

2. Section 2 of the said act 24 Victoria, chapter 22, is ^{24 Vict., cap. 22, sec. 2 re-} repealed and replaced by the following : ^{placed.}

"2. The said company may enact and pass by-laws respect- ^{Power of the} ing the qualification of the persons, who elect to form part ^{company to} thereof, and when forty persons, duly qualified according ^{pass by-laws.} to such by-laws, shall have signed their names in the subscription book, and that the sums subscribed, for which they have bound themselves to effect insurances, amount to the sum of twenty-five thousand dollars or more, such persons and those who may thereafter become members of the company, shall, by effecting insurance therein, be considered a body politic and corporate according to the ^{Proviso as to} provisions of the said act, provided that a notice be pre- ^{notice.} viously given in the *Quebec Official Gazette*."

C A P . L I .

An Act respecting Mutual Fire 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. Any twenty-five real estate proprietors, in any county ^{Preliminary} in the Province of Quebec, may call a meeting of the real ^{meeting for} estate proprietors of that county, (and of any number of ^{formation of} adjoining counties not exceeding five, if they think it ^{company.} necessary) for the purpose of considering whether it is expedient to establish in such county or counties a fire insurance company on the principal of mutual insurance.

2. Such meeting shall be called by an advertisement ^{Advertisement} mentioning the time, place and object of the meeting, and ^{calling meet-} published during three weeks immediately preceding the ^{ing.} meeting, in at least two newspapers published in the English and French languages respectively in the district in which the meeting is to be holden, and if no newspaper is published therein, then in two newspapers published, as aforesaid, in the adjoining district or districts.

3. If, at such meeting, there are at least fifty real estate ^{Number of} proprietors present and two thirds of them determine that ^{proprietors re-} it is expedient to establish such company, they may elect ^{quired to be} three of their number to open and keep a subscription book, ^{present, to} in which the owners of immovable property within such ^{decide upon} county or counties may sign their names, and enter the ^{expediency of} ^{establishing} company.

sums for which they shall be respectively bound to effect insurance with the company.

When certain number of persons have subscribed, meeting of subscribers may be called. **4.** Whenever one hundred such persons have signed their names in the said subscription book, and bound themselves to effect insurance in the said company to the amount of two hundred thousand dollars, or upwards, a meeting of such subscribers shall be called, as hereinafter provided.

First meeting of the company. **5.** As soon as convenient after the subscription book has been completed in the manner aforesaid, any ten of the subscribers thereto may call the first meeting of the Company, by sending a printed notice by mail, addressed to each subscriber at his post office address, at least ten days before the day of such meeting, and by advertisement in two or more papers published as aforesaid.

Notice for that purpose, &c.

Contents of notice and advertisement. **2.** The said notice and advertisement shall contain the object of said meeting, and the time and place at which it is to be held.

Resolutions to be passed at first meeting. **6.** At such last mentioned meeting, the name and style of the company, including the appellations "Fire" and "Mutual" shall be adopted, and a secretary *ad interim* appointed, and a board of not more than nine or less than five directors shall be elected, and the place named in the county or counties at which the head office of the said company shall be located.

Deposit of copies of such resolutions, &c., with registrar. **7.** Copies of the resolutions, adopting such name or style and the place of the head office of the company, and of such subscription book, and the names of the directors elected, shall thereupon be made; and such copies, being certified as correct under the hands of the chairman and secretary, shall be filed in the office of the registrar of the county in which the head office is to be.

Effect of such deposit. **8.** Upon the filing of the said copies, with such certificate, the several subscribers above-mentioned, and all persons thereafter effecting insurance therein, shall become members of the said company and shall be a body corporate and politic by and under such name so adopted.

Copies of resolution to be also delivered to Inspector of insurance. But before any other proceeding is had or any business transacted, the chairman and secretary shall also transmit or deliver like copies, duly certified by them, to the Inspector of insurance at his office in Quebec, accompanied by a statement, signed by such chairman and secretary, stating the kind and character of the risks intended to be taken by the company, that is to say, whether the busi-

ness to be transacted is the insurance of farm and isolated buildings and property, only, or of commercial, manufacturing and hazardous properties as well.

9. Upon receipt of such certified copies and of the aforesaid statement by the Inspector, he shall proceed to ascertain whether the proceedings for the incorporation of such company have been taken in accordance with the law in that behalf, and whether the subscriptions are *bona fide*, and by persons possessing property to insure, and whether the proposed name is the same as that of any existing company, or may be easily confounded therewith, and he may require the declaration of any person or persons, upon oath, to be filed with him, touching any matters concerning which he is called upon to make inquiry.

