

CHAP. 69

An Act respecting insurance companies, mutual benefit societies and charitable associations, in the Province of Quebec

[Assented to 25th April, 1908]

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

SECTION I

INCORPORATION OF JOINT STOCK INSURANCE COMPANIES

1. The Lieutenant-Governor in Council may, on the recommendation of the Provincial Treasurer, issue letters patent under the great seal, granting a charter to not less than five persons being subscribers for shares in the future company, who have applied therefor, for the purpose of undertaking and transacting one of the groups of insurance mentioned in article 7.

2. Before the application is considered, the applicants shall prove that they have published in the *Quebec Official Gazette*, during four consecutive weeks, a notice signed by them setting forth their intention to apply to the Lieutenant-Governor in Council for the incorporation of an insurance company under this act.

3. Such notice shall set out :

a. The proposed corporate name of the company which shall not be that of any other company or a name that may be confounded with that of any other company or otherwise on public grounds objectionable ;

b. The names in full, address, domicile and occupation of each applicant ;

c. The kind of insurance proposed to be transacted ;

d. The place within the Province where the head office of the company is to be ;

e. The amount of the company's capital stock, the number of shares into which the capital is to be divided and the amount of each share.

Contents of notice:

Incorporation of insurance companies by letters patent.

Notice of application.

Filing of
other docu-
ments re-
quired

4. In addition to the documents which are ordered to be filed by this act, the applicants must also file all other documents the filing of which may be ordered, from time to time, by the Lieutenant-Governor in Council.

Certain pro-
vision in
letters
patent.

5. The said letters patent shall contain a provision to the effect that they shall come into force only from the date when a license shall have been granted to the company on payment of the dues specified by the Lieutenant-Governor in Council.

Directors.

6. 1. The affairs of every company so incorporated shall be managed by a board of not less than five nor more than fifteen directors.

Provisional
directors.

2. The first five of the persons named in the letters patent shall be the directors of the company until they are replaced by others duly appointed in their stead.

After direct-
ors.

3. The after directors of the company shall be elected by the shareholders in general meeting of the company assembled, at such times, in such wise and for such term, not exceeding two years, as the by-laws of the company may prescribe.

Qualification
of directors.

4. While in office, the directors must be *bonâ fide* holders, in their own name, of at least ten shares in the company's capital stock on which all calls have been paid. When a director ceases to hold said number of shares, his office shall become vacant *ipso facto*.

General
meetings.

5. The general meetings of the company shall be called and held in the manner mentioned in article 10.

7 Ed. VII c.
48, to apply.

6. Except where otherwise specially provided in this act, the Quebec Companies' Act, 1907, shall apply to companies incorporated in virtue of this section.

Capital
stock.

7. The capital stock of any company incorporated under the foregoing articles shall be as follows :

1. If the company undertakes fire, or fire and inland marine, or accident, or life, or life and accident, or guarantee or suretyship insurance, the capital stock shall be at least five hundred thousand dollars, with power to increase the same to one million dollars with the consent of the Lieutenant-Governor in Council; and, before applying for a license, the company shall furnish the inspector satisfactory evidence that at least three hundred thousand dollars of the said capital stock has been subscribed for and taken up *bonâ fide* and that thirty thousand dollars of the subscribed stock has been paid into some chartered bank of Canada.

2. If the company undertakes live-stock insurance, with or without insurance on vehicles, the capital stock shall be at least three hundred thousand dollars, with liberty to increase the same, as in paragraph 1 of this article, to five hundred thousand dollars, of which, as in said paragraph, one hundred and fifty thousand dollars shall be shown to have been subscribed, and fifteen thousand dollars to have been paid into some chartered bank of Canada.

3. If the company (being other than as in the preceding or following paragraphs) undertakes insurance against any loss or damage to property by accidental causes, including explosions, larceny, house-breaking or burglary, the capital stock shall be at least one hundred thousand dollars, with liberty to increase the same, as in paragraph 1, to two hundred and fifty thousand dollars, of which, as in the said paragraph, sixty thousand dollars shall be shown to have been subscribed, and eleven thousand dollars to have been paid into some chartered bank of Canada.

4. If the company undertakes bicycle or vehicle insurance, or plate glass insurance, the capital stock shall be at least twenty-five thousand dollars, with liberty to increase the same as in the said paragraph 1, to one hundred thousand dollars, of which said sum of twenty-five thousand dollars, twelve thousand dollars at least shall be shown to have been subscribed, and six thousand dollars at least to have been paid into some chartered bank of Canada.

5. The shares of the capital of every company formed under the provisions of this act, shall be of one hundred dollars each, and the liability of every shareholder shall be limited to the amount remaining unpaid on his shares.

8. 1. The corporate powers of any company or association, ^{Lapse of} whether incorporated under this act or under a special act, ^{powers.} shall lapse except for the purpose of winding up its affairs :

a. By non-user for three years after incorporation ;

b. If, after it has undertaken contracts within the meaning of this act, it discontinues business for one year ;

c. If its license is suspended for one year or if it is terminated otherwise than by lapse of time and is not renewed within sixty days.

In any action or proceeding where such non-user is alleged, proof of user shall be upon the company or association, and the Superior Court, upon the petition of the Attorney-General or of any interested person, may limit the time within which the company or association shall settle

and close its accounts, and may, for this specific purpose or for the purposes of liquidation generally, appoint a liquidator, who shall proceed with the least possible delay to wind up the affairs of the company or association, under the direction of the inspector, in the same manner as the liquidator appointed under articles 227 and 228.

Proviso. 2. The corporate powers of any company or association incorporated in virtue of a previous act, shall not lapse by reason of non-user, until after three years from the coming into force of this act ; subject, however, to contrary provisions in previous special acts.

SECTION II

INCORPORATION OF MUTUAL FIRE INSURANCE COMPANIES IN COUNTIES

Preliminary meeting to form company.

9. 1. Any twenty-five persons residing in the Province and being proprietors of immoveable property in any county therein, may call a meeting of the proprietors of immoveable property in that county, and of any number of adjoining counties not exceeding five, if they think it necessary, for the purpose of considering whether it is expedient to establish, in such county or counties, a fire insurance company on the principle of mutual insurance.

Certain evidence required before meeting.

2. Before calling such preliminary meeting, it must be established to the satisfaction of the Provincial Treasurer, that there is no mutual fire insurance company doing business in such territory in an effective manner and that it is expedient to allow the organization of such a company.

Permission of Provincial Treasurer to hold meeting.

3. The preliminary meeting cannot be called without the written permission of the Provincial Treasurer to that effect.

Advertisement of meeting.

10. Such meeting shall be called by an advertisement mentioning the time, place and object thereof, and published, during three weeks immediately preceding the meeting, in at least two newspapers published in French and English respectively in the district in which the meeting is to be held and, if no newspaper be published therein, then in two newspapers, published as aforesaid, in the adjoining district or districts.

Number of proprietors who can decide to establish company.

11. If, at such meeting, there be at least fifty proprietors of immoveable property present, and at least two-thirds of them determine that it is expedient to establish such company, they may elect three of their number to open and keep a subscription

book, in which the owners of immoveable property within such county or counties may sign their names, and enter the sums for which they shall be respectively bound to effect insurance with the company.

12. Whenever two hundred such persons have signed their names in the said subscription book, and bound themselves to effect insurance in the said company to the amount of two hundred thousand dollars or upwards, a meeting of such subscribers shall be called, as hereinafter provided. When meeting of subscribers can be called.

13. 1. As soon as possible after the subscription book has been completed, any ten of the subscribers thereto may call the first meeting of the company, by sending a printed notice by mail, addressed to each subscriber at his post office address, at least ten days before the day of such meeting, and by advertisement in two or more papers published as aforesaid. First meeting of company.

2. Such notice and advertisement shall include the object of said meeting and the time and place at which it is to be held. Notice thereof.

14. 1. At such meeting, the name and style of the company, including the appellations "Fire" and "Mutual", shall be adopted, and a provisional secretary appointed. Choice of company's name, &c.

2. A board of not more than nine nor less than five directors shall be elected, and the place in the county or counties where the head office of the company is to be located shall be chosen. Election of directors and appointment of head office, &c.

3. To constitute a valid meeting for the purposes of paragraph 1 of this article, at least twenty-five of the subscribers must be present. Quorum.

15. Copies of the resolutions, adopting such name or style and the place of the head office of the company, and of such subscription book, and the names of the directors elected, shall thereupon be made; and such copies, being certified as correct under the hands of the chairman and secretary, shall be filed in the office of the registrar of the division or county in which the head office is to be. Deposit of copies of resolutions with registrar.

16. 1. Upon the filing of the said certified copies, the several subscribers above mentioned and all persons thereafter effecting insurance therein, shall become members of the company and shall be a corporation by and under the name so adopted. Effect of deposit.

2. Before any other proceeding is had or any business transacted, the chairman and secretary shall also transmit or deliver like copies, certified by them, to the inspector of insurance, at his office, accompanied by a statement, signed by Copies to be delivered to insurance inspector, &c.

such chairman and secretary, stating the kind and character of the risks intended to be taken by the company, that is to say whether the business to be transacted is the insurance of farm and isolated buildings and property only, or of commercial, manufacturing and hazardous properties as well.

Copy of certain permission to be sent to inspector.

3. The chairman and secretary shall also send to the inspector of insurance, a copy of the written permission from the Provincial Treasurer, mentioned in paragraph 3 of article 9.

Duty of inspector on receipt thereof.

17. Upon receipt of such certified copies and of the aforesaid statement, the inspector shall ascertain whether the proceedings for the incorporation of such company have been taken in accordance with the law in that behalf, and whether the subscriptions are *bonâ fide*, and by persons possessing property to insure, and whether the proposed name is the same as that of any existing company, or may be easily confounded therewith.

Declaration that may be required.

He may require the declaration of any person upon oath, to be filed with him, touching any matters concerning which he is called upon to make inquiry.

Certificate that section complied with, &c.

18. 1. If, upon such examination, the inspector finds that the provisions of this section have been complied with, and that the subscriptions have been made in good faith by persons entitled to make the same, and that the proposed name of the company is satisfactory, and that the company has made the deposit required by law, if a deposit is required, he shall so certify to the Provincial Treasurer.

Change of name in certain cases.

2. If, upon such examination, the inspector finds that the proposed name is one which may be easily confounded with that of an existing company, then he may require the directors of the company to select some other name, to be approved of by the Provincial Treasurer ; and they shall by resolution do so.

Filing of resolution.

3. Such resolution shall be filed in the registry office in like manner as the other proceedings are required to be filed.

License of Treasurer to Company, &c.

19. 1. Upon the inspector reporting to the Provincial Treasurer the facts aforesaid, the Provincial Treasurer may thereupon issue his license, in duplicate, to the company, setting forth that it has been made to appear to him that they have become a corporation under this section by the name of "The Mutual Fire Insurance Company of" and that it has complied with the requirements of the law in that behalf, and that it will, from and after the filing of one of the duplicate copies of such license in the office of the registrar of the division or county within which the head office of such company is situate, be entitled to receive applications

and to issue policies of insurance, by complying with the provisions of article 172, and to transact all the business which a mutual fire insurance company, formed under this section, may lawfully do in respect of the kind or character of business mentioned in their statement to the inspector.

2. The license cannot be granted for a longer term than twelve months from the date of issue, but such license may always be renewed as hereinafter provided.

Duration of license.

20. The inspector shall keep on file the said papers so furnished to him, and shall keep a book in which shall be entered the name of the company, the statement delivered by the company as to the character of the business to be transacted by it, and a copy of the Provincial Treasurer's license.

Papers, &c., to be kept by inspector.

21. Subject to article 172 and to the other provisions of this section, any such company may, after receiving the aforesaid license and filing the same with the registrar as aforesaid, transact, throughout the Province, any business of a mutual fire insurance company of the kind and character mentioned in the license from the Provincial Treasurer.

When company may begin business, &c.

Nevertheless, any such company may, at any time thereafter, apply to the Provincial Treasurer for a supplementary license to enable the company to extend its business to other classes of risks than those included in its license.

Supplementary license.

When any supplementary license is granted, it shall be recorded in the books of the inspector of insurance, and filed in the registry office in which the first license has been filed.

Recording thereof, &c.

Any existing company may, on application to the Treasurer, obtain a similar supplementary license on payment of the dues required by the Lieutenant Governor in Council.

Supplementary license to existing companies.

22. Upon the receipt of the license mentioned in article 19, the provisional secretary shall call a meeting of the board of directors for the election of a president and vice-president from among themselves, for the appointment of a secretary, and the transaction of such other business as may be brought before them.

Election of president, &c.

SECTION III

CONVERSION OF MUTUAL FIRE INSURANCE COMPANIES INTO CASH-MUTUAL INSURANCE COMPANIES

23. 1. No mutual fire insurance company shall effect insurance on the cash premium system, the cash system or fixed premium system, except on the following conditions :

Business on cash premium system, &c.,

a. A by-law to that effect shall be adopted and approved by

Conditions.

the majority of the members present at a meeting called in the manner prescribed by article 173.

b. The sum specified in article 92 shall be deposited in the Treasury Department for the security of the insured.

c. The company shall have a capital stock in accordance with articles 29 and following, and its business shall be divided into two separate and distinct branches, one for the insured under the mutual system and the other for the insured under the non-mutual or cash system. No person insured under the non-mutual or cash system shall in any wise be a member of the company nor liable beyond the premium he is bound to pay, and no person insured under the mutual system shall be liable for losses incurred under the non-mutual or cash system.

d. A license shall be obtained from the Provincial Treasurer authorizing the mutual insurance company to do business under the non mutual or cash system.

e. The company shall be registered in the office of the Provincial Treasurer in accordance with articles 106, 107 and 108.

Security
against
losses.

2. Nevertheless the company shall not be bound to comply with the requirements of sub-paragraph *c* of paragraph 1 of this article, and all its property and assets, including deposit notes and undertakings shall secure all the losses which may take place on account of cash premium insurance when the company shall have accumulated and shall maintain the reserve mentioned in paragraph one of article 34, and the company shall then, after having complied with the requirements of article 37 if it thinks proper, allow, each year, to the insured under the mutual system, the profits on all its operations.

Report of
inspector
before license
granted.

24. The license mentioned in article 23 shall be granted on a report from the inspector of insurance establishing that all the requirements of the law have been complied with.

Certain re-
quirements
to be com-
plied with.

25. Every mutual fire insurance company incorporated under the laws of this Province or possessing a charter or additional powers from the Legislature of this Province, and doing business on the cash system, shall comply with the provisions of article 23 with respect to the risks it may renew and the new risks it may take after the coming into force of this act.

SECTION IV

CONVERSION OF MUTUAL FIRE INSURANCE COMPANIES AND CASH MUTUAL FIRE INSURANCE COMPANIES INTO JOINT STOCK COMPANIES

Notice of ap-
plication of
mutual fire

26. 1. Any mutual or cash-mutual fire insurance company heretofore incorporated or organized, or which may be here-

after incorporated or organized, under any of the laws of this Province, having surplus assets, apart from premium notes or undertakings, representing one-third of the premiums on outstanding risks and sufficient to re-insure all such risks, after having given notice once a week for four consecutive weeks of its intention, and of the meeting hereinafter provided for, in the *Quebec Official Gazette* and in a newspaper published in the county where the company has its head office, with the consent of two-thirds of the members present at any regular annual meeting, and of two-thirds of the subscribers to the capital stock, or at any special general meeting called for the purpose, or with the consent in writing of two-thirds of the members of the company, and the consent also of three-fourths of the directors and of two-thirds of the subscribers to the capital stock, may make an application to that effect in its corporate name and be formed into a joint stock company, as provided in articles 1, 2, 3, 4 and 5 of this act, *mutatis mutandis* ; and every member of such company, on the day of such annual or special meeting, or the date of the written consent, shall be entitled to priority in subscribing to the capital stock of the company, for one month after the opening of the books of subscription to the capital stock, in proportion to the amount of insurance held by such members on unexpired risks in force on the day of the annual or special meeting, or the date of the written consent.

2. The notice mentioned in paragraph 1 of this article shall be published in the *Quebec Official Gazette* and in a newspaper published in the French and in another published in the English language in the locality ; and, if there be but one newspaper in the locality, or if all be published in the same language, in both languages in the same newspaper, or if there be no newspaper in the said locality, in a newspaper or newspapers of the nearest locality.

27. Every company which may be formed under the foregoing provision, shall be answerable for all the liabilities of the company from which it has been formed, and may be sued therefor by or under its new corporate name, and the assets, moveable and immoveable, of the old company shall pass to and become vested in the new company.

28. Article 6 applies to the companies incorporated in virtue of this section.

insurance company to be converted into joint stock company, &c.

Publication of notice.

Company answerable for liabilities of former company, &c.

Art. 6 to apply.

SECTION V

POWERS GRANTED TO MUTUAL FIRE INSURANCE COMPANIES
AND CASH MUTUAL INSURANCE COMPANIES TO FORM A
STOCK CAPITAL AND A GUARANTEE CAPITAL OR
RESERVE FUND—RE-INVESTMENT OF THE AN-
NUAL PROFITS OF FIRE INSURANCE
COMPANIES

Raising of
capital stock
by certain
mutual, &c.,
companies.

29. Any mutual or cash-mutual fire insurance company incorporated under this or any former act or which may hereafter be incorporated, may, with the prior assent of the Lieutenant-Governor in Council, raise a stock capital of not less than two hundred thousand dollars, and may, with the like assent, increase the same from time to time to a sum of five hundred thousand dollars; provided that the provisions of articles 1, 2, 3, 4 and 5 of this act be complied with *mutatis mutandis*.

Shareholders
members of
company.

30. Every subscriber shall, on allotment of one or more shares to him, become a member of the company, with all incidental rights, privileges and liabilities.

Votes of
shareholders.

Every shareholder is entitled to one vote per share at meetings of the company, provided all calls due on such share are paid up.

Shares
moveable.

Their trans-
fer, &c.

31. 1. The shares shall be moveable property, and shall be transferable, but no transfer shall be valid unless made on the books of the company; and, and until fully paid up, no share shall be transferable without the consent of the board of directors, nor shall any transfer be valid while any call previously made remains unpaid.

Privilege on
shares for
payment of
calls, &c.

2. The company shall have a privilege on the shares of any shareholder for unpaid calls or other debts due by him to the company, and for any obligation held by the company against him; and after any call, debt or obligation becomes due, the company may, upon one month's notice to the shareholder, his executors or administrators, sell his shares or a sufficient portion thereof to pay the call, debt or obligation, and transfer the shares so sold to the purchaser.

Forfeiture of
shares for
non-payment
of calls, &c.

32. The company may also, after default made in the payment of any call upon any share for one month, and after notice has first been given as mentioned in article 31, declare the share and all sums previously paid thereon, forfeited to the company, and the company may sell or re-issue forfeited shares on such terms as they think fit for the benefit of the company.

33. After two hundred thousand dollars of the capital stock has been *bona fide* subscribed, and ten per centum paid thereon into the funds of the company, the company may, after complying with the provisions of article 23, insure for premiums payable wholly in cash; but no insurance on the wholly cash principle shall make the insured a member of the company, or make him liable to contribute or pay any sum to the company or to its funds or to any of its members, beyond the cash premium agreed upon, or give him any right to participate in the profits or surplus funds of the company; but the company shall not transact any business wholly on the cash principle without first procuring a license from the Provincial Treasurer pursuant to this act.

When cash premium insurance may be begun.

Insured not members of company, &c.

