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No. 27.

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

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BILL.

An Act to incorporate the "Dominion Life  
Association."

(PRIVATE BILL.)

Mr. YOUNG.

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OTTAWA :

Printed by I. B. Taylor, Nos. 29, 31 and 33 Rideau Street

1871.

An Act to Incorporate "The Dominion Life Association."

**W**HEREAS, Sir Francis Hincks, K. C. M. G., C. B., Finance Preamble.  
 Minister of Canada; The Honorable William Pearce How-  
 land, C. B., Lieutenant Governor of Ontario; The Honorable  
 William McMaster, Senator, President of the Canadian Bank of  
 5 Commerce; The Honorable Edmund Burke Wood, M. P., M. L. A.,  
 Treasurer of the Province of Ontario, of Brantford; James Young,  
 Esquire, M. P., of Galt; Thomas N. Gibbs, M. P., of Oshawa;  
 William McGiverin, Esquire, President of the Board of Trade, of  
 Hamilton; The Honorable Matthew Crooks Cameron, M. L. A.,  
 10 Secretary of the Province of Ontario; B. Homer Dixon, K. N. L.,  
 Consul General of the Netherlands; William Elliot, Esquire, Presi-  
 dent of the Board of Trade; Edward Hooper, Esquire, Merchant;  
 J. Herbert Mason, Esquire, Secretary-Treasurer of the Canada  
 Permanent Building and Savings Society; Robert Wilkes, Esquire,  
 15 Merchant; William Gooderham, Junior, Esquire, Merchant;  
 William H. Beatty, Esquire, Solicitor to the Toronto, Grey and  
 Bruce Railway; Benjamin Morton, Esquire, of Morton & Smith;  
 John K. Macdonald, Esquire, Treasurer of the County of York;  
 J. B. Cherriman, Esquire, M. A., Professor of Natural Philosophy  
 20 in University College, Toronto; John P. Russell, Esquire, M. D., of  
 Edin; Orlando S. Winstanley, Esquire, M. R. C. S., Eng; Christo-  
 pher Salmon Patterson, Esquire, Barrister at Law; James Beatty,  
 Junior, Esquire, Barrister at Law; John M. Trout, Esquire, Pro-  
 prietor of the *Monetary Times*, all of Toronto; have by their  
 Petition prayed that an Association under the name and title of  
 the "Dominion Life Association" may be incorporated, for the  
 25 purpose of enabling the said Petitioners and such others as are  
 or shall become members to carry on the business of life insur-  
 ance in all branches and modes of conducting the same: There-  
 fore, Her Majesty, by and with the advice and consent of the  
 Senate and House of Commons of Canada, enacts as follows:—

30 1. All such persons as now are or hereafter shall become mem- Incorporation.  
 bers of the said Association, and their respective executors, admin-  
 istrators, and assigns, are hereby constituted and declared to be a  
 Corporation or Body Corporate, by and under the name and title  
 of the "Dominion Life Association," and shall be capable of Name.  
 35 acquiring by purchase, lease, mortgage, or otherwise, and of holding  
 absolutely or conditionally, lands and real estate and personal Hold prop-  
 property, and of selling, alienating, transferring, conveying, and erty.  
 disposing of the same.

Provided always, that nothing herein contained shall be con-  proviso :  
 40 strined as authority to the Association to hold real estate acquired as to extent  
 by purchase in the first instance as the absolute property of the of real es-  
 Association, or in any other way than through the investment of tate.  
 its funds as hereinafter provided in mortgage on real estate, or on  
 the security thereof beyond the annual value of twenty thousand  
 45 dollars in any Province of Canada.

Proviso :  
as to real  
estate ac-  
quired  
through in-  
vestment.

Provided, further, that all real estate acquired as the absolute property of the Association through the investment of its funds in mortgages thereon, or on the security thereof, shall be sold and conveyed within ten years from the time of its becoming the absolute property of the Association.

5

The head office of the said Association shall be in the City of Toronto.

Common seal.  
Sue and be  
sued, &c.

2. The said Association shall have a Common Seal, and may sue and be sued, contract and be contracted with in the corporate name aforesaid.

10

Business :  
On what plan.

3. The said Association is authorized to transact and carry on all kinds of life insurance business on the mixed plan, or on the stock and mutual plans combined, or on either plan, or such other plan or principle as the general Board of Directors may from time to time determine and direct.

