



CHAPTER 128

An Act to incorporate *La Survivance, compagnie mutuelle d'assurance-vie*

[Assented to, the 8th of April, 1938]

WHEREAS *L'Union St. Joseph de St. Hyacinthe*, herein- Preamble.
after called the society, is a fraternal mutual benefit society incorporated by the act of the Quebec Legislature, 55-56 Victoria, chapter 88, which was amended by the act 7 George V, chapter 111, and consequent upon a resolution adopted by a general meeting of its members, duly called and held on the 14th of November, 1937, it has prayed that the hereunder legislative provisions be established, and it is expedient to grant such prayer;

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

1. Horace St-Germain, registrar of hypothecs, Louis A. Beauregard, foreman, Adélard J. Gaudreau, annuitant, Ernest J. Chartier, merchant, J. Léopold Champagne, accountant, Mandus Bienvenue, trader, Armand Mongeau, foreman, Henri Raymond, annuitant, Maxime David, clerk and notary, Roger St-Onge, accountant, Lucien A. Beauregard, accountant, Nap. Laplante, manager, all of the city and district of St. Hyacinthe, and Jean Baptiste Bousquet, advocate, L. Edouard Morier, notary public, and Ovide Bertrand, accountant, all three of the village of La Providence, district of St. Hyacinthe, Province of Quebec, and A. E. d'Artois, merchant, of the city of Farnham, district of Bedford, Province of Quebec, and J. H. Poirier, annuitant, of the city of Waterloo, district of Bedford, Incorporation.

Name.	Province of Quebec, as well as the present members of <i>L'Union St. Joseph de St. Hyacinthe</i> , are incorporated under the name of <i>La Survivance, compagnie mutuelle d'assurance-vie</i> , hereinafter called the company.
Object of company.	2. The object of the company shall be to assume, for consideration, life insurance risks on men, women and children against death, disability, sickness or accident. The company may not, in any instance, assume a sickness or accident risk on the life of any person, unless such risk constitutes an additional benefit to a main policy of life insurance issued on the life of the same person.
Corporate seat.	3. The company shall have its corporate seat in the city of St. Hyacinthe, Province of Quebec.
Board of management.	4. The affairs of the company shall be administered by a board of management of not less than seven nor more than eleven directors qualified to sit.
Quorum.	5. A majority of the members of the board of management shall constitute a quorum.
First directors.	6. The persons regularly elected directors of <i>L'Union St. Joseph de St. Hyacinthe</i> , at the general meeting of that society held on the 14th of November, 1937, shall be the first directors of the company.
Term of office of first directors.	7. The first directors shall remain in office, if they are qualified to exercise their functions, until the annual general meeting following the fiscal year ending on the 31st of December, 1940, notwithstanding the provisions of section 9 of the Quebec Insurance Act (Revised Statutes, 1925, chapter 243), as amended by the act 18 George V, chapter 75, section 3.
Directorial qualification.	8. Any man is qualified to act as director who is of the age of majority, holder of a life insurance policy upon his own life, issued by the company for an amount not less than one thousand dollars, in force at least one month before his nomination and during his term of office, provided that any such policy be not a temporary insurance policy, an extended policy, a policy kept in force under non-forfeiture clauses or a paid-up policy for an amount less than one thousand dollars.
Annual general meeting.	9. The board of management shall convene a general meeting of the company once a year, but never after the 31st of May.

10. At the general meetings, every member of the company of the age of majority, qualified to vote, shall be entitled to one vote and he may vote in person or by proxy. Voting.

Every proxy representing a member qualified to vote must himself be a member qualified to vote, and no power of attorney shall be valid unless signed, sealed and delivered within three months preceding the date of the meeting at which it is to be used, and unless it has been handed to the secretary of the company ten days at least before the meeting. Such power of attorney may be used only at that meeting or at the resuming of that meeting after an adjournment, and may be revoked at any time before the meeting. Proxies and power of attorney.

11. To be qualified to vote at any general meeting, it shall be necessary: Voting qualification.

1. To be of the age of majority;

2. To be insured and to hold a life insurance policy in force for an amount of one thousand dollars or over, provided that such policy be not an extended policy, a paid-up policy for an amount less than one thousand dollars, a life insurance policy kept in force under a clause of automatic non-forfeiture or a temporary policy of insurance.

12. Any question submitted to the general meeting shall be decided by a majority of the votes. In the case of a tie, the motion shall be automatically rejected. Decision by majority.

