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No: 85.

1st Session, 1st Parliament, 31 Victoria, 1868;

BILL.

**An Act to incorporate The Canadian
Mutual Life Insurance Company.**

(PRIVATE BILL.)

MR. HARRISON.

OTTAWA:

PRINTED BY MUNTER, ROSE & CO.

An Act to Incorporate The Canadian Mutual Life Insurance Company.

WHEREAS, Richard L. Denison, Archibald A. Riddell, Andrew Preamble.

T. McCord, John Webster Hancock, William T. O'Reilly, John W. Bridgman, Joseph Adams, Archibald Baker, Henry Jackson, Charles Unwin, Charles Unwin, Junior, Herbert M. Jarvis, Alexander Rutherford, William Myers, Robert W. Anderson, William B. Phipps, John Burns, Herbert Hancock, James Dudley, Noah L. Piper, John Carter, and John S. Donaldson, have petitioned the Legislature of Canada, praying that a company under the style and title of "The Canadian Mutual Life Insurance Company" may be incorporated, for the purpose of enabling the said petitioners and others more effectually to carry on the business of a Mutual Life Insurance Company; And whereas the practice of life assurance is highly commendable, and the principle of mutual assurance is especially worthy of protection and encouragement; Therefore, Her Majesty by and with the advice and consent of the Senate and House of Commons of Canada enacts as follows:

1. The said Richard L. Denison, Archibald A. Riddell, Andrew T. McCord, John Webster Hancock, William T. O'Reilly, John W. Bridgman, Joseph Adams, Archibald Barker, Henry Jackson, Charles Unwin, Charles Unwin, Junior, Herbert M. Jarvis, Alexander Rutherford, William Myers, Robert W. Anderson, William B. Phipps, John Burns, Herbert Hancock, James Dudley, Noah L. Piper, John Carter, and John S. Donaldson, and all other persons who may hereafter become members of the said Company, in conformity with the provisions of this Act, and their several and respective heirs, executors, curators, administrators, successors, and assigns, shall be, and are hereby constituted, and declared to be a corporation, body corporate and politic, by and under the name and style of "The Canadian Mutual Life Insurance Company." Made a body corporate.

2. The persons hereinbefore mentioned shall be members of the said Company having one vote each, and all persons insured in, or subscribing to the guarantee stock of the said Company shall be members thereof and have votes according to their respective interests therein as is hereinafter defined, provided always that in twelve months after the right to issue policies of insurance first accrues to the said Company, agreeably to section number eight of this Act, all persons who are not policy holders, or holders of guarantee stock therein shall cease to be members thereof. Membership.

3. The Company shall have power to acquire by purchase, lease, mortgage or otherwise, and to hold absolutely or conditionally any lands, tenements and real or immoveable estate, and the same to sell, alienate, let, lease, transfer and dispose of as to them may seem expedient; Provided always that the said Company shall not hold any real estate which is not necessary for the convenient accommodation of its own business, but shall be bound to sell and dispose of the same within five years after its acquisition by the Company, excepting such as may have been mortgaged or otherwise conveyed to it by way of security. May hold real estate. Proviso. Exception.

- Not to buy goods.** 4. The Company shall not employ its funds or any part thereof in buying and selling goods, wares and merchandize, nor shall the Company or the Directors in any way exercise the business of banking.
- May invest.** 5. The Company may purchase and hold for the purpose of investment any of the public securities of the Dominion of Canada, the stocks of any of the banks or chartered companies, and the bonds or debentures of any of the incorporated cities, towns or municipal divisions, and may also sell and transfer the same. 5
- Must deposit to one hundred thousand dollars.** 6. For the better security of the assured the Company shall peremptorily deposit in the hands of the Receiver-General yearly, and every year, one-third in amount of the moneys received by them on policies of insurance issued, until the total sum so deposited shall amount to one hundred thousand dollars, and shall ascertain the same to the satisfaction of the Government by the periodical report hereinafter mentioned, or otherwise in pursuance of any Act of Parliament or Order in Council respecting the same. 10 15
- Power to issue policies.** 7. So soon as applications for insurances to the amount of fifty thousand dollars shall have been received, the Company shall have power to make and effect contracts with any person or persons, bodies corporate or politic, upon life or lives, or in any way dependent on life or lives; to grant endowments to children or other persons, and generally to enter into any transactions dependent upon the contingency of life, and all other transactions usually entered into by mutual life insurance companies including re- 25 assurance.
- May take premium notes.** 8. The Company may take from any or every member a promissory note for such sum of money as the Directors may determine in part of the consideration for any policy or policies of insurance issued by them, and the same shall be payable in full or in part at any time or times when the Directors may deem it requisite for the payment of losses or other purposes of the company. 30
- May raise guarantee capital.** 9. In order to provide for the speedy and certain payment of losses incurred by them, the Company may raise by subscription of its members or some of them, or by loan or otherwise, a guarantee capital of any sum not exceeding five hundred thousand dollars which shall belong to the Company and be liable to all the losses, debts and expenses of the Company; Provided always that the Directors may pay off the same or any part thereof at such time and in such manner as they may think expedient. 35 40
- And pay off the same.**
- Rights of Shareholders.** 10. Subscribers to the said guarantee capital shall in respect thereof have such rights as the Directors of the Company declare, and fix by a By-law to be passed before such capital is raised, and unless such capital be paid off the said By-law shall not be repealed or altered without the consent of a majority of votes of the shareholders of such capital either personally or by proxy at a meeting held for that purpose or the holders of such capital. 45
- Their votes.** 11. Each holder of such guarantee capital shall be entitled to one vote at all such meetings, and at all meetings of the Company for every share of forty dollars held by him. 50
- Shares to be transferable** 12. Shares in the said guarantee capital shall be transferable by leave of the Directors, if all calls made thereon have been paid, but not otherwise.
- When paid off.** 13. After the said guarantee capital is paid off the affairs and property of the company shall revert to and be vested in the parties assured as the sole members thereof. 55

