

## C H A P . 4 4

## An Act to amend the Quebec Insurance Act

[Assented to 24th March, 1911]

**H**IS MAJESTY, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows :

R.S.Q.,  
6865, am.

**1.** Article 6865 of the Revised Statutes, 1909, is amended :

*a.* By striking out the word " not " in the eleventh line of paragraph 1 of the English version ;

*b.* By inserting after the word " above " in the third line of paragraph 2 of the English version, the words " its capital and " ;

Id., 6941,  
am.

**2.** Article 6941 of the said Statutes is amended :

*a.* By replacing the words : " 88, 89, 90, 91, 92, and 93 of the Insurance Act of Canada " in the first and second lines of paragraph 3 by the words : " 111 to 126 of the Insurance Act, 1910, of Canada " ;

*b.* By replacing the words : " of paragraph *a* of section 4 of the Insurance Act of Canada or of section 77 thereof " in the second and third lines of paragraph 5, by the words : " of paragraphs (1) and (3) of section 3 or of paragraph 5 of section 20 of the said Insurance Act, 1910."

Id., 6961,  
am.

**3.** Article 6961 of the said statutes, is amended by inserting after the word " insurance " in the fourth line of paragraph 1, the words: " or who collects or attempts to collect premiums, assessments on deposit notes or other dues, or who advertises for or solicits insurance contracts."

Id., 6969,  
am.

**4.** Article 6969 of the said statutes, is amended, by inserting the following paragraph :

Provisions  
respecting  
certain mu-  
tual compa-  
nies.

" 4. Paragraph 1 of this article is not binding upon the mutual fire insurance companies mentioned in articles 6870 to 6893, but every such company shall deliver to the Provincial Treasurer without delay, a certified copy of the report of its transactions, submitted at the annual meeting of its members in pursuance of article 6996, and a like copy of such report shall be posted at the door of the parish church on the Sunday or holiday next following the date of such meeting. "

Id., 6978,  
am.

**5.** Article 6978 of the said statutes, is amended, by adding the following clause to paragraph 3 :

"The Provincial Treasurer shall distribute the summaries of <sup>Distribution</sup> such reports among the said companies or associations, im- <sup>of reports.</sup> mediately after its publication".

**6.** The following article is inserted in the said statutes after <sup>Id., 6983a,</sup> article 6983 : <sup>added.</sup>

"**6983a.** The Provincial Treasurer, may at any time <sup>Inspection</sup> instruct the Superintendent or any other officer of the insurance <sup>outside</sup> branch, to go to the principal place of business <sup>Province.</sup> outside the Province of any company or association holding a license from this Province, and examine the general condition of the business of such company or association.

If such company or association refuses to allow the officer <sup>Suspension</sup> of this Province to make such examination, or if the officers or <sup>&c., if ins-</sup> agents of such company or association do not facilitate such <sup>pection re-</sup> examination in so far as the same is within their power, the <sup>fused, &c.</sup> Provincial Treasurer may suspend or annul the license of such company or association.

Articles 7038 to 7049, in the case of a company, and 7050 to <sup>Special pro-</sup> 7058 in the case of an association, shall apply *mutatis mutandis* <sup>visions.</sup> to this inspection."

**7.** The following subsection and articles are inserted in the <sup>Id., 7031a to</sup> said statutes after subsection nineteenth of section twenty- <sup>7031e added.</sup> second of chapter third of title eleventh :

"§19a. *Companies or associations formed for the purpose of providing a pension for those who have contributed to the amassing of a fund therefor.*

"**7031a.** Every company or association subject to the <sup>Government</sup> legislative authority of this Province, formed for the purpose <sup>of pension</sup> of providing a pension for those persons who have contributed <sup>fund compa-</sup> to the amassing for a certain number of years of a fund there- <sup>nies. &c.,</sup> for, shall be governed by the provisions of this section in so far as the rules in this section contained are not incompatible with the kind of business which such company or association carries on.

"**7031b.** The pension fund is the exclusive property of <sup>Property of</sup> the members and pensioners who have contributed to the <sup>pension</sup> <sup>funds.</sup> formation thereof.

