

BILL

No. 5 of 1913.

An Act to Incorporate the Canada Union Assurance Company.

(Assented to 1913.)

WHEREAS William Arthur Lowry, agent; William Roy McKerlie, insurance agent; Everett Mansfield Whitley, secretary; James Fleming, agent, all of the City of Calgary in the Province of Alberta, and James Donald Anderson, gentleman, of the Town of High River in the said Province of Alberta, have presented a petition praying for the incorporation of the Canada Union Assurance Company;

And whereas it is expedient to grant the prayer of the said petitioners;

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

1. The persons hereinbefore named and all such persons as shall become shareholders of the said company shall be and are hereby constituted and declared to be a body corporate and politic in law and in fact under the name and style of the "Canada Union Assurance Company" for effecting insurance against losses by fire, lightning, hailstorms, accidents and casualties and doing all things appertaining thereto or connected therewith and as such to have perpetual succession with a corporate seal and power from time to time to make, alter, break or change the same and shall be capable in law of contracting and being contracted with, of suing and being sued, of pleading and being impleaded in any court of law or equity.

2. The capital stock of the company shall be five hundred thousand dollars, divided into five thousand shares of one hundred dollars each:

Provided that the company may increase its capital stock from time to time to an amount not exceeding one million dollars by resolution of the directors sanctioned by a two-thirds vote of a general meeting of the shareholders duly called for that purpose and by filing with the Registrar of Joint Stock Companies a certified copy of such resolution, accompanied by such fees as would require to be paid for the increase of capital of a company under *The Companies Ordinance*.

3. The chief place of business of the company shall be in the City of Calgary in the Province of Alberta; but may be changed from time to time to such other place in the said province as may be designated by by-law:

Provided, however, that such by-law shall be of no effect until it shall have been duly passed by the board of directors and sanctioned by the shareholders at an annual general meeting or a special meeting to be expressly convened for that purpose, notice whereof has been subsequently given in two consecutive issues of *The Alberta Gazette*.

4. For the purpose of organizing the said company the persons named in the preamble to this Act shall be the provisional directors thereof; and they or a majority of them may cause stock books to be opened at the chief place of business of the company and elsewhere at the discretion of the said provisional directors, which shall remain open as long as they may deem necessary: and the provisional directors are hereby authorized to receive from the

shareholders a deposit of ten per cent. on the amount of the stock subscribed by them respectively and to pay all costs and expenses incurred in the application for and obtaining this Act of incorporation; so soon as the directors shall have been elected as hereinafter provided the powers and functions of the provisional directors shall cease and determine.

5. When one hundred thousand dollars of the said capital stock shall have been subscribed as aforesaid and ten per cent. of the amount so subscribed paid in the provisional directors may call a general meeting of the shareholders at the chief place of business of the company, giving ten days' notice of the time and place where such meeting is to be held in some newspaper published in the City of Calgary and by sending to each shareholder a copy of said notice by registered letter, at which general meeting the shareholders present in person or represented by proxy shall elect in the manner hereinafter provided a board of directors composed of not less than five nor more than nine duly qualified shareholders who shall hold office until their successors are elected.

6. It shall not be lawful for the said company to commence business of insurance until at least one hundred thousand dollars of its capital stock shall have been subscribed and ten per cent. of the amount so subscribed paid in and a board of directors elected as aforesaid.

7. The shares of capital stock of the said company subscribed for shall after the first payment of ten per cent. thereon be paid in by such instalments and at such times and places as the directors shall appoint:

Provided no such instalment shall exceed ten per cent. and not less than one month's notice of any calls upon stock shall be given; and trustees, executors, administrators and curators paying instalments upon the shares of deceased shareholders shall be and are hereby respectively indemnified for paying the same.

8. If any shareholder shall refuse or neglect to pay any call upon the share or shares held by him for sixty days after the same shall become payable the board of directors may by resolution declare such share or shares and all amounts previously paid thereon to be forfeited to the said company and the same shall thereupon become so forfeited and may be sold by the directors:

Provided always that in case the money realized from such sale of share or shares be more than sufficient to pay all arrears and interest, together with the expense of such sale, the surplus of such money shall be paid on demand to the former shareholder and no more shares shall be sold than shall be necessary to pay all arrears due by said shareholder with interest and expenses of sale:

Provided that in all actions or suits for the recovery of such arrears or calls it shall be sufficient for the company to allege that the defendant being the owner of such shares is indebted to the said company in such sum of money as the calls in arrears amount to for such sale and so many shares whereby an action has accrued to the company by virtue of this Act and on the trial in order to establish a *prima facie* case it shall be necessary only to prove that the defendant was owner of the said shares in the company, that the said calls were made and that notice was given, as directed by this Act, and it shall not be necessary to prove the appointment of the directors who made such calls or any other matter whatsoever than by this section specially required, and any copy or extract of any by-law, rule, regulation, or minute or of any entry in any book of the company certified to be a true copy or extract under the hand of the president or vice-president, the manager or secretary of the company and sealed with the corporate seal thereof shall be received in all courts and proceedings as *prima facie* evidence of such by-law, rule, regulation, minute or entry without further proof thereof and without proof of the official character or signature of the officer signing the same or of the corporate seal.

