



No. 13.

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

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BILL.

An Act respecting The Home Life  
Association of Canada.

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First reading, March:29th, 1899.

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(PRIVATE BILL.)

Mr. MACDONALD,  
(Huron.)

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OTTAWA  
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1899

An Act respecting the Home Life Association of  
Canada.

**W**HEREAS The Home Life Association of Canada has, by Preamble.  
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 advice and  
5 consent of the Senate and House of Commons of Canada,  
enacts as follows :—

**1.** The affairs of the Home Life Association of Canada, Number of  
hereinafter called “the Association,” shall be managed by a directors.  
board of not less than eleven, nor more than twenty-five  
10 directors, of whom a majority shall be a quorum.

**2.** No person shall be a director unless he is a shareholder Qualification  
owning at least fifty shares of the capital stock absolutely, in of directors.  
his own right, and has paid all calls due thereon, and all  
liabilities incurred by him to the Association.

**2.** The present directors shall continue to be the directors Present  
of the Association until the next annual general meeting, and directors to  
the present president and vice-president shall continue as continue,  
such until replaced by others.

**2.** The said directors may forthwith open stock books, pro- Powers of  
20 cure subscriptions of stock for the undertaking, make calls on directors.  
stock subscribed, and receive payments thereon, and shall  
deposit in a chartered bank in Canada all moneys received by  
them on account of the Association, and withdraw the same  
for the purposes only of the Association, and may do generally  
25 what is necessary to reorganise the Association in accordance  
with the terms of this Act.

**3.** The first call shall not exceed twenty per cent on the Calls on stock.  
shares subscribed, and no subsequent call shall exceed ten per  
cent, and not less than thirty days' notice of any call shall be  
30 given ; provided that the Association shall not commence the  
business of insurance authorized by this Act until seventy  
thousand dollars of capital stock have been paid in cash into  
the funds of the Association, to be appropriated only for the  
purposes of the Association under this Act ; provided futher,  
35 that the amount so paid in by any shareholder shall not be less  
than ten per cent on the amount subscribed by such share-  
holder.

**3.** The capital stock of the Association shall be one million Capital stock.  
dollars, divided into shares of one hundred dollars each.

**4.** The directors may, after the capital stock has been Increase of  
40 subscribed, and five hundred thousand dollars have been paid capital.

Confirmation  
by share-  
holders. thereon in cash, increase the amount of the capital stock at any time, to an amount not exceeding two million dollars; but the stock shall not be increased until the resolution of the board of directors authorizing such increase has been first submitted to and confirmed by a majority in number and amount of the shareholders at an annual general meeting of the Association, or at a special meeting of the shareholders duly called for that purpose. 5

Head office. 5. The head office of the Association shall be in the city of Toronto, and the directors may, from time to time, establish 10  
Branch offices. sub-boards, branches or agencies in such manner as the directors from time to time appoint.

Annual general meeting. 6. The annual general meeting of the shareholders shall be held at the head office on the second Tuesday in February in each year, or on any subsequent day that the directors may 15  
by resolution appoint, and at such meeting a statement of the affairs of the Association shall be submitted by the directors.

Business of Association. 7. The Association may effect contracts of life insurance with any person, and may grant, sell or purchase annuities, grant endowments, and generally carry on the business of life 20  
insurance in all its branches and forms.

Investment powers. 8. The Association may invest its funds in debentures, bonds, stocks or other securities of the Dominion of Canada, or of any province thereof, or of any municipal or school corporation of Canada; or in the bonds or debentures of any 25  
building society, loan or investment company, water works company, gas company, street railway company, electric railway company (every such society or company being incorporated in Canada); or may loan on the security of any of the said debentures, bonds, stocks or securities, or on the security of the paid-up 30  
shares of any of the companies above mentioned (provided that any loan upon the security of any such shares shall not exceed ninety per cent of the market value of such shares); 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 35  
interest in real property or mortgage security thereon, in any province of Canada; or invest in or loan on policies issued by the Association or by other companies; or invest in the purchase of ground rents; or invest in or loan upon the stock, bonds or debentures of the United States, or of any State 40  
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 45  
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 may change and re-invest the same as occasion from time 50  
to time requires; and may take, and hold any of such securities in the corporate name of the Association, or in the name of trustees for the Association appointed by the directors,

whether for funds invested by being advanced or paid in the purchase of such securities, or loaned by the Association 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 Association, 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 Association may take any additional securities of any nature to further secure the repayment of any liability to the Association or to further secure the sufficiency of any of the securities upon which the Association is hereby authorized to invest or lend any of its funds.