- 14.** The Company may hold its annual meeting for the election of directors at such time in each year as may appear most expedient to the Board of Directors for the time being, giving fourteen days notice thereof by advertisement in the two leading newspapers of the City of Toronto, and in such other manner as they may think fit. Annual meeting.
- 15.** Special general meetings of the Company may be called by the Directors at any time, on a notice of fourteen days, naming the day, place and hour of meeting, and the cause thereof, and published in manner aforesaid; Provided always that if the Directors refuse to call such a meeting or meetings on the requisition of not less than twenty members having an insured interest in the Company of not less than twenty thousand dollars, or on the requisition of not less than ten holders of guarantee-stock, holding shares therein to the amount of not less than four thousand dollars. The said requisitionists or either class of them may call such meeting in manner aforesaid, and the proceedings thereof shall be as valid and effectual as if called by the Directors. Special general meetings.
- 16.** In order to constitute a general meeting, whether annual or special there shall be personally present at least seven Members or guarantee Stockholders of the Company. Quorum.
- 17.** Every meeting of the Members, Stockholders or Directors of the Company may be adjourned from time to time; Provided always that at such adjourned meeting no business shall be entered upon which did not form part of the programme of the primary meeting. All meetings may adjourn.
- 18.** At all general meetings of the Company, members insured therein to an amount not exceeding one thousand dollars, shall have one vote; above one thousand and not exceeding two thousand dollars, two votes, and so on for every additional thousand dollars insured. And guarantee Stockholders shall have one vote for every share of forty dollars held by them. Voters and votes.
- 19.** The property funds and affairs of the Company shall be managed by a Board of Directors, consisting of nine Members, with power to any general meeting of the Members of the Company to increase the number so that it do not exceed fifteen. Management.
- 20.** The Directors shall be Members of the Company and Policy-holders therein to the amount of one thousand dollars at the least, or guarantee Stock-holders to the amount of four hundred dollars at the least. Qualification of Directors.
- 21.** The first Board of Directors shall be elected within six months after the passing of this Act, and one-third of them and of every subsequent Board shall retire annually. First board.
- 22.** The said first Board of Directors shall before the first annual meeting of the Company determine among themselves by ballot which third of them shall go out of office at the end of the first year from their election; and which third shall go out at the end of the second year from their election. The residue and all other Directors subsequently elected shall go out at the end of the third year from their election, or at the end of the third annual meeting thereafter. Rotation of office.
- 23.** One-third of the Directors shall be elected at each annual meeting of the Company, to serve for the term of three years or until the third annual meeting thereafter, but the retiring Directors shall always be eligible for re-election. One-third to be elected annually. Retiring Directors eligible.

Election by Ballot.

24. The election of directors shall be by the ballot of Members personally present or represented by proxy, and the persons who have the majority of legal votes shall be the Directors elected; Provided always that no proxy shall be valid unless it be entered by the Secretary in a book kept for that purpose at least one month before the meeting at which it is to be acted upon. 5

In case of a tie.

25. If at any such election two or more Members have an equal number of votes, and a sufficient number of Members have not more votes than they, then and in such case the meeting shall ballot again and ascertain which of the said Members having an equal number of votes shall be added to the Directors already elected, and complete the required number. 10

If election not made on the annual day.

26. In case an election of Directors is not made on the day on which it ought to be made pursuant to the notice hereinafore mentioned, the corporation shall not for that reason be dissolved, but the election may be made on any subsequent day notified in like manner, so as the same shall not exceed three months from the day first notified, and the old Directors, and all officers and servants of the Company who are, or ought to be annually elected or appointed, shall continue in office until their successors are elected or appointed. 20

Subsequent election.

