

## C H A P . 38

An Act to provide for the formation of Butter and Cheese  
Factories' Mutual Fire Insurance Associations

[Assented to 2nd June, 1904]

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

Section and  
articles added  
to R. S., after  
5375g.

**1.** The following section and articles are added after  
article 5375g of the Revised Statutes, as enacted by the act  
59 Victoria, chapter 34, section 1 :

## "SECTION XVIIIb

"BUTTER AND CHEESE FACTORIES' MUTUAL FIRE INSURANCE  
ASSOCIATIONS

Twenty pro-  
prietors of  
Butter and  
Cheese facto-  
ries may asso-  
ciate them-  
selves to-  
gether to  
form Butter  
and cheese  
factories Mu-  
tual Insur-  
ance Associa-  
tions.  
Provincial  
Secretary to  
grant certifi-  
cate in com-  
pliance with  
this article.  
Incorporation  
thereupon.

"**5375h.** Any twenty proprietors of butter and cheese  
factories in this province who desire to associate themselves  
together for the purpose of forming Butter and Cheese Fac-  
tories' Mutual Fire Insurance Associations, may make, sign  
and acknowledge before a notary public, and file in the office  
of the registrar of the division or county in which the company  
shall have its head office, together with a duplicate in the office  
of the Provincial Secretary, a certificate in writing in the  
form mentioned in schedule A to this section; and upon the  
filing of the registrars' certificate with the Provincial Secre-  
tary, he shall, subject to the provisions of article 5375j, grant  
his certificate, which shall be conclusive evidence that the  
association mentioned therein has been duly registered.

Thereupon the members of such association shall become  
a body corporate by the name therein described, having per-  
petual succession and a common seal, with power to hold  
such lands as are required for the convenient management  
of their business, and may, by such corporate name, sue and  
be sued in all courts.

Rules to be  
formed.

"**5375i.** Before any association shall commence opera-  
tions under this act they shall agree upon and form a set of  
rules for its regulation, government and management, as set  
forth in schedule B to this section ; and the rules of every  
association to be formed under this section shall contain pro-  
visions respecting the several matters mentioned in the said  
schedule.

“ **5375j.** Such rules shall, when adopted, be transmitted to the Provincial Secretary for the approval of the Lieutenant-Governor in council ; and, if such rules be found in conformity with the law and with the provisions of this act and are approved by the Lieutenant-Governor in Council, the Provincial Secretary shall give a certificate to that effect in duplicate, and shall forward one to the registrar of the division or county and another to the secretary of the association ; and all rules when so certified shall be binding on all the members of the association, in the same manner as if they had been inserted in this section.

Rules to be transmitted for approval of Lieutenant-Governor in Council.

Upon such rules being so certified and filed the association is lawfully constituted.

Approval &c., to complete incorporation.

“ **5375k.** After such rules have been so certified, it shall be lawful for such association, by resolution, at a meeting specially called for that purpose, to alter, amend, or rescind the same, or any of them, or to make new rules.

Alteration of rules.

Two copies of the proposed alterations, or amendments, and of such new rules, shall be transmitted to the Provincial Secretary for approval as aforesaid, to one of which shall be attached a declaration by the secretary, or one of the officers of such association, that, in making the same, the rules of such association respecting the making, altering, amending and rescinding rules, and the directions of this section, in respect thereof, have been duly complied with.

Alterations must be approved before coming into force and be registered.

If such alterations, amendments and new rules be found in conformity with the law, and shall be approved as aforesaid, the Provincial Secretary shall give to the association a similar certificate to that above-mentioned, and forward a copy of such amendments, certified, to the registrar of the division or county, and another to the secretary of the association, which shall thereupon become binding on the several members, and all persons claiming under a member.

Certificate to be given if alterations approved of.

“ **5375l.** The rules of every association registered under this section shall bind the association and the members thereof, to the same extent as if each member had subscribed his name and affixed his seal thereto, and there were in such rules contained a covenant, on the part of himself, his heirs, executors and administrators, to conform to such rules, subject to the provisions of this section ; and all moneys payable by any member to the association, in pursuance of such rules, shall be deemed to be a debt due from such member to the society.

Rules to be binding upon association and the members thereof.

“ **5375m.** Any manufacturer of butter and cheese who becomes interested in the association by insuring therein, shall become a member thereof during the time specified

Duration of membership.

in his policy, and shall during such time be bound by the provisions of this section ; but he may, with the consent of the directors, withdraw therefrom upon such terms and subject to such conditions as they may impose.

Time for which policy may be issued.

Validity of policy in case of loss if insured has same title as when insured.

If otherwise policy is void.

Policy void if property transferred and must be surrendered on fulfilling certain conditions.

Grantee may apply to have policy confirmed.

Effect of such application.

Case in which assignee of policy is a mortgagee.

Proviso.

Policy void if risk become greater after issue of policy and no notice given to company.

