

BILL

No. 4 of 1910.

An Act to Incorporate the Northwestern Life Insurance Company.

(Assented to 1910.)

WHEREAS the persons hereinafter mentioned have petitioned the Legislative Assembly of the Province of Alberta praying that a company may be incorporated under the name hereinafter mentioned to enable the said petitioners and their associates to carry on the business of insurance in the several branches usually known as life insurance, and it is expedient to grant the prayer of such petition;

Therefore His Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

1. William Smith, of the City of Winnipeg in the Province of Manitoba, life insurance company's superintendent; Robert Daniel McMurchy, of the City of Regina in the Province of Saskatchewan, barrister-at-law; Francis William Atkinson, of the City of Winnipeg in the Province of Manitoba, life insurance company's treasurer; Archibald Daniel McLean, of the City of Regina in the Province of Saskatchewan, life insurance company manager; John W. Glenwright, of the City of Calgary in the Province of Alberta, life insurance company manager; William Fisher, of the City of Calgary, Alberta, physician; William A. Lowry, of Calgary, general agent; William J. Millican, of Calgary, barrister, and A. E. Millican, of Calgary, barrister, together with all such persons as now are or shall hereafter become members of the company by this Act constituted and their respective administrators, executors and assigns, shall be and are hereby constituted and declared to be a corporation body politic and corporate under the name of "The Northwestern Life Insurance Company," and shall be legally authorized to effect contracts of insurance with any persons or corporations on life and lives or on or against any event, loss or risk in any manner dependent on life or lives, to grant, sell or purchase annuities, to grant endowments, to purchase contingent rights, reversions or remainders, and generally to enter into any transactions dependent on the contingency of life and such as are usually transacted by life insurance companies including reinsurances.

2. Before organizing there shall have been a guarantee fund subscribed of one hundred thousand dollars, ten per cent. of which shall be actually paid up (which may be increased to one million dollars or such less sum as may be agreed upon with a similar percentage paid thereon) divided into shares of one hundred dollars each, and as soon as such guarantee fund shall have been subscribed the company may be organized and elect the first board of directors, provided that no

increase of the guarantee fund shall be made until such proposed increase has been first submitted to and sanctioned by a majority of the guarantors present at a special meeting of the guarantors held for that purpose.

3. The guarantee funds so subscribed shall be liable for the payment of losses and may be used for the purposes of the company in such manner and to such an extent as the directors may by by-laws determine; the said guarantee fund shall be redeemable by the company out of the accumulated surplus at such time and upon such terms as shall be decided by the majority of the members present at a general meeting called for that purpose or at an annual general meeting of the company; and until such redemption the directors may pay to the holders of the shares thereof dividends on the amount paid up at such rate as may be agreed upon by the directors but the profits from nonparticipating policies shall first be applied in or towards the payment of such dividends and after such guarantee fund shall have been redeemed the whole of the divisible profits of the company shall belong exclusively to the policy holders in the participating branch, and shall be thenceforth divided among them in such proportion and at such times as the directors shall appoint provided that if it may seem to the directors to be in the best interests of the company the amount of the guarantee fund may be converted by them into paid up stock as soon as fifty thousand dollars is actually paid in cash, and the company shall then become a joint stock company.

4. The valuation of all policies issued by the company and the bonus additions or profits accrued or declared in respect thereof shall be based on the mortality table of the Institute of Actuaries of Great Britain and on a rate of interest of not more than three and one-half (3 1/2) per centum per annum as required by the Dominion *Insurance Act*. The word "policies" includes annuity contracts.

5. The persons hereinbefore named are appointed provisional directors for the organization of the said company and a majority of them shall be a sufficient quorum for the transaction of business. They shall open the books for the subscription of the guarantee fund of one hundred thousand dollars as soon as the guarantee fund has been subscribed. The said provisional directors shall call a meeting of the guarantors for the election of the first board of directors and at the said meeting each subscriber to the guarantee fund of one hundred dollars or more shall have five votes for each one hundred dollars subscribed by him.

6. Any individual or corporation who is a subscriber to the guarantee fund hereinbefore mentioned, and who shall have paid all due for calls made thereon shall be a member of the company and entitled to all the benefits thereof under the provisions of this Act and the by-laws of the company.

7. The provisional directors or the directors to be elected may enact by-laws to carry out the objects of this Act and for the organization, maintenance and government of the company, as well as for the application of its funds and profits as herein provided and such by-laws may from time to time be altered and amended by the directors and such by-laws so legally made in accordance with the objects of this Act and not inconsistent with the law shall be legal and binding until altered, amended or repealed:

Provided always that all such by-laws shall only be valid and binding until the next annual general meeting of the company unless they are then approved by such meeting and shall thereafter have force and effect as so approved or modified at such meeting:

And provided further that such by-laws do not contravene the provisions of this Act.