34. 1. The annual gains and profits of every fire insurance company (however incorporated or whatever its system of operations) less the deposit notes or other undertakings of an insurance company doing business under both plans, shall be applied in the first place to create a reserve fund of not less than the amount of unearned premiums upon outstanding risks, and of any sums which may be due to the company, provided that no part of the principal or interest of such sums has been paid the previous year, and that no suit for the recovery thereof has been taken, and that such sums have not remained unpaid for more than two years after judgment therefor has been rendered, including all current and accrued interest thereon.

Reserve fund.

2. No such company shall declare or pay a dividend upon its capital, exceeding ten per cent for any one year, unless it has, over and above the reserve fund created by paragraph 1 of this article, a surplus equal to thirty per cent of the unearned premiums on outstanding risks.

Payment of dividend over 10 per cent.

3. Every such fire insurance company which, in addition to its capital and its outstanding liabilities, has a special fund exceeding half the amount of all premiums upon risks in force, may increase its capital out of such special fund, and distribute such increase among its shareholders rateably in proportion to their respective shares, provided such increase is equal to at least twenty-five per cent of the original capital stock, and that it be approved by the Provincial Treasurer, and sanctioned by the vote of three-fourths of the directors of the company.

Increase of capital out of special funds, &c.

4. Every shareholder receiving a dividend paid contrary to the provisions of this article, shall be responsible to the creditors of the company to the amount of the dividend received by him, and shall be further liable to all penalties enacted by article 160 if he is an administrator, director or manager of the company.

Liability of shareholders receiving certain dividends, &c.

Qualification
of certain
directors.

35. After the capital has been subscribed in accordance with article 33, at least two-thirds of the persons to be elected directors of the company, in addition to the qualifications required by article 167, shall be holders of shares of the capital stock to the amount of one thousand dollars upon which all calls have been duly paid ; the other third of the directors to be elected shall possess at least the qualifications required by article 167.

Directors'
by-laws of
certain com-
panies.

36. The board of directors of any company which shall raise a capital stock, may make such by-laws, not inconsistent with the provisions of this act, as may be necessary to carry out the objects and intentions of this act, and to give effect to the provisions thereof, and may rescind, amend or replace the same from time to time.

Guarantee
capital, &c.

37. 1. The directors of any mutual fire insurance company, may in fixing the assessments, 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 assessments more uniform and to help the members in years where the losses are heavy.

Management
thereof.

2. Such fund shall be managed by the directors in such manner as they may deem most advantageous to the company, but the yearly assessment for such fund shall not, at any time, exceed ten per cent of the amount of the deposit notes.

Investment
thereof.

38. The directors may invest the reserve fund, mentioned in article 37, either wholly or partly, in debentures of the federal or provincial governments, or of municipal or school corporations of the Province of Quebec, and in accordance with the provisions of article 981^o of the Civil Code.

SECTION VI

MUTUAL INSURANCE COMPANIES AGAINST FIRE, LIGHTNING AND WIND

§ 1.—*Formation of the Company by Municipal Councils*

By-laws for
establishing
certain mu-
tual insur-
ance com-
panies.

39. The council of any rural municipality, may make a by-law establishing a mutual insurance company in order to keep insured against accidents by fire, or fire and lightning, or fire, lightning and wind, any building situated upon taxable land within the municipality, as well as any grain, hay, fodder, household furniture and agricultural implements contained in such buildings.

40. The owners of property insured in each mutual insurance company established under the authority of this section, shall form a corporation known under the name of "The Mutual Insurance Company of the (here inserting the name of the municipality)" and each such company shall be under the control of the municipal council of the municipality in which it is established.

It shall be administered by the council, and may sue and be sued, and its place of business shall be the same as that of the council.

41. After the coming into force of such by-law, the council may order the valutors of the municipality to make, under their oaths of office, an appraisalment of the buildings, by inserting in separate columns, on a special roll prepared for that purpose :

1. A succinct description of each building situated upon any taxable land in the municipality ;
2. The value of each such building, and all information required by the council.

42. The special roll mentioned in article 41 may be amended by the council.

43. The council, after the completion of the roll, shall, at a public meeting duly convened, cause to be therein entered opposite the description or valuation of each building which it shall not deem advisable to insure, the words "objected to by the council", and opposite the description or valuation of each building, the proprietor of which applies to have it insured, the word "insured."

Such application shall be made in writing and be signed in presence of two witnesses.

After such meeting, the secretary, upon a similar application in writing, shall enter, opposite the description or valuation of the building which is not objected to, and the proprietor of which applies to have it insured, the word "insured."

44. From the time the word "insured" is entered as aforesaid, the building shall be insured under the provisions of this section until such time as the council or the proprietor discontinues the insurance as provided by the policy.

45. 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 valutors, who shall insert the description and value thereof in the roll ; and if the council, at its meeting, immediately after the

insertion of the description and valuation of such building in the roll, 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.

Insurance of
grain, &c.

46. On demand of the proprietor, the secretary-treasurer may insure, under the prescribed formalities, the grain, hay and fodder, the produce of the harvest, and furniture, and also the agricultural implements contained in the buildings not objected to by the council, to the amount applied for, if the by-law establishing the insurance provide for the insurance of such articles.

Insured,
members of
company, &c.

47. The proprietors of property insured as aforesaid, shall be the members of the mutual insurance company. They shall alone be responsible, in proportion to the amount for which each of their properties is insured, towards the company, for the amount of damage caused by fire, or fire and lightning, or fire, lightning and wind, as well as for all debts and obligations contracted by the said company.

Responsibility
of the
company.

48. The company shall be responsible towards each of its members for two-thirds of the damages caused by fire, or fire and lightning, or fire, lightning and wind, to the buildings and moveable effects so insured, to an amount not exceeding two-thirds of the valuation of such buildings and moveable effects, as shown upon the said valuation roll.

Indemnity
by council.

49. The council shall be entitled, for the benefit of the corporation, to indemnify it for all costs incurred in the management of the company, including the salary of the secretary-treasurer and that of the valuers, for such amount as it may deem reasonable, but which, in no case, shall exceed ten per cent of the amount collected by it for the company.

Reserve
fund.

50. The council may, if authorized by the majority of the insured present at the meeting mentioned in article 43, levy twenty-five cents per one hundred dollars of the amount insured, to establish a reserve fund, and shall levy annually an amount sufficient to meet all the damages, the amount of which shall have then been established and to pay all the obligations and matured debts of the company.

Amount
levied by tax.

This amount shall be levied by means of a tax imposed upon each building insured, in proportion to the amount of its valuation and of that of the valuation of its contents, as shown on the valuation roll.

51. The tax imposed in virtue of article 50 is assimilated to municipal taxes. It shall have the same privilege and the same rank without registration being required, and the amount, with legal interest from the time it has become due, shall be recoverable by the secretary-treasurer in the same manner as municipal taxes. Tax assimilated to municipal taxes.

52. Two or more of the mutual insurance companies, established under the authority of the present section, may enter into an agreement for the purpose of making one responsible towards the other, in proportion to the amount insured by each of them, for damages caused by fire, or fire and lightning, or fire, lightning and wind. Responsibility of companies towards each other.

53. The council may, from time to time, make any by-law necessary for the proper working of the company, and, in particular to determine the conditions on which a building shall become insured, when and in what manner a building which is insured may cease to be insured, and in what manner a member of the company may transfer his interest in the company, and generally all other by-laws not inconsistent with the present section. By-laws for working of the company, &c.

54. In villages, all neighboring buildings situated at a distance of less than fifty feet from each other, shall be valued separately and proportionately, in such a manner that their aggregate value shall not exceed three thousand dollars. Valuation of certain buildings.

§ 2.—*Formation of the Company by individuals*

55. 1. Twenty-five freeholders residing in any parish or local municipality in this Province, five of whom shall be provisional directors of an association formed with the view of establishing a mutual fire insurance company, may establish such company for the purpose of insuring the property, situated within such parish or local municipality, and also the properties outside the limits thereof, provided they be situated entirely within the county in which is situated the said parish or municipality, as well as the grain, hay, fodder, agricultural implements and furniture in or upon the properties aforesaid, which insurance company shall be known under the name of "The Mutual Fire Insurance Company of the parish or, of the local municipality of (as the case may be.)" What freeholders may form company. Name of company.

2. All the provisions respecting mutual insurance companies contained in this act, shall apply to such companies in so far as they are not inconsistent therewith. Provisions applicable.

What insurances may be affected. Special village rates. Payment of certain losses limited.

56. The said company may insure against fire, lightning and wind, or against fire, lightning or wind separately.

The company may fix rates for policies of insurance in a village, at one hundred per cent. more than in a parish.

When the rate in the parish and in the village is the same, and several properties are destroyed at the same time in such village, the company shall not, if the total value of the properties so destroyed exceed the maximum fixed by the company, be obliged to pay, in all, more than such maximum, which maximum shall be divided between the parties insured whose property has been so destroyed, in proportion to the amount of their insurance.

Directors, members, &c.

57. The directors shall be members of the company and insured therein, for the time they hold office, to the amount of at least five hundred dollars.

By-laws.

Incorporation.

Notice.

58. The company may pass by-laws respecting the qualification of the persons who elect to form part thereof, and when forty persons, duly qualified according to such by-laws, shall have signed their names in the subscription books and the sums subscribed, for which they have bound themselves to effect insurance, amount to the sum of twenty-five thousand dollars or more, such persons and those who may thereafter become members of the company, shall, by effecting insurance therein, be considered a corporation according to the provisions of this section, provided that a notice be previously given in the *Quebec Official Gazette*.

Notices.

59. The required notices shall be published and posted at the door of the parish church after divine service in the forenoon, on a Sunday or holiday immediately before the meeting, and not otherwise or elsewhere.

Annual meetings.

60. Annual meetings of any such company may be held either on the day fixed by article 161, or any other day that may be fixed for the purpose by any by-law of the company.

§ 3.—Miscellaneous

Rules and regulations, &c.

61. In addition to the rights and powers granted to the company by the provisions respecting mutual insurance companies contained in this act, it shall also have power to make such rules and regulations as it deems necessary for the good working and proper administration thereof, and, from time to time, to repeal, amend or replace the same; provided always, that the said rules and regulations shall not be inconsistent with the laws, customs and usages in force in the Province.

62. Each company, so constituted, shall have its office ^{Office of} within the limits of the parish or other local municipality in ^{company.} which such company shall be established, and at the place which shall have been selected by the board of directors ; provided always, that so soon as the directors have selected a place for holding their office, they shall give public notice thereof on the following Sunday.

SECTION VII

MUTUAL BENEFIT ASSOCIATIONS AND CHARITABLE ASSOCIATIONS

§ 1.—*Declaratory and interpretative*

63. This section does not apply to mutual benefit associa- ^{Scope of} tions, nor to charitable associations incorporated under a ^{section.} federal act or charter or which have made a deposit with the federal government, nor to those doing business in the Province with the Provincial Treasurer's authorization under section VIII, but it applies to all other mutual benefit or charitable associations in so far as the provisions thereof are not inconsistent with those enacted in their respective charters when such charters have been granted by a special act of this Legislature.

64. The following words, wherever they occur in this act, ^{Interpreta-} have the meaning hereinafter given to them : ^{tion.}

1. The words " mutual benefit association " designate any ^{"Mutual} association established with a view, by means of contributions ^{benefit asso-} from its members, of making provision for those of its members ^{ciation."} who are afflicted by sickness, accidents or reverses of fortune, and, in case of the death of members, for their widows and orphans or legal representatives.

2. The words " charitable association " designate any asso- ^{"Charitable} ciation established with a view, by means of voluntary contri- ^{association."} butions, subscriptions, gifts or donations from its members or from the public, of making provision for those afflicted by sickness, accident, or reverses of fortune, and for widows and orphans, or for rescuing from vice and reforming fallen women, for the prevention of cruelty to women and children, or for the purpose of attaining any other analogous object.

It is essential to mutual benefit associations and to charitable ^{Require-} associations that they be strictly mutual or charitable, as the ^{ments as to} case may be ; that they have no capital stock ; and that they ^{certain asso-} be in no way administered for purposes of speculation or gain. ^{ciations.}

§ 2.—*Formation of Associations*

Declaration of formation of association. **65.** 1. Twenty persons at least may make and sign a declaration, setting forth their intention of establishing, in this Province, a mutual benefit association or a charitable association.

Contents of declaration. 2. Such declaration must set forth :
 (a) The name of the association ;
 (b) Its purpose ;
 (c) The names, surnames and addresses of at least three persons and not more than nine, who are to be the first directors, and the names, surnames and addresses of the persons who are to be the first president and first secretary ;
 (d) The place where its head office is to be.

Authorisation by Lieut.-Gov. upon petition, &c. 3. Upon petition, accompanied by the declaration, praying the Lieutenant-Governor in Council to authorize the formation of the persons signing the declaration and of those who associate themselves therewith or succeed them, into a mutual benefit association or charitable association, and, upon a report of the inspector thereupon, if the Provincial Treasurer deems it advisable to exact one, the Lieutenant-Governor in Council may grant the authorization prayed for.

Notice of authorization how to be published, &c. 4. Notice that the authorization has been granted shall be published by the Provincial Treasurer in the *Quebec Official Gazette*, according to form A of this act and, after such publication, shall be deposited by the petitioners in the office of the prothonotary of the Superior Court of the district in which the head office of the association shall be situated, and, from and after the publication of such notice and of such deposit, it shall be a mutual benefit association or charitable association, as the case may be.

Publication at whose expense. 5. The publication, deposit and registration of the notice required by this article, shall be made at the expense of the association.

Branches of association. **66.** The association may establish and maintain branches thereof to promote the objects for which it was authorized to become constituted, on condition that it deposits in the office of the prothonotary of the Superior Court of the district in which any branch is established, a copy of the notice published in the *Quebec Official Gazette*.

§ 3.—*Powers and privileges*

Seal of association. **67.** Each association shall have a common seal, which it may change and alter at pleasure.

Perpetual Under the name by which it is designated in the notice

published in the *Quebec Official Gazette*, it shall have perpetual succession, and may contract, and may sue and be sued in any court of justice. succession, &c.

68. The affairs of the association shall be managed by a board of directors, composed of the number of directors determined by the association who are elected at the general meeting of the association, to be held at the time and place established by the rules of the association. Directors.

Five directors shall form a quorum.

Quorum.

69. The first meeting for the election of directors shall be held within two months after the constitution of the association ; and such directors shall remain in office until they are replaced at the first annual meeting. First meeting to elect directors, &c.

70. The directors shall select from among themselves a president and a vice-president, and shall appoint a secretary-treasurer or a secretary and a treasurer, and all other officers of the association. Election of president, &c.

71. The members of the association may make, amend or repeal rules or regulations necessary for the government and for conducting the business of the association and its branches. Rules, &c.

72. Such rules and regulations shall not contain anything in violation of the laws or customs of this Province, or be directed to the furtherance of any political or seditious object whatsoever. Rules, &c., not to violate laws, &c.

73. The association may require its officers, in accordance with article 144, to give security for such sums of money or other property of the association as may be placed in their hands or under their control, on behalf of the association. Security to be given by officers, &c.

74. The association may acquire and take, by purchase, donation, devise or otherwise, and hold for its use, and according to the rules and regulations thereof, moveable property, and also immoveable property in this Province not exceeding, in annual value, the sum of ten thousand dollars. It may sell and alienate such property, and may acquire other property in place thereof ; but the immoveables so acquired shall not exceed in annual value the sum above determined. Acquisition of property, &c.

75. No member of any association shall, in his individual capacity, be liable for any debt or liability of the association. Members not personally liable.

76. The printed or written rules of such association, and the Printed, &c.,

rules, evidence in certain cases.

appointment of any officer, or the enrolment of any member, certified under the hand of the presiding officer and the seal of the association, and the books, minutes and other documents of the association, relative to any matter then in question, may be received in evidence in any proceedings in any court.

§ 4.—*Benefits conferred upon members by mutual benefit associations*

Benefits not
seizable, &c.

77. The benefits conferred by mutual benefit associations incorporated in the Province under article 65 or by special charter, or constituted outside the Province and carrying on business in the Province after the fulfilment of the formalities required in favor of their members or the widows, heirs and assigns of such members, are not liable to seizure for the debts of such members or for those of the parties benefited.

Benefits assign-
able.

Any member and the parties benefited may join in assigning all rights to such benefits.

May be be-
queathed by
will in cer-
tain case.

Any member may dispose, by will or otherwise, of the benefits accruing from the association if the parties benefited were to predecease him.

Aid or as-
sistance li-
mited in cer-
tain cases.

78. In mutual benefit associations formed in this Province under article 65 or by special charter, or constituted outside the Province and carrying on business in the Province after the fulfilment of the formalities required, the aid or assistance paid to such members for any purpose cannot exceed the amount to be raised for that purpose after deducting the costs of management chargeable to that service.

Separation
of accounts.

79. Every association shall keep and divide its accounts so that each kind of assistance or benefit granted to the members may be separately managed and be the object of a distinct service or fund.

Separate
service for
general ex-
penses.

80. In addition to the assistance funds in case of sickness, indemnities to heirs of deceased members or other kinds of mutual assistance, a separate service shall be established for the general expenses which are to be paid each month by special contributions or revenues collected for that purpose, and without the other services being in any way affected.

Liquidation
of service, &c.

81. Whenever a distinct service or special fund shall cease to maintain itself in a satisfactory manner, the association may liquidate the same without, for that reason, losing its corporate existence.

Subscription

82. The rules of the association may allow its members to

subscribe to either of the special services mentioned in article 80 or to all and each of them at a time, whilst allowing any such members to cease belonging to any particular service, without losing their other rights as members.

83. With respect to the associates and between themselves, each service or fund shall only be liable for its own debts, except in the case of a general liquidation, in which case all the funds shall be liable for the general debts, only however after the payment by each fund, of its own debts.

Each service, &c., liable for its own debts only.

84. The members of the committee of management or board of directors of the association, are jointly and severally responsible for any payment made in contravention of article 78, and may, upon suit brought by any member thereof, be condemned to reimburse to the association any sum so paid.

Members of committee, &c., personally liable in certain cases.

SECTION VIII

MUTUAL BENEFIT ASSOCIATIONS INCORPORATED IN ANOTHER PROVINCE OF THE DOMINION OF CANADA

85. Mutual benefit associations incorporated in another Province of Canada which authorizes mutual benefit associations of the Province of Quebec to transact business within its limits on conditions similar to those set forth in this act, may be authorized to carry on business in this Province.

Certain extra-provincial associations, may be authorized for Province.

86. The license conferring such authority is granted on application to the Provincial Treasurer provided the association :

License therefor. Conditions thereof.

a. 1. Has deposited in the hands of the Provincial Treasurer the sum fixed by sub-paragraph *h* of paragraph 4 of article 92;

2. Has selected a head-office in the Province of Quebec and has appointed a chief agent in accordance with article 111 ;

3. Has paid to the Provincial Treasurer the fee fixed by the Lieutenant-Governor in Council, which shall be kept by the said Treasurer whenever such license is granted

b. Has, without interruption, during the five years preceding the application, carried on and continued to carry on operations in the Province in virtue of the laws whereof it is incorporated, has been solvent during such time, and is not actually insolvent or on the point of becoming so ;

c. Insures its members only ,

d. Does not grant insurances and does not pay indemnity for any other cause than illness, infirmity, death or funeral

expenses, and does not insure the same life for more than three thousand dollars ;

e. Undertakes no endowment insurance or other endowment contract, or any annuity on one or more lives, or undertakes no investment bond, tontine contract or semi-tontine contract or any marriage-aid contract ;

f. Has more than five hundred members inscribed on its rolls in good standing ;

g. Is not the property of its officers, its collectors or any other person for his own benefit ; is not managed as a mercantile or business enterprise or for the purpose of mercantile profit, and does not have its funds under the control of persons or officers appointed for life, but really under that of the assured ;

h. Provides in its policies,—in the case of associations who have applied for such license after the 30th day of June, 1898,—that premiums be levied from its members equal at least to those mentioned in schedule B of this act, together with an amount sufficient to meet the expenses of administration of the association.