10. If, upon such examination, the Inspector shall find that the provisions of this Act have been complied with, and that the said subscriptions have been made in good faith by persons entitled to make the same, and that the proposed name of the company is satisfactory, he shall so certify to the Provincial Treasurer. If, upon such examination, the Inspector shall find that the proposed name is one which may be easily confounded with that of an existing company, then he may require the directors of the company to select some other name, to be approved of by the Treasurer; and they shall by resolution do so, and such resolution shall be filed with the Registrar in like manner as the other proceedings are required to be filed. Upon the Inspector reporting to the Treasurer the facts aforesaid, the Treasurer may thereupon issue his certificate, in duplicate, under his hand and seal, to the said company, setting forth that it has been made to appear to him that they have become a body corporate and politic under this Act by the name of the..... Mutual Fire Insurance Company of, and that they have complied with the requirements of the law in that behalf, and that they will, from and after the filing of one of the duplicate copies of such certificate in the office of the registrar of the county, within which the head office of such company is situate, be entitled to receive applications and to issue policies of insurance, and to transact all the business which a mutual fire insurance company, formed under the aforesaid act, may lawfully do in respect of that kind or character of business mentioned in their statement to the Inspector.

11. There shall be paid to the Treasurer, upon the delivery of any such certificate to the said company, the sum of twenty dollars.

Papers filed with him and book to be kept by inspector.

12. The Inspector shall keep on file the said papers so furnished to him, and shall keep a book in which shall be entered the name of the company, the statement delivered by the company as to the character of the business to be transacted by the company, and a copy of the Treasurer's certificate.

Effect of treasurer's certificate, as to transaction of business by company.

13. Subject to section twenty nine and the other provisions of this act, any such company may, after receiving the aforesaid certificate and filing the same with the registrar as aforesaid, do and transact, throughout the province of Quebec, any business of a mutual fire insurance company of the kind and character mentioned in the certificate of the Treasurer, but of no other kind; nevertheless, any such company may, at any time thereafter, apply to the Treasurer for a supplementary certificate to enable the company to extend their business to other classes of risks than those included in their certificate, and the same may, upon the report of the Inspector of Insurance, be granted by the Treasurer on the payment of ten dollars by the company. When any supplementary certificate is granted, it shall be recorded in the books of the Inspector of Insurance, and filed in the registry office in which the certificate has been filed. Any existing company may, on application to the treasurer, obtain a similar supplementary certificate.

Supplementary certificate.

Entry and registration of such supplementary certificate.

First meeting of directors for election of president, &c.

14. Upon the receipt of the certificate, mentioned in section 10, the secretary *ad interim* shall call a meeting of the Board of Directors for the election of a president and vice-president from among themselves, for the appointment of a secretary, and the transaction of such other business as may be brought before them.

GENERAL MEETINGS.

Annual meeting of company for election of officers.

15. A meeting of the members of the company, for the election of Directors and for other purposes, shall be held on the first Wednesday in October of each year; and if, for any cause, the Directors be not elected at this meeting, those already in office shall continue to act as such until their successors are appointed at some subsequent meeting.

How directors shall be elected.

16. The proceedings for the election of directors shall be commenced by striking off, by rotation, from the former board, a number equal to the majority of the members of the said board; those who remain after this operation shall be members of the board for the year following, and pro-

ceedings shall then be taken to complete the number required for the formation of the said board; but any member or members of such former board may be elected as members of the new one.

17. Any vacancy on the said board, happening in the interval between any two meetings, shall be filled by a person elected for that purpose by a majority of the remaining members of the board. Vacancies on the board how filled.

18. The President or the Board of Directors or any twenty members of the company may call a general meeting, by giving at least fifteen days' notice thereof in a French and in an English newspaper published at or nearest to the place of business of the company. General meeting may be called upon notice.

19. At the annual meetings, a report of the transactions of the company, for the year ending on the previous thirty first day of August, shall be submitted, together with a full statement of all its affairs, exhibiting its receipts and expenditure, assets and liabilities, and a copy of such report shall be sent to the inspector of insurance for the Province of Quebec. Report to be submitted to annual meeting.

20. Each member of the company shall be entitled at all meetings of the same to the number of votes proportioned to the amount for which he is insured—that is to say: for any sum under one thousand dollars, one vote, from one thousand dollars to two thousand dollars two votes, and one additional vote for every additional one thousand dollars; but no member shall be entitled to vote while in arrears for any assessment. Right to vote.

THE BOARD OF DIRECTORS.

21. The directors shall be members of the company and insurers therein, for the time they hold office, to the amount of at least one thousand dollars. Qualification of directors.

22. No person in the employment of the company under an annual salary shall be eligible to be elected a director or shall be allowed to interfere in the election of directors. Persons who are ineligible.

23. Five directors shall constitute a quorum for the transaction of business; and in case of an equality of votes at any meeting of the board the question shall pass in the negative. Quorum.

24. The board of directors shall superintend the concerns of the company and have the management of the Duties of board of directors.

Appointment
of officers.

funds and property thereof, and of all matters and things thereunto relating, not otherwise provided for by the company; and may, from time to time, elect one of their members to be president and another to be vice-president; and may appoint a secretary and treasurer and such other officers, agents and assistants as they shall think necessary, and prescribe their duties, fix their compensation, take security from them for the faithful performance of their duties, and remove them at pleasure.

Rate of insu-
-rance.

They may determine the rates of insurance, the sum to be insured on any building or other property, and the sum to be deposited on the insurance thereof, and shall order and direct the making and issuing of all policies of insurance, the providing of books, stationery and other things needful for the office of the company, and for carrying on the business thereof; and may order the treasurer to pay the amount of any loss which has happened to the company and any expenses incurred in transacting the affairs thereof.

