

C H A P. 7 0

An Act to extend the powers of the Richmond, Drummond & Yamaska Mutual Fire Insurance Company

[Assented to 9th March, 1906]

WHEREAS the Richmond, Drummond & Yamaska Mutual Fire Insurance Company, a body politic and corporate duly incorporated in accordance with the laws of this Province, has, by its petition, represented that, in the interest of the public, as well as of those who are insured in it, additional powers should be granted to it, and whereas it is expedient to grant its prayer;

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

1. The Richmond, Drummond & Yamaska Mutual Fire Insurance Company, which is hereinafter designated as "the company," as at present organized, as well as for its future organization and business, shall have its head office at the town of Richmond, in the district of Saint Francis.

2. The company is hereby permitted and authorized to have a capital stock of one hundred thousand dollars, to be divided into one thousand shares of one hundred dollars each.

3. The directors of the company may, by by-law, make provision for the raising of said capital, and for the dates and manner of payment thereof, provided however that the first call shall be of not less than thirty per cent., and the balance shall be payable as the directors may thereafter decide, but, in any event, there shall be an interval of at least two months between every call.

4. As soon as the sum of one hundred thousand dollars of the capital stock of the company as provided for in this act is subscribed for and seventy-five per cent. thereof is paid in, the directors of the company may, by by-law, increase such capital stock, from time to time, as they may consider to be advisable, but so that said capital stock shall never exceed one million dollars.

5. When the amount of one hundred thousand dollars at least shall have been actually subscribed of the said capital stock, and thirty per cent. shall have been paid up thereon by the shareholders, the company shall thereupon consist:

(a) Of the shareholders or holders of shares of the capital stock;

(b) Of the members or persons insured under the mutual system.

When board of directors to be chosen.

Qualification of directors.

6. When the capital stock shall be subscribed, the board of directors shall be chosen. Two-thirds of the directors must be shareholders and at the same time be insured under the mutual system. In addition to the qualification required by article 5285 of the Revised Statutes, the directors who are shareholders must hold shares to an amount of at least one thousand dollars on which all calls are paid up.

Members of company and their right to vote.

7. Every policy-holder, other than those whose policies belong to the non-mutual or cash premium system, shall be a member of the company (all members of this class being hereinafter designated under the name of "mutual insurance members") and shall, at all meetings of the company, be entitled to a number of votes proportionate to the amount of his deposit or premium notes held by the company, namely: one vote for the total amount of such deposit or premium notes, and an additional vote for every additional sum of one hundred dollars or fraction thereof.

Right to vote of shareholders.

8. At all meetings of the company every shareholder shall be entitled to one vote per share, and may be represented by proxy, provided such proxy be himself a shareholder of the company.

Property that company may insure after making certain deposit with Provincial Treasurer.

9. As soon as the company shall have deposited with the Provincial Treasurer the amount required by the following section it shall be empowered to insure all kinds of property, rights and interests against loss or damage by fire or lightning under the mutual as well as under the non-mutual or cash system, without being obliged to maintain a proportion between the amount of risks in cities and towns and that of risks elsewhere, nor any proportion between the amounts of risks in force under both systems; and enter into and execute contracts, agreements, or stipulations, written or printed or partly written and partly printed, relating to such purposes and calculated to accomplish the same.

Proviso as to losses under cash system.

Notwithstanding, the persons insured under the mutual system shall by no means be responsible for losses occasioned under the non-mutual or cash premium system.

Amount of deposit and increase thereof.

10. The deposit referred to in the foregoing section shall be made in the hands of the Provincial Treasurer and be of an amount of twenty-five thousand dollars for the security of the

insured; and, as soon as the insurances in force under the system of cash premiums shall have reached the figure of three million dollars, the company shall deposit an additional amount of five thousand dollars for every additional one million dollars of insurance in force under the cash premium system, until the total deposit shall amount to fifty thousand dollars. It shall be lawful for the company to effect such deposit either in money or in any of the securities in which the company may legally invest. The interest upon the securities deposited shall be paid to the company when due.

How to be made.

Interest on securities.

If, however, the company obtains a license from the Government of the Dominion of Canada by making the required deposit therewith, it shall be entitled to withdraw that made by it with the Government of the Province of Quebec.

Withdrawal of deposit in certain event.

11. No insurance under the non-mutual or cash system shall have the effect of compelling the insured to contribute in any way to the company's funds or expenses beyond the premium agreed upon, nor entitle him to any share in the company's profits or surplus.

Rights of persons insured under cash system.

12. The company may cause itself to be reinsured against any loss incurred in the course of its operations.

Reinsurance.

13. The company may also accept reinsurances of their risks from other insurance companies wheresoever the said risks may be situated.

Acceptance of reinsurances.

14. Out of the net profits of each year's operations (not including deposit notes) the directors may divide among the shareholders such an amount as they consider advisable in the shape of dividends.

Dividends out of profits.

15. The company shall have the right to acquire and hold immoveable or other property to the amount of two hundred thousand dollars, and it may sell or lease such property or a portion thereof and dispose of the same and acquire other in lieu thereof, as to the directors may seem fit; and it may acquire and possess lands and tenements, real estate or immoveables *bona fide* hypothecated to it as security or transferred to it in payment of debts previously contracted in the course of its operations or that may have been purchased at sales under judgments obtained on such debts, or purchased to avoid loss to the company with regard to them or to their owners.

Power to hold, &c., property, &c.

16. It shall be lawful for the directors of the company, by by-law passed and approved of by a majority of the

Power to invest money

in certain }
manner.

members of the company present or represented at a meeting specially called for that purpose, to invest its moneys or any portion thereof in securities of the Government of Canada, or of any Province of Canada, or by them respectively guaranteed, or in bonds or debentures of any municipal or school corporation, or in shares, bonds or debentures of any financial, industrial or commercial institution, corporation, bank or company lawfully incorporated in Canada, and lend its funds on the security of such shares and debentures, and also on mortgages on immoveable property.

Powers of
board, &c.

17. The board of directors shall have the management of the company, its property and its funds, and may make, subject to the provisions of this act, the by-laws not contrary to law, which may be necessary to obtain the ends and intention of this act and to give effect to its provisions, provided that a copy of such by-laws be transmitted to the Provincial Treasurer.

Effect of
election of
domicile by
insured.

18. Should any person, at the time of his application for insurance in the company, make a declaration in writing of election of domicile, all notifications, demands and suits relating to or arising out of the said application or the policy based thereon, shall be made or taken in the district in which such domicile is so fixed.

Effect of act.

19. This act shall not have the effect of constituting a new company, but only of extending the powers of the Richmond, Drummond & Yamaska Mutual Fire Insurance Company, which shall continue its operations, with all its assets and liabilities, policies, deposit notes, contracts, covenants and agreements, by-laws, board of directors, employees, property, rights, privileges and prerogatives, under the authority of the act governing mutual insurance companies, section seventeenth of chapter third of title eleventh of the Revised Statutes, their supplement and amendments, and with the powers and modifications enacted by this act.

Coming into
force.

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