13. The corporation hereby constituted has perpetual succession and may: Powers of corporation.

a. Appear either as plaintiff or defendant before any court of justice;

b. Acquire, possess, accept and receive under any title whatsoever, any moveables or immoveables and sell, hypothecate, convey or alienate same;

c. Enter into any contract or agreement in the management of its affairs;

d. Subscribe, draw, endorse, transfer, give promissory notes, bills of exchange, secured obligations and all effects, whether negotiable or not, in virtue of the powers conferred on it by this act, and of the duties and obligations incumbent upon it;

e. Enter into contracts of insurance on the life of any person whatsoever in accordance with the requirements of civil law;

f. Grant, sell or purchase annuities, orders for pensions, rents;

g. Effect endowments;

h. Enter into contracts of insurance with any person against any accident, sickness or other contingency affecting individuals, of any nature whatsoever or resulting from any cause whatsoever, whereby the insured may suffer total or partial disability, and guarantee to the insured person or to his representatives payment of a certain sum of money, on the conditions and terms agreed upon, provided that such policy of insurance constitute an additional benefit to a main policy of life insurance issued on the life of any such person;

i. Subject to section 2 of this act, carry on generally the operations or business of insuring persons, against death, accident and sickness, in all its branches and forms;

j. Establish the conditions, rates and amounts in connection with any contract of insurance;

k. Have itself insured against any risk underwritten by it, and re-insure any other company carrying on the same class of insurance against any risk underwritten by such other company;

l. Lease or acquire, in the Province of Quebec, such immoveables as it may need, wholly or in part, for its use and occupation and cede or alienate same;

m. Generally, do and perform all other things useful and necessary for its management and of a nature to facilitate same;

n. Notwithstanding the provisions of Division XXVII of the Quebec Insurance Act (Revised Statutes, 1925, chapter 243), acquire the goodwill, assets, rights and obligations, actions and powers or the undertaking of any person, mutual benefit society, mutual life insurance association or company or other company engaged in the same kind of business as this company and possess and operate in any lawful manner the entirety or part of the said undertaking, and exercise all powers and rights connected with the companies or societies so acquirable, in the direction and management of the said undertaking;

o. Issue insurance policies the proceeds whereof shall be payable, according to the provisions of civil law and of the Husbands' and Parents' Life Insurance Act of Quebec;

p. Issue policies on the life of a third party and on the life of a child under fifteen years of age, provided that the applicant for insurance has an interest in the life proposed for insurance.

14. The board of management shall have full power in all things to administer the affairs of the company, and, at need, may make, revoke, amend or again put into force any by-law not contrary to law or to this act for the administration, in all respects, of the affairs of the company, and may specially:

Powers of
board of
management.

1. Fix the remuneration of the directors;
2. Appoint the date and place of the annual meetings of the company, the calling of regular and special meetings of the directors of the company, conditions respecting proxies and the procedure in any business at such meetings;
3. Fix the quorum of members required at the meetings and the manner of voting;
4. Establish agencies or branches;
5. Delegate to an executive committee of at least five persons, the majority of whom shall form a quorum, certain powers, which appear to the board as properly exercisable by such a committee and of a nature to aid the proper administration of the company;
6. Fill any vacancy occurring in the board of management;
7. Generally, do and perform all things useful or necessary for the proper administration of the company in conformity with section 172 of the Quebec Insurance Act.

15. The directors shall choose from among themselves a president and one or more vice-presidents.

President,
etc.

16. Notwithstanding the provisions of subsections 1 and 2 of section 154 of the said Quebec Insurance Act, the company may devote its funds or any part thereof to the purchase of:

Investing of
funds.

- a. Bonds, bills, public stock or reimbursable securities,—
 1. Issued or guaranteed by the Government of the Dominion of Canada;
 2. Issued or guaranteed by the Government of any Province of Canada;
 3. Issued or guaranteed by any municipal or school corporation in the Province of Quebec;
 4. Guaranteed by duties or taxes levied under the authority of the Government of the Province of Quebec on property situated in this Province and collectable by the municipalities in which such property is situated;

5. Issued or guaranteed by a *fabrique* or corporation of trustees in conformity with the provisions of Division III of the Parish and *Fabrique* Act (Revised Statutes, 1925, chapter 197, sections 42 to 100);

6. Issued or guaranteed by any incorporated educational or hospitalization institution, provided that the total investment made under this paragraph does not exceed twenty-five per cent of the company's surplus;

b. Bonds of any industrial or commercial corporation which has paid regular dividends on its preferred or ordinary stock for a period of at least three consecutive years preceding the date of their purchase,—

1. If such bonds are wholly secured to a trustee by hypothecation or pledging of real estate, or of the equipment and material of the said corporation used for carrying on its operations;