Granting of
license.

87. On proof of the above by affidavit, and on production of the act incorporating the association, or of the certificate of registration relating thereto, if registration be required by the acts of the Province in which it has been incorporated, the Provincial Treasurer grants the license.

Report to
Provincial
Treasurer.

88. Every year, on or before the first of March, the association shall forward to the Provincial Treasurer a report of its operations, a statement of its affairs, and a declaration under oath attesting that it has complied with all the requirements of the laws of the Province in which it has been incorporated.

Inspection of
associations.

89. The Provincial Treasurer is, whenever he is thereunto required by the assured or by any other interested person, or whenever he deems it expedient, authorized in accordance with article 126 to have an inspection made by the inspector of insurance or by a special inspector, of the operations and financial standing of the association.

Further de-
posit.

90. The association may, in addition to the sum of five thousand dollars above mentioned, deposit with the Provincial Treasurer, any other sum which it may deem expedient.

SECTION IX

CHANGE OF NAME OR OF HEAD OFFICE OF INSURANCE COMPANIES, MUTUAL BENEFIT ASSOCIATIONS AND CHARITABLE ASSOCIATIONS INCORPORATED BY LEGISLATIVE AUTHORITY IN THIS PROVINCE

91. 1. If an insurance company or mutual benefit or charitable association within the legislative authority of this Province, is desirous of adopting another name than that by which it was incorporated, or if the inspector of insurance is of opinion that the name by which the company or association was incorporated may easily be confounded with that of any other existing company or association, or is otherwise objectionable on public grounds, the Lieutenant-Governor in Council, upon the recommendation of the said inspector, approved by the Provincial Treasurer, may change the name of the company or association to some other name to be set forth in the order in council. No such change shall affect the rights or obligations of the company or association, and all proceedings which might have been continued or commenced by or against the company or association by its former name, may be continued or commenced by or against the company or association by its new name.

Change of name by insurance company, &c.

Proviso.

2. The head office of an insurance company or mutual benefit or charitable association, may also be changed in the same manner, if it is shown that such change has been approved by the votes of two-thirds of the members or shareholders, as the case may be, of the company or association, present at a special general meeting called for that purpose.

Change of head office.

3. Public notice of such change of name or of head office, or of application for change of name or of head office, shall be given in the *Quebec Official Gazette* and in such newspapers as may be indicated in the order in council.

Notice of change.

SECTION X

DEPOSITS BY INSURANCE COMPANIES OR MUTUAL BENEFIT ASSOCIATIONS WITH THE TREASURY DEPARTMENT

92. 1. Except mutual fire insurance companies licensed for the insurance of farm buildings and of isolated risks (such risks being other than mercantile and extra hazardous risks) and mutual fire insurance companies authorized to insure only butter and cheese factories on a strictly mutual system, every company or association applying for a license from this Province to transact insurance shall, before the original issue

Deposits by certain companies, &c.

or the renewal of the license, and before the registration thereof, lodge with the Provincial Treasurer the deposits respectively below stated, and the said deposits shall be made in cash or in deposit receipts of chartered banks in Canada, or in the stock or bonds of the Dominion of Canada or of any Province of Canada or in any other manner in accordance with the provisions of article 981*o* of the Civil Code.

Initial deposit.

2. The initial deposit to be made by any company or association liable to make deposit before the initial registration, shall be the sum appointed for such company or association in paragraph 4 of this article.

Readjustment of deposit in certain case.

3. Before the annual renewal of the registration, the amount of deposit required of any such company shall, on or before the first day of July in each year, be readjusted in terms of paragraphs 4 and 5 of this article.

Amount of deposit.

4. If on the preceding thirty-first day of December in any year, the total contingent liabilities or amount at risk in this Province of the company, does not exceed two million dollars, the deposit shall, as the case may be, be as follows:

a. For every joint stock fire, or fire and inland marine insurance company, for every life or life and accident insurance company, and for every guarantee and surety company, the amount of the deposit of a company incorporated by the Province or by the Dominion of Canada, shall be twenty-five thousand dollars, and, if a foreign company, fifty thousand dollars ;

b. For every accident company, if it be a company incorporated by the Province or by the Dominion of Canada, the amount of the deposit shall be twenty thousand dollars, and if a foreign joint stock company, forty thousand dollars ;

c. For every provincial mutual fire, or fire and inland marine company insuring mercantile and manufacturing risks, the amount of the deposit shall be ten thousand dollars, and for every provincial cash-mutual fire, or cash-mutual fire and inland marine company, twenty-five thousand dollars.

The companies mentioned in this sub-paragraph and at present doing business in this Province, shall deposit with the Treasury Department one half of the amount specified in this sub-paragraph within the twelve months from the coming into force of this act, and it shall be lawful for the Lieutenant-Governor in Council, on the report of a competent officer appointed by him and recommending the same, to grant an additional delay for the deposit of the balance, not exceeding six months from the expiration of the first delay of twelve months;

d. For every live-stock insurance company the amount of the deposit shall be, if it be a company incorporated by the

Province or by the Dominion of Canada, ten thousand dollars, and, if a foreign joint stock company, twenty-five thousand dollars ;

e. For every insurance company within the meaning of paragraph 3 of article 7 of this act, the amount of the deposit shall be, if it be a company incorporated by the Province or by the Dominion of Canada, ten thousand dollars, and, if a foreign joint stock company, twenty thousand dollars ;

f. For every insurance company within the meaning of paragraph 4 of article 7 of this act, the amount of the deposit shall be, if it be a company incorporated by the Province or by the Dominion of Canada, five thousand dollars, and if a foreign joint stock company, ten thousand dollars ;

g. For every foreign company doing only the business of reinsuring risks undertaken by companies standing registered under this act, the amount of the deposit shall be ten thousand dollars ;

h. For every extra-provincial mutual benefit association, the amount of the deposit shall be five thousand dollars or any other amount fixed by the Lieutenant-Governor in Council.

5. If, on the preceding thirty-first day of December in any year, the total contingent liability of the company, or the amount of insurance in force (insured or reinsured) exceeds two million dollars in this Province, then, for each additional million dollars or fraction thereof, the companies enumerated in the preceding paragraphs, shall respectively keep on deposit with the Government, by way of additional security, a sum equal to one-tenth of the initial deposit, and the additional deposit shall be either in cash or securities as aforesaid.

Nevertheless, additional deposits shall not be exacted from companies incorporated by this Province, when the total amount of the deposit amounts to \$50,000.00.

93. 1. Securities of the Dominion of Canada, or securities issued by any of the provinces of Canada, shall be accepted at their market value at the time when they are deposited.

2. The other securities above specified, shall be accepted at such valuation and on such conditions as the Provincial Treasurer may direct, and there shall be kept in the Treasurer's office, under the name of each company or association, a record of the securities deposited on its account, naming in detail the several securities, their par value, and the value at which they are received on deposit,

3. If the market value of any of the securities which have been deposited by any company, declines below the value at which they were deposited, the Provincial Treasurer may, from time to time, call upon the company or association to

make a further deposit, so that the market value of all the securities deposited by any company or association shall be equal to the amount which they are required to deposit by this act.

Substitution
of securities.

4. Where any company or association desires to substitute other securities within the meaning of article 92, for securities deposited with the Treasury Department, the Provincial Treasurer, if he thinks fit, may permit the substitution.

Withdrawal
of deposit.

94. A company or association having made a deposit under this act, shall be entitled to withdraw the deposit, with the sanction of the Lieutenant-Governor in Council, whenever it is made to appear to the satisfaction of the Lieutenant-Governor in Council, that the company or association is carrying on its business of insurance under license from the Dominion of Canada.

Further security in certain cases, &c.

95. If, from the annual statement or the inspector's report, or from other examination of the affairs and condition of any company, it appears that the re-insurance value of all its risks outstanding in the Province, with all other debts in the Province, exceeds its assets in this Province, (including the deposit in the hands of the Treasury Department), then the company may be called upon by the Provincial Treasurer to make good the deficiency at once, and, on failure so to do, its license may be suspended or may be cancelled.

Cancellation
of license.

Effect of cancellation.

In case of cancellation, if a provincial company, its corporate powers shall thereupon cease and determine, except for the purpose of winding up its affairs as provided in article 8 of this act.

Interest on
deposits.

96. Except in cases with respect to which it may be otherwise provided by the Lieutenant-Governor in Council, so long as the deposit of any company or association is unimpaired and no notice of any final judgment or order to the contrary is served upon the Provincial Treasurer, the interest upon securities forming the deposit shall be handed over to the company or association.

Suspension
or cancellation
of license, &c.,
for not making
deposit,
&c.

97. Where a company or association fails to make the deposit under this act at the time required, or where written notice has been served on the Provincial Treasurer of an undisputed claim arising from loss insured against in the Province remaining unpaid for the space of sixty days after being due, or of a disputed claim after final judgment in the regular course of law and tender of a legal valid discharge being unpaid, so that the amount of securities representing the deposit of the company or association is liable to be reduced by sale

or employment of any portion thereof, the license of the company or association may be suspended, or may be cancelled; but in case of suspension under this article or article 95, the license may be revived, and the company or association may again transact business, if, within sixty days after notice to the Provincial Treasurer of the failure of the company or association to pay any undisputed claim, or the amount of any final judgment as provided in this article, such undisputed claim or final judgment upon or against the company or association in the Province is paid or satisfied, and the deposit of the company or association is no longer liable to be reduced below the amount required by this act.

98. The securities deposited with the Treasury Department, shall be subject to be applied only in respect of any contract of insurance which has for its object some property in the Province, or property in transit to or from the Province, or the life, safety, health, honesty, fidelity or insurable interest of a person residing in the Province, or where the contract itself makes what is to be paid thereunder primarily payable to some resident of the Province. Securities deposited, how applied.

99. 1. Under the order of the Superior Court, any company or association shall be liable to have its deposit in the hands of the Treasury Department administered in the manner hereinafter mentioned, upon its failure, within sixty days after maturity, to pay any undisputed claim arising under any contract within the meaning of article 98 of this act, or, if disputed, after final judgment and tender of a legal valid discharge, and, in either case, after notice thereof to the Provincial Treasurer or to the inspector of insurance. Administration of deposit.

In case of such administration, the whole deposit of the company or association, held by the Provincial Treasurer shall, after the costs of administration have been provided for, be deemed to be assets for the holders of such contracts, and shall be divided among themselves in proportion to the amount of their claims. Deposit, how applied in such case.

2. In any case where a claim accruing on the occurrence of such event, is, by the terms of the contract, payable on proof of such occurrence, without any stipulated delay, the notice required under this article shall not be given until after sixty days from the time when the claim becomes due. Proviso as to notices.

100. 1. Before the application is made to the Superior Court for the administration of a company's or association's deposit, at least ten days' notice in writing of such intended application, setting out the grounds thereof, shall be served on the Provincial Treasurer, and also upon the inspector of Application for administration, &c. Notice.

insurance. Such notice shall designate the sitting of the court at which application is proposed to be made, and shall state the day and hour named for the hearing of the same.

When order granted, company deemed not registered, &c.

2. If an order for administration is granted, the company or association shall be deemed to be no longer registered. In the case of a foreign or extra-provincial company, upon petition of any person interested in the administration, or of the inspector of insurance, the judge shall appoint a competent person to be administrator, and, in respect of the administration, the said judge shall have such powers and duties as are given him by the Code of Civil Procedure in case of abandonment of property.

Appointment of administrator in certain cases. Liquidator.

In the case of a company or association incorporated by the the Province, a liquidator shall be appointed in accordance with article 214 to proceed to the liquidation of the affairs of the company or association.

Re-insurance of contracts in certain cases, &c.

101. Where a company or association has ceased to transact business in the Province of Quebec and has given written notice to that effect to the Provincial Treasurer and to the inspector of insurance, it shall re-insure all outstanding contracts effected in this Province, in some company or association registered to do business in this Province, or obtain a discharge of such contracts, and its securities shall not be delivered to the company or association until such reinsurance is effected to the satisfaction of the Provincial Treasurer.

Application for list of securities.

List of contracts filed.

Notice of application.

Order for release of securities, &c.

102. Upon making application for its securities, the company or association shall file with the inspector of insurance, a list of all contracts within the meaning of article 98 of this act, which have not been reinsured or have not been discharged ; and it shall at the same time publish, in the *Quebec Official Gazette*, a notice that it will apply to the Lieutenant-Governor in Council for the release of its securities on a certain day, not less than three months after the date of the notice, and calling upon all claimants, contingent or actual, opposing the release, to file their opposition with the inspector of insurance on or before the day so named ; and after that day, if the Provincial Treasurer is satisfied that the company or association has sufficient assets to meet its liabilities under article 98 of this act, all the securities may be released to it by an order of the Lieutenant-Governor in Council, or a sufficient amount of them may be retained to cover the claims filed, and the remainder may be released, and thereafter, from time to time, as such opposing claims lapse, or proof is adduced that they have been satisfied, further releases may be made on the authority aforesaid.

Position of

103. Notwithstanding the provisions of its charter or of

any other previous act, every insurance company heretofore or hereafter incorporated in this Province under authority of this Legislature, is and shall be governed by this act in regard to deposits to be made with the Treasury Department, and shall not be required to make any further or other deposit or deposits than such as are required by this act.

SECTION XI

LICENSES

104. 1. All mutual benefit or charitable associations, and all insurance companies not being the companies or associations mentioned in article 110, shall, before becoming entitled to registration, obtain a license from the Provincial Treasurer.

2. Companies or associations applying for license, shall file with the Provincial Treasurer the documents mentioned in articles 2, 3, 4, 16, and 111, in the case of a company incorporated by letters patent or of a foreign company, as the case may be ; and also the documents hereinafter required of applicants for registration ; and shall, before obtaining their license, comply with the provisions of article 92 relating to deposits.

3. As soon as the company or association applying for license, has deposited the securities hereinbefore mentioned, and has otherwise conformed to the requirements of this act, the Provincial Treasurer may issue the license.

4. The license shall be in such form as may be from time to time determined by the Provincial Treasurer, and shall specify the business to be carried on by the company or association. Every license shall expire on the thirtieth day of June in each year, but may be renewed from year to year. A record of the licenses and supplementary licenses as they are issued or renewed, shall be kept in the office of the Provincial Treasurer.

5. Licensees under this article shall be entitled to be registered free of charge as provided in article 109.

6. Whenever a company or association desires to extend its business to some other branch of insurance permitted by this act, and has made the additional deposit and complied with the requirements of the law, the Provincial Treasurer may, on a report of the inspector of insurance, issue to the company or association a supplementary license authorizing it to undertake such other branch of business.

7. The provisions herein enacted as to the continuance, renewal, suspension and cancellation of licenses, shall equally apply to supplementary licenses.

8. Although the company or association has ceased to trans-

certain companies as to deposits, &c.

License by certain companies, &c.

Documents to be filed with application therefor.

Issuing of license.

Form, duration, renewal, &c., of licenses.

Free registration of licenses.

Supplementary license in certain cases.

Provisions as to licenses, apply to supplementary licenses. Payment of

certain losses after license withdrawn. act business in this Province after the notice by this act required, and its license has in consequence been withdrawn, the company or association shall nevertheless pay the losses arising from policies not reinsured or surrendered as if the license had not been withdrawn.

Licenses by existing companies. 9. Every insurance company or association subject to the obligation to obtain a license under the provisions of this act, and at present doing business in this Province, shall, within twelve months from the coming into force of this act, obtain a license from the Provincial Treasurer to continue to do business therein.

Articles applicable to certain associations. **105.** Mutual benefit and charitable associations are further governed, with respect to licenses, by articles 65 and 86.

SECTION XII

REGISTRATION

List of documents to be kept by Treasurer. **106.** 1. There shall be kept in the office of the Provincial Treasurer, a list of the several documents filed by every company or association under this act, and, under the name of the company or association, there shall be entered the securities deposited on its account with the Provincial Treasurer, naming in detail the several securities, their par value, and value at which they are received as deposit ; and, before the issue of a new license, or the renewal of a license to a company or association, the requirements of the law must have been complied with, and the statement of its affairs must show that it is in a condition to meet its liabilities. A list of the licenses and certificates of registration as they are issued or renewed, shall also be kept in the office of the Provincial Treasurer.

Entries of securities deposited, &c.

List of licenses, certificates, &c., to be kept.

Certificate of registration, &c.

Its contents.

Certificate to mention first and last days of license, &c.

2. The Provincial Treasurer shall deliver a certificate of registration or of renewed registration, as the case may be, to all insurance companies or mutual benefit or charitable associations registered under this act, and such certificate shall set forth that the company or association is registered for the term and purposes stated in the certificate.

3. Every certificate of registration, issued under this act, shall state the first and last day of the term for which the company or association is registered, and such company or association shall, for the purposes of this act, be deemed to have been registered from the beginning of the first to the end of the last day so indicated.

Necessity of registration.

107. No insurance company, mutual benefit or charitable association, can do business in this Province unless it be regis-

tered with the Provincial Treasurer in accordance with the provisions of this section.

108. For registration purposes two registers shall be kept in the department of the Provincial Treasurer :

1. One wherein insurance companies within the meaning of articles 109 and 110 shall be registered ; For insurance companies.
2. Another wherein mutual benefit and charitable associations shall be registered. For mutual benefit, &c., associations.

109. 1. Insurance companies or associations holding licenses from the Province of Quebec, shall be entitled, on the issue or the renewal of their licenses, to be registered, without charge, with the Provincial Treasurer, and the fact of such registration shall be endorsed on the initial license or on the renewal thereof. Licenses entitled to registration free of charge, &c.

2. Suspension or non-renewal of the license issued under this act shall, *ipso facto*, effect the suspension or cancellation of the registration, as the case may be. Effect of suspension, &c., of license.

3. Suspension or cancellation of the registration shall, in the discretion of the Provincial Treasurer, effect the suspension or cancellation of the license, in the case of any company which must take out a license. And of suspension, &c., of registration.

110. 1. Insurance companies or mutual benefit or charitable associations, holding licenses from the Dominion of Canada may, upon proof that such licenses are still in force, be registered on the registers kept for registration purposes in the office of the Provincial Treasurer. Registration of certain Dominion licensees, &c.

2. For the purposes of this act, every insurance company or mutual benefit or charitable association holding a license under the Insurance Act of Canada, shall be deemed to be a corporation which may be registered with the Provincial Treasurer. Certain companies entitled to registration.

3. **Where** a company authorized under sections 88, 89, 90, 91, 92 and 93 of the Insurance Act of Canada, is registered under this act, every policy and certificate issued and used in this Province, shall conform and be subject to the provisions of the said sections ; and, upon any contravention of the said sections, the corporation shall be liable to have its registration under this act suspended or cancelled. Policies, &c., of registered companies.

