

patent, granted and issued under the Joint Stock Companies Incorporation Act, (31 Vict., cap. 25).

6. This act shall come into force on the day of its sanction. Act in force.

## C A P . X L I X.

An Act to provide for the Inspection of Provincial Insurance Companies.

[Assented to 27th May, 1882.]

HER MAJESTY, by and with the advice and consent of the Legislature of Quebec, enacts as follows :—

1. For the more efficient administration of the Insurance business in the Province of Quebec, 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 and whose duty shall be to examine and report to the said Treasurer, from time to time, upon all matters connected with insurance, as carried on by Companies subject to the legislative authority of this Province ; and one of the Inspectors of Public Offices may be named as such inspector.

Appointment of inspector of insurances.  
His general duties.  
Who may be such inspector.

2. 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.

Duty of inspector to examine statements and books of company and report to Treasurer.

2. The Inspector shall, from such examination, prepare and lay before the Provincial Treasurer 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 August.

Annual report by inspector to Treasurer.

3. If the Inspector, after a careful examination into the condition and affairs of any Company, deems 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 so reports to the Treasurer, the latter may, in his discretion, instruct the Inspector to

Inspector may make further examination of books, &c., upon order of Treasurer in certain cases.

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.

Duties of officers and agents of company, respecting inspector.

**4.** It shall be the duty of the officers or agents of any such Company to cause their books to be open for the inspection of the Inspector, and otherwise to facilitate such examination, so far as may be in their power; and the said Inspector shall have power to examine, under oath, any officer or agent of the Company relative to its business.

Report of companies visited to be kept by inspector, and special report to be given to Treasurer.

**5.** A report of 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.

Special report if assets are insufficient.

**6.** If it appears to the Inspector that the assets of any Company are insufficient to justify its continuance of business, or unsafe for the public to effect insurance with it, he shall make a special report on the affairs of such Company to the Provincial Treasurer and he shall, in all cases, make such report whenever the liabilities of the company exceed their available assets by ten per cent.

When to be made.

Report by the Treasurer to Lieutenant Governor in council.

**7.** After full consideration of the report and a reasonable time being given to the Company to be heard, and if, after such further inquiry and investigation (if any) as he may see proper to make, the Provincial Treasurer reports to the Lieutenant Governor in Council, that he agrees with the Inspector in the opinion expressed in his report, then, an order in Council may issue, prohibiting the said Company from doing any further business, and thereafter it shall not be lawful for such Company to do any further business in Quebec, until such prohibition is removed by the Lieutenant Governor in Council.

Order in Council based thereon, prohibiting company from doing further business.

Publication of prohibition in *Quebec Official Gazette*.

**8.** Notice of the prohibition, from doing any further business, shall be published in the *Quebec Official Gazette*; and thereafter any person, delivering any policy of insurance, or collecting any premiums, or transacting any business of insurance on behalf of such Company, shall be liable to a fine of one thousand dollars, for each policy so delivered, which penalty may be sued for and recovered, on information filed in the name of the Attorney-General of

Fine in case of contravention.

the Province of Quebec, and one-half of the said penalty, when recovered, shall be paid to the Crown for the benefit of the Province, and the other half of the said penalty to the informer; and in case of non-payment of such penalty and costs, within one month after said judgment, the person, so offending, shall be liable to imprisonment in any gaol or prison, for a period not exceeding six months in the discretion of the Court wherein he is convicted.

9. If, within one month from the publication of such notice of prohibition in the *Official Gazette*, the Company in default has not regulated its affairs so as to enable the Inspector of Insurance, on inquiry, to recommend the removal of the prohibition, notice of which, if granted, shall also be published in the *Official Gazette*, in either case at the expense of the Company, then the Inspector 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 wind up the affairs of the Company, under the direction of the Inspector in the same manner as the directors are authorized to do by the act of this session, respecting mutual fire insurance companies.

Appointment of liquidator after certain time, if company's business not regulated.

10. Every company, subject to inspection under this act, which neglects or refuses to facilitate the examination mentioned in section four, or in any other way refuses or neglects to conform to the requirements of this act, shall, on report to that effect by the inspector, be prohibited from doing any further business, in the same manner, with the same formalities and provisions, and subject to the same penalties, as are set forth in sections seven, eight and nine.

Effect of neglect or refusal to comply with provisions of this act.

11. If it appears to the Inspector that any Company, which has not been incorporated by special Act of 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 to treasurer if company not incorporated by special statute takes name of another company.

12. Towards defraying the expenses of the Inspector's office, a sum not exceeding one thousand dollars shall be annually contributed and paid to the Provincial Treasurer, by the insurance companies hereinbefore referred to; and this sum shall be assessed *pro rata* upon the gross amount of the policies of each company in force at the expiration of the preceding year, and the said Treasurer's certificate shall be conclusive as to the amount each or any Company is to pay under this section.

Payment of expenses of inspector's office.

Act not to apply to certain companies.

**13.** The inspection, provided for by this act, shall not be obligatory upon companies organized under the act 24 Victoria, chapter 32, and its amendments ; but the services of the inspector may be availed of, in connection with the affairs of any such company, at the request of twelve persons interested therein.

Act in force.

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

## C A P . L.

An Act to amend the act 24 Victoria, chapter 32, respecting Mutual Insurance Companies.

[Assented to 27th May, 1882.]

Preamble.

**W**HEREAS in local municipalities or parishes it is sometimes difficult, under the law as it exists to find the required number of persons and sums necessary to establish Mutual Fire Insurance Companies ; and whereas, in the interests of such local municipalities or parishes, it is expedient to amend the law so as to permit of companies of this kind being more easily formed ; Therefore, Her Majesty, by and with the advice and consent of the Legislature of Quebec, enacts as follows :

24 Vict., cap. 32, sec. 1 and 42-43 Vict., cap. 40, sec. 1 which amends it, replaced.

**1.** Section 1 of the act of the late province of Canada, 24 Victoria, chapter 32, and the act of this province 42-43 Victoria, chapter 40, section 1, amending the same, are repealed and replaced by the following :

Number of free holders required to form an insurance company.

“ 1. Nine free holders, residing in any parish or any municipality whatever in this province, being provisional directors of an association formed with the view of establishing a Mutual Fire Assurance Company, may establish such company for the purpose of insuring the property, situated within the limits of such parish or local municipality, and also the properties outside of the said limits, provided they be situated entirely within the county in which is situated the said parish or municipality ; 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).

Name of such company.

Act of this session 45 Vict., cap. 49 to apply.

“ And all the provisions, contained in the act of the present session intituled “ An Act respecting Mutual Fire Insurance Companies,” in so far as they are not contrary to this act, shall apply to such company.”