2. If such bonds are wholly secured to a trustee by way of hypothecation or pledge of bonds of the same category as those mentioned in the preceding paragraph *a*, held by the corporation. The inclusion in any pledge or hypothec, as additional security, of any class of assets not of the character of real estate shall not render such bonds inadmissible as an investment;

c. Preferred shares of any corporation which has paid its dividends upon the said shares regularly for a period of at least three consecutive years preceding the purchase of such preferred shares;

d. Shares of any corporation, guaranteed by another corporation which has paid dividends regularly on its preferred or ordinary shares, for a period of at least three consecutive years preceding the purchase of such guaranteed shares. The amount of such guaranteed shares must not exceed fifty per cent of the amount of the preferred or ordinary shares, as the case may be, of the corporation guaranteeing them;

e. Ordinary shares of any corporation on which dividends of at least four per cent per annum have been paid regularly, or, in the case of shares of no par value, dividends of at least two dollars a share annually during the three years preceding the purchase of such ordinary shares. The company, however, may not purchase more than twenty per cent of the paid-up capital of any company or corporation issuing such shares.

Power to
make loans

17. Notwithstanding the foregoing, the company shall have power to make loans:

a. In conformity with the provisions of article 981^o of the Civil Code of the Province of Quebec; How loans to be made.

b. Entirely secured by life insurance policies issued by itself.

18. The company may accept any securities as additional guarantee for the repayment of any loan or funds invested in conformity with the provisions of this act. Additional guarantees.

19. The total book value of the investments of the company in preferred, guaranteed and ordinary shares, such as described in paragraphs c, d and e of section 16, must not exceed fifteen per cent of the book value of the total assets in the company's ledger. Restriction as to certain investments.

20. The amount or value of the preferred, guaranteed or ordinary shares acquired by the company as additional profits or dividends or as additional security on preferred or ordinary shares, derived from investments effected by the company in preferred, guaranteed or ordinary shares shall not be deemed to be an investment in preferred, guaranteed or ordinary shares for the purposes of the preceding section 19. Deemed not to be certain investment.

21. The company is forbidden, except on the security of its own policies, to lend directly or indirectly any portion of its funds to any of its administrators or officers, or to the wife or child of any of its administrators or officers. Restriction as to loans.

22. All investments and deposits of the company's funds must be effected in its corporate name, and no director or other officer of the company nor any member of a committee having any authority in the investment or disposal of its funds may accept, directly or indirectly, any fee, brokerage, commission, gift or other equivalent, nor benefit therefrom, for the loans, deposits, purchases, sales, payments or exchanges effected by the company or in its name, nor be pecuniarily interested in such purchases, sales or loans, as borrower, principal, co-principal, mandatary or beneficiary, except that, if he is a policy holder, he shall be entitled to all the benefits to be received by him according to his contract. Prohibition as to receiving of certain fees, etc.

23. All operations of life insurance, sickness or accident insurance, insurance in the case of the predecease of the wife of the insured, insurance known as double indemnity One book-keeping only.

for death by accident, insurance against disability resulting from accident or sickness, shall be the object of but one bookkeeping.

Payment of
certain cost,
etc.

24. The cost of management and soliciting shall be paid out of the ordinary funds of the company.

Provisions
applicable to
company.

25. The provisions of the Quebec Insurance Act governing life insurance companies not inconsistent with those of this act shall apply to the company hereby incorporated.

Acquiring of
assets, etc.,
of *L'Union*
St. Joseph de
St. Hyacin-
the.

26. From and after the coming into force of this act *La Survivance, compagnie mutuelle d'assurance-vie*, hereby incorporated, shall acquire the goodwill, assets, rights and powers of *L'Union St. Joseph de St. Hyacinthe* as well as all its recourse in law against any person or corporation whatsoever, and, likewise, "*La Survivance*" shall assume, without reserve according to the provisions of this act, the liabilities and obligations of *L'Union St. Joseph de St. Hyacinthe*, all rights and privileges acquired by the members of the said *Union St. Joseph de St. Hyacinthe*, under its by-laws as amended at the general meeting of the 14th of November, 1937, being integrally maintained and respected. Thus, *L'Union St. Joseph de St. Hyacinthe*, a fraternal mutual benefit society, shall cease to exist and the acts governing it are repealed, and *La Survivance, compagnie mutuelle d'assurance-vie*, shall succeed in fact to all its rights, privileges, powers and obligations and legal recourse and be administered by the directors provided for in section 6 of this act.

Coming into
force.

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