4. Suspension or cancellation of the authorization of a company or association under the Insurance Act of Canada shall, *ipso facto* and without notice, effect, as the case may be, the suspension or cancellation of registration under this act. Suspension, &c., of authorization under Ins. Act of Canada.

Provided, that when such insurance company or association has, under the Insurance Act of Canada, been permitted to revive its authorization, the Provincial Treasurer may permit the company to be registered anew, and may issue his certificate thereof. Proviso.

Certain non-licensed companies &c., admitted to registration.

5. Corporations, companies or insurers within the meaning of paragraph *a*, of section 4 of the Insurance Act of Canada, or of section 77 thereof may, upon due application, be admitted to registration as if licensed under the said act.

Registration of members of Lloyds, &c.

6. Upon due application of any underwriter of the establishment or society known as Lloyds, and more particularly described in the act 34-35 Victoria, chapter 21, passed by the Parliament of the United Kingdom, or upon due application of any such underwriter, broker, or agent, such undertaker, broker or agent may be registered for the undertaking and transaction of marine insurance.

Marine adjuster's license.

But if, for the purpose of appraising losses and adjusting claims against insurers under contracts of marine insurance effected on any subject matter which, at the time of appraisal or adjustment, is within the jurisdiction of the Province, such contracts having been effected outside the jurisdiction of the Province with companies or underwriters registered under this act, the Provincial Treasurer may grant or renew, on such conditions as he may deem expedient and as the case may be, a marine adjuster's license for a term not in either case exceeding twelve months to the individual named in the license, authorizing the said individual during the said term to appraise and adjust all such losses and claims; the said license shall, during the term thereof, exempt, as to the said services, the said individual from the penalties prescribed by article 130 of this act.

Documents to be filed before issue of license, &c.

111. Before the issue of a license, or a certificate of registration, to a company or association having its head office outside the Province, the company or association shall file in the office of the Provincial Treasurer the documents provided for in the three next following subsections; that is to say:—

a. A copy of its charter, or of its letters-patent certified by the officer having the custody of the original;

b. A power of attorney for the purpose hereinafter mentioned, from the company or association to its chief officer or agent in the Province, or some other person resident and doing business in the Province, under the seal of the company or association and signed by the president and secretary or other proper officer thereof, in the presence of a witness who shall make oath or affirmation as to the due execution thereof; and the official positions in the company or association held by the officers signing such power of attorney shall be sworn to or affirmed by some person cognizant of the facts necessary in that behalf. But whenever the company or association has, by such power of attorney under its seal, appointed a general agent for Canada, and has thereby authorized such general agent to appoint chief officers or agents of the company or association

in the various Provinces of Canada ; then, after filing with the Provincial Treasurer a copy of said document, duly certified by a notary public or by the proper officer of the Dominion of Canada to be a true copy thereof, powers of attorney executed by the said general agent for Canada under his seal, in the presence of a witness who has by oath or affirmation duly verified the execution thereof, shall be deemed sufficiently executed by the company or association for all the purposes of this act.

c. In the case of companies or associations not licensed under the Insurance Act of Canada, a statement, in such form as may be required by the Provincial Treasurer, of the affairs of the company or association, on the thirty-first day of December then next preceding, or up to the usual balancing day, but such day shall not be more than twelve months before the filing of the statement.

112. Such power of attorney shall declare at what place in the Province the chief agency, head office or office of the attorney of the company or association is, or is to be established, and shall expressly authorize the attorney to receive service of process in all actions, suits and proceedings against the company or association in the Province in respect of any liabilities incurred by it therein, and shall declare that service of process for or in respect of such liabilities at the chief agency, or personally on the attorney, at the place where such chief agency, head office or office of the attorney is established, shall be legal and binding on the company or association to all intents and purposes.

113. Whenever a company or association licensed or registered under this act, changes its chief agent, attorney, head office or chief agency in this Province, it shall file a power of attorney as hereinbefore mentioned, specifying the change and containing a similar declaration as to service of process as hereinbefore mentioned.

114. 1. The companies or associations authorized by the Dominion of Canada, within the meaning of article 110 of this act, which receive from time to time a license or other authorization under the Insurance Act of Canada, shall, annually after their first registration, under such license or authority, present to the Provincial Treasurer the document showing such authorization, within thirty days after the date thereof, and upon due presentation of the same, and upon payment to the Provincial Treasurer of the fee prescribed, they may be admitted to registration under such authority, or to renewal of registration, as the case may be, and in default of registration or of renewal

Contents of power of attorney.

Authorization to receive service, &c.

New power of attorney in certain case.

Presentation of certain documents by certain companies, &c.

Registration of such companies, &c.

of registration within the said thirty days, the company or association shall be deemed to be unregistered.

Documents
not necessary
in certain
cases.

But the presentation of such document shall not be necessary, on the Provincial Treasurer receiving from the proper officer of the Dominion of Canada notice that such license or document of authority has in fact been issued to the company or association named in the notice, and authorizes the transaction of insurance of the kind and for the term specified in the notice.

Effect of
suspension,
&c., of such
documents.

2. The suspension or cancellation or non-renewal of such document of authority issued under the Insurance Act of Canada, or issued by any province of Canada to an insurance company or association registered in this Province, shall operate *ipso facto* as a suspension or cancellation of registration under this act; but registration so suspended may be revived as provided in this act.

Duration
of certificate
of registra-
tion, &c.

115. In the case of all companies or associations, other than those mentioned in article 110, any certificate of registration issued under this act, not being an interim or extended certificate, shall, unless sooner suspended or cancelled, remain valid until the then next ensuing thirtieth day of June inclusive, when, if the corporation or association has filed the summary statement required by article 138, and the annual statement prescribed by article 147, as the case may be, and also properly certified copies of all amendments to its constitution, laws, rules and regulations made since the next preceding summary or annual statement, and has otherwise complied with the law, it shall be entitled to a certificate of renewed registry, and so on every succeeding year.

Interim
certificate,
&c., in cer-
tain cases.

116. Upon proof that a company or association has, by accident or unavoidable cause, been prevented from fully complying with the provisions of this act within the time herein prescribed, and upon payment to the Provincial Treasurer of the fee herein enacted, the Provincial Treasurer may grant for a time limited therein, an interim certificate of registration, or may extend for a limited time the duration of a subsisting certificate of registration, but in default, in either case, of renewal of registration before the expiry of the time so limited, the company or association shall be deemed to be unregistered.

Registration
of existing
companies,
&c.

117. Every insurance company or mutual benefit or charitable association, subject to the obligation of registering under this act, and now doing business in the Province, shall obtain a certificate of registration from the Provincial Treasurer within twelve months from the coming into force of this act, for continuing to do business therein.

118. No insurance company or association, shall be registered under a name identical with that under which any other existing company or association is registered, or so nearly resembling such name as to be likely to be confounded therewith, nor under any other name likely, in the opinion of the Provincial Treasurer, to deceive the members or the public as to its identity.

119. The Provincial Treasurer shall cause to be published yearly in the *Quebec Official Gazette*, a list of companies or associations licensed or registered under this act, with the amount of the deposit, if any, made by each company or association ; and, upon a new company or association being licensed or registered, or upon the license or certificate of a company or association being suspended or cancelled, or if the certificate is revived, he shall publish a notice thereof in the *Quebec Official Gazette* for the space of two weeks.

120. Subject to condition 23 of the policy set forth in article 203, service of any written notice to any insurance company for any purpose of this act, where there is no other express provision relative thereto, may be by letter delivered at the chief office of the company in the Province, or by registered letter addressed to the company, its manager or agent at such chief office, or by such written notice given in any other manner to an authorized agent of the company.

SECTION XIII

SUSPENSION OR CANCELLATION OF REGISTRATION

121. 1. The happening of any of the following events shall *ipso facto* and without previous notice, cancel the registration of the company or association concerned :

a. The repeal or the expiry without renewal of its charter, instrument of association, or constitution, or of its act or acts of incorporation ;

b. The revocation of its corporate powers ;

c. The cancellation, or the expiry without renewal, of the license or other authorization by which the company or association was authorized to exercise its corporate powers for the transaction of insurance ;

d. The passing of a resolution by the company or association for its winding up ; or—

e. The making of an order by any court for the winding up of the company or association.

And, upon proof that any of the said events has happened,

the Provincial Treasurer, after notice to the company or association in cases where any dispute is likely to arise, shall cause the proper entry to be made in the register.

When registration suspended, &c.

2. The happening of any of the following events shall *ipso facto*, and without notice, suspend the registration of the company or association :

a. The suspension of any of the acts, instruments or charters, mentioned in sub-paragraphs *a* or *c* of paragraph 1, of this article ; or—

b. The suspension of the corporate powers of the company or association ;

Upon proof that any of the said events has happened, the Provincial Treasurer, after notice to the company or association in cases where any dispute is likely to arise, shall cause the proper entry to be made upon the register.

Provincial Treasurer to decide in case of dispute.

3. Where the happening of any of the events mentioned in paragraphs 1 and 2 of this article, is disputed by written notice delivered to the Provincial Treasurer at his office, he shall decide both as to the facts and as to the law, and render his decision in writing ; and such decision shall be final.

Decision in writing; one copy to be sent to company, &c.

122. 1. Where the Provincial Treasurer decides in any disputed case that a company or association is or is not legally entitled to registration, or to renewal of registration, or where he suspends, revives or cancels the registration of a company or association, he shall, except as otherwise herein provided, render his decision in writing, and shall cause a copy of his decision, certified under the seal of his office, to be delivered by registered post or otherwise to the company or association at its head office in the Province of Quebec.

Who may have certified copy.

2. Any person may obtain a certified copy of any such decision of the Treasurer, on application to his office, and upon payment of the fee prescribed.

Affidavits, &c.

3. The affidavits and depositions received or taken by the Treasurer in any disputed case, shall be filed in his office.

Evidence by short-hand.

4. The evidence and proceedings in any matter before the Provincial Treasurer may be reported by a stenographer who has taken an oath before a commissioner of the Superior Court to faithfully report the same.

Costs of contestation.

5. The costs of every contestation are payable by the company or association if it loses. Nevertheless, if a third party should contest the right of the company or association to be registered, the Provincial Treasurer may exact from him, before holding the inquiry, such deposit as he may deem necessary to cover the costs occasioned by such inquiry, and such deposit shall be used to pay the costs if the third party loses.

Proviso.

123. 1. Upon proof that any registry or certificate of registry has been obtained by fraud or mistake, or that a company or association exists for any illegal purpose, or is insolvent or is about to become insolvent, or has, within the meaning of articles 124 and 125 of this act, refused or neglected to pay a claim lawfully due, or has wilfully, and after notice from the Provincial Treasurer or inspector, contravened any of the provisions of this act, or has ceased to exist, the registration of such company or association may be suspended or cancelled by the Provincial Treasurer.

Suspension or cancellation of registry by Treasurer, in certain cases.

2. On the suspension or cancellation of the registration of any company or association except as herein otherwise enacted, the Provincial Treasurer shall, by registered post or otherwise, cause notice thereof in writing, signed by him, to be delivered to the head office or chief agency of the company or association in the Province of Quebec ; and, from the date of such delivery, such company or association shall be deemed to be unregistered, but, in the case of mere suspension of registration, the company or association shall be deemed to be unregistered only whilst such suspension lasts ; and, from and after such delivery, the company or association shall withdraw every offer to enter into contracts, and shall absolutely cease to enter into contracts, but without prejudice to any liability actually incurred by such company or association, which may be enforced against the same as if such suspension or cancellation had not taken place.

Notice of such cancellation. Effect thereof.

124. Every lawful claim against an insurance company or association under any insurance contract, shall become legally payable on the expiration of sixty days after reasonable and sufficient proof has been furnished to the company or association of the happening of the event under which such claim was by said contract to accrue, and, where property was insured, after like proof of such additional matters as the law requires ; and any provisions, conditions or stipulations to the contrary shall, as against the assured, be void ; but the company or association may in its discretion pay the claim at any time before the expiration of the sixty days.

When claims against insurance company, &c., payable.

125. 1. Any insurance company or association, shall be liable to have its registration suspended by the Provincial Treasurer, upon the failure by it to pay an undisputed claim, or an insurance contract, for the space of sixty days after being legally payable, or, if disputed, after final judgment and tender of a legal valid discharge, and, in either case, after notice, supported by affidavit, of the company's default, delivered to the Provincial Treasurer.

Suspension of registration of certain claims not paid.

2. When the registration of a company or association has

Revival of

registration
in certain
cases.

been suspended under paragraph 1 of this article, but, within sixty days after the notice therein provided, it has fully paid all undisputed claims and final judgments upon or against it, the Provincial Treasurer, upon proof of the facts, may revive the registration of the company or association and issue his certificate of such revivor.

Cancellation
thereof in
certain cases.

3. If, within the sixty days mentioned in paragraph 2 of this article, the company or association has not fully paid all undisputed claims and final judgments, the Provincial Treasurer, upon proof of the fact, shall cancel the registration of the company or association.

Proviso.

4. If the enactment under or by virtue of which the company or association was incorporated, prescribes payment of undisputed claims and final judgments within less than sixty days, this article shall not be deemed to extend the time so prescribed for payment, nor to extend the right of the company or association to revivor of registration hereunder beyond the time limited by the said enactment.

Access of
Provincial
Treasurer,
&c., to cer-
tain books,
&c.

126. The Provincial Treasurer, or any person authorized by him in writing, and the inspector, shall have, at any time during business hours of every day except Sundays and holidays, access to all such books, securities and documents of a company or association as relate to its contracts, and any officer or person in charge, possession, custody or control of such books, securities or papers, refusing or neglecting to afford such access, shall be guilty of an offence, punishable as for an offence against article 130, and, if registered, the company or association shall be liable to have its registration suspended, and, on continued refusal or neglect to afford such access, shall be liable to have its registration cancelled.

Order for
audit of
accounts in
certain cases.

127. 1. If it is established to the satisfaction of the Provincial Treasurer that the accounts of a registered company or association have been materially and wilfully falsified, or that for eighteen consecutive months there has been no *bona fide* audit of the books and accounts ; or if there is filed in the office of the Provincial Treasurer a requisition for audit bearing the signatures, addresses and occupations of at least twenty-five persons being members of the company or association, claimants or persons entitled to claim or having insurable interest under contracts of the company or association, and if such requisition alleges in a sufficiently particular manner, to the satisfaction of the Provincial Treasurer, admittedly fraudulent or illegal acts, or repudiation of contracts, or insolvency, the said Treasurer may nominate a competent accountant, who shall, under his direction, make a special audit of the

books and accounts and report thereupon to him in writing, verified upon oath.

2. For the purposes of this act a special auditor shall be sufficiently accredited, if he deliver to the secretary or to any officer of such company or association, a written declaration from the Provincial Treasurer to the effect that the latter has appointed such auditor to audit the books and accounts. How auditor accredited.

3. The expense of such special audit shall be borne by such company or association, and the auditor's account therefor, when approved in writing by the Provincial Treasurer, shall be payable by the company or association forthwith. Expenses of audit.

4. Where an audit is requested as mentioned in paragraph 1 of this article, the persons so requesting it shall, together with their requisition, deposit with the Provincial Treasurer proper security for the costs of the audit, in such sum, not exceeding two hundred dollars, as he shall determine; and where the facts alleged in the requisition appear to the Provincial Treasurer to have been partly or wholly disproved by the audit, he may pay the costs thereof partly or wholly out of the deposit. Deposit with request for audit.

5. All books, securities, vouchers and documents relating to the contracts or funds of the company or association, shall be subject to the audit prescribed by this article. Books, &c., subject to audit.

6. Where any company or association, through a trustee, officer, employee, agent or auditor having in his custody, possession or power, its funds, books or vouchers, refuses to have the same duly audited as provided by article 126, and by this article, or obstructs an auditor in the performance of his duties, the Provincial Treasurer upon proof of the fact may suspend or cancel the registration of such company or association. Suspension, &c., for refusal to have books, &c., audited, &c.

7. Every trustee, director, officer, manager, agent, collector, auditor or employee of a company or association, who knowingly makes or publishes, or assists to make or publish, any wilfully false statement of its financial affairs, or who makes or assists to make any untrue entry in any book of record, entry or account, or who refuses or neglects to make any proper entry therein, or to exhibit the books, vouchers, securities and documents, or to allow the same to be inspected or audited either for the general purposes of the company or association or for the purposes of this act, and extracts to be taken therefrom, shall be guilty of an offence, and, upon summary conviction thereof before any police magistrate or justice of the peace having jurisdiction where the offence was committed, shall be imprisoned in the common gaol of the district, or in any gaol of the Province, with or without hard labour, for a period not exceeding twelve months. Certain false statements, &c. Penalty, &c.

Notification to company, &c., of auditors' report, &c.

128. If the report made by the special auditor, appears to the Provincial Treasurer to disclose fraudulent or illegal acts on the part of the company or association as mentioned in paragraph 1 of article 127, or a repudiation of its contracts, or insolvency, the Provincial Treasurer shall notify the company or association accordingly, and furnish it with a copy of the special auditor's report, allowing two weeks for a statement to be filed with him in reply.

Decision by Provincial Treasurer.

129. 1. Upon consideration of the special auditor's report and of the statement of such company or association in reply, and of such evidence, documentary or oral, as he may require, the Provincial Treasurer shall render his decision in writing and may thereby continue, suspend, or cancel the registration of the corporation or association.

Evidence under oath.

2. The evidence may be given under oath, which oath the Provincial Treasurer may administer.

SECTION XIV

PENALTIES

Necessity of registration

Penalty for entering into forbidden insurance contracts, &c.

130. 1. Any manager, director, officer, collector, agent, employee, or person whatsoever, who, contrary to the provisions of this act, undertakes or effects, or agrees or offers to undertake or effect, any contract of insurance, shall be guilty of an offence, and upon summary conviction thereof before any police magistrate or justice of the peace having jurisdiction where the offence was committed, shall be liable to a penalty not exceeding two hundred dollars and costs and not less than twenty dollars and costs, and, in default of payment, the offender shall be imprisoned, with or without hard labour, for a term not exceeding three months and not less than one month; and, on a second or any subsequent conviction, he shall be imprisoned with hard labour for a term not exceeding twelve months and not less than three months.

Burden of proving registration.

2. In any trial, cause or proceeding under this act the burden of proving registration shall be upon the company or person charged.

Applications, &c., to contain certain words.

3. Every application, contract, or other instrument of insurance, and every circular, advertisement or publication soliciting insurance, issued or used in the Province for the purposes of assessment insurance, shall contain the words "Assessment System" printed or stamped in large type at the head thereof.

Failure so to

Any contravention of this paragraph shall constitute an

offence, and shall be punishable as for an offence against ^{do an offence, &c.} paragraph 1 of this article.

4. Any one may be prosecutor or complainant under this ^{Who may} act ; and one half of any fine imposed by virtue of this act ^{prosecute, &c.} shall, when received, belong to His Majesty for the use of the Province, and the other half shall belong to the prosecutor or complainant.

5. All informations or complaints for the prosecution of ^{Prescription.} offences under this act, shall be laid or made in writing one year after the commission of the offence.

6. All prosecutions under any of the provisions of this ^{Crim. Code,} act, shall be taken, tried and judged under the provisions of ^{part XV, to} part XV of the Criminal Code. ^{apply.}

131. Every offence committed by a company or associa- ^{Offence, of} tion against this act, shall be deemed to have been also com- ^{company, &c,} mitted by every officer of the same bound by virtue of his ^{offence of cer-} office or otherwise to fulfil any duty whereof such offence ^{tain officers} is a breach, or, if there be no such officer, then by every mem- ^{in certain} ber of the board of directors of such company or association, ^{cases.} and each act or omission constituting an offence under this act shall constitute, if continued, a new offence for every week during which the offence continues.