8. The first board of directors of the company shall consist of not less than five, nor more than twenty-five, directors, of whom a majority shall form a quorum, and one of such directors shall be elected president, and one or more such directors vice-presidents by the other directors, such of the said persons hereinafter named or other persons necessary to complete the board who shall have qualified themselves to act as directors by a subscription of at least ten thousand dollars to the guarantee fund, or who shall have applied for a policy of insurance in the company, and subscribed to a declaration or contract to that effect in a sum of at least five thousand dollars on a life policy shall be entitled on election by a majority of votes of duly qualified members at the first general meeting to act as directors of the company on the first board at the head office, and to continue to act as such for one year immediately subsequent to the organization of the company subject to a continuance of qualification and shall prepare the by-laws for the management of the company as in this Act provided. The board of directors shall appoint a managing director and all other officers of the company and may appoint sub-boards and may remove same and may appoint others in their places where ever a vacancy may arise. After the term for which the first board of directors are appointed shall have expired the directors shall be elected annually by ballot. If any directors shall fail to accept office, or shall die, or be otherwise disqualified, the remaining directors shall choose in his stead any qualified member of the company, who shall remain in office until the next annual general meeting only unless then re-elected.

9. The directors may appoint of their own members such committees with such powers and to discharge such duties as the directors may from time to time confer and impose upon them, but the said committee shall at all times and in regard to all their actions and duties be subject to the control of the said board of directors.

10. A general meeting of the company shall be called once each year after the organization of the company and commencement of business as the directors may appoint after not less than ten days' notice in one or more newspapers published in the Province of Alberta at which meeting a statement of the affairs of the company shall be submitted; special, general, or extraordinary meetings may at any time be called by five of the directors, or shall be called by requisition of twenty-five members specifying in the notice the object of such meeting.

11. The head office of the company shall be at the City of Calgary, or at such other point in the Province of Alberta as the directors may determine, but branches or sub-boards or agencies may be established outside the Province of Alberta, pursuant to the powers which the company may acquire in foreign jurisdiction in such manner as the directors may from time to time appoint providing that no insurance shall be effected in any province other than the Province of Alberta, until an office or domicile is opened in some place therein and a local agent or manager is there appointed.

12. Each subscriber to the guarantee fund shall be entitled either in person or by proxy to give five votes for every one hundred dollars subscription, all calls being paid, and every holder of a policy on the mutual principle upon which all premiums due have been paid shall have one vote for each five thousand dollars insurance held by him. No proxy can vote unless he is himself a member qualified to vote or has been authorized by by-law of the company.

13. The directors shall have power to make calls upon the subscribers to the guarantee fund for such sums and at such times as they shall think fit for the purposes of the company, and to sue for and enforce the payment of the same; they may also declare all subscriptions forfeited on which such calls have not been duly paid, and reallocate or sell the same or any part thereof for the benefit of the company to any other person or persons.

14. No subscriber to the guarantee fund shall be liable as a subscriber for more than the amount of his subscription, and his liability as a guarantor shall be limited to the amount for which he has subscribed as such guarantor and no policy holder shall be liable for more than the premiums on his policy.

15. The company shall have a corporate seal and may sue or be sued in its corporate name.

16. It shall be lawful for the company to invest its funds in or on the debentures, bonds or stocks or other securities of the Dominion of Canada, or of any Province of Canada or in the United Kingdom of Great Britain and Ireland, or the securities of any municipal or school corporation of Canada or the security of the stock, bonds or debentures of any incorporated building society, loan or investment company, waterworks company, gas company, street railway company, electric light or power company, electric railway or street railway company, or telegraph company incorporated in Canada or of bank stock, or on the security of real estate, or mortgage security thereon, or on the security of leaseholds for a term or term of years or other estate, or interest in real property or mortgage security thereon in any Province of Canada, or by other companies, or in the purchase of ground rents, or upon stock, bonds or debentures of the United States, or of any State thereof, or in or on mortgages on real estate therein (but the amount so invested in the United States shall not at any time exceed the reserve upon all outstanding policies in force in the United States and the amount so invested in the United Kingdom and Ireland shall not at any time exceed the reserve upon all outstanding policies in force in the United Kingdom and Ireland and in each shall be calculated on the basis provided in section 1 of this Act), and to change and re-invest the same as occasion may from time to time require, and to take, receive, and hold, all or any

of the securities in the corporate name of the company, or in the name of trustees for the company, appointed by the directors whether for funds invested by being advanced or paid in the purchase of such securities or loaned by the company on the security of the said debentures, bonds, stocks, mortgages or other securities as aforesaid, such loans to be on such terms and conditions and in such manner and in such times and for such sums and in such sums of repayment whether of principal or interest together, and at such interest or returns as the board of directors may from time to time determine and direct and taken either absolutely or conditionally or as collateral security or taken in satisfaction of debts due to the company or judgment recovered against any person or corporation on its behalf or in security for the payment of the same or any part thereof:

Provided that the company may take any additional security of any nature to further secure the repayment of any liability to the company or to further secure the sufficiency of any of the securities upon which the company is above authorized to lend any of its funds.

