

C H A P. 71

An Act respecting *La Foncière Mutual Fire Insurance Company*

[Assented to 9th March, 1906]

WHEREAS *La Foncière Mutual Fire Insurance Company* has, Preamble.
by its petition, represented that it was incorporated in 1902 as a mutual insurance company under the Revised Statutes of the Province of Quebec; that it is expedient, in the interests of the insured and of the public in general in view of the considerable increase of its business, that it should have a capital stock; whereas it has prayed that an act be passed to that effect and it is expedient to grant such prayer;

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

1. *La Foncière Mutual Fire Insurance Company*, hereinafter Head office.
called "the company," is hereby authorized to have its head office in the city of Montreal.
2. The company is also authorized to have a capital stock of Capital
one hundred thousand dollars at least, and one million dollars at stock, and
most, in shares of twenty-five dollars each. shares.
3. The amount of the issue and the date of subscription to Amount and
the said capital stock, as well as the calls upon such shares, shall date of issue
be determined by the directors, and notice of calls shall be given to of calls how
the members of the company by a registered letter mailed to determined.
their address.
4. Thirty per cent. shall be paid on subscription and the bal- Payment for
ance shall be exigible at intervals of not less than sixty days, by shares.
instalments, the amount whereof shall be determined by the directors. Nevertheless any shareholder may pay up his shares in full in advance.
5. Every holder of shares in the said capital, either by sub- Holders of
scription, transfer or otherwise, shall be a member of the com- shares, mem-
pany, with all the rights, privileges and responsibilities inher- bers of com-
in such membership. pany.
6. The shares shall be transferable, but no transfer shall be Transfer of
valid unless it be made in the company's register; and no trans- shares and
fer can be validly made so long as any instalment remains due how effected.
and unpaid thereon, in order that the company may have a lien upon the shares for all unpaid instalments or for any debts due by a shareholder to the company.

Confiscation
of shares for
non payment
of instal-
ments.

Sale of such
shares by
auction.

Application
of proceeds.

7. If any shareholder refuses or neglects to pay to the company the instalment due on any share held by him at the time fixed upon, he shall become indebted for the lawful interest on the arrears of his instalments, and the directors may confiscate such share, as well as the amount already paid thereon; and any share so confiscated may be sold at public auction by the directors after such notice as they may order to be given, and the proceeds of the sale shall be used in paying the arrears on the instalments; provided always that, in the event of the proceeds of the sale of such shares being more than sufficient to pay up arrears with interest and costs, the surplus shall be handed over to the owner of such shares on demand, and no more shares shall be sold than may be necessary to cover the said arrears, interest and costs.

Power to
acquire, &c.
immoveable
property to
certain
amount, &c.
Sale and dis-
posal thereof.

8. The company shall have the right to acquire and hold the immoveables necessary for its operations to the amount of two hundred thousand dollars, and it may sell such immoveables and dispose of the same and acquire others in lieu thereof; and it may acquire and hold lands and tenements, real estate and immoveable property which may have been *bona fide* hypothecated to it as security or transferred to it for debts previously contracted due to it in the course of its business or obtained by it in payment of such debts or purchased for the purpose of avoiding a loss to the company in respect to the same or to the owners thereof.

Power of
company to
invest in cer-
tain secu-
rities, &c.

9. It shall be lawful for the directors of the company, by by-law passed and approved by a majority of the members of the company, present or represented at a special meeting 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 respectively guaranteed by either of them, or in bonds or debentures of any municipal or school corporation or bonds or debentures of any financial, industrial or commercial institution, corporation, or company incorporated in Canada, and to lend its moneys upon the securities of such bonds or debentures and also upon mortgages upon immoveable property, with power to receive interest in advance.

When com-
pany may
commence
operations.
Composition
of company
at that time.

10. As soon as the sum of one hundred thousand dollars of the capital stock authorized by this act shall have been subscribed and thirty per cent. paid up thereon, the company may commence its operations and shall consist:

- a. Of the shareholders or holders of the shares of the said capital;
- b. Of the members or persons insured under the mutual system.

11. Every shareholder or member shall be entitled at all meetings of the company to one vote for every share or deposit note, and he may be represented by proxy provided such proxy be himself a shareholder or member of the company.

Shareholders' right to vote.
Proviso.

12. When the capital stock is thus subscribed, the board of directors shall then be chosen. Two-thirds at least of its members shall be shareholders as well as insured under the mutual system.

Election of board.
Qualification of directors.

In addition to the qualification required by article 5285 of the Revised Statutes, the shareholders who are directors must hold shares to an amount of at least one thousand dollars, on which all instalments called up shall be paid.

Further qualification.

13. The affairs of the company shall be administered by a board of not less than seven and not more than fifteen directors.

Number of directors.

14. The annual general meeting of the company shall be held on the fourth Wednesday of January of each year.

Annual general meeting when to be held.

