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No. 45.

4th Session, 1st Parliament, 34th Victoria, 1871.

BILL.

An Act to incorporate the Isolated Risk
Fire Insurance Company of Canada.

(PRIVATE BILL.)

MR. R. A. HARRISON.

OTTAWA :

Printed by L. E. TAYLOR, 29, 31, and 33 Rideau Street.

1871.

An Act to incorporate the Isolated Risk Fire Insurance Company of Canada.

WHEREAS the Honorable George Brown, Edward Blake, Preamble.
Robert Wilkes, H. P. Dwight, A. D. Shaw, W. F. McMaster,
J. A. Aldwell, John D. Irwin, and J. H. Kerr, have by their petition
represented that the establishment of an association for the insur-
5 ance of isolated Fire risks would be greatly beneficial to the interests
of the Dominion, and tend to the retaining therein of a large portion
of the money annually sent to foreign countries as premiums for
such insurance, and have prayed that they may be incorporated
for the purpose of carrying on a business of this description, by
10 the name of "The Isolated Risk Fire Insurance Company of
Canada;" and it is expedient to grant their prayer; Therefore, Her
Majesty, by and with the advice and consent of the Senate and
House of Commons of Canada, enacts as follows:—

1. All such persons as now are, or hereafter shall become share- Company in-
15 holders of the said Company, shall be, and are hereby ordained, corporated.
constituted and declared to be a body corporate and politic, in law,
in fact, and in name, by the style and title of "The Isolated Risk
Fire Insurance Company of Canada."

2. The capital stock of the said Company shall be \$500,000, Capital Stock.
20 divided into five thousand shares of \$100 each, which said shares
shall be and are hereby vested in the several persons who shall
subscribe for the same, their legal representatives and assignees:
Provided always that it shall and may be lawful for the said
Company to increase its capital stock to a sum not exceeding
25 \$1,000,000, as a majority of the shareholders at a special general Increase of
Capital Stock.
meeting, to be expressly convened for that purpose, shall agree
upon.

3. For the purpose of organizing the said Company, the persons Provisional
named in the preamble to this Act, shall be Directors.
30 thereof, and they, or a majority of them, may cause stock books to
be opened, after giving due public notice thereof, upon which
stock books shall be recorded the subscriptions of such persons as
desire to become shareholders in the said Company; and such books
shall be opened in the City of Toronto and elsewhere, at the dis- To open Stock
35 cretion of the said Provisional Directors, and shall remain open so Books.
long as they deem it necessary.

4. When and so soon as one hundred thousand dollars of the First election
said capital stock shall have been subscribed, as aforesaid, and five of Directors;
per cent. of the amount so subscribed paid in, the said Provisional
40 Directors may call a general meeting of shareholders, at some place
to be named in the City of Toronto, giving at least ten days notice
thereof in the *Canada Gazette*, and also in some daily newspaper
published in the said city; at which general meeting the share-
holders present, in person or by proxy, shall elect nine Directors,
45 in the manner and qualified, as hereinafter provided, who shall

constitute a Board of Directors, and shall hold office until the first Wednesday in July in the year following their election.

- 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 exceeding ten per cent., and giving not less than six months notice thereof; and Executors, Administrators and Curators paying instalments upon the shares of deceased shareholders, shall be, and they are hereby respectively indemnified for paying the same: Provided always that it shall not be lawful for the said Company to commence the business of fire insurance until a sum not less than \$50,000 shall have been actually paid in on account of the subscribed stock, and the sum of \$50,000 shall have been deposited in the hands of the Receiver-General, according to the provisions of the Act passed in the thirty-first year of Her Majesty's reign, Chapter 48, and intituled "An Act respecting Insurance Companies," which Act shall apply to the said Company; and until the said Company shall have obtained a license from the Minister of Finance to carry on the business under the provisions of the said Act: Provided always that the Company may make the deposit required by the fourth section of the said Act by instalments, as in the said section is provided, the first of which instalments shall be so paid before the issue of the license required by the said Act.
- 6.** The stock, property, affairs and concerns of the said Company shall be managed and conducted by nine Directors, one of whom shall be chosen President and one Vice-President, who, excepting as is hereinbefore provided for, shall hold office for one year; which Directors shall be shareholders, residing in Canada, and be elected at the annual general meeting of shareholders, to be holden at Toronto, on the first Wednesday in July, in each year, or such other day as may be appointed by By-law, not less than ten days notice of such meeting being given, as provided in section four; and 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 said proxies shall only be held by shareholders then present, and no shareholder shall be entitled to give upon proxies held by him more than 100 votes at any such election; and the nine 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 shall appear to be chosen as Directors, then the Directors who shall have a greater number of votes, or the 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 nine: 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
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continue as Director, unless he shall hold in his name, and for his own use, stock in the said Company to the amount of twenty shares.