“ **5375n.** Any such association may insure, by the same policy and at one time, for any term not exceeding five years ; and any policy of insurance issued by the association, signed by the president, and countersigned by the secretary, shall be valid and binding on the association, in all cases where the insured has, at the time the damage occurs, the title or estate, described by him at the time of effecting the insurance, to the land on which any property damaged by fire is situate.

If the insured is not proprietor as declared or if the property be encumbered otherwise than described as aforesaid, the policy shall be void.

“ **5375o.** When any property insured is alienated by sale or otherwise, the policy thereon shall be void, and shall be surrendered to the directors to be cancelled ; upon such surrender, the member making it shall, upon paying his portion of all losses and expenses that have previously occurred, be relieved from further membership.

The grantee or alienee, having the policy assigned to him, may have the same confirmed to him, for his proper use and benefit, upon application to the directors, and with their consent, within thirty days after such alienation, on signing an obligation accepting the transfer and assuming the obligations of the alienor ; and by such ratification such alienee shall become entitled to all the rights and privileges and subject to all the liabilities to which the alienor was subject.

“ **5375p.** In cases, however, where the assignee of the policy is the holder of an 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 him in any manner to become personally liable for assessments or otherwise ; but in such cases the undertaking and liability of the member in respect thereof shall continue in no wise affected.

“ **5375q.** Whenever a building or machinery, insured by the association, shall have become exposed to a greater risk than that which existed when the insurance was effected, and this happens through the act of the proprietor, his tenants or neighbors, and no notice of it has been given to the board and no new agreement made with the association

the policy shall become void, fifteen days after the default of such notice.

A condition to that effect shall be endorsed on each policy. Endorsement to that effect.

“**5375r.** Whenever notification in writing has been received by an association from an applicant for insurance, or from a person already insured, of his intention to insure, or of his having insured, an additional sum on the same property in some other company, the said additional insurance shall be deemed to be assented to, unless the association so notified shall signify to the party, in writing, its dissent. Case of additional insurance and duty of association after notice thereof.

In case of dissent, the liability of the insured on the undertaking shall cease from the date of such dissent, on account of any loss that may occur to such association thereafter, and the policy of the insured shall be void, at the option of the directors of the association. Liability of insured after dissent.

“**5375s.** The association shall be at liberty to cancel any policy by giving, to the insured and to the assignee, notice in writing to that effect signed by the secretary and transmitted to the insured by registered letter. Any policy may be cancelled by association after notice.

The person insured shall nevertheless be liable to pay his proportion of the losses and expenses to the association up to the time of such cancellation. Liability of insured in such case.

A condition to that effect shall be endorsed on the policy. Endorsement to that effect.

“**5375t.** Articles 5324 to 5332 of the Revised Statutes, both inclusively, shall apply to associations formed under this section in the cases of loss by fire, for the manner of ascertaining the amount payable by the association and for the recovery of the amount found to be due to any person insured by it.” Provisions to apply in case of loss by fire, &c.

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

SCHEDULE A

DECLARATION UNDER ARTICLE 5375h

Province of Quebec } We.....

do hereby certify that we desire to form an association pursuant to the act 4 Edward VII, chapter 38, respecting the formation of Butter and Cheese Factories' Mutual Fire Insurance Associations.

The corporate name of the association is to be..... and the objects for which the association is to be formed are for the purpose of insuring butter and cheese factories, their machinery and contents against fire.

The number of directors who shall manage the concerns of the association shall be..... and the names of such directors are for the first year.....

and the name of the place where the operations of the said association are to be carried on, is.....

(Signatures).....

On the.....day of.....19.....before me personally appeared..... to me known to be the persons described in the foregoing certificate, and they severally before me signed the said certificate and acknowledged that they signed the same for the purposes therein mentioned.

Dated at.....this.....day of.....

(Signature).....

Notary Public.



## SCHEDULE B

## SCHEDULE OF MATTERS TO BE PROVIDED IN THE RULES

Membership in association.

Mode of convening general and special meetings and of altering rules.

Manner of electing directors.

Provisions for the audit of accounts.

Power and mode of withdrawal of members.

Provisions for the claims of executors or administrators of members.

Appointment of managers and other officers and their respective powers and remuneration and provisions for filling vacancies occasioned by death, resignation and other causes.

Payment of interest on deposits to members after deduction of amounts due to the association.

Form of policies.

Nature and amount of the risks generally to be taken.

Percentage to be charged as premium.

Amount of deposit for reserve fund to be made by policy holders in cash.

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 CHAP. 39

An act respecting logs driven and sorted on lakes, rivers and streams in this province

[Assented to 2nd June, 1904]

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

**1.** Unless the person claiming or detaining them proves his exclusive right of ownership or possession, all unmarked logs, or logs from which the marks are effaced, on lakes, rivers or streams, or on their shores or banks or in the sorting booms, shall belong to all the persons who have driven or floated logs on such river, during the same season, in proportion to the number of logs which such persons have respectively manufactured, put into the water and driven.

Unless exclusive ownership proved, unmarked logs in a drive belong to all who drive in same river, &c.