all real estate so mortgaged or conveyed in security as aforesaid and acquired by the Company shall be sold and disposed of within seven years from the time of its becoming the absolute property of the Company, otherwise it shall revert to the previous owner or to his heirs or assigns.

Proviso.

Real estate required for Company's use.

14. The Company may also acquire, hold, alienate, convey and mortgage any real estate required in part or wholly for the use and accommodation of the Company, but the annual value thereof in any province of Canada shall not exceed ten thousand dollars, except in the province of Ontario, where it shall not exceed twenty thousand dollars.

Dividends.

15. The directors may from time to time set apart such proportion of the net profits as they shall deem safe and proper, for distribution as dividends or bonuses to shareholders and holders of participating policies, ascertaining the part thereof which has been derived from participating policies, and distinguishing such part from the profits derived from other sources ; and the holders of participating policies shall be entitled to share in that portion of the profits so set apart, which has been so distinguished as having been derived from participating policies to the extent of not less than ninety per cent thereof ; but no dividend or bonus shall at any time be declared or paid out of estimated profits, and the portion of such profits which remains undivided upon the declaration of a dividend, shall never be less than one-fifth of the dividend declared.

Rights of certain policy holders.

16. Whenever any holder of a policy, other than a term or natural premium policy, shall have paid three or more annual premiums thereon, and shall fail to pay any further premium, or shall desire to surrender the policy, the premiums paid shall not be forfeited but he shall be entitled to receive a paid-up commuted policy for such sum as the directors may determine, such sum to be ascertained upon principles to be adopted by by-laws, or the directors may pay a sum as a cash surrender value in lieu of such paid-up commuted policy, provided he shall demand such paid-up commuted policy while the original is in force or within six months after his failure to pay a premium thereon.

Holders of participating policies.

17. The Company may agree to give to holders of participating policies the right to attend and vote in person at all general meetings of the Company ; and if the Company so determines then all persons who are actual holders of policies from the Company, whether such persons are shareholders of the Company or not, and who are by the terms of their policies entitled to participate in profits and are referred to in this Act

as holders of participating policies, shall be members of the Company and be entitled to attend and vote in person at all general meetings of the Company, except at those called for the purpose of increasing the capital stock of the Company
 5 (and shall not be entitled to vote by way of confirmation or against the confirmation of any by-law for the increase, issue, allotment or sale of capital stock of the Company); and every holder of a participating policy of the Company for a sum not
 10 less than one thousand dollars shall be entitled to one vote for each one thousand dollars in his policy.

2. A husband or father holding a participating policy on his life for the benefit of his wife or children shall be deemed a member of the Company. Husband or father holding participating policy.

18. The directors may also, during any current dividend
 15 period, charge the holders respectively of participating policies with losses to the extent to which such holders have been credited with profits during such dividend period, if
 20 the losses require it, and retain the amount so charged out of such profits, or such profits as are declared as such, and credited to such holders of participating policies at any time;
 but the holders of policies shall not as such, be liable to any other or greater extent than is expressed by the terms of their policies. Participating policy holders may be charged with losses.

19. This Act and the Company and the exercise of the
 25 powers hereby conferred shall be subject to the provisions of R.S.C., c. 124.
The Insurance Act.

20. Notwithstanding anything contained therein or in any
 other Act, *The Companies Clauses Act*, except sections 7, 8,
 18, 38 and 39 thereof, shall extend and apply to the Company,
 30 and shall be incorporated with and form part of this Act, in so far as it is not inconsistent with any of the provisions here-
 inbefore contained: Provided that the provisions of section 38
 of *The Companies Clauses Act*, shall apply to loans made to
 35 persons who may be shareholders in the Company, otherwise than in or on any of the securities authorized by this Act. R.S.C., c. 118.