132. 1. If it is proved, to the satisfaction of the Provincial ^{Permit to} Treasurer, that no sufficient insurance can be obtained at the ^{insure with} ordinary rate of premium from insurance companies ^{foreign un-} registered under this act, he may grant a permit to any person ^{registered} or company applying for the same, to effect the necessary ^{companies in} amount of insurance in or with a foreign unregistered com- ^{certain cases.} pany for a term, not exceeding twelve months, specified in the said permit ; and such permit shall for the said term exempt the said person and the said company from the operation of articles 104, 130 and 131.

2. Nevertheless commercial or manufacturing risks on pro- ^{Permits in} perty owned or occupied by persons firms or companies may ^{certain other} be insured or re-insured with non registered foreign mutual ^{cases.} companies or by non registered insurers, underwriters or associations of insurers, provided such persons firms or corporations coming with the provisions of paragraph E of division III of article 1145 of the Revised Statutes and any manager, director, officer, collector, agent, employer or person whatever affecting such insurance or re-insurance in contradiction of these provisions shall incur the penalty enacted in clause 130 of this act.

SECTION XV

AUDIT OF BOOKS—INVESTMENTS—YEARLY FINANCIAL STATEMENTS

Classification of contracts, &c. **133.** With the exception of the companies or associations mentioned in paragraphs 1 and 2 of article 110 of this act, every company or association shall keep such classification of its contracts and all such registers and books as may, from time to time, be directed by the Provincial Treasurer.

Certain audit ordered in certain cases. **134.** 1. If it appears to the Provincial Treasurer that such books are not kept in such a clear and efficient way as to make at all times a proper showing of the affairs and standing of the company or association, he shall thereupon nominate a competent accountant to proceed, under his direction, to audit the books of the company or association and to give such instructions as will enable the officers to keep them correctly thereafter.

Fees of accountant by whom paid. 2. The fees of the accountant shall be borne by the company or association interested, and shall not exceed ten dollars per day and necessary travelling expenses which shall also be paid by the company or association. The account for such audit and instructions shall, when approved by the Provincial Treasurer, be payable by the company or association.

Stock register. **135.** When the company has a share or stock capital, the books required by article 133 to be kept, shall include a stock register in which the transfer of stock shall be accurately kept, and shall at all reasonable times be open to the examination of any shareholder and of the Provincial Treasurer. The entries in such register shall include the following particulars: the register numbers of the shares transferred; the amount of subscribed stock transferred; the amount theretofore paid up on such stock; the names and addresses of the transferer and transferee and the date of the transfer.

Its contents.

Policy register. **136.** In the case of insurance companies or associations required to make deposit with the Province, there shall be kept a policy register recording separately the contracts for which the said deposit is answerable under article 98.

Annual audit. **137.** 1. It shall be the duty of the officers of every registered insurance company or association to have, at least once in every year, a *bona fide* and business-like audit of its books of record and account by a competent auditor.

Who may be auditor. 2. In the case of companies or associations chartered by this Province, every auditor shall be a competent accountant, not

holding, nor having, for at least two years prior to his becoming auditor, held any other office or employment under the company or association ; and an auditor need not be a member of the company or association.

3. The auditors of companies or associations chartered by this Province, shall be chosen annually, and their remuneration and pay determined by the members in general meeting assembled. Appointment and pay of auditor.

4. The directors or executive officers may, for incapacity, misconduct or negligence, on the vote of a two-thirds majority, suspend any auditor, such suspension to remain in force until the next general meeting of the members of the company or association. Suspension of auditor.

5. If any auditorship becomes vacant between the general meetings of the company or association, the board of directors or the executive officers may fill the vacancy until the next general meeting. Vacancy in auditorship.

138. 1. Every company incorporated under the laws of the Province, shall furnish to each member annually, a summary statement showing as the result of such audit or audits, the company's actual assets, liabilities, receipts and expenditures, and the state of the insurance fund or funds, and a copy of such summary statement signed and certified by the auditor, shall be filed in the office of the Provincial Treasurer with the statement required by article 147. Annual statement to members.

2. A licensed and registered mutual benefit or charitable association, instead of furnishing such summary statement to each member individually, may deliver to each local branch for the information and use of the members thereof, at least ten copies of the summary statement, of which also at least one copy shall be kept posted up in a place accessible and convenient to the members generally, there to remain posted until at least one month after the posting of the next succeeding statement ; also one copy of the said summary statement shall be kept on record and shall be made accessible to the members generally. Delivery of statement to local branch for information, &c., of its members.

3. If the association has an official newspaper or journal, and a copy of the same is sent to each member, publication of the said summary statement therein shall be sufficient. Publication in official newspaper, &c.

139. 1. The reserve or guarantec fund of mutual fire insurance companies, and the minimum capital required by the charter of any company incorporated by this Province, shall be invested as required by article 38. Investment of reserve fund, &c.

2. The surplus insurance funds of a company subject to the legislative authority of this Province shall, in the name of such company, be loaned upon or invested in securities which are a Investment of surplus insurance funds.

first hypothec on land held in fee simple, or shall be invested in the public stock, funds or Government securities of the Dominion of Canada or of any province of Canada, on in securities guaranteed by either the Dominion or one of its provinces, or in the public stock, funds or Government securities of the United Kingdom, or of the United States of America, or in terminating debentures of any municipal corporation in the Dominion of Canada, (such securities being in every respect, fitting and proper) or in shares or terminable debentures of any solvent society or company incorporated by the Dominion of Canada or any of its provinces, which has carried on business in the Dominion of Canada or any of its provinces for at least five years and is still doing business therein, but in such manner that the loan or loans upon the security of, or the purchase or investment in the shares or debentures of any of the associations or companies mentioned in the present paragraph, shall not in the aggregate exceed one-fifth of the paid up capital of the association or company issuing such shares or debentures ; or the said surplus insurance funds shall remain deposited, with or without interest, in the name of the company, in a post office savings bank or in any chartered bank of Canada, or in any loan company in the Province by any act of the Province, or of the Dominion of Canada duly authorized to receive deposits.

Certain investments which article does not authorise.

3. This article does not confer :

a. Upon an insurance company, the right of lending or investing its funds in or upon the securities of shares or debentures, of any company carrying on the same kind of insurance;

b. Upon a life insurance company, the right to lend or invest its funds in or upon the security of the shares or debentures of any company or association mentioned in paragraph 2 of this article, if such shares or debentures are not secured by some other equivalent collateral security, or if more than one-third of the total value of such collateral security consists in shares or debentures.

Restrictions not applicable to certain investments.

4. The restrictions contained in this article shall not prevent a life insurance company lending or investing its funds in or upon the security of policies issued by it or by another such company.

Constitution, &c., of company *re* investments, not affected.

140. Where the constitution or rules of the company prescribe the securities in which the funds of the company shall be invested, the provisions of article 139 shall not be deemed to enlarge the power of investment by the said constitution or rules conferred.

Immoveables that may be held, &c., by company.

141. 1. Subject to its by-laws or constitution, any company or association standing registered under this act, may

hold absolutely to its own use and benefit, such immoveable property as may be necessary or useful in relation to the transaction of its business, and such immoveable property, as, being mortgaged or hypothecated to it, is acquired by it for the protection of its investments, and it may, from time to time, sell, mortgage, lease or otherwise dispose of the same; but the company or association shall sell any immoveable property acquired in satisfaction of any debt within seven years after it has been so acquired, otherwise it shall be forfeited to His Majesty for the uses of the Province. Proviso.

2. No insurance company or association shall contract with any of its auditors, trustees, directors or executive officers for any loan or credit, or borrowing of money, and every attempt to so lend or borrow is hereby absolutely prohibited. Loans, &c., from company to auditors, &c., forbidden.

142. Where, in any insurance company or association, the trustees, directors or managing board (by whatever name known) make such an investment of any of the money of the company or association as is not authorized by law, or where the board or committee lend any of the company or association's money or transfer the usufruct of any of the property or assets of the company or association to any member of the board or committee, or to any auditor, trustee, director or executive officer of the company or association, all the members of the board or committee, as the case may be, who assented to the investment or loan or transfer, shall be personally liable jointly and severally to repay or restore (as may be directed) the property so invested or loaned or transferred, together with interest, and on such other conditions as the court shall determine. Directors, &c., personally liable to repay illegal loans, &c.

143. Actions taken under article 142 may at any time be brought by any member of the company or association in his own name; and all trustees, directors or members of the board or committee may be made defendants, and the proof shall be on any such defendant that he did not assent to the said investment, loan or transfer. If, in the opinion of the court, the plaintiff has proved the investment or loan or transfer illegal, he shall be entitled to his costs out of the funds of the company or association; and the company or association or its representative, shall have the right to recover over against the defendants personally or from such of them as the court may determine. Member of company may sue therefor, &c. Costs against company, &c. Recourse against person in fault.

144. Every officer or other person appointed or elected to any office in anywise concerning the receipt, safe keeping or application of moneys, shall furnish security, to the satisfaction of the directors, for the just and faithful execution Security of officers receiving moneys, &c.

of the duties of his office according to the rules of the company or association, and any person entrusted with the performance of any other service may be required by the directors to furnish similar security, and the securities so furnished and then subsisting shall be produced to the auditors as part of the annual audit hereinbefore prescribed. In the case of insurance companies or associations chartered by the Province, the security given by the treasurer or any other officer having charge of the moneys of the company, shall in no case be less than \$5,000.00

Directors personally liable where no security exacted, &c.

145. The directors are personally liable for all financial loss due to the unfaithfulness of the treasurer or other officer having charge of the moneys of the company or association, if they have not exacted from such officer the security mentioned in article 144, and if they have been guilty of serious neglect in the supervision they must exercise over the company's moneys.

Books of auditors, &c., books of company.

146. The books used by any auditor, officer, collector or agent for verifying or for recording moneys received for the company or association, and all other books of account or registers, shall be the property of the company or association.

Withholding books from directors, &c.

Every person who, in contravention of these provisions, withdraws, withholds or detains any of the said books from the possession or control of the directors, or executive officers, or from the liquidator of the company or association, shall be guilty of an offence and the procedure and penalty shall be those prescribed by article 130.

Annual statement to Prov. Treasurer, under pain of suspension, &c.

147. 1. It shall be the duty of the president, secretary or manager, and treasurer of any registered association or insurance company, with the exception of those mentioned in paragraphs 1 and 2 of article 110, to draw up and deliver to the Provincial Treasurer, every year, a statement of the financial position and of the business of the association or company, and every association or company refusing or neglecting to produce the statement required by this act or to answer promptly and explicitly all requests for information that may be made to them by the Provincial Treasurer with respect to the contracts and finances of the company or association, shall be liable to have their license and registration suspended or cancelled.

Penalty against president, &c., in default.

2. The president, secretary or manager and treasurer, are respectively liable for each offence to a penalty of two hundred dollars, recovered in His Majesty's name for the use of this Province.

Summary of

3. It shall be the duty of the Provincial Treasurer to publish

a summary of such reports, together with the names of the reports published by companies or associations that have not sent in such reports, in the *Quebec Official Gazette*, during the three months following the first of March of each year. Prev. Treas. •

148. Life and fire insurance companies, save those excepted by article 147, shall send a statement of their condition and affairs and all other information required by the Provincial Treasurer, before the first day of March of each year, for the operations of the year ending on the previous 31st December. Such statement shall be attested on oath by the president and secretary, according to form E of this act, and, in the case of life insurance companies, shall be in the form and manner set forth in form C, and, for fire insurance companies, shall be in the form and manner set forth in form D of this act. Statement of life and fire insurance companies.

149. Licensed mutual insurance companies, shall send to the Provincial Treasurer, on or before the first day of March of each year, the statement mentioned in article 147. Such statement shall be attested on oath, shall state the financial position of the company on the previous 31st December, and be made in the form and manner set forth in form F. Statement by licensed mutual companies.

150. Mutual benefit or charitable associations holding licenses from this Province, shall send to the Provincial Treasurer on or before the first day of March of each year, the statement mentioned in article 147 for the year ending on the previous 31st December. Such statement shall be attested on oath and be made in the form and manner set forth in form G of this act, and a copy shall be deposited with the inspector of insurance. Statement by certain mutual benefit, &c., associations.

151. In computing or estimating the reserve necessary to be held in order to cover the liability to policy-holders, each life insurance company subject to the legislative authority of this Province, may, as to policies issued on or after the first day of January, 1900, and bonus additions or profits accrued or declared in respect thereof, employ any of the standard tables of mortality as used by it in the construction of its tables, and any rate of interest not exceeding three and one-half per centum per annum ; but if it appear to the inspector that such reserve falls below that computed on the basis stated in article 211, he shall so report to the Provincial Treasurer, who may thereupon direct the inspector to compute or to procure to be computed under his supervision, the reserve on the basis therein mentioned ; and the amount so computed, if it differ materially from the return made by the company, may be substituted in the annual statement of assets and liabilities ; and in such case the company shall furnish to the Tables of mortality and rate of interest used by certain life insurance companies to compute reserve. Proviso.

inspector, on application, the full particulars of each of its policies necessary for such computation, and shall pay to the inspector an amount at the rate of three cents for each policy or bonus addition so computed, which amount he shall pay over to the Provincial Treasurer.

Forms of statement changeable by Prov. Treas.

152. 1. The Provincial Treasurer may, from time to time, make such changes in the forms of statements to be furnished by companies and associations, as he may think necessary to meet the circumstances of any special case or to afford clearer or completer explanation.

Next reports when to be filed, &c.

2. The next report of the companies or associations mentioned in articles 148, 149 and 150, shall be filed on or before the first of March, 1910, and shall show the position of the company or association on the previous 31st December.

SECTION XVI

DIRECTORS

Scope of section.

153. In so far as they contain nothing inconsistent with the special rules applicable to any kind of insurance company or to mutual benefit or charitable associations, the provisions of this section shall apply to all insurance companies and mutual benefit and charitable associations incorporated under the laws of this Province and entered in the registers kept by the Provincial Treasurer.

Appointment &c. of manager, &c.

154. The board of directors may, from time to time, appoint a manager, secretary, treasurer, and such other officers, as to them seem necessary. They shall prescribe their duties, fix their compensation, take such security from them as is required by this act for the faithful performance of their respective duties, and remove them and appoint others in their stead.

Adoption of table of rates, &c.

The board may also, subject to the provisions of this act, adopt a table of rates, premiums or premium notes, as the case may be, and vary such table from time to time. They may hold their meetings monthly, or oftener if necessary, for transacting the business of the company, and their secretary shall keep a record of their proceedings in a book kept for the purpose.

Meetings.

By-laws by directors.

155. 1. The board may, from time to time, make such by-laws as to them appear needful and proper respecting the funds and property of the company, the duty of the officers, agents and assistants thereof, the calling of instalments, the effectual carrying out of the objects contemplated by this act, the holding of the annual meeting, and all such other matters

as appertain to the business of the company, and are not contrary to law, and may, from time to time, alter and amend the said by-laws, except in cases with regard to which it is provided that any such by-law shall not be repealed, or where the repeal would affect the rights of other than the members of the company ; in any of which cases such by-law shall not be repealed.

2. Every by-law of the board shall be duly entered in the minute book, and unless and until amended or annulled by the board or by a general meeting of the members, shall be deemed to be a by-law of the company, Entry thereof in minute-book.

3. There shall be filed with the Provincial Treasurer copies of all by-laws that may, from time to time, be passed by the company or the board. Copies to be filed with Prov. Treas.

156. The board shall superintend and have the management of the funds and property of the company, and of all matters relating thereto, and not otherwise provided for. Management, &c., of property, &c., of company.

157. The board may make arrangements, with any other company, for the re-insurance of risks, on such conditions with respect to the payment of premiums thereon as may be agreed between them. Certain arrangements with other companies.

158. 1. The board may issue debentures or promissory notes in favor of any person, commercial establishment, or banking or other company, for the loan of money, and may borrow money therefrom on such debentures or promissory notes for any term not exceeding twelve months, and on such conditions as they think proper, and may renew the same from time to time for any such term. The whole of the assets, including premium notes of the company, shall be held liable for the payment of the same at maturity, but no such debenture or promissory note shall be for a less sum than one hundred dollars. Issuing of debentures, &c., borrowing, &c.

2. All the debentures and promissory notes at any one time outstanding, shall not exceed one fifth of the amount remaining unpaid upon the said premium notes. Limit of bonding power.

159. At any annual meeting of the members or shareholders of a company, or at any special general meeting thereof, if such purpose was clearly expressed in the notice of the special general meeting, it shall be lawful to enact by-laws or pass resolutions for the remuneration of the directors of the company, and copies of such by-laws or resolutions shall, within one week after their passing, be filed with the Provincial Treasurer. By-laws for remuneration of directors, &c.

Payment of
dividends out
of capital, &c.

Directors
jointly and
severally
liable, &c.

Proviso.

160. If the managers, directors or trustees of any fire, life, marine, or other insurance company, incorporated by the Parliament of Canada, or by the Legislature of this Province, knowingly and wilfully declare and pay any dividend or bonus out of the paid-up capital of the company, when the company is insolvent, or which would render it insolvent, or which would diminish the amount of its capital stock, or so declare and pay any dividend or bonus in contravention of article 34, such managers, directors or trustees, who are present when such dividend or bonus is declared, shall, if the same is afterwards paid, be jointly and severally liable for all the debts of the company then existing and for all thereafter contracted while such managers, directors or trustees, respectively, continue in office; but if any of them object to the declaration of such dividend or bonus, or to the payment of the same, and at any time before the time fixed for the payment thereof, file a written statement of such objection in the office of the company, and also in the registry office of the division or county where the company is situate, such manager, director or trustees shall be exempt from such liability.

SECTION XVII

MUTUAL FIRE INSURANCE COMPANIES—LIABILITY OF MEMBERS— ASSESSMENTS

Meetings to
elect direct-
ors, &c.

Secretary *ex
officio* mem-
ber of board,
&c.

Suspension
of secretary
for cause.

Directors,
how elected.

161. 1. A meeting of the members of the company, for the election of directors and for other purposes, shall be held on the second Wednesday of February of each year at the head office of the company; and if, for any cause, the directors be not elected at the meeting, those already in office shall continue to act as such until their successors are appointed at some subsequent meeting.

The secretary of the company is *ex-officio* a member of the board of directors which appoints him, and he as such, as well as the directors, remain in office until the following annual meeting. They may, however, in the interval, be removed and replaced at a general meeting of the members specially convened for that purpose in accordance with article 164.

2. The directors may, nevertheless, at any time before the annual meeting, suspend the secretary from his duties for cause.

162. The proceedings for the election of directors shall be commenced by striking off, by rotation, from the former board, a number equal to the majority of the members of such board.

Those who remain after this operation shall be members

of the board for the year following, and proceedings shall then be taken to complete the number required for the formation of the said board.

Any member or members of such former board may be elected as members of the new one.

163. Any vacancy on the said board, happening in the interval between any two meetings, shall be filled by a person elected for that purpose by the majority of the remaining members of the board. Vacancies on board.

164. The president or the board of directors, or any twenty members of the company, may call a general meeting by giving at least fifteen days' notice thereof in a French newspaper and in an English newspaper published at or nearest to the place of business of the company. Calling of general meeting.