This provision shall not be interpreted as giving to a mem- <sup>Proviso.</sup> ber or a pensioner the right to claim any part whatever of the said fund before the expiration of his certificate or contract, except in the case of liquidation or in cases provided for in special charters.

"**7031c.** Every company or association carrying on the kind <sup>Deposit by</sup> of business to which this subsection refers, shall deposit in the <sup>company.</sup> Treasury Department before the original issue or the renewal

of its license, and before registration, the sum of at least five thousand dollars as security for its insured. Such deposit shall not be made out of moneys or securities belonging to the pension fund, and is subject to the provisions of paragraph 1 of article 6923 and of articles 6924 and following.

Rules as to  
issue of cer-  
tain circu-  
lars, &c.

“ **7031d.** No company or association to which this sub-section applies shall issue or distribute any certificate, circular, advertisement or other document, guaranteeing or promising a pension of a definite amount, unless the contributions to the pension fund are scientifically calculated according to a table of mortality approved by the Provincial Treasurer, and are sufficient, according to such calculation, to provide the amount of the pension guaranteed or promised.

Statement of  
Prov. Treas.

“ **7031e.** Every such company or association shall, on or before the first day of March of each year, deliver to the Provincial Treasurer the statement mentioned in article 6978. Such statement shall be attested under oath and shall show the financial position of the company or association on the 31st day of December previous and shall be according to form K.”

Id., 7039,  
am.

**8.** Article 7039 of the said statutes is amended :

a. By striking out the words “ on or before the first of May” in the second and third lines of paragraph 2 ;

b. By adding to paragraph 2 the following clause :

“ Such report shall be published and distributed immediately after its completion.”

Id., 7045,  
am.

**9.** Article 7045 of the said statutes is amended by adding the following paragraph:

Definitions.

“ In this section, unless the context otherwise requires, the words “ to do business ” or “ to carry on business ” include the advertising, soliciting, undertaking or effecting, or the offering to undertake or effect, on the part of a company, of any contract of insurance with a company, as well as the collecting or attempting to collect premiums, assessments on deposit notes or any other dues arising out of such a contract ; but nothing contained in this article shall be interpreted as prohibiting the provisional guardian mentioned in article 7046 from receiving payment of any debts due to the company.”

Id., 7046,  
am.

**10.** Article 7046 of the said statutes is amended by adding the following paragraph :

Provisional  
guardian to  
insurance  
company.

“ When the license of an insurance company has been suspended or cancelled, the Provincial Treasurer may appoint a provisional guardian to such company, who shall be under his control, and until such appointment the manager or other officer of such company in the Province, who has in his possession or under his charge, the books, titles, documents, and

insurance moneys of the company, shall be, *ipso facto*, the provisional guardian of such company, and shall be under the control of the Provincial Treasurer.

The provisional guardian shall remain in office until the Term of office license has been restored or renewed or until the liquidator has been appointed.

Every officer of a company who refuses or neglects to facilitate the work of the provisional guardian, is guilty of an offence punishable as an offence against article 6961. " Penalty.

**11.** Article 7053 of the said statutes is amended : Id., 7053,

a. By striking out the words " on or before the first of May <sup>am.</sup> in each year " in the second and third lines ;

b. By adding the following clause :

" Such report shall be published and distributed immediately after its completion.

**12.** Article 7056 of the said statutes is amended by adding Id., 7056,  
the following paragraph : am.

" In this section, unless the context otherwise requires, the words " to do business " or " to carry on business " include the advertising, soliciting, undertaking or effecting, or the offering to undertake or effect, on the part of an association, of any contract of insurance with an association, as well as the collecting or attempting to collect premiums, assessments or any other dues arising out of such a contract, but nothing contained in this article shall be interpreted as prohibiting the provisional guardian mentioned in article 7057 from receiving payment of any debts due to the association. " Definitions.

**13.** Article 7057 of the said statutes is amended by adding Id., 7057,  
the following paragraphs : am.

" When the license of an association has been suspended or cancelled, the Provincial Treasurer may appoint a provisional guardian of such association, who shall be under his control, and until such appointment the manager or other officer of such association in the Province, who has in his possession or under his charge the books, titles, documents or insurance moneys of the association, or some other person appointed by the Provincial Treasurer, shall be, *ipso facto*, the provisional guardian of such association, and shall be under the control of the Provincial Treasurer. Provisional guardian of mutual benefit associations, &c.

