



CHAPTER 160

An Act to incorporate *La Compagnie Mutuelle d'Assurance LaSalle*—LaSalle Mutual Insurance Company

[Assented to, the 11th of April, 1935]

WHEREAS the hereinafter named persons have, by their Preamble. petition, prayed to be incorporated for the purposes hereinafter set forth, and, amongst others, to carry on the business of fire and lightning insurance, plate glass, automobile and other accident insurance, and burglary insurance, according to the strictly mutual system of insurance, within the Province of Quebec;

Whereas there is occasion to derogate from certain provisions of the general law governing mutual insurance companies in this Province; and

Whereas it is expedient to grant the petitioners' prayer; Therefore, His Majesty, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows:

1. Harry Jerome Lynes, manager, of the city of Toronto, Province of Ontario; Lorenzo Bélanger, licensed accountant, and Ernest Cousins, manufacturer, both of the city of Montreal; Jules Thibaudeau, manager, and Joseph Philippe Lanctot, advocate and King's Counsel, both of the city of Outremont, all four of the district of Montreal, in the Province of Quebec, petitioners, and all such persons as may hereafter associate themselves with them, are incorporated under the name of "*La Compagnie Mutuelle d'Assurance LaSalle*"—"LaSalle Mutual Insurance Company". Incorporation.
Name.

2. The chief office of the company shall be in Montreal, Chief office. but the board of directors may establish one or more offices in such other places in the Province as it may deem expedient.

Board of
directors.

3. The above-named persons shall be the directors of the company, and shall constitute the board of directors, and shall remain in office until replaced, under the by-laws of the company; five provisional directors shall constitute a quorum.

Election of
directors.

4. The first general meeting for the election of directors shall take place within six months from the coming into force of this act, on the date which the provisional directors shall fix.

Number.

5. The number of directors shall not be less than seven, nor more than fifteen. The majority of the directors shall

Quorum.

constitute a quorum.

Powers.

6. The powers of the directors shall be determined by the by-laws of the company, but such by-laws must not be contrary to any of the provisions of this act or of the Quebec Insurance Act, in so far as the provisions of the said latter act are applicable to the company.

Membership
eligibility.

7. All persons who have signed an insurance application and have been accepted by the board of directors shall be members of the company.

Powers of
company.

8. The company may carry on the business of insurance and re-insurance: against automobile and aviation accidents, against theft, with or without housebreaking, of credit, against explosion, fire, or forgery, guarantee insurance, insurance against hail, industrial, and inland transportation insurance, on cattle, against the breaking of plate-glass, against sickness, sprinkler leakage, steam-boiler insurance, insurance against cyclones, bad weather, or any other group of insurance not mentioned in this section, except life insurance, but according to the mutual system, within the territory of the Province of Quebec.

Additional
powers.

9. The company may make by-laws to determine the rate of premium, enact the mode of payment, determine the liability of the members one to another, which liability must not be less than a sum equal to twice the initial yearly premium, classify the members, according to the nature and extent of the risk, and vary the rate of premium accordingly.

Keeping of
accounts.

10. The company shall keep and separate its accounts, so that each kind of insurance may be administered separately and be the object of distinct *caisses* or funds.

In the event of any *caisse* ceasing to be self supporting Liquidating in a satisfactory manner or for any other cause deemed of *caisse*. valid by the Superintendent of Insurance, the company may effect liquidation thereof, without thereby losing its corporate existence, but, before effecting such liquidation, the company must re-insure, out of the reserve fund or the surplus of such *caisse*, or out of the guarantee fund provided for by section 16 of this act, the contracts then still in force and for which premiums have been paid.

11. No class of insured or of members shall be liable Liability. for any other class.

12. Every person insured in the company shall become Period of a member thereof for the period stated in his policy and, member- by insuring in such company, shall, for such time, be ship. subject to the provisions of law respecting the company, but may withdraw therefrom and stop the insurance with- Withdrawal out the consent of the company by giving a notice in writing sent to the company by registered letter, subject, however, Restriction. to the restrictions provided by paragraphs *b* and *c* of section 13 of this act.

13. a. It is optional for the company or the secretary, Cancelling if the company has given him a general or special mandate of policy. to that effect, to cancel any policy according to its conditions, on giving for the purpose, to the insured, a notice in writing, signed by the secretary and sent to the insured by registered mail.

b. The person insured shall, nevertheless, be bound to Obligations pay his share of the debts and expenses of the company to of insured. the day of such cancellation and, upon paying same, is entitled to be reimbursed the unearned portion of the premium paid.

c. When the insurance is stopped by the insured, the Cancelling company may retain the ordinary short term rate for the by insured. period during which the insurance has been in force and return to the insured the balance of the premium paid.

14. Sections 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, Provisions 16, 17, 18, 19, 20, 21, 22, 23; paragraphs *c* and *d* of sub- not ap- section 1 of section 24; sections 34, 40, 41, 42, 43, 44, 45, plicable to company. 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91 and 92; sections 195, 196, 197, 198, 199, 200, 201, 202, 203, 204,

205, 206, 207, 208, 209, 210, 211 and 212 of the Revised Statutes of Quebec, 1925, chapter 243, and the amendments thereto, shall not apply to the company.

Provisions applicable for certain insurance.

As far as accidents caused by fire to motor vehicles are concerned, the Quebec Insurance Act (Revised Statutes, 1925, chapter 243) and the amendments thereto, shall apply to the company, but only in so far as not incompatible with the provisions of this act.

R. S., c. 243, s. 38, replaced for company.

15. Section 38 of the Quebec Insurance Act (Revised Statutes, 1925, chapter 243) is replaced, for the company, by the following:

Guarantee capital or reserve fund.

"38. 1. The directors of the company may, in fixing the rate of premiums, provide for the creation and maintenance of a guarantee capital or reserve fund made up of all the sums remaining in the possession of the company at the end of each year, after payment of its ordinary expenses and losses, and the object whereof shall be to make the rate of premiums more uniform and to help the members in years when the losses are heavy.

Management of fund.

2. Such fund shall be managed by the directors in such manner as they may deem most advantageous to the company, but the amount taken from the annual profits for the establishment of such fund shall not, at any time, exceed ten per cent of the premiums."

Formation of "guarantee fund".

16. a. The company shall also form a capital called "guarantee fund" of not less than two hundred thousand dollars, nor over five hundred thousand dollars. Such capital will be divided into shares of one hundred dollars each. The subscribers to the said guarantee fund shall pay in ten per cent so soon as their subscriptions have been accepted and their shares allotted. The balance shall be payable according as the board of directors shall make calls, upon giving the said shareholders thirty days' notice.

How formed.

Dividend to subscribers thereof.

b. The said shareholders or subscribers to the guarantee fund shall be entitled to a dividend not exceeding ten per cent upon the amount of their paid-up subscription before any profits are paid to the other members of the company.

Representation on board of directors.

c. Two-thirds of the directors composing the board of directors shall be chosen from among the said shareholders or subscribers to the guarantee fund.

Participation in profits, etc.

d. The shareholders and the insured shall be equally members of the company and participate in the profits and surplus.

e. The company shall not commence operations until it has established, to the satisfaction of the Superintendent of Insurance, that it has obtained applications for insurance to an amount of one hundred thousand dollars and that at least two hundred thousand dollars of its capital or of its guarantee fund have been *bona fide* subscribed and twenty-five thousand dollars of such sum have been paid in. When company may commence operations.

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