Special meet-
-ing of direc-
-tors.

They may hold special meetings, as often as they shall deem necessary, and shall keep a record of their proceedings; and any director, disagreeing with the majority of the board, may enter his dissent on the books of the company, with his reasons for so dissenting, which book shall, at all times, be open to the inspection of the members of the company and to the inspector of insurance.

By-laws res-
-pecting funds
-and property
-of the com-

They may, from time to time, make and prescribe such by-laws as to them may appear needful and proper, respecting the funds and property of the company, the duty of the officers, agents and assistants thereof, the effectual carrying out of the objects contemplated by this Act, and all such other matters as appertain to the business of the Company, and are not contrary to law, and may, from time to time, repeal, alter or amend the said by-laws.

Every by-law of the board shall be duly entered in the minutes, and, when confirmed at any subsequent meeting of the members, shall be held to be and have the same force and effect as a by-law of the Company.

They shall in no case issue a policy for an amount exceeding five thousand dollars on one risk; and in no case shall they permit the aggregate amount of insurance of property situated within the limits of cities and towns to exceed one tenth of the total insurance effected by them.

MEMBERS.

25. Every person, who, at any time, becomes interested in any existing mutual fire insurance company in this province or in any such company incorporated under this

act by insuring therein, shall be a member thereof, during the time specified in his policy, and no longer, and shall, during such time, be bound by the provisions of this act; but he may, with the consent of the directors, withdraw therefrom upon such terms and subject to such conditions as they may impose.

DEPOSIT NOTES.

26. Every member of any such company shall, before he receives his policy, deposit his note or undertaking (hereinafter called a deposit note) payable on demand to the company only, endorsed to the satisfaction of the directors of the company, and for a sum of money proportioned according to the classification of risks which shall be established by the directors; a part of which note, to such amount as the directors have by their by-laws determined, may be demanded and taken from such member, before he receives his policy, for the purpose of raising a fund to defray the incidental expenses of the company, and the remainder of the sum mentioned in such note shall be payable, in whole or in part at any time when the directors deem the same to be necessary for the payment of the losses or expenses of the company. In case the member is unable to write or sign his name, he may sign with his mark the deposit note or undertaking in presence of a witness, resident in the locality and who is not an agent of the company.

Deposit note required before policy is given.

If assured can not write.

27. The directors of the company may, by by-law, declare in each year, in advance, the amount of assessment on the deposit notes required to be paid in to meet the estimated annual losses and expenses of the company; such dividend to be settled and determined by the directors, upon an estimate of the probable losses and expenses during the year, and published in the manner to be provided by the by-law.

Amount of assessment on deposit notes may be declared annually in advance.

28. The balance of any such deposit note, remaining at the credit of any member at the expiration of his policy, shall be returned to such member.

Return to maker of balance of deposit note.

POLICIES OF INSURANCE.

29. No policy shall be issued by any company formed under this act until applications have been made for insurance to the extent of two hundred thousand dollars at least, and approved of by the board of directors.

Policies can not be issued by company until applications for a certain amount have been made.

30. Any such company may insure, by the same policy

Time for which policies may be issued. and at one time, for any term not exceeding five years, and any policy of insurance issued by the company, and signed by the president, and countersigned by the secretary, shall be valid and binding on the company, in all cases where the insured party 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; but if the insured has a less title or estate in such property, or if the same is encumbered otherwise than described as aforesaid, the policy shall be void.

Validity of policy in case of loss if assured has same title or estate as when insured. If otherwise the policy is void.

Property that may be insured. **31.** The company may insure dwelling houses, stores, shops and other buildings, household furniture, merchandise, machinery, live stock, farm produce, and other commodities, against damage or loss by fire or lightning, whether the same happens by accident or any other means, except that of design on the part of the insured, or by the invasion of an enemy, or by insurrection.

Policies need not be in duplicate or signed by assured. **32.** It shall not be necessary to the validity of any policy of insurance issued by any company under this act, that such policy be executed in duplicate, or be signed by the party insured.

No allowance to be made for certain things destroyed by fire. **33.** No allowance shall be made to any member for any account-books, papers, money or jewels, destroyed or damaged by fire.

Policy void if property transferred and must be surrendered. Effect of such surrender on fulfilling certain conditions. **34.** 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; and upon such surrender, the member making it shall receive the note deposited at the time the policy was issued, upon paying his portion of all losses and expenses that have occurred before surrender.

Grantee, may apply to have policy confirmed. Effect of such application. But 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 of 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.

Case in which assignee of policy is a mortgagee. **35.** In cases, however, where the assignee of the policy is the holder of a 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 any note or undertaking from such assignee, or his becoming in any manner personally liable for assessments or otherwise; but in such cases the deposit note or undertaking and liability of the member in respect thereof shall continue in nowise affected. Proviso.

36. Whenever a building or furniture, insured by the company, 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 Company, the policy shall become void. A condition to this effect shall be endorsed on each policy. Policy void, if risk becomes greater after issue of policy, and no notice given to company. Endorsement of this condition on policy.

