

FIRST SESSION

THIRTY-SECOND LEGISLATURE

NATIONAL ASSEMBLY OF QUÉBEC

Bill 254

(PRIVATE)

**An Act respecting “Les Prévoyants du Canada”
and The Laurentian Mutual Assurance Company**

First reading

Second reading

Third reading



M. RICHARD GUAY

QUÉBEC OFFICIAL PUBLISHER

1 9 8 1

Bill 254
(PRIVATE)

An Act respecting “Les Prévoyants du Canada”
and The Laurentian Mutual Assurance Company

WHEREAS Les Prévoyants du Canada, a corporation constituted by chapter 121 of the statutes of 1909, amended by chapter 89 of the statutes of 1911, by chapter 122 of the statutes of 1917-1918, and whose charter was revised by chapter 148 of the statutes of 1921 and amended by chapters 142 of the statutes of 1930, 103 of the statutes of 1942 and 161 of the statutes of 1957-1958, is a corporation with share capital having as its object to carry on the business of life insurance and whereas it is governed by the Act respecting insurance (R.S.Q., chapter A-32);

Whereas the Laurentian Mutual Assurance Company, incorporated by letters patent issued pursuant to the Québec Insurance Act (Revised Statutes, 1941, chapter 299) and replaced by chapter 185 of the statutes of 1958-1959, amended by chapter 90 of the statutes of 1962, is a mutual insurance company having as its object to carry on the business of life insurance and whereas it is governed by the Act respecting insurance;

Whereas the authorized capital of Les Prévoyants du Canada consists of 1 000 000 common shares of a par value of one dollar each;

Whereas Les Prévoyants du Canada has issued and allotted 350 000 paid up and non-assessable common shares of a value of one dollar each;

Whereas it is in the interest of Les Prévoyants du Canada and necessary for the proper administration of its affairs that it be converted into a mutual life insurance company;

Whereas it is in the interest and necessary for the proper administration of their affairs that Les Prévoyants du Canada and The Laurentian Mutual Assurance Company amalgamate into a single company and that the company resulting from this amalgamation be governed by the Act respecting insurance;

Whereas the conversion of the company Les Prévoyants du Canada into a mutual life insurance company and its amalgamation with The Laurentian Mutual Assurance Company were approved by the shareholders and policyholders of Les Prévoyants du Canada at a special general meeting called for that purpose;

Whereas the amalgamation of The Laurentian Mutual Assurance Company with Les Prévoyants du Canada was approved by the members of The Laurentian Mutual Assurance Company at a special general meeting;

Whereas Les Prévoyants du Canada received from its shareholders irrevocable offers of sale of their shares, valid for a period of not less than six months, for a total of not less than ninety-five per cent of the paid up and allotted, issued and non-assessable shares of its share capital;

Whereas Les Prévoyants du Canada has at its disposal the sums required to purchase its issued and allotted shares and now outstanding;

Whereas the interest of the insured and of the public is not opposed to the conversion and amalgamation;

HER MAJESTY, with the advice and consent of the National Assembly of Québec, enacts as follows:

1. Les Prévoyants du Canada, hereinafter called “Les Prévoyants”, is authorized to purchase the issued and allotted shares now outstanding of its share capital.

2. Les Prévoyants shall pay, upon the remittance of their share certificates, the sums due to shareholders having offered their shares for sale.

3. Les Prévoyants shall notify in writing each registered holder of the remaining shares that the sum required for the payment of their shares has been reserved and such payment must be effected upon receipt of the corresponding certificates.

4. The shares paid by Les Prévoyants and the shares for which a reserve provided for in section 3 was made are deemed to be purchased.

5. The share capital of Les Prévoyants is cancelled and the company is converted into a mutual life insurance company subject to Division III of Chapter III of Title IV of the Act respecting insurance.

6. The amounts paid by Les Prévoyants for the purchase of issued and allotted shares of its share capital in accordance with this Act shall not be a distribution of surplus earnings contemplated by a fiscal law within the meaning of the Act respecting the Ministère du revenu (R.S.Q., chapter M-31).

7. Les Prévoyants and The Laurentian Mutual Assurance Company shall amalgamate into and continue as a single corporation under the corporate name of "La Laurentienne, mutuelle d'Assurance" and its English version "The Laurentian Mutual Assurance", hereinafter referred to as "The Laurentian". The Laurentian may also use the corporate names "Les Prévoyants du Canada" and its English version "The Canadian Provident" and "La Laurentienne, Compagnie mutuelle d'Assurance" and its English version "The Laurentian Mutual Assurance Company", indiscriminately, for its purposes and uses during a period of twelve months after the date of the coming into force of this Act.

8. The Laurentian has its corporate seat in the city of Québec or in any other locality as may be determined by the members of the company by a by-law to that effect passed by a majority of the members present at a general meeting called for that purpose, and at such address in that locality as the directors may fix.