165. At the annual meeting, a report of the transactions of the company, for the year ending on the previous thirty-first day of December, shall be submitted, together with a full statement of all its affairs, exhibiting its receipts and expenditure, assets and liabilities, and a copy of such report shall be sent to the inspector of insurance for the Province. Report, &c., at annual meeting.

166. Each member of the company shall be entitled, at all meetings of the same, to the number of votes proportioned to the amount for which he is insured—that is to say : for any sum under one thousand dollars, one vote ; from one thousand dollars to two thousand dollars, two votes; and one additional vote for every additional one thousand dollars. Voting power of members.

No member shall be entitled to vote while in arrears for any assessment. Members in arrears not to vote.

Any member may be represented by proxy, provided such proxy be himself a member of the company, and that no officer, director, manager or member shall hold proxies for members to an amount exceeding ten thousand dollars in all. Proxies, &c.

167. The directors shall be members of the company, and insurers therein, for the time they hold office, to the amount of at least fifteen hundred dollars. Qualifications of directors.

168. No person in the employment of the company under an annual salary, shall be eligible to be elected a director, or shall be allowed to interfere in the election of directors. Paid employees not eligible as directors.

169. The majority of the directors constitute a quorum for the transaction of business ; and, in case of an equality of Quorum, &c.

votes at any meeting of the board, the question shall pass in the negative.

Powers of directors.

170. The board of directors superintend the concerns of the company, and have the managements of the funds and property thereof and of all matters and things thereunto relating not otherwise provided for, and may, from time to time, elect one of their members to be president and another to be vice-president, and may appoint a secretary and a treasurer and such other officers, agents and assistants as they shall think necessary, and prescribe their duties, fix their compensation, take securities from them for the faithful performance of their duties, and remove them at pleasure.

Determine insurance rates, &c.

The board may determine the rates of insurance, the sum to be insured on any building or other property, and the sum to be deposited on the insurance thereof, and shall order and direct the making and issuing of all policies of insurance, the providing of books, stationery and other things needful for the office of the company, and for carrying on the business thereof, and may order the treasurer to pay the amount of any loss which has happened to the company and any expenses incurred in transacting the affairs thereof.

Special meetings of board.

The board may hold special meetings, as often as they shall deem necessary, and shall keep a record of their proceedings.

Entry of dissent in books, &c.

171. Any director, disagreeing with the majority of the board, may enter his dissent on the books of the company, with his reasons for so dissenting, which books shall, at all times, be open to the inspection of the members of the company and to the inspector of insurance.

When company may issue policies.

172. No policy shall be issued by any company formed under section II of this act, until applications have been made for insurance to the extent of two hundred thousand dollars at least, and approved of by the board of directors, and until deposit notes to the amount of at least ten thousand dollars have been *bonâ fide* signed and delivered to the company.

Limit of fire risk.

The board of directors shall in no case issue a policy for an amount exceeding five thousand dollars on one risk, unless the amount of the excess is re-insured, or allow the amount of insurance effected in any one city or town to exceed fifteen per cent of the total insurances effected by the company.

Proviso.

Separation of business into classes.

173. The company may, by a by-law, separate its business into two classes or departments, with reference to the nature or classification of the risks to be insured, or of the particular localities in which insurances may be effected, which shall be known as the "farm and isolated class risks,"

and the "commercial and extra-hazardous class," respectively; provided that such by-law be first approved by a majority of the members of such company present at the annual meeting referred to in article 161, or at a special meeting convened as directed by article 164.

174. The directors of any company, who have so separated their business into two classes, shall cause to be prepared a schedule of the risks which may be insured in each class, and a tariff of rates for the same. Schedule of risks per class, &c.

They shall cause the accounts in each class to be kept separate and distinct the one from the other, and make any other regulations they may think necessary to keep the affairs of the two classes separate; and members of any such company insuring in one class shall not be liable for any claims on the other. Accounts in each class separate, &c.

175. All necessary expenses, incurred in the conducting and management of such company, shall be assessed upon and divided between the two classes, in such proportion as the directors may determine. Division of expenses between classes.

176. Any mutual fire insurance company, may effect any insurance upon the cash premium principle, for a period not exceeding three years, on farm and other non-hazardous property, and for one year or less on any other class of property, on complying with the provisions of article 23 of this act. Cash insurance by mutual fire insurance company.

177. 1. Every person who, at any time, becomes interested in any existing mutual fire insurance company in this Province, or in any such company incorporated under section II of this act, by insuring therein, shall be a member thereof during the time specified in his policy, and shall, during such time, be bound by the law governing the same; but he may, without the consent of the company, withdraw therefrom, upon the terms and conditions specified in article 183. Insured in mutual fire insurance company, members thereof.

2. If, however, the company does business on the fixed premium plan, no person insured under the non-mutual plan shall be interested therein except as provided by article 23 of this act. Insured on non-mutual plan not members.

178. Every member of any mutual insurance company shall, before he receives his policy, deposit his note or undertaking (hereinafter called a deposit note) payable on demand to the company only, endorsed to the satisfaction of the directors, and for a sum of money proportioned according to the classification of risks established by the directors. Deposit note.

A part of said note, to such amount as the directors have

Part of deposit note payable in advance, &c. by their by-laws determined, may be demanded and taken from such member, before he receives his policy, for the purpose of raising a fund to defray the incidental expenses of the company, and the remainder shall be payable, in whole or in part, at any time when the directors deem the same to be necessary for the payment of the losses or expenses of the company.

Balance how payable, &c.

Signing note by mark.

In case the member is unable to write or sign his name, he may sign the deposit note or undertaking with his mark, in presence of a witness resident in the locality and who is not an agent of the company.

Note detached from other contracts, &c.

179. 1. Every deposit note or other undertaking, must be completely detached from any other form or any other writing whatever, and the words "deposit note or undertaking," shall be printed in conspicuous type at the head of such deposit note.

On pain of nullity.

Every note or undertaking signed in contravention of this article shall be *de jure* null and void.

Forms.

2. Forms H., I. & J. to this act, or any forms to the same effect, shall be sufficient for the purposes for which they are intended.

Annual by-laws *re* amount of assessments.

180. The directors of the company may, by by-law, declare in each year, in advance, the amount of assessment on the deposit notes required to be paid in to meet the estimated annual losses and expenses, upon an estimate of the probable losses and expenses during the year, to be published in the manner to be provided by such by-law.

Insurable risks.

181. Within the limits specified in its license, and in accordance with article 201, the company may insure dwelling houses, stores, shops and other buildings, household furniture, merchandise, machinery, live-stock, farm produce, and other commodities, against damage or loss by fire or lightning, whether the same happens by accident or any other means except design on the part of the insured, foreign invasion, or insurrection.

Assignment of policy as security, &c.

182. Where the assignee of the policy is the holder of a hypothecary claim against the property insured, the directors may permit the policy to remain in force and to be transferred to him by way of additional security, without requiring any note or undertaking from such assignee or his becoming in any manner personally liable for assessments or otherwise; but, in such cases, the deposit note or undertaking and liability of the vendor or assignor in respect thereof, shall be in nowise affected.

183. 1. The company, or the secretary if the company has given him a general or special authority for that purpose, may cancel any policy, in accordance with the conditions thereof, by giving to the insured notice in writing to that effect, signed by the secretary and transmitted to the insured by registered letter. Cancellation of policy.

2. The person insured shall nevertheless be liable to pay his proportion of the losses and expenses to the company up to the time of such cancellation, and, on so doing, he shall be entitled to a return of his deposit note. Liability for losses before cancellation.

3. Paragraph 2 of this article shall, as against the insured, be deemed to form part of the contract, and no provision to the contrary or providing for any change, addition or omission, shall bind the insured in any way. Such liability deemed part of contract, &c.

4. Nevertheless, should a loss occur on the property insured by the company, the board of directors may retain the amount of the deposit note or undertaking given for the insurance of such property, until the expiration of the term for which the insurance was contracted, and at the expiration of such term, the insured may withdraw such part of the amount retained as has not been assessed. Retention of deposit note in certain case.

5. When a policy has expired and all the assessments from the previous 31st December to the day of the expiration of the policy have been levied, the deposit note or undertaking is null and void and must be delivered to the signer thereof on his application therefor, if all the assessments above mentioned have been paid. When deposit note exhausted, &c.

184. When a policy has expired or has been annulled by the board or by the secretary for any reason whatever, and when the insured has paid his dues to the company, his deposit note shall be returned to him ; but in no case shall such a policy-holder have the right to ask or claim any share in the reserve fund except where the company winds up its affairs during the five years from the expiration or cancellation of the policy ; the holder of an expired or cancelled policy then has the right, as against the other policy holders, to claim his proportionate share of the reserve fund. Return of deposit note in certain cases. Proviso.

185. Every member of the company shall pay his proportion of all losses and expenses incurred, and the deposit notes or undertakings, belonging to the company, shall be assessed under the direction of the board of directors, at such intervals from their respective dates, for such sum as the directors determine, and for such further sums as they may think necessary, to meet the losses and other expenditure incurred during the currency of the policies for which the said notes or under- Proportionate payment of losses. Assessments.

takings were given, and in respect to which they are liable to assessment.

Payments on deposit notes Every member of the company or person who has given his deposit note, shall pay such sums, from time to time, during the continuance of the policy in accordance with such assessment.

Apportionment of amount of loss.

186. Whenever any loss or damage by fire, sustained by any member, is ascertained and is payable by any such company, the directors shall settle and determine the sums to be paid by the several members as their respective portion of such loss, and publish the same in such manner as shall be provided by the by-laws of the company.

Contribution proportionate to original amount of deposit note.
Suit to recover assessment.

The sum to be paid by each member shall always be in proportion to the original amount of his deposit note, and shall be paid to the treasurer within thirty days next after the publication of such notice.

If any member, during thirty days after such notice, fail, neglect or refuse to pay such sum as determined by the directors, the directors may sue for and recover from such member the amount of his deposit note and costs of suit, and the amount recovered shall remain in the hands of the treasurer of the company, subject to the payment of the portion of all losses and expenses to which such member shall be liable ; and the balance, if any, shall be returned to such member at the expiration of the term of his policy.

Settlement and payment of losses.

187. Whenever any loss or damage by fire, sustained by any member of the company, is ascertained, and payable by the company, the directors may cause the same to be settled and paid conformably to this section and the regulations of the company, and may cause to be entered in the books of the company the amount of the assessment to be paid by each member of the said company, on the amount of his deposit notes.

Loan for certain purpose.

188. In order that there may be but one assessment annually, and that it be imposed at the annual meeting of the company, the directors are hereby authorized, in case of any loss or damage by fire, or to cover incidental expenses, to borrow such sums of money as the circumstances may render necessary, but the amount which the directors may borrow is limited to one-fifth of the amount of their unassessed deposit notes.

To be included in next assessment, &c.

The interest payable on such loans, as well as the capital thereof, if not previously provided for, may be included in the annual assessment, which however, shall be imposed, as nearly as may be practicable, on the deposit notes in force at the time of such loss and of the loan effected to repay the same.

189. The directors shall cause a notice of the total amount of assessments on deposit notes to be paid in any year, to be published in the form provided by the by-laws of the company, in at least one newspaper published within the district where the property insured is situated if there be such newspaper published within the district, and if not, the same shall be published in a newspaper published nearest to the district in which the said property is situated, or by a circular mailed to each member.

Publication of notice of assessments.

It shall be lawful for the company to dispense with publishing the rate of assessments in a newspaper, provided a notice of such assessments is sent to each member of the company by mail.

Not necessarily if notice mailed.

190. Thirty days after such notice, the directors may sue for and recover, with costs, the assessments on the deposit notes of the members who have refused or neglected, during such time, to pay to the treasurer of the company the sum of money which the directors have declared to be payable on such deposit note.

When suits on deposit notes may be taken.

In all suits for the recovery of the said assessments, the certificate of the secretary-treasurer of the company shall be *prima facie* evidence that the same are due and that all formalities have been complied with.

Certain certificate *prima facie* evidence.

191. Any member of such company who fails to pay his assessments within three months from the time they become due, shall not be entitled to recover from the company for any loss which he may sustain thereafter; provided that a demand in writing has been transmitted, by registered letter to such member for payment of the same before such loss occurred.

Members in default not to recover for loss. Proviso.

192. To secure the payment of all assessments which may be imposed on the deposit notes of the members, the company shall have a privilege upon the whole of the moveable property of the insured, and also a hypothec, from the date of the deposit note, upon the immoveable property mentioned in the policy of insurance, as well as upon the real estate thereunto appertaining.

Privilege, &c., to secure deposit notes

Notwithstanding articles 1994 and 2009 of the Civil Code, such privilege shall rank and take precedence after municipal taxes and rates, and shall remain in force and be valid in law for the same time.

Rank of privilege.

Such hypothec exists without registration.

Registration unnecessary.

193. Whenever properties, affected by the privilege or

Filing of

statement
in case of
forced sale.

hypothec of the company, are advertised to be sold by forced sale, the secretary-treasurer of the company or his assistant shall file, within the six days following the sale, in the office of the prothonotary of the Superior Court or of the clerk of the Circuit Court or of the curator, as the case may be, a claim for all assessments due, and for such as shall become due up to the end of the then current fiscal year ; and the company shall have the right to be collocated for the amount of the said claim on the proceeds of such sale according to the privilege and rank established by article 192.

Execution
against com-
pany when
to issue.

194. No execution shall issue against the company upon any judgment, until after three months from the rendering thereof.

Judge not
recusable,
because
member.

195. The interest any judge may have in the issue of any suit to which any existing mutual fire insurance company in this Province, or any company formed under section II, is a party, by reason of his being a member of such company, shall not be sufficient cause for his recusation in such case.

SECTION XVIII

GENERAL PROVISIONS APPLICABLE TO ALL COMPANIES OR ASSOCIATIONS

Certain con-
tracts to be
construed ac-
cording to
law of Pro-
vince, &c.,

196. When the subject matter of any insurance contract is property, or an insurable interest within the jurisdiction of the Province of Quebec, or is in connection with a person domiciled or resident therein, any policy, certificate, interim receipt, or writing evidencing the contract shall, if signed, countersigned, issued or delivered in the Province of Quebec, or committed to the post office or to any carrier, messenger or agent, to be delivered or handed over to the assured, his representative or agent in the Province, be deemed to evidence a contract made in the Province, and the contract shall be construed according to the law of this Province, and all moneys payable under the contract, shall be paid at the office of the chief officer or agent of the company or association effecting the insurance in this Province. This article shall have effect notwithstanding any agreement, condition or stipulation to the contrary.

Contracts,
&c., not to
affect article.

Terms of
contract to
be set out in
instrument,
&c.

197. 1. Where an insurance contract made by any company or association, is evidenced by a written instrument, the company or association shall set out all the terms or conditions of the contract in full on the face or back of the instrument forming or evidencing the contract, and, unless so set out, no term or condition, stipulation or proviso modifying

or impairing the effect of any such contract made or renewed after the coming into force of this act, shall be good and valid or admissible in evidence to the prejudice of the assured or beneficiary.

2. Nothing contained in this article shall exclude the proposal or application of the assured from being considered with the contract, and the court shall determine how far the insurer was induced to enter into the contract by any misrepresentation contained in the said application or proposal. Application may be considered with contract.

3. A mutual benefit or charitable association may, however, instead of setting out the complete contract in the certificate or other instrument of contract, indicate therein, by particular references, those articles or provisions of the constitution, by-laws or rules which contain all the material terms of the contract not inserted in the instrument of contract itself, and the association shall, at or before the delivery over of such instrument of contract, deliver also to the assured a copy of the constitution, by-laws and rules therein referred to. Contracts of mutual benefit associations, &c.

198. After any loss or damage to insured property, the insurance company shall have, by a duly accredited agent, an immediate right of entry and access sufficient to survey and examine the property and make an estimate of the loss or damage. Entry on property after loss.

SECTION XIX

INSURANCE OF THE PERSON

199. 1. In any insurance of the person, where the money payable by way of premiums, dues or assessments (not being the initial premiums, dues or assessments), under any contract whatsoever, is unpaid, the insured, or one of the beneficiaries, or the beneficiaries under the policy, may, within thirty days from and including the first day on which the money is due, by registered letter or otherwise, pay, deliver or tender to the company or association at its head office, or at its chief agency in the Province, or to the collector or authorized agent of the company or association, the sum in default. The contract of insurance shall continue in existence during such thirty days, and any stipulation or agreement to the contrary shall, as against the assured or his beneficiaries, be utterly void. The thirty days hereinbefore mentioned shall run concurrently with the period of grace or credit, if any, allowed by the insurer for the payment of a premium or of an instalment of premium. Premium may be paid thirty days after due, &c.

Nothing in this act contained shall be deemed to extend the period of grace or credit beyond the total of thirty days, or as preventing the insurer from charging legal interest, during Delay to run concurrently with days of grace, &c. Period of grace not extended, &c.

said thirty days, upon the amount of the premium due by the insured.

Extension thereof, &c.

2. Notwithstanding any stipulation or agreement to the contrary, any action or proceeding against the insurer for the recovery of any claim under or by virtue of a contract of insurance of the person, may be commenced at any time within one year next after the happening of the event insured against, or within the further term of six months, by leave of a judge of the Superior Court, on a petition, upon its being shown to his satisfaction that there was a reasonable excuse for not commencing the action or proceeding within the first mentioned term.

Prescription.

3. But no such action or proceeding shall be commenced after the expiration of the year and additional six months, except in cases where death is presumed from the assured not having been heard of during seven years, in which case any action or proceeding may be commenced within one year and six months from the expiration of such period.

Insurance on life of children.

200. 1. No company or association shall insure or pay on the death of a child under ten years of age, any sum of money which, added to any sum payable on the death of such child by any other insurer, will exceed the following amounts respectively, that is to say :

If such child dies under the age of :

2 years	.....	\$ 32 00
3 "	.....	40 00
4 "	.....	48 00
5 "	.....	56 00
6 "	.....	83 00
7 "	.....	140 00
8 "	.....	168 00
9 "	.....	200 00
10 "	.....	260 00

Proviso.

Nothing in this article shall apply to such insurances on the lives of children under ten years of age as were in existence on the coming into force of this act, or apply to insurance on the lives of children of any age where the person effecting the insurance has a pecuniary interest in the life of the assured.

Premiums recoverable in certain cases.

2. Where the age of the assured is, at the date of the contract, less than ten years, and the company or association has knowingly, or without sufficient inquiry, entered into any contract prohibited by paragraph 1 of this article, the premiums paid thereunder shall be recoverable from the company or association by the person or persons paying the same, together with legal interest thereon.

3. Every company or association undertaking or effecting insurances on the lives of children under ten years of age, shall print paragraphs 1 and 2 of this article, and article 2590 of the Civil Code, in conspicuous type upon every circular soliciting and upon every application for and every form of contract of such insurance; and any contravention of this paragraph shall be punishable as an offence against article 130 of this act.

Certain clauses to be printed in certain policies, &c.

Nevertheless, instead of printing what is required by paragraph 3 of this article, the company may, with the permission of the Provincial Treasurer, cause to be printed or stamped on the circulars, in every application and every form of contract, in conspicuous type, the words: "All insurances effected or solicited in the Province of Quebec in connection with the lives of children under ten years of age is subject to the restrictions contained in article 200 of the Quebec Insurance Act."

Or certain words may be printed or stamped.

