



CHAPTER 66

An Act respecting Mutual Insurance Companies

[Assented to, the 22nd of June, 1940]

WHEREAS the Quebec Insurance Act, in section Preamble. 203, prescribes that the sum to be paid by each member of a mutual fire insurance company shall always be in proportion to the original amount of his deposit note;

Whereas certain mutual insurance companies governed by Division VII of the said act have, in good faith, imposed assessments referring to the amount of insurance in force instead of to the original amount of the deposit notes;

Whereas when the original amount of the deposit notes is uniformly proportional to the amount of insurance in force, the proportion expressed by reference to the amount of insurance corresponds to that which would be expressed by reference to the deposit note;

Whereas by a decision of a court the validity of an assessment so expressed by reference to the amount of insurance has not been admitted;

Whereas the invalidation of assessments imposed in this manner would imperil the administration of certain of the said mutual insurance companies;

Therefore, His Majesty, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows:

By-laws, etc.,
to impose as-
sessments
upon mem-
bers of mutual
insurance
companies
not invalid.

1. No by-law or resolution hitherto adopted to impose an assessment upon the members of a mutual insurance company governed by Division VII of the Quebec Insurance Act (Revised Statutes, 1925, chapter 243) shall be invalid because the rate of assessment would have been expressed therein by reference to the amount of insurance in force and not by reference to the original amount of the deposit notes, if the original amount of the deposit notes is uniformly proportional to the amount of insurance.

Coming into
force.

2. This act shall come into force on the day of its sanction.