37. Whenever notification in writing has been received by a company 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 company so notified, shall signify to the party, in writing, their dissent; and in case of dissent the liability of the insured on the deposit note or undertaking shall cease from the date of such dissent, on account of any loss that may occur to such company thereafter, and the policy of the assured shall be void, at the option of the directors of the company. Case of additional insurance, and duty and liability of company after notice thereof.

38. The provisions of the three preceding sections shall be held to include and have reference to all property, as well personal as real, which companies are allowed to insure. Application of the three next preceding sections.

39. It shall be optional with the directors to allow claims, which are void under sections 30, 34, 35 and 36 of this act. Optional with directors to allow certain claims.

40. The Company shall be at liberty to cancel any policy by giving to the insured notice in writing to that effect signed by the secretary, and transmitted to the insured by registered letter. The party insured shall nevertheless be liable to pay his proportion of the losses and expenses of the company up to the time of such cancellation, and, on so doing, he will be entitled to a return of his deposit note. A condition to this effect shall be endorsed on the policy. Any policy may be cancelled by company after notice. Liability of insured in such case. This condition to be endorsed on policy.

41. When a policy shall have expired or have been annulled by the board for any reason whatever, and when Deposit notes to be returned when policies

the insurer shall have paid his dues to the company, his deposit note shall be returned to him ; but in no case shall such a policy-holder have the right to ask or claim any share in the reserve fund.

ASSESSMENTS.

42. Every member of the Company shall pay his proportion of all losses and expenses incurred, and the deposit notes or undertakings, belonging to the company, shall be assessed under the direction of the board of directors, at such intervals from their respective dates, for such sum as the directors determine, and for such further sums as they may think necessary to meet the losses and other expenditure, during the currency of the policies for which the said notes or undertakings were given, and in respect to which they are liable to assessment ; and every member of the company or person who has given his deposit note shall pay such sums, from time to time, during the continuance of the policy, in accordance with such assessment.

When to be made.

43. Whenever any loss or damage by fire, sustained by any member, is ascertained and is payable by any such company, the directors shall settle and determine the sums to be paid by the several members as their respective portion of such loss, and publish the same in such manner as shall be provided by the by-laws of the company ; and the sum to be paid by each member shall always be in proportion to the original amount of his deposit note or notes, and shall be paid to the treasurer within thirty days next after the publication of such notice ; and if any member, for the space of thirty days after such notice, neglects or refuses to pay the sum as determined by the directors, the directors may sue for and recover from such member the amount of his or her deposit note, and costs of suit, and the amount recovered shall remain in the hands of the treasurer of the company, subject to the payment of that portion of all losses and expenses to which such member shall be liable ; and the balance, if any, shall be returned to such member at the expiration of the term of his or her policy.

How be calculated and when paid.

If not paid within thirty days after notice, suit for their recovery.

Losses how ascertained and paid.

44. Whenever any loss or damage by fire, sustained by any member of the company, is ascertained, and payable by the company, the directors may cause the same to be settled and paid conformably to this act and the regulations of the company, and may cause to be entered in the books of the company the amount of the assessment to be paid by each member of the said company, on the amount

of the deposit notes which such member has deposited ; and such amount shall always be proportionate to the original amount of the deposit notes of such member.

45. But in order that there may be but one assessment annually, and that it be imposed at the annual meeting of the company, the directors are hereby authorized, in case of any loss or damage by fire, or to cover incidental expenses, to borrow such sums of money as the circumstances may render necessary ; and the interest payable on such loan, as well as the capital thereof, if not previously provided for, may be included in the annual assessment which, however, shall be imposed as nearly as may be practicable on the deposit notes in force at the time of such loss, and of the loan effected to repay the same.

Power of directors to borrow money for certain purposes.

Interest upon such loans.

46. The directors shall cause a notice of the total amount of assessments on deposit notes, to be paid in any year, to be published in the form provided by the by-laws of the company, in at least one newspaper within the district where the property insured is situate, if there be such newspaper within the district, and if not, the same shall be published in a newspaper published nearest to the district in which the said property is situate, or by a circular mailed to each member.

Notice of amount of assessments on deposit notes to be paid.

47. Thirty days after such notice the directors may sue for and recover, with costs, the assessments on the deposit notes of the members who have refused or neglected, during the said space of time, to pay to the treasurer of the company the sum of money, which the directors have declared to be payable on such deposit notes, and in all suits for the recovery of the said assessment the certificate of the secretary-treasurer of the company shall be *prima facie* evidence that the same are due and that all formalities have been complied with.

Suits for recovery of such assessments.

Proof in such case.

48. Any member of such company failing to pay his assessments at the time appointed, shall not be entitled to recover from the said company for any loss which he may sustain thereafter, until his annual payment and all sums due by him to the company have been made.

Effect of default of payment.

49. To secure the payment of all assessments which may be imposed on the deposit note or notes of the members, the Company shall have a privilege upon the whole of the movable property of the insured, and also a hypothec, from the date of the deposit note, upon such immovable property as is mentioned in the policy of insurance, as

Privilege of company for securing payment of assessment upon deposit notes. See sec. 71.