15

Capital stock :  
\$100,000,  
1,000 shares  
\$100 each.  
May be in-  
creased to  
\$500,000.

4. The capital stock of the said Association shall be one hundred thousand dollars, divided into one thousand shares of one hundred dollars each, with power to the general Board of Directors to increase the amount of the capital stock at any time, or from time to time, to an amount not exceeding in the whole five hundred thousand dollars.

20

Proviso :  
Increase of  
stock to be  
confirmed by  
shareholders.

Provided, that no increase of stock shall be made or new stock issued until the resolution of the General Board authorizing such increase or issue of new stock, shall first be submitted to and confirmed by a special meeting of shareholders to be called for that purpose.

25

How much to  
be subscribed.

5. No policies of insurance shall be issued under the authority of this Act until the said capital stock of one hundred thousand dollars shall be subscribed for, and the deposit made with the Receiver-General of Canada in accordance with the provisions of 30 the Statute of Canada, passed in the thirty-first year of Her Majesty's reign, intituled "An Act respecting Insurance Companies."

Insurance  
Act.

When to com-  
mence busi-  
ness.  
With what  
powers.  
Insurance on  
lives.

6. When duly licensed under the said Act, the said Association shall have power to make and issue policies of insurance on lives 35 and to make and effect contracts of insurance with any person or persons bodies politic, or corporate, upon life or lives either for a period of life or lives or other periods, in any way dependent upon life or lives, and to buy, sell, grant, and otherwise acquire and dispose of the same, and to buy, grant, or sell annuities either for a 40 life or lives or otherwise, and on survivorship, and to buy, sell, grant, and otherwise acquire and otherwise dispose of annuities and endowments of every description on the lives of both adults and children, and to purchase contingent rights, whether of rever- 45 sion, remainder, annuities, life policies, or otherwise, and generally to enter into any transaction depending upon the contingency of life and all other transactions usually entered into by life insurance companies or associations including re-insurance.

Annuities.

Endowments.

General  
powers.

Members :  
Shareholders,  
And holders  
of participat-  
ing policies.

7. The members of the said Association shall be all persons having subscribed for stock therein, or become shareholders and 50 all persons actual holders of policies from the said Association (whether such holders of policies shall be holders of shares or not in the said Association) who shall, by the terms of the said policies, be entitled to participate in profits, and who are otherwise known

as holders of "participating policies," and such holders of participating policies shall also be entitled to participate in the management and earning of the same as herein provided. To participate in earnings, &c.

8. The general management of the Association is hereby vested in a Board of Directors, which may be known as the "General Board," which shall (in addition to *ex officio* members) be composed of not less than fifteen nor more than twenty members of the said Association, at least nine of whom shall reside in the City of Toronto or its vicinity, and of the whole Board, not less than one-half shall be shareholders and not less than one-third shall be holders of participating policies. Five members of the said Board shall form a quorum. General Board:  
Five to form a quorum.

9. Members of the said General Board who shall be such *ex officio* shall be the chairman of the Board of each Provincial Department respectively. Ex officio members.

10. The said General Board shall consist, until the first annual election hereinafter provided for, of the following persons:—Sir Francis Hincks (who shall also be President), the Honorable William Pearce Howland and the Honorable William McMaster (who shall also be Vice-Presidents), the Honorable M. C. Cameron, the Honorable E. B. Wood, James Young, William McGiverin, Thomas N. Gibbs, William Elliot, B. Homer Dixon, Edward Hooper, J. Herbert Mason, Robert Wilkes, William Gooderham, Junior, W. H. Beatty, and B. Morton. Board for first year.

11. 1. There shall be in the City of Toronto annually an election of Directors of the General Board from among the members of the said Association, whether shareholders or holders of participating policies (otherwise duly qualified) who shall hold office in such General Board until their successors are elected in each year. Election of Directors :  
Annually in Toronto.

2. The General Board shall, by by-law to be passed at least one month before the annual election, appoint the number of Directors, not being less than fifteen nor more than twenty to be elected for the ensuing year; and in default of such appointment the number of Directors shall remain the same as in the preceding year. General Board to fix number of Directors.