17. The company may hold such real estate as shall have been *bona fide* mortgaged to it by any way of security or conveyed to it in satisfaction of debts or judgments recovered:

Provided always that all real estate so mortgaged or conveyed in security as aforesaid shall be sold and disposed of within twenty years from the time of its becoming the absolute property of the company.

~~18. The company may invest or deposit such portion of its funds in foreign securities as may be necessary in the establishment or maintenance of any foreign branch.~~

~~19. The company may hold real estate which may be required for the use and accommodation of the company and may sell or mortgage the same.~~

20. The shares of the subscribers to the guarantee fund shall be transferable under the regulations of and in accordance with the by-laws but the company shall not be liable for the execution of any trust, whether expressed, implied or constructive.

21. The foregoing conditions of this Act, having been complied with, the company shall before commencing business make applications to the Provincial Treasurer for a license.

22. The license shall be in such form as may be from time to time determined by the treasurer, and it shall specify the business to be carried on by the company, and shall expire on the thirty-first day of December in every year, but shall be renewable from year to year.

23. So soon as the company applying for license has deposited with the Provincial Treasurer the securities hereinafter mentioned and has otherwise conformed to the requirements of this Act, the treasurer may issue the license.

24. The initial deposit to be made by the company before the original issue of the license shall be accompanied by an affidavit of at least two of the principal officers of the company, that the securities are absolutely the property of the company and are free from liens and encumbrances of any nature whatsoever.

25. Before the annual renewal of license the amount of deposit required of the company shall, on or before the first day of January in each year, be readjusted in the terms of the next two following sections.

26. If on the preceding thirty-first day of December in any year the company's contingent liability or amount at risk does not exceed one million five hundred thousand dollars, then

27. The company shall keep on deposit with the Provincial Treasurer five thousand dollars.

28. If on the preceding thirty-first day of December in any year the company's contingent liability or the amount at risk exceeds one million five hundred thousand dollars or fraction thereof, then for each additional one million five hundred thousand dollars the company shall keep on deposit with the Provincial Treasurer by way of additional security two hundred dollars for every one hundred thousand dollars or fraction thereof by which the said total contingent liability or amount at risk is exceeded.

29. Securities of the Dominion of Canada, or securities issued by any of the Provinces of Canada, shall be accepted at their market value at the time when they are deposited.

30. Municipal and school debentures legally and properly issued in the province shall be accepted at their market value at the time when they are deposited.

31. The other securities specified in this Act shall be accepted at such valuation and on such conditions as the Provincial Treasurer may direct.

32. Where the company desires to substitute other securities, within the provisions of this Act for securities deposited with the Provincial Treasurer, the Provincial Treasurer if he thinks fit may permit the substitutions to be made.

33. The company may deposit in the hands of the Provincial Treasurer any sums of money or securities of the kind prescribed by this Act beyond the sum hereinbefore required, and such sums of money or securities shall be dealt with as if the same had been part of the original deposit; and no part of the additional deposit shall be withdrawn except with the sanction of the Lieutenant Governor in Council.

34. If, from the annual statement, or from an examination of the affairs and conditions of the company, it appears that the reinsurance value of all its risks outstanding, exceeds its assets including the deposit in the hands of the Provincial Treasurer, then the company shall be called upon by the Provincial Treasurer to make good the deficiency at once and on failure so to do its license shall be cancelled.

35. So long as the company's deposit is unimpaired the interest upon the securities forming the deposit shall be handed over to the company.

36. It shall be the duty of the company by two of its officers to prepare annually on the first day of January, or within three months thereafter, a statement of the condition and affairs of the company on the thirty-first day of December then next

preceding, exhibiting the assets, liabilities, receipts and expenditures in such form and with such items and details as shall be required by the Provincial Treasurer, such statement to be accompanied by a statutory declaration taken by a person authorized to take same.

37. The company shall when required by the Provincial Treasurer make prompt and explicit answer in reply to any enquiries in relation to its transactions.

38. The Provincial Treasurer may in person or by deputy visit the head office of the company once in each year, and make an examination into the affairs of the company.

39. In order to facilitate the inspection of the company's books and papers the company may be required by the Provincial Treasurer to produce, and thereupon the company shall produce, the said company's books and papers at the head office of the company, or at such other convenient place as the Provincial Treasurer may direct.

40. It shall be the duty of the officers of the company to cause their books to be open for the examination of the Provincial Treasurer or his deputy, and otherwise to facilitate the examination so far as may be in their power, and the Provincial Treasurer or his deputy shall have power to examine under oath any officer or agent of the company relative to its business.

41. The company shall not commence actual business until it shall have complied with the requirements of the Dominion Insurance Act.

42. This Act shall come into force on the day it is assented to.

~~1911~~ 1910

SECOND LEGISLATURE

10 EDWARD VII

1910

BILL

"An Act to Incorporate the
Northwestern Life Insurance
Company"

Received and read the

First time

Second time

Third time

EDMONTON
James E. Rossignol, Government Printer
A.D. 1910