Rank thereof notwithstanding C. C. 1994 and 2009. well as upon the real estate thereunto appertaining; and such privilege shall rank and take precedence after municipal taxes and rates; and this notwithstanding articles 1994 and 2009 of the Civil Code.

50. Whenever properties, affected by the privilege or hypothec of the Company, shall be advertised to be sold by forced sale, the secretary-treasurer of the company or his assistant shall file, within the six days following the sale, in the office of the Prothonotary of the Superior Court or of the Clerk of the Circuit Court or of the assignee, as the case may be, a claim for all assessments due, and for such as shall become due up to the end of the then current fiscal year; and the said company shall have the right to be collocated for the amount of the said claim on the proceeds of such sale according to the privilege and rank established by the preceding section.

51. Whenever property, insured by any such company, has been destroyed or damaged by any fire, the proprietor thereof shall, within twenty days after such fire, cause a notice thereof, in writing, to be delivered at the office of the secretary of the company, and such notice shall set forth the sum claimed by such proprietor, as the amount of the loss sustained, in consequence of such fire, and shall also contain the name of some freeholder of the locality, in which such fire happened, who shall be the *expert* named by the claimant, in case the amount to be paid by the company to such claimant is afterwards estimated by *experts*, in the manner provided by this Act.

52. The directors of such company shall, within twenty days after the delivery of such notice, answer the same in writing, and shall cause such answer to be delivered at the domicile of the claimant, or to the said claimant in person, and shall therein state whether the directors do, or do not agree to pay the sum demanded in the notice given by the claimant; and if they do not so agree, such answer shall mention the sum which they are willing to pay to the claimant as the amount of such loss, and shall also contain the name of a freeholder of the locality, in which such fire happened, who shall be the *expert* appointed by the company in case the amount to be paid by the company to such claimant is estimated by *experts* as aforesaid.

53. If the sum offered by the directors in their answer is not agreed to by the claimant, the two *experts*, so appointed, shall appoint a third *expert* to act jointly with them; and the three *experts* shall give notice to the direc-

tors and to the claimant, of the time and place when and where they intend to proceed to estimate the sum to be paid as aforesaid, and shall, by such notice, require the directors and the claimant then and there to produce such documents or parol testimony, as they may respectively wish to offer for the consideration of the *experts*.

54. The said *experts* shall not proceed to make such estimate, until they have been sworn by some justice of the peace, (and any justice of the peace may and shall administer the necessary oaths,) faithfully and impartially to perform their duty as such *experts*. Experts to be sworn before proceeding.

55. The said *experts*, when so sworn, may, at the time and place so appointed, proceed to examine the documentary evidence and the witnesses then and there adduced, and may, if they think it necessary or if required by either party, examine the claimant or the directors, or any of them, upon interrogatories upon *faits et articles*, to be duly exhibited to the said *experts*, and a true copy thereof served upon the party to be examined; but they shall not examine any person who has not been previously sworn before the said *experts* (who may administer the necessary oaths) to declare the truth, the whole truth and nothing but the truth, in the answers to be given to the questions put to them by the said *experts*. Proceeding by experts thereafter.

56. The award agreed upon by the said *experts*, (or by any two of them, in case of difference of opinion,) shall be drawn up in writing and signed by the *experts* agreeing to the same, who shall cause copies thereof, signed by them, to be delivered at the domicile of the claimant and at the office of the secretary of the Company. Award of experts.

57. If, within the delay hereinbefore specified, the directors deliver no answer to the notice given by the claimant, or in their answer to the same, offer to pay no sum to the claimant, or if such offer is not accepted by the claimant, or if such answer does not contain the name of a person to be an *expert*, or if no award is given by the *experts* appointed, within thirty days from the time due notice was given by the claimant to the directors—or if either party is dissatisfied with the award made by the *experts*, or if the directors refuse or neglect to pay the sum thereby awarded to the claimant—such claimant shall have an action against the Company in any Court of competent jurisdiction, at the *chef-lieu* of the district in which the head-office of the company is situated. If directors do not answer or experts do not give their award within delays required. Insured may sue and before what court.

Prescription of suits against company for losses by fire.

58. No action or suit shall be brought against such Company upon any policy or contract of insurance, after the lapse of one year next after the happening of the loss or damage, in respect of which such action or suit is brought, saying in all cases the rights of parties under legal disability; and all policies to be issued by such Company shall have a condition to this effect endorsed thereon.

Exception. This condition to be endorsed on policies.

Delay before execution can be issued.

59. No execution shall issue against the Company upon any judgment, until after the expiration of three months from the rendition thereof.

RESERVE FUND.

Reserve fund.

60. The directors may avail themselves of the years in which few fires occur to provide for a reserve fund, at the same time allowing the members a profit on the insurances at fixed premiums, and this appropriation, added to the excess of receipts over expenses, shall form a fund called the Reserve Fund, to the Company's profit solely, the object of which shall be to render the assessments more uniform and to aid the members in less favorable years, in whatever manner the directors may find most advantageous for the interest of the Company.

