

C H A P . 7 0

An Act to grant further powers to the Montmagny Mutual Fire Insurance Company

[Assented to 20th May, 1905]

Preamble.

WHEREAS the Montmagny Mutual Fire Insurance Company, incorporated under chapter 69 of the Consolidated Statutes for Lower Canada and governed by the law respecting mutual insurance companies, being section seventeenth of chapter third of title eleventh of the Revised Statutes of the Province of Quebec, has, by petition, represented that it is expedient, in the interest of the public and of its insured, to grant it certain additional powers, 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 :

Head office.

1. The Montmagny Mutual Fire Insurance Company, hereinafter called "the company," as at present organized, constituted and governed, is hereby authorized to have its head office at St. Henri Station in the county of Levis.

Capital stock.
Shares.

2. The company is authorized to procure a capital of one hundred thousand dollars at the least and of one million dollars at the most, in shares of one hundred dollars each.

Amount and
date of issue.
Proviso.

3. The amount and date of the issues shall be determined by the board of directors, but at least thirty per cent. of the amount subscribed must be paid up at the time of such subscription, and the balance shall be payable at intervals of not less than sixty days by instalments, the amount whereof shall be determined by the directors of the company.

Notice to be
given.

Notice of subsequent calls shall be given to the shareholders by registered letter mailed to their address.

Holders of
shares to be
members of
company.

4. Every holder of shares in the said capital shall be a member of the company with all the usual rights, privileges and responsibilities.

Shares trans-
ferable.
Proviso.

5. Such shares shall be transferable, but no transfer shall be valid unless made in the books of the company, neither shall any transfer be validly effected so long as any instalment shall remain due and unpaid, so that the company may have a lien on the shares for all instalments remaining unpaid or for all debts due by a shareholder to the company.

6. After an instalment, debt or other obligation shall have remained due and unpaid for the period of time determined by the directors, the latter may, after notice of one month given to the shareholder in default by registered letter mailed to his address or after six months' notice given to his testamentary executors or administrators, also by registered letter mailed to their address, sell such shares or a sufficient portion thereof to pay the instalment due, the debt, or obligation of the shareholder in default ; and the directors may transfer the shares so sold to the purchaser thereof.

Sale of shares
in arrear for
calls, &c.

7. The directors may likewise, when a call on shares shall have remained in suspense for one month after the notice prescribed in the foregoing section, declare such shares and all sums previously paid by the shareholder confiscated for the benefit of the company, and they may sell and again issue such confiscated shares on the terms and conditions they may deem advisable.

Confiscation
of shares in
arrear for
calls, &c.

8. When the amount of one hundred thousand dollars 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 :

Members of
company,
after certain
amount of
capital stock
has been sub-
scribed and
paid.

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

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

9. 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 amount over one hundred dollars up to two hundred dollars and a further vote for every additional sum of one hundred dollars.

Certain pol-
icy-holders
to be members
of company,
and their
right to vote.

10. 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.

Shareholders'
right to vote.

11. When the capital stock shall be so subscribed, the board of directors shall be chosen. Two-thirds of the directors must be shareholders, and at the same time be

When board
of directors to
be chosen.

Qualification
of directors.

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.

Deposits of
certain sums
with Provin-
cial Treas-
urer.

12. As soon as an amount of one hundred thousand dollars of the capital stock shall have been subscribed and thirty per cent. paid up thereon, the company shall deposit in the hands of the Provincial Treasurer a sum 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 Dominion, provincial or municipal bonds.

How to be
made.

Interest on
securities to
be paid to
company.

The interest upon the securities deposited shall be paid to the company when due. 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.

Company's
powers after
having made
deposits.

13. As soon as the company shall have deposited with the Provincial Treasurer the amount required by the foregoing section it shall be empowered to insure all kinds of property, rights and interest against loss or damage by fire or lightning under the mutual as well as under the non-mutual or cash system, in the Province of Quebec, 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 ; 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.

Liability of
insured under
cash system,
&c.

14. 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.

Company may
reinsure its
own risks.

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

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

Company may reinsure risks of other companies.

17. The net profits of each year's operations (not including deposit notes) shall be employed in the first place in the payment of a dividend upon the capital stock, and the balance, if any, shall be applied and allotted in the manner provided by the by-laws of the company.

Application of profits, &c.

18. The company shall have the right to acquire and hold immoveables to the amount of two hundred thousand dollars, and it may sell or lease such immoveables or a portion thereof and dispose of the same and acquire others in lieu thereof, as to the directors may seem fit; and it may acquire and possess lands and tenements, real estate or immoveables *bonâ 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 acquire, &c., immoveables, &c.

19. It shall be lawful for the company 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, of any 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 immovable property.

Investment of moneys.

20. 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.

Powers of directors.

By-laws may be made by them.

21. This act shall not have the effect of constituting a new company, but only of extending the powers of the said Montmagny Mutual Fire Insurance Company, which shall continue its operations throughout the Province of Quebec, with all its assets and liabilities, policies, deposit notes, contracts, covenants and agreements, by-laws, board of directors, employees, property, rights, privileges and prerogatives,

Effect of this act.

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.

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

CHAP. 71

An Act to amend the act 3 Edward VII, chapter 102, by changing the name of the Real Estate Title Guarantee and Trust Company to "The Financial Corporation."

[Assented to 20th May, 1905]

Preamble.

WHEREAS the Real Estate Title Guarantee and Trust Company has, by its petition, prayed that the act 3 Edward VII, chapter 102, be amended by changing the name of the Real Estate Title Guarantee and Trust Company to "The Financial Corporation," and whereas it is expedient to grant the said petition ;

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

Name
changed.

1. The corporate name of the said company is hereby changed ; and the said company shall hereafter be known as "The Financial Corporation."

Coming into
force.

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