SECTION XX

GENERAL PROVISIONS APPLICABLE TO ALL FIRE INSURANCE COMPANIES

201. 1. Every company licensed and registered for the transaction of fire insurance may, within the limits prescribed by the license and registration, insure and reinsure dwelling houses, stores, shops and other buildings, household furniture, merchandise, machinery, live stock, farm produce, and other commodities, against damage or loss by fire or lightning, whether the same happens by accident or any other means, except design on the part of the assured, the invasion of an enemy, or insurrection.

Risks insurable by fire insurance companies.

2. Any insurance company registered under this act for the transaction of fire insurance, and lawfully insuring any mercantile or manufacturing risk against fire, may, either by the same or a separate contract, insure the same risk against loss or damage arising from defects in or injuries to sprinklers or other fire extinguishing appliances.

Insurance against loss caused by sprinklers, &c.

202. 1. Contracts of fire insurance, with the exception of those entered into by mutual insurance companies on the mutual system which are limited to five years, shall not exceed the term of three years; and the insurance of mercantile and manufacturing risks shall, if on the cash system, be for terms not exceeding one year.

Duration of fire insurance contracts.

2. Any contract that may be made for one year or any shorter period, on the deposit note system, or for three years or any shorter period on the cash system, may be renewed, at the discretion of the board of directors, by a renewal receipt

Renewal of contracts.

instead of a policy, on the insured paying the required premium, or, in the case of a contract on the deposit note system, by giving a new deposit note or undertaking; and any cash payments or deposit notes for renewal, must be made at the end of the year or other period for which the deposit note was granted, otherwise the policy shall be null and void.

Limit on one risk.

Proviso.

Suspension, &c., if limit exceeded.

3. No registered company, authorized to effect insurance against fire in this Province, shall incur liability upon a single risk, to an amount exceeding 10 per cent of its capital and surplus, unless such excess is reinsured in another company.

4. The Provincial Treasurer may suspend or cancel the license or registration of a company that assumes a heavier responsibility on a single risk than that permitted by paragraph 3 of this article.

Conditions embodied in policy.

203. The conditions set forth in this article shall, as against the insurer, be deemed to be part of every contract of fire insurance hereafter entered into or renewed or otherwise in force in the Province of Quebec, with respect to any property therein or in transit thereof or thereto, and shall be printed on every such policy with the heading "Conditions of the Policy," and no stipulation to the contrary, or providing for any variation, addition or omission, shall be binding on the assured unless evidenced in the manner prescribed by articles 204 and 205.

CONDITIONS OF THE POLICY

1. If any person insures his buildings or goods, and causes the same to be described otherwise than as they really are, to the prejudice of the company, or misrepresents or omits to communicate any circumstance which is material to be made known to the company, in order to enable it to judge of the risk it undertakes, such insurance shall be of no force with respect to the property in regard to which the misrepresentation or omission is made; but when the application is made out by the company's agent, such application shall be deemed to be the act of the company.

2. After application for insurance, it shall be presumed that any policy sent to the assured is intended to be in accordance with the terms of the application, unless the company points out, in writing, the particulars wherein the policy differs from the application.

3. Any change in the use or condition of the property insured as defined by the policy, made without the consent of the insurer, and within the control or knowledge of the assured, and which increases the risk, shall void the policy, unless the change is promptly notified in writing to the company or its

local agent ; and the company, when so notified, may return the premium for the unexpired period and cancel the policy, or may demand in writing an additional premium, which the assured shall, if he desires the continuance of the policy, forthwith pay to the company ; and if he neglects to make such payment forthwith after receiving such demand, the policy shall be no longer in force.

4. The insurance is rendered void by the transfer of the interest in the object of it from the insured to a third person unless such transfer is with the consent or privity of the insurer.

The foregoing rule does not apply in the case of rights acquired by succession or in that specified in clause *b* of this paragraph.

a. The insured has a right to assign the policy with the thing insured, subject to the conditions therein contained.

b. A transfer of interest by one to another of several partners or owners of undivided property who are jointly insured does not avoid the policy.

5. Where property insured is only partially damaged, no abandonment of the same will be allowed unless with the consent of the company or its agent, and in case of removal of property to escape conflagration, the company will contribute to the loss and expense attending such act of salvage proportionately to the respective interests of the company or companies and the assured.

6. Money, books of account, securities for money, and evidences of debt or title are not insured.

7. Plate, plate glass, plated ware, jewelry, paintings, sculptures, curiosities, scientific and musical instruments, patterns, plans, uncoined gold and silver, works of art, articles of vertu, frescoes, clocks, watches, trinkets and mirrors are not insured unless mentioned in the policy.

8. The company is not liable for loss if there is any prior insurance in any other company, unless the company's assent thereto appears in the policy or is endorsed thereon, nor if any subsequent insurance is effected by any other company, unless and until the company assents thereto, or unless the company does not dissent in writing within two weeks after receiving written notice of the intention or desire to effect the subsequent insurance, or does not dissent in writing after that time and before the subsequent or future insurance is effected.

9. In the event of any other insurance on the property so described, having been assented to as aforesaid, then the company shall, if such other insurance remains in force, on the happening of any loss or damage, only be liable for the payment of a rateable proportion of such loss or damage without reference to the dates of the different policies.

10. The company is not liable for the losses following, that is to say :

a. For the loss of property owned by any other person than the assured, unless the interest of the assured is stated in or upon the policy ;

b. For loss by fire caused by invasion, insurrection, riot, civil commotion, military or usurped power, earthquake or volcanic eruption ;

c. Where the insurance is upon buildings or their contents, for loss caused through the want of good and substantial brick or stone chimneys ; or by ashes or embers being deposited, with the knowledge and consent of the assured, in wooden vessels ; or by stoves or stove-pipes being, to the knowledge of the assured, in an unsafe condition or improperly secured.

d. For loss or damage to goods destroyed or damaged while undergoing any process in or by which the application of fire heat is necessary.

e. For loss or damage occurring to buildings or to their contents, while the buildings are being repaired by carpenters, joiners, plasterers or other workmen, and when loss or damage to such buildings or their contents is due to such carpenters, joiners, plasterers or other workmen, unless permission to execute such repairs has been previously granted in writing, signed by a duly authorized agent of the company. But in dwelling houses fifteen days are allowed in each year for incidental repairs without such permission.

f. For loss or damage occurring when petroleum, or rock-earth or coal-oil, camphene, gasoline, burning fluid, benzine, naphtha or any liquid products thereof, or any of their constituent parts (refined coal-oil for lighting purposes only, not exceeding five gallons in quantity, or lubricating oil not being crude petroleum or oil of less specific gravity than required by law for illuminating purposes, not exceeding five gallons in quantity, excepted), or more than twenty-five pounds of gunpowder, is or are stored or kept in the building insured or contained in the property insured, unless permission is given in writing by the company.

11. The company shall make good, loss caused by the explosion of gas in a building not forming part of the gas-works, and all other loss caused by any explosion causing a fire and all loss caused by lightning, even if it does not set fire.

12. Proof of loss must be made by the assured, although the loss be payable to a third person.

13. Every person entitled to make a claim under this policy shall observe the following directions :

a. He shall forthwith after loss give notice in writing to the company ;

b. He shall deliver, as soon after as practicable, as particular an account of the loss as the nature of the case permits ;

c. He shall also furnish therewith a sworn declaration establishing:

1. That the said account is just and true ;
2. When and how the fire originated so far as declarant knows or believes ;
3. That the fire was not caused through his wilful act or neglect, procurement, means or contrivance ;
4. The amount of other insurances ;
5. All liens, and incumbrances on the property insured ;
6. The place where the property insured, if moveable, was deposited at the time of the fire.

d. He shall, in support of his claims, if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers, and also copies of all his policies : and shall separate, as far as reasonably may be, the damaged from the undamaged goods, and exhibit for examination all that remains of the property which was covered by the policy.

e. He shall produce, if required, a certificate under the hand of a magistrate, notary, commissioner for taking affidavits, or municipal clerk, residing in the vicinity in which the fire happened, and not concerned in the loss or related to the assured or sufferers, stating that he has examined the circumstances attending the fire, loss or damage alleged, that he is acquainted with the character and circumstances of the assured or claimant, and that he verily believes that the assured has, by misfortune and without fraud or evil practice, sustained loss and damage in respect of the property assured to the amount certified.

14. The above proofs of loss may be made by the agent of the assured, in case of the absence or inability of the assured himself to make the same, such absence or inability being satisfactorily accounted for.

15. Any fraud or false representation in relation to any of the above particulars, shall vitiate the claim.

16. If any difference arises as to the value of the property insured, of the property saved or the amount of the loss, such value and amount and the proportion thereof (if any) to be paid by the company, shall, whether the right to recover on the policy is disputed or not, and independently of all other questions, be submitted to the arbitration of some person to be chosen by both parties, or if they cannot agree on one person, then to two persons, one to be chosen by the party assured and the other by the company, and a third to be appointed by the

two persons first chosen, or, on their failing to agree, then by a judge of the Superior Court sitting in the district wherein the loss has happened ; and such reference shall be subject to the provisions of articles 1431 and following of the Code of Civil Procedure. The award shall, if the company is in other respects liable, be conclusive as to the amount of the loss and proportion to be paid by the company. Where the full amount of the claim is awarded the costs shall follow the event, and, in other cases, all questions of costs shall be in the discretion of the arbitrators.

17. The loss shall not be payable until sixty days after completion of the proofs of loss, unless otherwise provided for by the contract of insurance.

18. The company, instead of making payment, may repair, rebuild or replace, within a reasonable time, the property damaged or lost, giving notice of their intention within fifteen days after the receipt of the proofs herein required.

19. The insurance may be terminated by the company, by giving notice to that effect, and, if on the cash plan, by tendering therewith a rateable proportion of the premium for the unexpired term, calculated from the termination of the notice. In the case of personal service of the notice, five days' notice, excluding Sunday, shall be sufficient. Notice may be given by any company having an agency in the Province of Quebec, by registered letter addressed to the assured at his last post office address notified to the company, and where no address has been notified, then to the post office of the agency from which the application was received, and, where such notice is by letter, then seven days from the arrival at any post office in the Province shall be deemed good notice. The policy shall cease after such tender and notice aforesaid, and the expiration of the five or seven days as the case may be.

The insurance, if for cash, may also be terminated by the assured, by giving written notice to that effect to the company or its authorized agent, in which case the company may retain the customary short rate for the time the insurance has been in force, and shall pay to the assured the balance of the premium paid.

20. No condition of the policy, either in whole or in part, shall be deemed to have been waived by the company, unless the waiver is clearly expressed in writing, signed by an agent of the company.

21. An officer or agent of the company, who assumes on behalf of the company to enter into any written agreement relating to any matter connected with the insurance, shall be deemed *prima facie* to be the agent of the company for such purpose.

22. Every action or proceeding against the company for the

recovery of any claim under or by virtue of this policy, shall be absolutely barred, unless commenced within one year next after the loss or damage occurs.

23. Any written notice to the company for any purpose of the conditions of the policy, where the mode thereof is not expressly provided by law, may be by letter delivered at the head office of the company in the Province, or by registered post letter addressed to the company, its manager or agent, at such head office, or by such written notice given in any other manner to an authorized agent of the company.

204. If the insurer desires to vary the said conditions, or to omit any of them, or to add new conditions, there shall be added to the contract containing the printed statutory conditions, words to the following effect, printed in conspicuous type and in ink of a different colour: ^{Variations in conditions.}

“ Variations in conditions

“ This policy is issued on the above conditions with the following variations and additions : (*set forth the conditions*).

“ These variations are made by virtue of the Quebec Insurance Act, and shall have effect in so far as, by the court or judge before whom a question is tried relating thereto, they shall be held to be just and reasonable requirements on the part of the company.”

205. No such variation, addition or omission shall, unless the same is distinctly indicated and set forth in article 204, be legal and binding on the insured. ^{Must be distinctly indicated.}

It shall be optional with the insurers to pay or allow claims which are void under the third, the fourth, or the eighth condition of the policy, in case the insurers think fit to waive the objections mentioned in the said conditions. ^{Payment of certain claims optional, &c.}

SECTION XXI

INSPECTION OF INSURANCE COMPANIES LICENSED IN THE
PROVINCE

206. For the more efficient administration of the insurance business in the Province, the Lieutenant-Governor in Council may appoint an officer, to be called the “ Inspector of Insurance,” who shall act under the instructions of the Provincial Treasurer. ^{Inspector of insurance.}

His duty shall be to examine and report to the Provincial Treasurer, from time to time, upon all matters connected with insurance, as carried on by licensed companies subject to the legislative authority of this Province. ^{His duties.}

Annual inspection, &c.

207. 1. The inspector of insurance shall visit the head office of every such company at least once in every year, and shall carefully examine the statements of the company as to its condition and affairs, verify the same by the books of the company, and report thereon to the Provincial Treasurer as to all matters requiring his attention and decision.

Annual report of condition of affairs.

2. The inspector shall, from such examination, prepare and lay before the Provincial Treasurer, on or before the first of May, an annual report of the condition of every company's business, as ascertained by him from his personal inspection, and such report shall be made for the year ending the thirty-first of December previous.

Further inspection in certain cases.

208. If the inspector, after a careful examination into the condition and affairs of any company, deem it necessary and expedient, from the annual or other statement furnished by such company to the Provincial Treasurer, or from any other cause, to make a further examination into the affairs of such company and to report thereon to the Provincial Treasurer, the latter may, in his discretion, instruct the inspector to visit the office of such company, to thoroughly inspect and examine into all its affairs, and to make all such further inquiries as are necessary to ascertain its condition and ability to meet its engagements.

Books, &c., to be open to inspection, &c.

209. The officers or agents of any such company shall, under the penalties enacted by articles 126 and 130, cause their books to be open for the inspection of the inspector, and otherwise facilitate such examination, so far as may be in their power; and the inspector may examine, under oath, any officer or agent of the company relative to its business.

Entry of reports in book, &c.

210. A report upon all companies, so visited by the inspector, shall be entered by him in a book kept for that purpose, with notes and memoranda showing the condition of each company, and a special written report shall be communicated to the Provincial Treasurer, stating the inspector's opinion of the condition and financial standing of each company, and all other matters desirable to be made known to the Provincial Treasurer.

Valuation of policies every five years, &c.

211. Once in every five years, or oftener at the discretion of the Provincial Treasurer, the inspector shall himself value, or procure to be valued under his supervision, all the policies of life insurance companies, and such valuation, as to policies delivered on or after the first day of January, 1901, and bonus additions or profits acquired or declared in respect thereof, shall be based on the mortality tables of the Institute of

Actuaries of Great Britain, and at a rate of interest of three and one half per centum per annum.

The word "policies" applies to annuity contracts as well.

"Policies" include annuity contracts.

212. If it appear to the inspector that the liabilities of any company, including matured claims and the full reserve or re-insurance value for outstanding policies, estimated or computed on the basis mentioned in article 211, exceed its assets, or that its assets are insufficient to justify its continuance of business, or that it is unsafe for the public to effect insurance with it, he shall report the fact to the Provincial Treasurer.

Report to Provincial Treasurer that liabilities exceed assets, &c.

213. The Lieutenant-Governor in Council, after full consideration of the inspector's report, and after having given the company a reasonable time to be heard, and after such further inquiry and investigation as he may see fit to make, may suspend or cancel the company's license. The company shall not thereafter do business in the Province so long as its license is not duly restored by the same authority

Suspension or cancellation of license.

214. If, within one month from the suspension or cancelling of its license, the company in default has not arranged its affairs so as to enable the inspector of insurance, after inquiry, to recommend the renewal of its license, the inspector, if authorized by the Provincial Treasurer, shall apply, by petition, to a judge of the Superior Court, for the appointment of a liquidator who shall proceed with as little delay as possible to liquidate the affairs of the company, under the direction of the inspector, in the same manner as the liquidator appointed under articles 227 and 228 is authorized to do under this act.

Application for appointment of liquidator in certain cases.

Winding up.

215. If it appear to the inspector, that any company which has not been incorporated by charter from the Legislature of Quebec, has assumed the name of a previously established company, or any name liable to be unfairly confounded therewith, or otherwise on public grounds objectionable, he shall make a report thereof to the Provincial Treasurer.

Report as to improper name.

216. Towards defraying the expense of the inspector's office, a sum, the amount whereof shall be fixed by the Lieutenant-Governor in Council not exceeding four thousand dollars, shall be annually contributed and paid to the Provincial Treasurer by the insurance companies hereinbefore referred to.

Contribution by companies to inspector's expenses.

Such sum shall be assessed *pro rata* upon the gross amount of the policies of each company in force at the expiration of

Apportionment thereof, &c.

the preceding year, and the Provincial Treasurer's certificate shall be conclusive as to the amount each or any company is to pay under this article.

Inspection not obligatory in certain cases, &c.

217. The inspection provided for by this section, shall not be obligatory upon mutual insurance companies against fire, lightning and wind, organized by municipal councils or by individuals ; but, at the request of twelve persons interested therein, the services of the inspector may be made use of in connection with the affairs of any such company.

SECTION XXII

INSPECTION OF MUTUAL BENEFIT ASSOCIATIONS AND CHARITABLE ASSOCIATIONS

Certain associations liable to inspection.

218. With the exception of mutual benefit or charitable associations authorized by the Dominion of Canada, all mutual benefit associations, formed in this Province under article 65 or under special charter, or constituted outside the Province and carrying on business in the Province, with the authorization of the Provincial Treasurer, are subject to the inspection prescribed by this section.

Inspection of Mutual Benevolent Associations.

219. The Lieutenant-Governor in Council may appoint an officer, to be called the "Inspector of Mutual Benevolent Associations," with an annual salary not exceeding fifteen hundred dollars to be paid out of the consolidated revenue fund of this Province.

Duties of inspector.

It shall be the duty of such inspector to examine and report to the Provincial Treasurer, from time to time, upon all matters connected with mutual benefit associations in accordance with instructions from the latter.

Annual inspection, and report, &c.

220. The inspector shall visit the head office of every association at least once in every year, or oftener if thereto required by the Provincial Treasurer, and shall carefully examine the statements of the association as to its condition and affairs, verify the same by the books of the association, and report thereon to the Provincial Treasurer as to all matters requiring his attention and decision.

Report to Provincial Treasurer.

221. The inspector shall, from such examination, prepare and lay before the Provincial Treasurer, on or before the first of May of each year, a report of the condition of the business of every association, as ascertained by him from his personal inspection.

222. The officers or agents of any such association shall have their books open for the inspection of the inspector, and facilitate such examination in accordance with article 126. Books to be open for inspection.

The inspector may examine, under oath, any officer or agent of the association relative to its affairs. Examination of officers, &c., under oath.

223. If it appears to the inspector that the assets or sources of revenue of any association are insufficient to justify the continuance of its business, he shall make a special report on the affairs of such association to the Provincial Treasurer. He shall, in all cases, make such report whenever the liabilities of the association exceed its available assets. Report when assets insufficient, &c.

224. The Lieutenant-Governor in Council, after full consideration of the inspector's report, and after having given the association a reasonable time to be heard, and after such inquiry and investigation as he may deem advisable to make, may suspend or cancel the association's license ; and the association shall not thereafter do business in the Province until its license is duly restored by the same authority. Suspension, &c., of license.

225. If, within one month from the suspension or cancelling of its license, the association in default has not arranged its affairs so as to enable the inspector, after inquiry, to recommend the renewal of its license, the inspector, if authorized by the Provincial Treasurer, shall apply, by petition to a judge of the Superior Court, for the appointment of a liquidator, who shall proceed with as little delay as possible to liquidate the affairs of the association under the direction of the inspector in the same manner as the liquidator appointed under article 214 is authorized to do under this act. Application for liquidator. Winding up.