Application of reserve fund.

61. The Reserve Fund, thus annually accumulated by the Company, together with whatever it may possess at the passing of the present act, shall be devoted to the payment of the losses and expenses of the Company; and this fund shall be invested in one or in several incorporated banks or in the purchase of bonds of the Federal government or of the Provincial government, or of municipalities of the Province of Quebec, provided that the balance of the assets of the Company, exclusive of deposit notes shall, at no time, exceed fifty thousand dollars, in addition to the buildings occupied by the offices of the Company.

Investment thereof.

Proviso.

LIQUIDATION OF COMPANIES.

Meeting of members to dissolve company, may be called with consent of inspector.

62. The directors of any mutual insurance company, legally established and in operation in the Province, may, at any time and when they think it necessary and to the advantage of the members of the said company, and after having obtained in writing the approval of the inspector of insurance, call a general meeting of all the members thereof to consider and decide whether it is necessary and expedient, in view of its condition, to dissolve the company and wind up its affairs.

63. Such meeting shall be called by an advertisement, How called. bearing the signature of the secretary of the company, and indicating the purpose for which the meeting is called, and the place and time at which it will be held, inserted twice in two newspapers, one in the French and the other in the English language, published at the place where the business of the company is transacted, or as near thereto as may be, and twice in the *Quebec Official Gazette* and by a circular letter addressed and posted to every member of such company.

64. At such meeting two-thirds of the members present Liquidation how decided upon. in person shall decide whether the Company shall continue to carry on business, or whether the operations of the Company shall be stopped and its affairs wound up.

65. If it be decided that the affairs of the Company shall be wound up, it shall be the duty of the Directors to fix a day upon which all the policies then in force shall cease to be so, and to notify the members of the Company thereof, by a notice signed by the secretary of the Company, published and circulated as provided in section 63. Duty of directors if liquidation of company decided upon.

66. From and after the day so fixed by the directors for the annulling of such policies of insurance, and after all the aforesaid formalities shall have been fulfilled, such policies shall lapse and be annulled, and thereafter the responsibility of the persons assured, on deposit notes or otherwise, shall cease and determine and shall be limited to debts already incurred and to those necessarily and indispensably to be incurred in order to wind up the affairs of the company. Effect of notice upon policies.

67. The directors or five of them, who are by this act declared to be a quorum to control and manage the affairs of the company until its extinction, may, and special power is hereby given them to that effect, at a regular meeting called for the purpose, and after the day fixed for the lapsing of the policies, fix and establish the rate of assessment that will be necessary to pay off all debts whatsoever of the company and all expenses necessary and indispensable to close, liquidate and wind up the affairs of the company at the earliest possible period. Rate of assessment to be fixed to pay off liabilities.

68. The directors of the company shall notify the members thereof, in the same manner as provided in section 63, of the time and place at which such assessment so made shall be payable; and such assessment shall bear interest from the day upon which it shall become payable, that is to say, Notice of day upon which assessment is payable. Interest thereafter.

thirty days after such notice shall have been given, and until payment thereof, and shall be levied and recovered by such directors in the usual manner.

Directors may be chosen for the purpose of liquidating company.

69. The shareholders, present in person at the general meeting provided for by section 64 of this act, shall have power to choose what persons shall be directors for the purposes of this act; and the persons so chosen shall remain in office, until the entire and complete winding up of the affairs of the company, and shall have the same rights and powers they would have had if they had been elected as heretofore at an annual meeting of the members of the company, and may do and execute all acts and things which may be necessary to carry this act into effect.

Sale of debts due to company to facilitate final liquidation.

70. And in order to facilitate the final liquidation of the company, it shall be lawful for the directors, mentioned in section 67, to convey or sell, in whole or in part, the debts due to the company, as they shall deem most advantageous; provided that no such conveyance or sale take place until after one month shall have expired from the day on which such debt shall have become due; and the purchasers shall, by such conveyance or sale, be subrogated into all the rights held by the company for the recovery of such debts.

Hypothec under sec. 49 valid without registration.

71. The legal hypothec, mentioned in section 49, shall exist in favor of Mutual Fire Insurance Companies, without the formality of enregistration.

MISCELLANEOUS.

Member a competent witness in suits by or against company.

72. The interest any person may have in the issue of any suit, to which any existing Mutual Fire Insurance Company in this Province or any company formed under this act is a party, by reason of his being a member of such company, shall not render him an incompetent witness in such suit on behalf of or against such company, nor shall such interest be sufficient cause for the recusation of a judge before whom any case to which any such company is a party, is heard. All suits brought by or against the company shall be brought in the district within which its head office is located.

Change of location of head offices of companies.

73. The present location of head offices of Companies in existence, and the original location of head offices of Companies, hereafter to be formed, shall only be changed by a two-third's vote of the members of the Company, present at a meeting specially called for that purpose; and it shall be the duty of every Company to inform the Treasurer

of the Province of the location of its head office, as well as every change of which hereafter takes place.