20 **9.** The Association may invest or deposit such portion of its funds in foreign securities as is necessary for the maintenance of any foreign branch. Foreign securities.

25 **10.** The Association 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 no parcel of land or interest therein at any time acquired by the Association, and not required for its actual use and occupation, or not held by way of security, shall be held by the Association, or by any trustee on its behalf, for a longer period than seven years after the acquisition thereof, but shall be absolutely sold and disposed of, so that the Association shall no longer retain any interest therein unless by way of security; and any such parcel of land, or any interest therein not within the exceptions hereinbefore mentioned, which has been held by the Association for a longer period than seven years without being disposed of, shall be forfeited to Her Majesty for the use of Canada; provided that the Governor in Council may extend the said period from time to time, for a period not exceeding in the whole twelve years; provided further that no such forfeiture shall take effect or be enforced until the expiration of at least six calendar months after notice in writing to the Association of the intention of Her Majesty to claim such forfeiture; and the Association shall, when required, give to the Governor in Council a full and correct statement of all lands at the date of such statement held by the Association, or in trust for the Association, and subject to these provisos. Real estate may be held. Proviso. Proviso.

50 **11.** The Association may also acquire, hold, alienate, convey and mortgage any real estate required in part or wholly for the use and accommodation of the Association, but the annual value of any real property requisite for the carrying on of the undertaking of the Company shall not, in any province of Canada, exceed ten thousand dollars, except in the provinces of Ontario and Quebec where it shall not exceed twenty thousand dollars. Value of real estate held limited.

How profits  
may be  
divided.

**12.** The directors may, from time to time, set apart such proportion of the net profits as they 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 parts 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 remain undivided upon the declaration of a dividend shall never be less than one-fifth of the dividend declared.

Paid up  
policies.

**13.** Whenever any holder of a policy issued after the passing of this Act, 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, or such cash payment, while the original policy is in force, or within six months after his failure to pay a premium thereon.

Rights of  
holders of  
participating  
policies.

**14.** The Association may agree to give to holders of participating policies the right to attend and vote in person at all general meetings of the Association, and, if the Association so determines, then all persons who are actual holders of policies from the Association, whether such persons are shareholders of the Association 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 Association, and, shall be entitled to attend and vote in person at all general meetings of the Association except at those called for the purpose of increasing the capital stock of the Association (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 Association); and every holder of a participating policy of the Association for a sum not less than one thousand dollars shall be entitled to one vote for each one thousand dollars in his policy.

Policy for  
benefit of wife  
or child.

**2.** In such event a husband holding a participating policy on his life for the benefit of his wife or children shall be deemed a member of the Association.

Repayment  
of guarantee  
fund.

**15.** The Association shall repay to the holders of the guarantee fund raised by the Association the amounts respectively paid in by them, or shall issue shares of the capital stock to such holders equal to the amounts so respectively paid in

by them, so that for each twenty dollars paid in such holder shall be entitled to one share, upon which twenty per cent shall be paid up.

**16.** Nothing in this Act contained, or done in pursuance hereof, shall take away or prejudice any claim, demand, right, security, cause of action, or complaint which any member or person has against the Association, or shall relieve the Association from the payment or performance of any debt, liability, obligation, contract or duty. Existing rights preserved.

**17.** Sections 2 to 14, both inclusive, of chapter 46 of the statutes of 1890, incorporating the Association, are hereby repealed. 1890, c. 46, ss. 2 to 14 repealed.

**18.** This Act, and the Association, and the exercise of the powers hereby conferred, shall be subject to the provisions of *The Insurance Act*. R.S.C., c. 124.

**19.** Notwithstanding anything contained therein or in any other Act, *The Companies Clauses Act*, except sections 18 and 39 thereof, shall extend and apply to the Association, and shall be incorporated with and form part of this Act, in so far as it is not inconsistent with any of the provisions herein contained. R.S.C., c. 118.