



CHAPTER 97

An Act to incorporate The Quebec Mutual Casualty Company

[Assented to, the 1st of April, 1927]

WHEREAS the persons hereinafter mentioned have, by Preamble. their petition, prayed for the passing of an act incorporating them and such other persons, firms and corporations as may join them, under the name of "The Quebec Mutual Casualty Company", for the purpose, among other things, of providing:

- a. Insurance against liability for accidents to employees, whether under the Workmen's Compensation Act, 1926, or otherwise;
- b. Accident prevention and safety service;
- c. Insurance against liability arising from the operation and maintenance of motor vehicles;
- d. Insurance against loss of or damage to motor vehicles by fire, theft, collision or other causes; and
- e. Casualty and guarantee insurance in all their respective branches;

Whereas it is expedient to grant their said prayer;

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

1. Julian C. Smith, of the city of Montreal, manufacturer; Adjutor Amyot, of the city of Quebec, manufacturer; George Hugh Alexander Montgomery, advocate and King's Counsel, of the city of Montreal; Joseph A. Bothwell, of the town of East Angus, manufacturer; Joseph Desautels; Norman Holland and Edgar M. Berliner, all of the city of Montreal, manufacturers, and such persons, firms and corporations as may hereafter join them, are constituted a corporation under the name of "The Quebec Mutual Casualty Company", for the aforesaid purposes.

Head office. **2.** The head office of the company shall be in the city of Montreal, and the board of directors may establish other offices elsewhere.

Provisional directors. **3.** The persons above mentioned shall be the provisional directors and shall remain in office until the election of directors at the first general meeting of the company. The majority of the provisional directors shall form a quorum; but the number of permanent directors and the quorum thereof shall be fixed by the by-laws of the company.

Vacancies on the board, etc. **4.** The provisional directors shall have the power to fill vacancies arising on the board, to organize the company, to appoint and engage a general manager and such administrative, service, safety and soliciting staff as may be requisite, to establish rates of insurance premiums and to accept as members and policy holders of the company other persons, firms and corporations.

Commencement of business. **5.** The company may begin the business of insurance against liability for accidents to employees, whether under the Workmen's Compensation Act, 1926, or otherwise, and accident prevention and safety service on the system of advanced premiums, subject to dividends and assessments, so soon as application for such insurance received and approved by the board of directors, provisional or otherwise, cover estimated annual pay-rolls of not less than five million dollars; and the initial license to carry on such business shall, notwithstanding the provisions of section 106 of the Quebec Insurance Act, be issued by the Provincial Treasurer on submission to him of proof that such applications have in fact been made and approved.

Initial license.

Restrictions upon issue of policies. **6.** If at any time insurance in force in the company under the Workmen's Compensation Act, 1926, or otherwise, covers estimated annual pay-rolls of less than five million dollars, no further policies shall be issued by the company until other employers have made *bona fide* applications for insurance therein, which, together with existing policies, cover estimated annual pay-rolls of not less than five million dollars. If such applications for insurance shall not be obtained within a reasonable time to be fixed by the Provincial Treasurer, the said Provincial Treasurer shall suspend the registration of the company.

Suspension of registration.

Contingent mutual lia- **7.** The company may in its by-laws and policies fix the contingent mutual liability of the members for the payment

of losses and expenses not provided for by its cash funds; but such contingent liability of a member shall not be less than an amount equal to and in addition to the cash premium written in the policy. If the company is not possessed of cash funds above its unearned premium sufficient for the payment of incurred losses and expenses, it shall make an assessment for the amount needed to pay such losses and expenses upon the members liable to assessment therefor, in proportion to their several liability. Every member shall be liable to pay and shall pay his proportionate part of any assessment which may be laid by the company in accordance with law and his contract, on account of losses and expenses incurred while he was a member, if he is notified of such assessment within one year after the expiration of his policy. All assessments shall be based upon present values of all future payments. All funds of the company and the contingent liability of the members thereof shall be available for the payment of any claim against the company.

8. The first general meeting of the company for the election of directors shall be held at a date to be fixed by the provisional directors and shall be convened by registered letter addressed to each member of the company at least three days beforehand. The date and manner of convening subsequent annual, general and special meetings shall be determined by the by-laws of the company.

9. At all meetings of the members of the company, each member shall have one vote and one additional vote for every five hundred employees or major fraction thereof, covered by the policy held by such member in the company, provided that no member shall have more than twenty votes. The number of votes of a member shall be determined by the average number of employees at work and covered by said member's policy in the company during the last six months from a date not more than ten days immediately prior to the date of any such meeting. Before any member shall be permitted to cast more than one vote at any meeting of members he shall file with the secretary an affidavit showing the average number of employees at work during the preceding six months covered by the employer's policy of insurance.

10. The company may raise a stock capital in accordance with and subject to the provisions of sections 30 to 39, inclusive, of the Quebec Insurance Act, *mutatis mutandis*.

Cash premium system, etc.

Provisions applicable.

11. The company may begin and carry on the various branches of insurance mentioned in the preamble hereof or any of them on the cash premium system, the cash system or the fixed premium system, in accordance with and subject to the provisions of sections 24 and 25 of the Quebec Insurance Act, *mutatis mutandis*.

Provisions applicable.

12. With the exception of such provisions thereof as are inconsistent with the provisions of this act, the Quebec Insurance Act shall apply to this company.

Coming into force.

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