74. It shall be the duty of the President, the Manager or Secretary of each Mutual Fire Insurance Company, incorporated under this or any former General Act respecting Mutual Insurance Companies, or any Special Act, and transacting the business of Fire Insurance in this Province, annually, on the first day of October, or within one month thereafter, to prepare, and deposit in the office of the Provincial Treasurer, a statement, verified by his own oath, of the condition of such Company on the thirty-first day of August then next preceding, exhibiting the following facts and items in the following form, namely:—

Annual report
of companies
to Provincial
treasurer.

What to con-
tain.

First—The assets of the Company, specifying—

- (a) The value of real estate ;
- (b) The amount of cash on hand and deposited in banks, to the credit of the Company, naming the banks and amount in each ;
- (c) The amount of cash in the Company's office and in agents' hands respectively ;
- (d) The amount of any loans or investments, and the nature of the security held therefor, in detail, and what, if any, payments are in arrear thereon ;
- (e) The amount of assessments on deposit notes or undertakings unpaid, shewing what proportion are more than two years overdue and what portion of the said amount the deponents consider good ;
- (f) The amount still payable upon premium notes or undertakings on hand, on the 31st day of August preceding, and not then assessed for ;
- (g) Other amounts due the Company ;

Secondly—The liabilities of the Company, specifying—

- (a) The amount of losses due and yet unpaid ;
- (b) The amount of claims for losses resisted ;
- (c) The amount of losses incurred during the year, including those claimed but not adjusted ;
- (d) The amount payable for money borrowed, and security given and interest payable ;
- (e) The amount of all other existing claims against the Company .

(f) The amount covered by policies in force ;

Thirdly—The income of the Company for the preceding year, specifying—

(a) The amount of cash received on deposit notes, in respect (1) of assessments payable in that year, and (2) assessments payable in previous years ;

(b) The amount of deposit notes or undertakings ;

(c) The amount of interest received ;

(d) The amount of income from all other sources, and also the amount of cash premiums received for insurances effected in that year ;

(e) The total number of policies in force and their value, as well as the number issued during the preceding year and their value ;

(f) The number of policies in force in cities and towns, and their value.

Fourthly—The expenditure during the preceding year, specifying—

(a) The amount of losses paid during the year, stating how much of the same accrued prior and how much subsequent to the date of the preceding statement, and the amount at which such prior accrued losses were estimated in such preceding statement ;

(b) The amount of expenses paid during the year ;

(c) The amount of taxes ;

(d) The amount paid for re-insurance ;

(e) The commission paid to agents or others during the year by the Company ;

(f) The amount of all other payments and expenditures, under their appropriate heads.

Any Company shall further, when required, make prompt and explicit answer in reply to any inquiries in relation to its transactions, which may be required by the insurance inspector.

If any such Mutual Fire Company fails to make and deposit such statement so verified, or to reply to such inquiry, its President, Manager and Secretary shall be subject, respectively, for each offence, to a fine or penalty of two hundred dollars, to be recovered on behalf of Her Majesty, for the use of this Province ; and it shall be the duty of the Provincial Treasurer to publish a synopsis of such returns, as well as the names of such Companies as have not made

returns, in the *Quebec Official Gazette*, on or before the first day of January in each year.

Companies, formed under the act 24 Victoria, chapter 32 and its amendments, and under the act 42-43 Victoria, chapter 39 and its amendments, shall not be obliged to furnish the statements required by this section.

Exception as to certain companies.

75. It is hereby declared that all policies of insurance, issued by any existing Mutual Fire Insurance Company, since the coming into force of the act of this Province, 44-45 Vict. chap. 24, are legal and binding, as well upon such companies as upon the insured, notwithstanding, and in so far only as concerns the limitation contained in the said cited act; and every such Company shall continue to have the right to transact the business of Mutual Fire Insurance throughout the province of Quebec.

Certain policies heretofore issued declared valid.

But the provisions of this section shall come into operation, only on the publication in the *Quebec Official Gazette* of an order in council, based on a report of the inspector of insurance establishing that such company's affairs are in a sound position and deserving of the public confidence.

Provisions as to the coming in force of this section, as respects any particular company.

76. The Mutual Fire Insurance Company of the counties of Stanstead and Sherbrooke shall continue to exist as a corporation; but, after the thirty first of August next, its existence shall continue under the name of "The Stanstead and Sherbrooke Mutual Fire Insurance Company;" and the head office and chief place of business of the company shall be in the city of Sherbrooke, and the company may acquire an immovable in the said city to be occupied by the offices of the company.

The Stanstead and Sherbrooke Mutual Fire Insurance Company.

New name.

Power to acquire certain property.

77. The Mutual Fire Insurance Company of the counties of Missisquoi and Rouville shall continue to exist as a corporation, after the thirty first day of August next, under the name of the "Missisquoi and Rouville Mutual Fire Insurance Company."

Missisquoi and Rouville Mutual Fire Insurance Company.

78. The Mutual Fire Insurance Company of the counties of Richmond, Drummond and Yamaska is hereby declared to be a body politic and corporate, under the said name, as fully and effectively as if all the legal formalities for its organization had been strictly complied with, and its proceedings, engagements and contracts are legalized and declared to be valid and binding. The directors of the company, at present in office, shall continue as such until their successors are duly chosen under the provisions of this act.