3. The Directors of the General Board shall from among their number elect a President and two Vice-Presidents, at least one of whom shall be elected from among the Directors resident in the City of Toronto or its vicinity. President and Vice-Presidents.

12. No person shall be eligible for election to the General Board unless he shall be a shareholder to the extent of at least two thousand dollars, and shall have actually paid all calls made on his shares, or shall be a holder of a participating policy of the said Association on his own life, or shall be the legal and beneficial holder of one or more participating policies on the life or lives of some other person or persons for an amount not less than five thousand dollars. Qualification of Directors.  
Holder of twenty shares,  
Or participating policy to \$500,000.

13. Every shareholder shall be entitled (either in person or by proxy) to one vote for every share he holds in the capital stock of the said Association, and every holder of a participating policy of the said Association, for a sum not less than one thousand dollars, shall be entitled to one vote for each one thousand dollars in his policy. Voting :  
One vote for every share,  
And one vote for every \$100,000 in policy.

Powers of  
General  
Board:  
Vacancies  
how filled.

14. 1. The General Board of Directors shall have power to fill vacancies in the General Board or Committees of the Board or in the officers of the Board, or of the Association from time to time as they occur.

Appoint offi-  
cers, &c.

2. They shall also have power to appoint all the officers of the Board, or of the Association, including at the head office a General Manager, Actuary, General Secretary, Medical Examiner or Examiners, Solicitors or firm of Solicitors, or any one or more of them, and to fix their remuneration and term of office, and to determine and approve of their duties, obligations, and securities, and to remove or dismiss such officers and to appoint all other officers and agents and to remove or dismiss the same at any time and to select one or more Banks in which the current funds of the Association may be deposited.

Remove or  
dismiss.

To make calls.

3. They shall have power to make calls for such sums or amounts and at such times upon the shares of the respective shareholders as they may deem requisite, for the purposes and interests of the Association, and to sue for and enforce the payment of the same.

How enforc-  
ed.

To forfeit  
shares,  
And allot or  
sell the same.

4. They may also declare all shares forfeited on which such calls have not been duly paid, and may allot the same or any part thereof to any member or person, or sell the same or any part thereof as they may direct.

What partici-  
pating policies  
may be charg-  
ed with,

5. They shall also have power to charge the holders of participating policies with losses to the extent to which they have been credited with profits if the losses require it, and retain the amount so charged out of such profits or such profits as may be 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 expressed by the terms of their policies.

And to what  
extent.

To declare  
dividends and  
bonuses.  
Holders of  
participating  
policies enti-  
tled to not  
less than  
ninety per  
cent.

6. They may from time to time set apart such portion 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 except out of profits, and the General Board shall not be obliged to allot such portion of profits to such holders of participating policies oftener than once in five years.

No dividend  
except out of  
profits.

Not obliged  
to declare pro-  
fits oftener  
than once in  
five years.

Delegate  
powers to  
officers, &c.

7. They may delegate such power and authority and impose such duties, in addition to those mentioned in this Act, as they may deem advisable upon the officers of the Association and the Committees of the Board and the Provincial Boards and Managers.

General  
powers.

8. In general they may do all other acts and things necessary to be done and performed by the said General Board in carrying out the objects and purposes of the Association and in advancing its interests, and shall have the general oversight and care of the business and interests of the Association.

To make by-  
laws, &c.,  
For govern-  
ment, &c.,  
For issuing of  
policies,

9. They may make all such by-laws, rules, and regulations for their own government and for the government and guidance of the Committees of the Board and of the officers of the Board or of the Association and of the Provincial Boards and Managers for the issuing of policies, and in what form and with what conditions, restrictions, and limitations, and for the investment of the funds of the Association and for determining computations, and rates of premiums of insurance, and for the time and manner of the increase

For invest-  
ments,

For rates of  
premium,

of the capital stock or of the issue of new stock and the mode in which the same shall be appropriated, allotted, or sold, and for determining the number of Directors within the limits provided and for the regulation of elections and the time and manner of notice thereof, and for the calling of annual and special meetings and the time and manner of notice thereof, and for the declaration of dividends and bonuses and division of profits and the rates thereof, and the appropriation thereof, and the manner and time of payment, and generally for the management, guidance, direction, and regulation of the business and affairs of the Association with respect to any subject, matter, or thing whatsoever, as shall from time to time appear to them necessary for the proper and satisfactory working of the Association, or of the powers and rights conferred by this Act.