226. The inspection provided for by this section, shall not be obligatory upon charitable associations ; but, at the request of twelve persons interested in any such association, the inspector may be instructed by the Provincial Treasurer to inspect such association, and the provisions of this section shall thereafter apply to such association. Inspection obligatory on charitable associations. Proviso.

SECTION XXIII

LIQUIDATION OF INSURANCE COMPANIES OR ASSOCIATIONS INCORPORATED BY AUTHORITY OF THIS PROVINCE

227. 1. Where a provincial insurance company or association other than a company or association authorized by the Dominion of Canada, proposes to go into liquidation, at least one month's notice in advance shall be given to the Provincial Treasurer, and like notice shall also be published in Notice of intention to wind up.

two consecutive issues of the *Quebec Official Gazette*, and in English and in French in some other newspapers which the Provincial Treasurer may indicate. The notice shall state the date at which contracts are to cease, the name and address of the liquidator appointed for the company or association, or the intention of the company or association to apply on a stated day for the appointment of a liquidator.

Re-insurance of unexpired contracts.

2. In the winding up of a mutual or cash-mutual fire insurance company, after notice has been given as required by paragraph 1, the directors shall re-insure out of the reserve or surplus funds the unexpired contracts for which deposit or premium notes have been taken.

With whom effected.

3. Such re-insurance shall be effected in some company duly registered to transact business in the Province and approved by the Provincial Treasurer.

Refund of unearned part of premium, &c.

4. When any company is wound up, each person insured on the cash plan shall be entitled to a refund from the company for the unearned proportion of the cash premium given for a risk no longer in force, from the date fixed by the notice mentioned in paragraph 1 of this article and at which the company ceased to do business. This paragraph shall not be interpreted as destroying or defeating any other remedy such person may have against the company or for any other cause.

Security by liquidator.

5. Every liquidator appointed under this article, shall give sufficient security for the faithful performance of his duties, and, on application of any creditor or person interested, or of the Provincial Treasurer, a judge of the Superior Court may determine the kind and the amount of such security, if he does not find it sufficient.

Periodical statements by liquidator.

6. Every liquidator under this article shall (until the affairs of the company or association are wound up and the accounts are finally closed) file at the office of the board of directors and at the office of the Provincial Treasurer, within seven days after the close of each month, a statement showing the receipts and expenditures, and the assets and liabilities of the company or association, and he shall, whenever by the Provincial Treasurer so required to do, exhibit the books and documents of the company or association and furnish all other information respecting its affairs.

Penalties for not furnishing same.

Any liquidator refusing or neglecting to furnish such information, shall, for each offence, be subject to a penalty of not less than one hundred nor more than two hundred dollars, to be recovered on behalf of His Majesty for the use of this Province ; and he shall, in addition, render himself liable to be dismissed or removed.

C.C., art.371, and seq. &c. to apply.

228. All the provisions of the Civil Code contained in articles 371 and following, and those of the Code of Civil Pro-

cedure relating to abandonment of property not inconsistent with this act, shall apply to voluntary or forced liquidation.

The liquidator carries on all the suits of the company or association in liquidation, and must be a party in all suits and proceedings against the company or association. Liquidator sues for company, &c.

SECTION XXIV

DUES AND FEES

229. It shall be lawful for the Lieutenant-Governor in Council to make and amend, from time to time, a tariff of the dues and fees he may deem it advisable to establish as payable : Tariff of fees by Lieut.-Governor in Council.

a. On the incorporation of joint-stock insurance companies ;

b. On licenses granted to insurance companies, mutual benefit associations and charitable societies, incorporated by the Province ;

c. On licenses granted insurance companies, mutual benefit associations and charitable societies, not licensed under the Insurance Act of Canada ;

d. On the certificate of registration of insurance companies, mutual benefit associations and charitable societies, deriving their powers from an act of the Dominion of Canada or from an authorization issued under the Insurance Act of Canada ;

e. And generally on all licenses and certificates of registration ordered by this act and all services connected with the carrying out of this act.

230. The dues and fees payable under article 229, are payable to the Provincial Treasurer, who shall give a receipt therefor to the person paying the same. To whom dues and fees payable, &c.

SECTION XXV

MISCELLANEOUS PROVISIONS

231. 1. To secure the proper administration of insurance business in the Province, the Lieutenant-Governor in Council may appoint an officer called " the Superintendent of Insurance ", with such salary as he may deem proper. Superintendent of Insurance.

2. The superintendent shall be an officer of the Treasury Department, and the Lieutenant-Governor in Council may, from time to time, define his powers and duties. Is officer of Treasury Department.

232. Articles 5264 to 5400 of the Revised Statutes, and the acts amending the same, except articles 5348*a* to 5348*i* both inclusive, as enacted by the act 63 Victoria, chapter 34, sec- Certain laws repealed.

tion 1, and articles 5375*h* to 5375*t* both inclusive with their forms, as enacted by the act 4 Edward VII, chapter 38, section 1, are repealed.

Certain other laws repealed **233.** The acts 59 Victoria, chapter 34 ; 61 Victoria, chapter 39 ; 62 Victoria, chapter 32, and the acts amending the same, are repealed.

Act included in charter so far as not excluded **234.** To prevent the inclusion of any articles of this act in a special charter they must expressly be excluded by mentioning the numbers they bear.

Short title. **235.** This act may be cited as "The Quebec Insurance Act".

Coming into force. **236.** This act shall come into force on the day the Lieutenant-Governor in Council may be pleased to fix by proclamation.

FORMS

A.—(Article 65)

The formation of an association under the name of (*state the name*) for (*state the purposes of the association*), has been authorized by Order in Council, dated the 19

The head office of the association is at (*name of city or town, &c.*)

(Date)

Provincial Treasurer.

(B.—Article 86)

NET PREMIUM FOR ALL LIFE INSURANCE OF \$1,000

Age at entry.	Yearly in advance.	Half-Yearly in advance.	Quarterly in advance.	Monthly in advance.
	\$	\$	\$	\$
18	9.86	5.00	2.51	.84
19	10.20	5.18	2.60	.87
20	10.55	5.36	2.69	.90
21	10.91	5.53	2.78	.93
22	11.28	5.71	2.87	.96
23	11.66	5.89	2.96	.99
24	12.03	6.07	3.05	1.02
25	12.42	6.25	3.14	1.05
26	12.76	6.43	3.23	1.08
27	13.12	6.60	3.32	1.11
28	13.49	6.78	3.41	1.14
29	13.87	7.02	3.53	1.18
30	14.31	7.20	3.62	1.21
31	14.76	7.44	3.74	1.25
32	15.22	7.68	3.86	1.29
33	15.73	7.91	3.98	1.33
34	16.25	8.21	4.13	1.38
35	16.82	8.51	4.28	1.43
36	17.42	8.81	4.43	1.48
37	18.05	9.10	4.57	1.53
38	18.71	9.46	4.75	1.59
39	19.42	9.82	4.93	1.65
40	20.18	10.17	5.11	1.71
41	20.97	10.59	5.32	1.78
42	21.81	11.01	5.53	1.85
43	22.70	11.48	5.77	1.93
44	23.65	11.96	6.01	2.01
45	24.66	12.44	6.25	2.09
46	25.72	12.97	6.52	2.18
47	27.31	13.80	6.94	2.32
48	28.10	14.16	7.12	2.38
49	29.36	14.82	7.45	2.49
50	30.72	15.53	7.80	2.61
51	32.17	16.24	8.16	2.73
52	33.71	17.02	8.55	2.86
53	35.34	17.85	8.97	3.00
54	37.07	18.74	9.42	3.15
55	38.94	19.64	9.87	3.30

C—(Article 148)

DETAILS OF YEARLY STATEMENT—LIFE INSURANCE

A list of the stockholders, with the amount subscribed for, the amount paid thereon, and the residence of each stockholder.

Property or Assets held by the Company, specifying Assets as per Ledger Accounts

The value (as nearly as may be) of the real estate held by the company ;

The amount secured by way of loan on real estate, whether by mortgages, bonds or any other security, distinguishing between those having first or second privilege on such immoveable property.

The amount of loans secured by bonds or stocks or other collateral ;

The amount of loans, as above, on which interest has not been paid within one year previous to such statement, with a schedule thereof ;

The amount of loans made in cash to policy holders on the company's policies assigned as collateral ;

Premium notes, loans or liens on policies in force, the reserve on each policy being in excess of all indebtedness thereon ;

Par and market values of Canadian and other stocks and securities owned by the company, specifying in detail the amount, number of shares, and the par and market value of each kind ;

Amount of cash at head office ;

Amount of cash in banks, with details ;

Bills receivable ;

Agents' ledger balances :

Other Assets

Interest due and accrued ;

Rents due and accrued ;

Due from other companies for losses or claims on policies of the company re-insured ;

Net amount of uncollected and deferred premiums ;

A statement of profit and loss ;

Commuted commissions ;

All other property owned by the company, with details ;

Liabilities

Net present value of all outstanding policies in force, with mode of computation or estimation, deducting those reinsured ;

Premium obligations in excess of net values of their policies;
 Claims for death losses and matured endowments, and annuity claims, due and unpaid, or in process of adjustment, or adjusted but not due, or resisted ;

Dividends to stockholders, and dividends of surplus or other profits to policy-holders, due and unpaid ;

Amount due on account of office expenses ;

Amount of loans ;

Amount of all other claims against the company :

Income

Amount of cash premiums received, less re-insurance ;

Premium notes, loans or liens taken in part payment for premiums ; and premiums paid by dividends, including re-converted additions, and by surrendered policies ;

Cash received for annuities ;

Amount of interest received ;

Amount received for rents ;

Net amount received for profits on bonds, stocks and other property actually sold ;

All other income in detail.

Premium Note Account

Premium notes, loans or liens on hand at date of last previous statement ;

Additions and deductions in detail during the year ;

Balance, note assets at date.

Expenditure

Total amount actually paid for losses and matured endowments ;

Cash paid to annuitants and for surrendered policies ;

Premium notes, loans or liens used in purchase of surrendered policies ;

The same voided by lapse ;

Cash surrender values, including re-converted additions applied in payment of premiums ;

Dividends paid to policy-holders, or applied in payment of premiums ;

Premium notes, loans or liens used in payment of dividends to policy-holders ;

Cash paid stockholders for interest or dividends ,

Cash paid for commissions, salaries and other expenses of officials ;

Cash paid for taxes, licenses, fees or fines ;

All other expenditures in detail.

Statement of Policies

Number and amount of policies and additions in full at the end of the previous year ;
 New policies and changes ;
 Policies terminated, and the manner of termination ;
 Number and amount of policies in force at date of statement ;
 Re-insurances ;
 The claims contested the previous year or years that have not been settled, together with the reasons for contesting them.

D.—(*Article 148*)

DETAILS OF ANNUAL STATEMENT—FIRE INSURANCE

A list of the stockholders, with the amount subscribed for, the amount paid thereon, and the residence of each stockholder :

The property or Assets held by the Company specifying,—

The value (as nearly as may be) of the real estate held by the company ;

The amount of cash on hand and deposited in banks to the credit of the company—specifying in what banks the same are deposited, with amount separately ;

The amount of cash in the hands of agents ;

The amount of loans secured by bonds and mortgages constituting either a first or second privilege on immoveable property, in separate schedules ;

The amount of loans on which interest has not been paid within one year previous to such statement, with a schedule thereof ;

The amounts due the company for which judgments have been obtained ;

The amount of Canadian securities held by the company, and of any other securities owned by the company, specifying in detail the amount, number of shares, and par and market value of each kind of security owned by the company absolutely ;

The amount of securities, held as collateral security for loans, with the amount loaned on each kind of security, its par and market value ;

The amount of assessments on stock and premium notes, paid and unpaid ;

The amount of interest actually due and unpaid ; also the amount of interest accrued and unpaid ;

The amount of premium notes on hand on which policies are issued, with amount paid thereon ; also bills receivable

held by the company and considered good; the amounts of each class separately, and the amounts on each class overdue;

The amount of all other property belonging to the company, with details thereof :

The Liabilities of the Company, specifying

The amount of losses due and yet unpaid ;

Amount of losses adjusted, but not due ;

Amount of losses incurred during the year, including those claimed and not yet adjusted, and of those reported to the company upon which no action has been taken—the amounts of each class separately, carrying out the totals in one sum ;

Amount of claims for losses contested by the company, distinguishing those in suit ;

Amount of dividends declared and due, and remaining unpaid ;

Amount of dividends declared, but not yet due ;

Amount of money borrowed, and security given for payment thereof—stating each loan separately, and the interest paid therefor ;

The amount of unearned fire premiums ;

Amount of all other claims against the company, with a detailed statement thereof ;

Aggregate amount of all unpaid losses, claims and liabilities whatsoever, except capital stock :

Income of the Company, specifying.

Amount of cash premiums received, less re-insurance ;

Amount of notes received for premiums, less re-insurance ;

Amount of interest money received ;

Amount of income received from all other sources :

Expenditure of the Company, specifying.

Amount paid for losses which occurred prior to the first day of January last, which losses were estimated in the last statement at \$;

Amount paid for losses which occurred during the year :

Amount and rate of dividends paid during the year ;

Amount of expenses paid during the year, including commissions and fees to agents and officers of the company ;

Amount of all other payments and expenditure, with details thereof :

Miscellaneous

Gross amount of risks taken during the year, original and renewal,—deducting amount of re-insurance effected thereon ;

And amount of risks in force at end of the year, deducting re-insurance ; and showing at foot the net amount of risks then in force.

The claims contested the previous year or years that have not been settled, together with the reasons for contesting them.

E—(*Article 148*)

FORM OF DECLARATION TO ACCOMPANY THE STATEMENT

Province of Quebec, }
 District of . }

President and

Secretary of

Company being duly sworn, depose and say, and each for himself says, that they are the above described officers of the said company, and that, on the day of last, all the above described assets were the absolute property of the said company, free and clear from any liens or claims thereon, except as above stated, and that the foregoing statement, with the schedules and explanations hereunto annexed and by them subscribed, are a full and correct exhibit of all the liabilities, and of the income and expenditure, and of the general condition and affairs of the said company, on the said day of last, and for the year ending on that day, according to the best of their information, knowledge and belief, respectively.

(*Signatures*)

Subscribed and sworn to before me, at , this
 day of 19 .

F—(*Article 149*)

DETAILS OF ANNUAL STATEMENT OF MUTUAL INSURANCE
 COMPANIES

Assets

First—The assets of the company, specifying :

- a. The value of real estate ;
- b. The amount of cash on hand and deposited in banks to

the credit of the company, naming the banks and amount in each ;

c. The amount of cash in the company's office and in agents' hands, respectively ;

d. The amount of any loans or investments, and the nature of the security held therefor, in detail, and what, if any, payments are in arrear thereon ;

e. The amount of unpaid assessments on deposit notes or undertakings, shewing what proportion is more than two years overdue and what portion of the said amount the persons signing the statement consider good ;

f. The amount still payable upon deposit notes, or undertakings on hand, on the thirty-first day of December preceding and not then assessed for ;

g. Other amounts due the company.

Liabilities

Secondly—The liabilities of the company, specifying :

a. The amount of losses due and yet unpaid ;

b. The amount of claims for losses resisted ;

c. The amount of losses incurred during the year, including those claimed but not adjusted ;

d. The amount payable for money borrowed, and security given and interest payable ;

e. The amount of all other existing claims against the company ;

f. The amount covered by policies in force ;

g. The unexpired risks under the fixed premium system.

Income

Thirdly—The income of the company for the preceding year, specifying :

a The amount of cash received on deposit notes in respect :

1. Of assessments payable in that year, and

2. Of assessments payable in previous years ;

b. The amount of deposit notes or undertakings ;

c. The amount of interest received ;

d. The amount of income from all other sources, and also the amount of cash premiums received for insurances effected in that year ;

e. The total number of policies in force and their value,

as well as the number issued during the preceding year and their value ;

f. The number of policies in force in cities and towns, and their value.

Expenditure

Fourthly—The expenditure during the preceding year, specifying :

a. The amount of losses paid during the year, stating how much of the same accrued prior and how much subsequent to the date of the preceding statement, and the amount at which such prior accrued losses were estimated in such preceding statement ;

b. The amount of expenses paid during the year ;

c. The amount of taxes ;

d. The amount paid for re-insurance ;

e. The commission paid by the company to agents or other persons during the year :

f. The amount of all other payments and expenditure under their appropriate heads.

Sundries

The list of claims contested during the year and of unsettled claims from previous years, with the reasons for contesting them.

The amount of insurances effected in cities and towns under article 172.

In the case of companies on the fixed premium system, the statement must also show that the companies, have, in organizing, complied with the requirements of article 23 of this act and whether the company's business has been divided according to law.

If the company has established a capital under Section V of this act, and if it does business under the cash premium system it must also produce the details set forth in Form D.

G.—(*Article 150*)

ANNUAL STATEMENT—MUTUAL BENEFIT, CHARITABLE AND BENEVOLENT ASSOCIATIONS

1. The number of members then existing ;
2. The number and designation of each class of members ;
3. The number contained in each class ;
4. The number who have become members during such year ;

5. The number in each class whose membership has terminated from any cause, and the cause thereof ;
6. The total receipts in each class ;
7. The sources of such receipts ;
8. The total expenditure in each class and the object thereof.

H.—(Article 179)

APPLICATION.

No.

Application for insurance against fire by A. B., of
 with the Mutual Fire Insurance Company
 of , for the sum of dollars,
 subject to the by-laws of the said Company, viz :
 On a house amount rate
 value, (the ground excluded)

REMARKS.

Shed.
 Stable.
 Coach-house.
 Furniture, clothes and linen, &c.
 Cattle, carriages, &c.
 Amount insured.
 Deposit note.
 Entrance premium.
 Designation, occupation and situation of buildings.
 Name of the true proprietor or proprietors.

I.—(Article 179)

DEPOSIT NOTE

\$ 19
 On demand, for value received, by Policy No.
 dated the day of , 19 , issued by the
 Mutual Fire Insurance Company of , I
 promise to pay to the order of the said Company, at its office
 in , the sum of dollars, according to
 the assessments fixed for the losses and expenses of the said
 Company.

J.—(Article 179)

RECEIPT

Office of the Mutual Fire Insurance Company of
 No
 Amount insured \$

Deposit note \$

Entrance premium \$

These presents certify that A. B. has delivered this day to the Company his note for the sum of \$ bearing No. and that he has paid the sum of \$ as entrance premium on the insurance effected with the Company to the amount of \$ for years to be counted from the date hereof, upon a property described in his application dated this day and which is to be completed by a Policy. 19

Secretary.

CHAP. 70

An Act to amend the Revised Statutes respecting Fish and Game Protection Clubs

[Assented to 14th April, 1908]

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

R.S.Q., 5493,
amended.

1. Article 5493 of the Revised Statutes, as amended by the act 6 Edward VII, chapter 36, section 1, is further amended by adding after the word : “ on ”, in the third line, the words : “ from time to time by the Lieutenant-Governor in Council.”

Coming into
force.

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

CHAP. 71

An Act to amend the Revised Statutes with respect to certain appeals to the Circuit Court

[Assented to 14th April, 1908]

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

R.S. Q.,
5565-5579,
replaced.
Judgments

1. Articles 5565 to 5579, both inclusive, of the Revised Statutes, are replaced by the following :

“ **5565.** No judgment rendered in virtue of this section