The Mutual Fire Insurance Co. of the counties of Richmond, Drummond and Yamaska, declared to be a corporation.

Present directors to remain in office.

The Montmagny Mutual Fire Insurance Company.

79. The Mutual Fire Insurance Company of the counties of Montmagny, Bellechasse and l'Islet shall continue to exist as a corporation; but after the thirty-first day of August next, its existence shall continue under the name of "The Montmagny Mutual Fire Insurance Company."

New name.

Application of sections 1 to 14 to companies under C. S. L. C. cap. 68.

80. The provisions of this act, save and except the sections from 1 to 14 inclusive, shall apply to every Mutual Fire Insurance Company doing business in this Province and incorporated under Chap. 68 of the Consolidated Statutes for Lower Canada and its amendments.

Acts repealed.

C. S. L. C. cap. 68, 28 Vict., cap. 13, 34 Vict., cap. 16, 38 Vict., cap. 38, 43-44 Vict., cap. 41, 44-45 Vict., cap. 24.

81. The following acts, as well of the late Province of Canada as of the Province of Quebec, are hereby, in so far as they affect Mutual Fire Insurance Companies in this Province, repealed to wit: Chapter 68, Consolidated Statutes for Lower Canada; 28 Victoria, Chapter 13; 34 Victoria, Chapter 16; 38 Victoria, Chapter 38; 43-44, Victoria, Chapter 41; and 44-45 Victoria, Chapter 24.

Schedules and forms annexed to this act may be used.

82. The following schedules and forms, or other forms to the like effect, shall be sufficient for the purposes for which they are intended.

Title of this act.

83. This act may be cited as the "Quebec Mutual Fire Insurance Companies' Act of 1882," and shall come into force on the day of its sanction.

POLICY.

The Mutual Insurance Company of

No.

This Policy certifies that A. B. of _____ has become a member of the Mutual Fire Insurance Company of _____ and is insured with the said Company for the sum of currency, on the following property: (referring to the application of the said A. B. and to the plan annexed thereto, — for a more circumstantial description, and as forming part of this Policy) for the period of _____ years to be counted from the date hereof.

Furthermore this Policy certifies that the said A. B. has deposited with the said Company his note, for the sum of, and that he has paid to the Company the sum of

....., as entrance premium on this Policy, and that considering the above, the said A. B. has acquired the right to enjoy all the advantages and has become liable to all the charges and obligations to which all persons insured with this Company have a right and are liable to in virtue of the laws of this Province.

In witness whereof, the President of the said Company hath signed this Policy, which has been countersigned by the Secretary, at _____ in the Province of Quebec, this..... day of..... one thousand eight hundred and

Secretary.

President.

APPLICATION.

No.

Application for insurance against fire by A. B. of _____ with the Mutual Fire Insurance Company of _____, for the sum of dollars, subject to the by-laws of the said Company, viz :—on a house..... Amount. Rate. Value, (the ground excluded.)

Remarks.

Shed.

Stable.

Coach-house.

Furniture, clothes and linen, &c.

Cattle, carriages, &c.

Amount insured.

Deposit Note.

Entrance premium.

Designation, occupation and situation of buildings.

Declare the true proprietor or proprietors.

18

DEPOSIT NOTE.

§

18

On demand, for value received by Policy No. _____ dated the..... day of..... 18 _____, issued by the Mutual Fire Insurance Company of _____, I promise to pay to the order of the said Company, at its office in _____, the sum of..... dollars, according to the assessments fixed for the losses and expenses of the said Company.

RECEIPT.

Office of the Mutual Fire Insurance Company of

No.

Amount insured \$
 Deposit note \$
 Entrance premium \$

These presents certify that A. B. has remitted this day to the Company his note for the sum of \$..... bearing No. and that he has paid the sum of \$..... as entrance premium on the Insurance effected with the Company to the amount of \$..... for years to be counted from the date hereof, upon a property described in his application dated this day and which is to be completed by a Policy.

18

Secretary.

C A P . L I I .

An Act to incorporate the Wentworth Railway Company.

[Assented to 27th May, 1882.]

Preamble.

WHEREAS the construction of a railway would be a great advantage to that portion of the province through which it would pass, and the neighborhood thereof ; and whereas a petition has been presented praying for the passing of an act to incorporate a company authorized to construct the same, and it is expedient to grant the prayer of such petition ; Therefore Her Majesty, by and with the advice and consent of the Legislature of Quebec, enacts as follows :

Certain persons incorporated.

1. Alfred LaRoque, senior ; C. Fabien Vinet, Joseph Guillaume Guimond, Alexis Dubord, René A. Richard Hubert, Sévère Rivard and Ambroise Choquette, together with such other persons and corporations as may become shareholders of the company hereby incorporated, shall be and are hereby constituted a body politic and corporate under the name of "The Wentworth Railway Company."

Name of corporation.

Power to build railway, &c.

2. The company shall have power and authority to locate, construct and complete a railway line either of the