9. A person who owns an insurance contract established by the company and on which no premium is outstanding is a member of the Laurentian.

Every owner of a contract in force on which no premium is outstanding and which has been established by Les Prévoyants du Canada or by The Laurentian Mutual Assurance Company, and any owner of a contract in force on which no premium is outstanding and which has been established by the Union of Commerce, by Stability Life Insurance Company or by La Prévoyance Compagnie d'Assurance and which has been acquired or assumed by The Laurentian Mutual Assurance Company, is also a member of the Laurentian.

For the purposes of this section, only the following persons are deemed owners:

(a) in a contract designating several policyholders, the policyholder first named;

(b) in a group insurance contract, the policyholder and the participants if so stipulated in the contract.

10. The Laurentian has the power

(1) to carry on the business of insurance and reinsurance of the person and without restricting the general scope of such power, it may, in particular, make contracts:

(a) of life insurance and insurance against accidents, disability, sickness and all other risks of a similar nature;

(b) of indemnity for hospital, medical, surgical, dental, nursing and pharmaceutical expenses, and all other expenses of the same kind incurred by reason of accident, sickness or maternity;

(c) of capitalization or of sinking fund;

(d) of fixed annuity and rent;

(2) to carry on business respecting variable annuity and rent contracts.

The Laurentian may also undertake or engage in such classes of insurance as may be established by by-law adopted under the Act respecting insurance and any subsequent amendments as they exist at the time they apply.

11. The board of the Laurentian is composed of twenty directors, the first ones being Martial Asselin, Charles-H. Blais, Roger L. Beaulieu, Jean Boiteau, Claude Castonguay, Jean-Marie Chabot, Bernard Couvrette, Roger Décary, Marcel Dumas, Jacques J. Giasson, René Laflamme, Marius Laliberté, Jacques Lemieux, Philippe Michaud, William G. Munro, Pierre A. Nadeau, Michel Normandin, Jean-Marie Poitras, Edgar Porter and Maurice Riel.

12. The administration and the operation of The Laurentian are governed by the general by-laws that were deposited at the special general meetings of Les Prévoyants and of The Laurentian Mutual Assurance Company and those by-laws as well as the other by-laws of Les Prévoyants and The Laurentian Mutual Assurance Company, in so far as they are not inconsistent with the general by-laws adopted, this Act and the Act respecting insurance, apply to The Laurentian until they are amended or repealed in conformity with the Act respecting insurance.

13. Every member may vote in person or by proxy; he is entitled to only one vote regardless of the number or amount of the contracts he owns.

Every power of attorney authorizing a proxy to vote at a general meeting must, to be valid, be given within the three months preceding the meeting in question and be deposited in the hands of the secretary of the company not less than ten days before that meeting.

The power of attorney may be used only at that meeting or adjournments of that meeting.

14. The directors of The Laurentian shall be elected at the annual general meeting of the members for a term of office not exceeding three years fixed by the by-laws of the company. If the terms of office are of two or three years, the by-laws must provide the procedure necessary to obtain that the number of those expiring annually is as constant as possible.

15. The Laurentian may distribute to the holders of contracts contemplated in paragraph 1 of section 10 such part of the profits from its operations pertaining to such contracts as it may deem proper.

16. The Laurentian may keep in reserve such part of the profits from its operations pertaining to the contracts contemplated in paragraph 2 of section 10 as it may deem proper.

17. The auditor of The Laurentian Mutual Assurance Company shall be the auditor of The Laurentian until he is replaced or appointed in accordance with the Act respecting insurance.

18. Subject to the Act respecting insurance, The Laurentian may use all or part of its funds to purchase shares in other companies; this power may be exercised by the directors of The Laurentian by way of a mere resolution.

19. The Laurentian shall enjoy all the rights and assume all the obligations of Les Prévoyants and of The Laurentian Mutual Assurance Company and this Act replaces the incorporating Acts of those companies without, however, interrupting their corporate existence nor affecting their rights and obligations; The Laurentian is not deemed to be a new employer for the purposes of the premiums payable and paid pursuant to the Act respecting the Québec Pension Plan (R.S.Q., chapter R-9); and proceedings to which the companies are parties may be continued by or against them without continuance of suit.

20. This Act replaces chapter 148 of the statutes of 1921, amended by chapter 142 of the statutes of 1930, by chapter 103 of the statutes of 1942 and by chapter 161 of the statutes of 1957-1958 except for that which relates to Les Prévoyants du Canada "Fonds

de pension” which is and remains a distinct corporation, administered by The Laurentian, and governed by Schedule A to chapter 148 of the statutes of 1921 and its amendments, without affecting what has been done under those Acts.

21. This Act also replaces chapter 185 of the statutes of 1958-1959, amended by chapter 90 of the statutes of 1962, without, however, affecting what has been done under those Acts.

22. Subject to this Act, the Act respecting insurance applies to The Laurentian.

23. This Act comes into force on 28 June 1981.