The provisional guardian shall remain in office until the Term of office license has been restored or renewed, or until the liquidator has been appointed.

Every officer of an association who refuses or neglects to facilitate the work of the provisional guardian is guilty of an offence punishable as an offence against article 6961. " Penalty.

Id., 7062a,  
added.

**14.** The following subsection and article, are added after subsection twenty-third, of section twenty-second, of chapter third, of title eleventh of the Revised Statutes, 1909.

“§23a *The inspection and winding up of certain insurance companies and mutual benefit associations not being holders of a license from this Province.*

Provisional  
guardian to  
extra-prov-  
incial com-  
panies, &c.

“**7062a.** When the license of an insurance company or of a mutual benefit association has not yet been renewed, or when none has been issued and the company or association has not been registered, the Provincial Treasurer may appoint a provisional guardian to such company or association, who shall be under his control, and until such appointment the manager or other officer of said company or association in the Province, who has in his possession or under his charge, the books, titles, documents and insurance moneys of the company or association, shall be, *ipso facto*, the provisional guardian of such company or association, and shall be under the control of the Provincial Treasurer.

Inspection  
of such com-  
panies, &c.

The Provincial Treasurer shall have an inspection of such company or association made as soon as possible, and the provisional guardian shall remain in office until the license has been issued or renewed, or until a liquidator has been appointed, upon the application of the inspector, authorized by the Provincial Treasurer in the manner specified in articles 7046 or 7057, as the case may be, and in other respects the winding up shall be governed by the rules applicable to the winding up of companies or associations as the case may be.

Penalty.

Every officer of a company or association who refuses or neglects to facilitate the work of the provisional guardian or of the inspector, is guilty of an offence punishable as an offence against article 6961.”

Id., 7063,  
am.

**15.** Paragraph 1 of article 7063 of the said statutes is replaced by the following :

Notice of  
voluntary  
winding up,  
&c.

“1. Where an insurance company or association incorporated under the authority of this Province, other than a company or association authorized by the Dominion of Canada, decides to go into liquidation, at least one month's notice in advance shall be given to the Provincial Treasurer and to each shareholder, policyholder or member of the company or association, and a like notice shall also be published in two successive issues of the *Quebec Official Gazette*, and in English and French in some other newspapers which the Provincial Treasurer may indicate. The notice shall state the date at which contracts are to cease to be taken by the company or association, the name and address of the liquidator

whom the company or association proposes to appoint and the date on which such appointment will be made.

Such liquidator shall proceed with as little delay as possible to wind up the affairs of the company or association under the direction of the inspector of insurance or inspector of mutual benefit societies, as the case may be.” <sup>Duties of liquidator.</sup>

**16.** This act shall come into force on the day of its sanction <sup>Coming into force.</sup>

## APPENDIX

### FORM K.—(Article 7031e).

#### *Annual Statement, Pension Fund Companies or Associations.*

##### *Capital.*

1. The amount of capital authorized ; the amount subscribed for ; the amount paid up in cash.
2. A list of the shareholders, giving the name, residence, amount subscribed for, and the amount paid up in cash.
3. A list of the directors of the company.

##### *Assets.*

##### *Distinguishing the Assets as per ledger accounts.*

1. Value of real estate, less incumbrances, held by the company.
2. The amount of loans secured by first hypothec or mortgage on real estate.
3. The amount of loans secured by bonds, stock or other marketable collaterals.
4. The amount of loans included in items 2 and 3, above, on which interest has been overdue for one year or more previous to statement.
5. Value in account of bonds and debentures owned by the company.
6. Value in account of stock owned by the company.
7. Cash at head office.
8. Cash in banks.
9. Amount of bills receivable.
10. Amount of agents' ledger balances.
11. All other ledger assets.

*(Details of all the above items shall be given in separate schedules)*

12. The amount of the excess of market value of stocks, bonds, debentures, &c., over value in account.
13. Interest due and accrued with details.
14. Annual contributions to administration fund due and uncollected, less commission.
15. Gross amount of total assets.
16. Amount which should be deducted from above assets on account of bad and doubtful debts and securities.
17. Actual value of total assets.