27. The directors elected at such subsequent day shall have the same powers as if elected on the day first notified, but shall hold office only for the remainder of the current year of their election.

Disqualification.

28. No Agent, Sub-Agent, or Person paid by the Company shall be a Director or hold proxies for or interfere in the election of Directors; provided nevertheless that the Managing Director may be paid. 25

Quorum.

29. Three Directors shall be a quorum for the transaction of business, and the decision of a majority of the quorum or of any larger number present at any sitting of the Board shall be binding and conclusive. 30

Casual vacancies.

30. Casual vacancies occurring in the Board of Directors shall be supplied by the nomination of the majority of Directors still remaining in office. 35

How created.

31. Such casual vacancies shall be created in the event of death, resignation, ceasing to have the necessary qualification under section number two, insolvency, or being absent from Board meetings for the space of four months consecutively without leave of the Board. 40

Dissent may be recorded.

32. Any Director who disagrees with the majority of the Board at any meeting may enter his dissent with his reasons therefor on record.

Election of President and Vice President.

33. The Board of Directors shall at their first meeting and at every first meeting after the annual re-constitution of the Board, choose by ballot out of their number a President and a Vice-President who, in the absence of the President, shall have all the powers and perform all the duties of the President. 45

Duties of the President.

34. The President shall preside at all meetings of the Company or of the Directors when present, and do all such acts and perform all such duties as are usually done and performed by the chief officer of a body corporate. 50

35. If the President or the Vice-President be not present at any general meeting of the Company or of the Board of Directors, the Chairman. Managing Director shall take the Chair, and in his absence such other Director, Member or Stock-holder as the meeting may choose.

5 **36.** The President and any one performing his duties shall have Casting vote: a casting vote in addition to his ordinary vote.

37. The Directors of the Company may from time to time ordain and make such by-laws, rules, and regulations as they may deem necessary respecting the funds and property of the Company, and all such other matters as appertain to the business of the Company so as the same be not contrary to law, and may from time to time alter or repeal the same, except in cases with regard to which it is provided that any such by-law shall not be altered or repealed, or where such alteration or repeal would affect the rights of others who are not Members of the Company, in any of which cases such by-laws shall not be altered nor repealed. Directors may make bye-laws.

38. The Directors may annually, or from time to time, assess on the premium notes of the members of the Company or any of them, such sum or sums of money in proportion to the amount of each of the said premium notes respectively, as they may deem necessary to pay the losses and expenses of the Company, or any debentures, notes, bills, drafts, or the interest thereon which the Company may have at any time outstanding. Power to assess.

25 **39.** The Directors may make and effect contracts of Insurance for the purpose of re-insurance with any other Life-Insurance Company. Re-insurance.

40. The Directors may make a periodical division of the profits of the Company, equitably among the stock-holders and policy-holders of the Company, after providing for the Governmental deposit hereinbefore mentioned. Division of profits.

41. The Directors may, from time to time, under By-Laws to be passed for regulating the manner thereof, issue or make debentures or promissory notes of the Company bearing interest, or make or accept bills or drafts for such sums and to such amount as they may deem necessary for the purpose of paying any loss or losses, damages or expenses of the Company, or for other purposes thereof, or for raising money by way of loan therefor, providing always that they shall not issue any note payable to bearer or intended to circulate as money or as a Bank note. May issue debentures, promissory notes, &c.

42. The whole amount of such debentures, promissory notes, bills and drafts at any one time out-standing, shall not exceed one-fourth part of the amount then unpaid on the premium notes held by the Company, and any excess shall make the Directors personally liable to pay the same.

43. No such debenture, promissory note, bill or draft, shall be for a less sum than one hundred dollars, nor payable in more than twelve months from the issuing thereof; Provided always that the same or any of them may be renewed from time to time for any term not exceeding twelve months. Not less than \$100 each.