For increase of capital.  
For determining number of Directors.  
For regulating elections.  
For calling of meetings.  
For declaring dividends.  
For general purposes.

15 15. The General Board may appoint of their own members such committees with such powers and to discharge such duties as the General Board may from time to time confer and impose on them, but they shall at all times and in regard to all their actions and duties be subject to the control of the said General Board.

Committees.

16. 1. The General Board may establish a Department in each Province of the Dominion (other than Ontario) with an officer in a principal city or town therein, which Department shall be known as a Provincial Department or the Department of such Province.

Departments.

25 2. Each such Provincial Department shall be managed by a person to be appointed by the General Board for such term of office and at such remuneration as they may determine upon; he shall be known as the "Manager" of such Department.

Manager.

30 3. The said Manager may have associated with him an advising board, otherwise known as a Provincial Board or Board of the Department, composed of such persons as may be appointed by the General Board, and who shall be resident in the Province so set apart and shall hold at least five shares in the capital stock of the said Association with all calls paid up, or shall be the holder of a participating policy therein on his own life or the life or lives of another person or persons to at least two thousand dollars.

Provincial Boards.

35 4. The Board of each Department shall be presided over by a member thereof, who shall be known as Chairman of the said Provincial Board.

Chairman of.

40 5. The Board of any Department may appoint under the direction and with the approval of the General Board such necessary local officers, Medical Examiners, Solicitors, Bankers, and Agents as they may deem requisite to carry on the business of the Association in such Department and remove or dismiss the same.

Officers thereof.

45 6. The Provincial Boards shall have the immediate management and supervision of the business of their respective Departments subject, however, to this Act and to the by-laws, rules, regulations, and instructions of the General Board and the inspection and supervision of the said General Board, or of any officer whom they may appoint for that purpose, provided always that the Provincial Board shall not have power to issue any policy or policies of Insurance.

Business of.

Proviso.

17. All policies of insurance, endowments, and annuities, and all contracts of the said Association shall be sealed with the common seal of the said Association, and shall be signed by the President or a Vice-President and the General Manager or such officer as the General Board may appoint for that purpose.

Policies:  
To be sealed.

Policies forfeited.

18. Whenever any holder of a policy shall fail to make payment of premiums as required by the conditions of his policy before two full annual premiums shall have been paid, such policies shall be void and all moneys paid on account of the same shall be forfeited to the Association but such policy may be reinstated upon such terms and conditions as shall be expressed in or endorsed on the same. 5

Commuted policies.

19. Whenever any holder of a policy shall have made payment of two or more annual premiums as required by the conditions of his policy and shall fail to pay any further premiums, the premiums paid on such policy shall not be forfeited, but such policy become a paid up and commuted policy for such sum as the General Board may ascertain and determine.

Policies surrendered.

20. Whenever any holder of a policy shall decide to surrender his policy after two or more annual premiums shall have been paid 15 thereon, he shall receive, in consideration of such surrender, such sum as may be ascertained and determined upon by the General Board.

Policies for benefit of wife, &c.

21. Whenever any person shall have insured his life in this or any other Company, or may hereafter insure his life for the benefit 20 of his wife and children, or wife or children, or any of them or in the name of the wife, such person may, with the consent of his wife only expressed in writing and without the consent of his children, declare the said policy to be held in his own name and for his own use absolutely, and thereafter it shall be so read and construed, 25 and in case any person shall have by any endorsements or statement declared any policy issued by any company to be for the benefit of his wife and children or wife or children or any of them, he may by another endorsement or statement attested by one witness declare his revocation of the former endorsement, or may sur- 30 render the same, and such first endorsement or statement shall be ~~be~~ revoked or cancelled and shall be of no effect thereafter.

Husband, &c., to remember.

22. In case a participating Policy is issued on the life of a husband or father, for the benefit of his wife or children, the husband or father shall be a member of the Association. 35

Investments. In or on Dominion Debentures, &c. Provincial Debentures, &c. Municipal Corporation. Incorporated company, Or bank, Or on the stock of, Or on real estate, Or mortgages, To hold in corporate name, Loans, &c., On what conditions.