15. A notice of each annual or special meeting of the members of the company shall be published in a French newspaper and in an English newspaper of the district of Montreal, at least fifteen days before the date of such meeting.

Notice calling meeting to be published.

16. The board of directors may, at any time, call general meetings of the members of the company in case of urgency, by giving notice as aforesaid.

General meetings how called.

17. The members of the company, assembled in special meeting called for the purpose, may adopt all by-laws for the purpose of amalgamating with other companies, upon the conditions to be determined by the Lieutenant-Governor in council; or acquiring the business and assets of any mutual joint stock company; assuming the liabilities of such companies, and of giving the board of directors all the powers necessary for dealing with any companies, either with a view to an amalgamation or for acquiring the assets and liabilities thereof. Copies of such by-laws shall be sent to the Provincial Treasurer.

Power of company to pass by-law to amalgamate with other companies, &c.

Copies of by-laws to be sent to Provincial Treasurer.

18. The members of the company, in ordinary, general or special meeting assembled, may decide to establish by categories of the insured, as many special classes as they may deem advisable for the interests of the company. Such special classes shall be administered under the mutual system purely and simply. The general meeting duly constituted may accordingly give the board of directors all the necessary powers for regulating the working of each of such classes as regards the keeping of the separate

Categories of insured, &c.

Power to be given by general meeting respecting same to directors.

accounts which they must keep, the limiting of the responsibilities of the insured, and the right of being represented on the board of management of each of such classes.

Deposit of
certain sum
with Govern-
ment of Pro-
vince.

Further de-
posit.

How to be
made.

Interest on
securities de-
posited.

Withdrawal
of deposit in
certain
event.

Powers to
insure after
deposit
made.

Proviso as to
losses under
cash pre-
mium sys-
tem.

Application
of net profits.

Act does not
constitute a
new com-
pany but ex-

19. As soon as the sum of one hundred thousand dollars of the capital stock shall have been subscribed and thirty per cent. thereon paid up, the company shall deposit in the hands of the Government of this Province the sum of twenty-five thousand dollars for the security of the insured; and as soon as the insurance in force under the cash premium system 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 Dominion, provincial or municipal bonds. The interest upon the securities deposited shall be paid to the company when due.

If, however, the company obtain 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.

20. After the company shall have deposited in the hands of the Provincial Treasurer the amount mentioned in the foregoing section, the company may insure all kinds of property, rights and interests against loss or damage by fire or lightning, both under the mutual and non-mutual system or on the cash system, throughout the Province of Quebec, without being bound to establish any proportion between the amount of the risks situated in the cities and towns and those situated elsewhere, nor any proportion between the amounts of the risks in force under both systems, and to enter into and execute contracts and covenants, written or printed, or partly written and partly printed in connection with all matters relating to such purposes and calculated to accomplish the same.

However, the assured under the mutual system shall in nowise be responsible for losses sustained under the non-mutual or cash system.

21. The net profits of each year's operations (not including the deposit notes), shall be first used in paying a dividend on the capital stock, and the surplus shall be applied in the manner provided by the by-laws of the company.

22. This act shall not have the effect of constituting a new company, being merely for the purpose of extending the powers of the said *La Foncière Mutual Fire Insurance Company*, and it

shall continue its operations, with all its assets and liabilities, policies, deposit notes, by-laws, board of directors, employees, property, rights, privileges and prerogatives under the authority of the law governing mutual insurance companies in this Province and with the powers and modifications provided for by this act.

23. The company may, by resolution of its board of directors, delegate to its secretary-treasurer the powers conferred upon it by article 5313 of the Revised Statutes.

Delegation
of certain
powers under
R. S., 5313.

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

Coming into
force.

CHAP. 72

An Act to incorporate the Sterling Fire Insurance Company

[Assented to 9th March, 1906]

WHEREAS the persons hereinafter mentioned have, by petition, prayed to be incorporated with others under the name of the Sterling Fire Insurance Company, for the purpose of carrying on the business of insurance against fire and the consequences thereof;

Preamble.

And whereas an association of such kind would be very useful in the interests of the Province of Quebec, and it is in consequence expedient to grant the prayer of the petitioners;

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

1. George G. Burnett, insurance broker, of Toronto; Colin Miller McCuaig, broker, of Montreal; Etienne Dussault, contractor, of Levis; A. Bénoni Dupuis, merchant, and Henry Alleyn, accountant, the two last mentioned of Quebec, and all other persons or corporations which may hereafter, from time to time, become shareholders of the said association, are constituted a corporation under the name of "The Sterling Fire Insurance Company"; and, under such name, shall have perpetual succession and a common seal, with power to change the same at will, and they may sue and be sued, plead and be impleaded before any court whatsoever.

Persons in-
corporated.

Name.
Corporate
powers.

2. The persons mentioned in the foregoing section shall constitute a board of provisional directors and shall remain in office until the election of the subsequent directors. Three of them shall form a quorum.

Provisional
board.
Quorum.