*Liabilities.*

1. Amount of pension fund credited to members and pensioners, being the total amount of the monthly assessments paid by members and pensioners, including the interest and profits derived from that source.
2. Claims for repayment of assessments paid by deceased members, including claims due and unpaid, those reported but not due, and those contested, giving the amounts in suit and not in suit.
3. All other amounts due members and pensioners with details.
4. Total liabilities to members and pensioners.
5. Amount of dividends to stockholders due and unpaid.
6. Due on account of offices and other expenses.
7. Due on account of money borrowed.
8. Taxes due and accrued.
9. Commissions to agents due and accrued.
10. Amount of all other liabilities of the company with details.
11. Total liabilities apart from paid up capital.
12. Capital stock paid up.
13. Surplus above all liabilities and capital.

*Income During Year.*

*(a) On account of Pension Fund :-*

1. Cash received for assessments.
2. Assessments paid in advance.
3. Cash received for interest or dividends on investments.
4. Net cash received as profits on securities actually sold.
5. All other income with details.
6. Total cash income during the year on account of pension fund.

*(b) On account of Administration Fund.-*

1. Cash received from annual contributions.
2. Cash received for fines paid by members or pensioners.
3. Cash received for interest or dividends on investments belonging to administration fund.
4. Net cash received as profit on securities actually sold.
5. Cash received by way of premium upon capital stock.
6. All other income with details.
7. Cash received for calls on capital and for increased capital.
8. Total cash income during the year on account of administration fund.

*Expenditure During the Year.*

(a) *On account of Pension Fund :-*

1. Cash paid for life rents.
2. For repayment of assessments paid by deceased members.
3. All other payments to members and pensioners, with details.
4. Total expenditure on account of pension fund.

(b) *On account of Administration Fund :-*

1. Cash paid to stock-holders for interest or dividends.
2. Cash paid for taxes, license fees or fines.
3. Cash paid for investment expenses with details.
4. For general expenses with details.
5. Total expenditure on account of administration fund.

*Miscellaneous*

1. The number of members at the end of previous year and the number of shares held by them in the pension fund.
2. The total number of members and pensioners at the end of the previous year and the total number of shares held by them in the pension fund.
3. The number of new members and pensioners during the year and the number of their shares in the pension fund.
4. The number that have ceased to be members and pensioners during the year and the total number of shares in the pension fund thus cancelled, with details of causes of termination.
5. Number of members and pensioners existing at the end of the year and the number of shares held by them in the pension fund.



6. A statement of the claims contested, giving the names and addresses of the claimants, the amounts of the claims and why contested.
7. The officers of the company who are under bond, and the amount of the bond given by each.

## C H A P . 4 5

An Act to amend the Quebec Insurance Act respecting companies formed by municipal councils.

[Assented to 24th March, 1911]

**HIS MAJESTY**, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows :

R.S.Q., 6872, am. **1.** Article 6872 of the Revised Statutes, 1909, is amended by adding the following paragraph :

By-laws re amount of insurance. "The council may fix, by by-law, the maximum amount of insurance which it may grant upon any kind or kinds of property which may be insured."

Id., 6874, am. **2.** Article 6874 of the said statutes is amended by inserting at the end of the first and last paragraphs the words "and also the maximum amount of the insurance which it has thought fit to grant in virtue of the by-laws."

Id., 6876, replaced. **3.** Article 6876 of the said statutes is replaced by the following :

Appraise-ment of buildings not appraised on valuation roll. " **6876.** Whenever a proprietor desires to get a building insured, of which the description and valuation are not entered upon the roll, he must cause it to be appraised by the valuers, who shall insert in the roll the description and value thereof and the maximum amount of insurance which the council has thought fit to grant in virtue of the by-laws; and if the council, at its meeting held immediately after the said insertions, do not cause to be entered opposite the description and valuation of such building, the words "objected to by the council," such building shall remain insured dating inclusively from the day of such last meeting."

Id., 6877, am. **4.** Article 6877 of the said statutes is amended by inserting after the word "for" in the fifth line the words "or for which a maximum has been fixed."