44. The Directors may from time to time :

- Duties of the Board of Directors.**
- (a) Appoint a Managing Director, Treasurer, Secretary, and such other officers, agents, and assistants as they may deem necessary.
 - (b) Prescribe their duties.
 - (c) Fix their compensation or allowances.
 - (d) Take such security from them as they may think fit, or as may be required by this Act, for the faithful performance of their duties. 5
 - (e) Remove them at pleasure and appoint others instead.
 - (f) Determine the rates of insurance, the sum to be insured or re-insured, the amount to be paid thereon, and direct the making and issuing of all policies of insurance. 10
 - (g) Provide books, stationery and other things needful for the office of the Company, and for carrying on the affairs thereof.
 - (h) Draw upon the Treasurer for the payment of all losses by and expenses incurred in transacting the business of the Company, and for the governmental deposit aforesaid as well as for the paying off of the debentures, promissory notes, bills and drafts which may be at any time outstanding against the Company. 15
 - (i) They shall hold their meetings monthly and oftener, if necessary, for transacting the business of the Company. 20
 - (j) They shall keep a record of their proceedings.
- Account to the annual meeting.**
- 45.** The Directors shall submit to every annual meeting of the Company a full and correct account of the business and affairs of the Company, shewing
- (a) The receipts and expenditure for the past year. 25
 - (b) The number of policies issued, lapsed and paid.
 - (c) The amount covered by the policies in force.
 - (d) A general abstract of the estimated liabilities and assets of the company.
- And a copy thereof shall be sent by post to every member of the Company. 30
- Treasurer and Secretary to give security.**
- 46.** The Treasurer and Secretary shall, before entering upon the duties of their respective offices, each give a bond to the Company, in the sum of two thousand dollars with a sufficient surety or sureties in a like sum to the satisfaction of the Directors, conditioned for the faithful discharge of the duties of their respective offices, agreeably to the provisions of this Act and to the by-laws, rules and regulations of the Company, made pursuant thereto. 35
- Execution of policies, &c.**
- 47.** All policies, contracts, securities, deeds and writings touching or concerning the Company, shall be signed and executed by the President, or in his absence by the Vice-President, and countersigned by the Secretary. 40
- Payment of claims.**
- 48.** Claims under policies issued by the Company shall be settled by the Directors within three months after due notice and proof of the same, and fulfilment of the conditions of such policies respectively. 45
- Claims in right of marriage, &c.**
- 49.** Every person claiming an interest in any policy issued by the Company, or in the said guarantee capital, either in the right of marriage or by bequest, or under letters of administration, shall prove the same by the production of such affidavits and other documentary evidence as is usual in like cases in courts of justice, or otherwise to the satisfaction of the Directors, whereupon such payment, acknowledgment or transfer shall be made as the case may require. 50
- If dispute arbitration.**
- 50.** If the settlement tendered by the Directors in any case is not satisfactory to the claimant, he may refer the matter to the sole arbitrament of the County Judge of the County in which the assur- 55

ed resided, or the same may be decided by arbitrators named by the parties in difference.

51. If on such reference the claimant recover more than the sum tendered by the Directors he shall have judgment therefor against the Company with interest from the time that payment became due, and costs of suit. If more recovered.

52. If no more be recovered than the amount so tendered the Plaintiff shall have judgment for that amount only without costs, but the Company shall be entitled to costs against the claimant as in case of a verdict for the defendant. If no more recovered.

53. Whenever any assessment is made on any premium note given to the Company as part of the consideration for any policy of insurance issued by them, and whenever any call is made upon any holder of guarantee stock, the certificate of the Company specifying such assessment or call and the amount due to the Company by means thereof, shall be taken and received as *prima facie* evidence thereof in all courts and places whatsoever. Proof of call or assessment.

54. Any Justice of the Peace may examine upon oath or solemn affirmation any person or persons who come before him to give evidence touching any matter or thing in relation to life insurance in which this Company is or may be interested, and may administer the requisite oath or affirmation. Examination on oath.

55. Wilful and corrupt false swearing or affirming, concerning any matter or thing in relation to life insurance in which this Company is interested, before any one having lawful authority to administer an oath or affirmation, shall be wilful and corrupt perjury; and notice to the defendant to produce any document in his possession, power or control, shall in all actions, suits and prosecutions by the Company let in secondary evidence thereof if the same be not produced in pursuant to the said notice. Perjury.

56. No action or suit shall be brought against the Company save within one year of the event, damage or loss which is the cause thereof, nor shall any execution issue against the Company upon any judgment until after the expiration of six months from the time of the recovery thereof. Secondary evidence.

57. In all actions suits and prosecutions in which the Company is in any way concerned, the Secretary or other officer of the Company shall be a competent witness notwithstanding any interest he may have therein. Limitations of actions and executions.

58. The Head Office of the Company shall be at Toronto, but branch offices may be established in such other cities, towns, and places of the Dominion of Canada as the Directors may think fit. Officers may be witnesses.

59. The Company shall present to the Governor General and both Houses of the Parliament of Canada, during the first fifteen days of the first Session thereof in every year, a full and unreserved account of the affairs of the Company, and of its funds, property and securities, shewing— Head Office and Branches.

- (a) The amount in real estate.
- (b) The amount in bonds and mortgages.
- (c) The amount in premium notes.
- (d) The amount in public debt or other stock.
- (e) The amount of moneys due to and from the Company.
- (f) The names of all the Directors and guarantee Stockholders of the Company.