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.

Company not dissolved by 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; 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 employé of the said Company, shall vote either in person or by proxy at the election of Directors.

Mode of voting at general meetings:

9. The said Company shall have power and authority to make and effect contracts of insurance 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, restrictions, and upon such conditions as may be bargained or agreed upon or set forth by and between the Company and the person or persons agreeing with them for such insurance, 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 things connected with and proper to promote those objects; and all policies or contracts of insurance issued or entered 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.

Business powers of Company.

10. It shall and may be lawful for any person or persons, or body politic or corporate, to subscribe for such, and so many shares as he, she or they may think fit, not, however, exceeding, during the first month after the subscription books are opened, one hundred shares: Provided, nevertheless that after the expiration of such first month there be no limitation to the subscription for or acquisition of any number of shares.

Limitations of number of shares.

11. If any shareholder shall refuse or neglect to pay the instalment due upon any share or shares held by him, he shall forfeit such share or shares together with the amount previously paid thereon; 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 inter-

Forfeiture of shares for non-payment of calls.

est 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.

12. If payment of such arrears of calls, interest and expenses be made before any share so forfeited shall have been sold, such 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 matters whatsoever.

13. At all meetings of Directors five shall be quorum for the transaction of business; and all questions before them shall be 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.

14. At the annual meeting of the shareholders the election of Directors shall be held, and all business transacted, without the 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 shall be required by the By-Laws, shall be laid before the shareholders. 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 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.

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 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 appointment of a Managing Director, and of sub-Boards to facilitate the details of business, and the definition of the duties and powers of such sub-Boards; the making of calls upon the subscribed capital; the appointment 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 regulations of agencies; 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 thereafter have force and effect as so approved or modified at such meeting.

16. The Company shall have power to acquire and hold real estate for the purposes of its business, of an annual value not exceeding \$20,000, and to sell or dispose of the same and acquire other property in its place as may be deemed expedient, and to ^{Power to hold real estate.} take, hold, and acquire, all such lands and tenements, real or immoveable estate, as shall 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 ¹⁰ debts, or purchased for the purpose of avoiding a loss to the Company in respect thereof or of the owner 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 any of the Provinces thereof, or in the ¹⁵ stocks of any 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.

17. No transfer of any share of the said Company shall be valid until entered in the books of the said Company according to such ^{Transfer of shares.} 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 ²⁵ receive a dividend until such debt is paid or secured to the satisfaction of the Directors.

18. In the event of the property and assets of the said Company being insufficient to liquidate its debts, liabilities and engagements, the shareholders shall be liable for the deficiency, but to ^{Liability of shareholders.} no greater extent than the amount of the balance remaining unpaid upon their respective shares in the capital stock: Provided always that nothing in this section should be construed to alter or diminish the additional liabilities of the Directors of the Company hereinbefore provided for.

19. The Company shall transmit annually to the Minister of Finance, a statement in duplicate verified by the oath of the President, Vice-President, Managing Director, Secretary, or any other person cognizant of the facts, containing the particulars mentioned in the form in the schedule to this Act, to be made up ^{Annual statement to Minister of Finance.} to the first day in July next preceding, or to the usual balancing day of the Company, as may from time to time be directed by the Directors, provided such balancing day be not more than six months before the filing of such statement; and a copy of such statement shall be published in the *Canada Gazette*.

20. The shareholders of the Company at the annual meetings thereof may declare such 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, ^{Declaration of dividends.} shall be paid such portion of the actual realized profits, in such proportions, at such time, and in such manner as the said shareholders may direct; and may authorize the Directors to 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.

SCHEDULE.

Assets of the Company.....	§
Liabilities of the Company.....	
Amount of Capital Stock.....	
Amounts paid thereon	
Of what the Assets of the Company consists, viz:—(<i>insert particulars.</i>)	
Amount of losses paid during the year.....	
Amount of losses due and unpaid.....	
Losses adjusted and not due.....	
Losses in suspense and waiting further proof.....	
Losses, the payment of which is resisted, and for what cause	
All other claims against the Company.....	
Amount of premiums earned for the past year..	
Amount of premiums unearned for the past year	
Number and amount of Policies issued during - the year.....	