23. It shall be lawful for the said Association to invest its funds in the debentures, bonds, stocks, or other securities of the Dominion of Canada or on the security thereof, or in or on the securities of any of the Provinces comprising the Dominion, or in or on the securities of any municipal corporation in the Dominion, 40 or in or on the securities of any incorporated company or Bank transacting business in any Province of the Dominion, or on the security of stock of any incorporated Company or Bank, or on the security of real estate or mortgage security thereon in any Province of the Dominion, and to take, receive and hold all or any 45 of such securities in the corporate name of the Association, whether for funds invested by being advanced or paid in the purchase of such securities, or loaned by the said Association on the security of the said debentures, bonds, stock, mortgages, or other securities as aforesaid; such loans to be on such terms and conditions, and 50 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 General Board may from time to time determine and direct, and whether they are taken absolutely or conditionally, or whether 55



such securities are taken in satisfaction of debts due the said Association, or judgments recovered against any person or body corporate in its behalf, or in security for the payment of the same, or of any part thereof.

5. **24.** It shall be lawful for the Governor General in Council upon the Petition of the said Association, and upon deposit with the Receiver General of such sums of money, debentures, stocks, mortgages or securities, as may be determined upon by the Governor General in Council, to make such arrangements with the said Association as may be deemed requisite for the security of the holders of Policies of the class of registered Policies, and to authorize the said Association to issue Policies on the security deposited with the Receiver General aforesaid.

2. And such policies shall be registered in the office of the Secretary of State for the Provinces, and shall be endorsed with the following words or words to the like effect "Registered in the office of the Secretary of State for the Provinces, and secured by deposit of debentures, stocks, mortgages, or other securities, dated the day of A. D. and shall be signed by such Secretary of State.

**25.** In addition to the annual meeting for the election of Directors, as hereinbefore provided, a special meeting may at any time be called to meet in the City of Toronto, upon the requisition in writing of any eight members of the General Board, or of any one hundred members of the said Association, which requisition shall be addressed to the President, or in his absence to the Vice-Presidents, who shall, within one month after the receipt thereof, convene such special meeting; such requisition shall concisely state the purpose for which such special meeting shall be called.

**26.** The shares of the Association shall be transferable by the parties holding the same according to by-laws or rules of the Association, and shall be transferred when the transfers thereof shall be registered in the Transfer Book of the Association at the Head-Office, provided always that no share shall be transferred until all calls due thereon shall have been paid.

**27.** The transmission of the interest in any share of the stocks of the said Association in consequence of the marriage, insolvency, or death of the shareholder, or by any other means other than the ordinary transfer shall be proved and authenticated in such form, by such proof, and generally in such manner as the General Board may from time to time require, or by by-law direct.

**28.** In any action for the recovery of calls, or arrears on calls, it shall be sufficient for the Association to allege that the Defendant being an owner of shares therein, is indebted to the Association in respect of so many shares in the sum due, whereby an action hath accrued to the Association by virtue of this Act; and at the trial it shall only be necessary to prove that the Defendant was owner of shares in the Association, and that such call was made according to the by-laws or Rules of the Association; it shall be unnecessary to prove the appointment of the Directors, who made such calls or any other matter whatsoever, and a copy of any by-law, rule, regulation, or minute, or of any entry in any book of the Association, certified to be a true copy or extract under the hand of the President, or a Vice-President, or the Manager or Secretary,

of the Association, and sealed with the Corporate Seal, shall be received in all Courts and proceedings as evidence of such by-law, rule, regulation, minute or entry, without further proof thereof, and without proof of the official character or signature of the officer signing the same, or of the corporate seal. 5

Trusts.

**29.** The Association shall not be bound to see to the execution of any trust, whether expressed, implied or constructive to which any share or shares of its stock may be subject, or to which any policy or policies shall be subject, and the receipt of the person in whose name any share stands, or by whom any policy or policies appear to be held in the books, or if such share or policy stand in the name of more than one, the receipt of one shall be a sufficient discharge to the Association for any money paid in respect of such share or shares, or policy or policies, notwithstanding any trust to which they, or any of them may be held subject, and whether or not the Association shall have had notice of such trust. 10 15

No Director to borrow.

**30.** No Director or Officer of the Association shall become a borrower of any of its funds, nor become surety for any other person who shall become a borrower from the said Association. 20