9. If payment of such arrears, calls, interest and expenses be made before any share so forfeited shall have been sold such share shall revert to the owner as if the same had been duly paid before the forfeiture thereof.

10. No transfer of any share of the capital stock of the said company shall be valid until entered in the books of the company according to such form as may be from time to time fixed by the by-laws; and until the whole of the subscribed stock of the company is paid up it shall be necessary to obtain the consent of the directors for the time being to such transfer being made:

Provided always that no shareholder indebted to the company shall be permitted to make a transfer or receive a dividend until such debt is paid or secured to the satisfaction of the directors; and no transfer of stock at any time shall be made until all calls thereon due up to the time of transfer shall have been made.

11. In the event of the property and assets of the said company being insufficient to liquidate its debts, liabilities and engagements, the shareholders shall be liable for the deficiency, but to no greater extent than the amount of the balance remaining unpaid upon their respective shares in the capital stock.

12. No shareholder shall be liable to any action for any debt, liability or engagement of the said company by any creditor thereof before the execution against the company has been returned unsatisfied in whole or in part; and the amount due on such execution shall be the amount recoverable with costs against such shareholder:

Provided that any shareholder may plead by way of defence in whole or in part any set off which he could set up against the company except the claim for unpaid dividends or salary or allowance as a president or director; and provided always that nothing in this section shall be construed to allay or diminish the additional liabilities of the directors of the company.

13. The company or directors shall not be bound to see to the execution of any trust either express, implied or constructive affecting any share or shares of its stock; and notwithstanding any such trust or any notice thereof to the company or directors the receipt of the person in whose name any share stands shall be sufficient discharge for any money paid in respect to such share or shares to the company.

14. The annual general meeting of the shareholders of the company shall be held at the chief place of business of the company on such day and at such hour as may be appointed by by-law, thirty days' notice of such meetings being given in some newspaper published at or as near as may be to the said chief place of business or in such other manner as may be provided by the by-laws of the company.

15. Special general meetings of the shareholders may be called in such manner as may be provided by the by-laws and by giving not less than ten days' notice.

16. At all general meetings of the shareholders of the company, the president or in his absence the vice-president or in the absence of both of them a director chosen by the shareholders shall preside, who in case of an equality of votes shall give the casting vote in addition to his vote as a shareholder.

(2) Each shareholder shall be entitled to cast one vote for every share held by him for not less than fourteen days prior to the time of voting and upon which all calls then due have been paid; such votes may be given either in person or by proxy; but the holder of such proxy must be a shareholder.

(3) All questions proposed for the consideration of the shareholders shall be determined by the majority of votes.

17. The stock, property and affairs of the company shall be managed and conducted by a board of directors, which shall consist of duly qualified shareholders (not less than five nor more than nine, as may be provided by the by-laws) who shall be elected at the annual general meeting of the shareholders each year; such election to be by ballot and the requisite number of persons receiving the greatest number of votes at such election shall be the directors for the ensuing year:

Provided if two or more persons receive an equal number of votes in such a manner that a greater number of persons shall appear to be chosen as directors than are required to constitute the board, then the directors who shall have received the greater number of votes or the majority of them shall determine which of the said persons so receiving an equal number of votes shall be the director or directors to complete the board.

(2) No person shall be eligible or continue as a director unless he shall hold in his own name stock in the company to the amount of twenty-five shares on which not less than ten per cent. shall have been paid and unless all calls on such stock shall have been paid and if he is indebted in any manner to the company.

(3) The directors shall as soon as may be after their election from time to time as circumstances may require elect from among themselves by ballot a president and a vice-president of the company who shall hold office until their successors shall have been elected in like manner; the president, vice-president or any director may be appointed manager or manager director of the company.

(4) Any vacancy happening amongst the directors by death, resignation or disqualification during their term of office shall be filled for the remainder of the term by the remaining directors or the majority of them electing in place of such director or directors a shareholder or shareholders eligible for election as directors.

(5) At all meetings of directors a majority of the full number of the directors of the company shall be a quorum for the transaction of business and all questions before them shall be decided by a majority of votes, each director present having one vote and in the case of a tie the chairman of the meeting, in addition to his own vote, shall give the casting vote.

18. In case it shall at any time happen that an election of directors of the said company should not be made on any day when it should have been made under the provisions of this Act, the said company shall not thereby be or be deemed to have been dissolved; but the directors in office shall so continue until their successors have been duly elected.

19. Subject to the provisions of this Act, the directors shall have full power and authority to make and from time to time to alter such by-laws, rules, regulations and ordinances as shall appear to them proper or needful touching the well ordering of the business of the company, the management and disposition of its stock, property, estate and effects and in all things to administer the affairs of the company, and make or cause to be made for the company all contracts into which by law the company can enter; and may from time to time make by-laws regulating the allotment of stock, the making of calls thereon, the payment thereof, the issue and registration of stock certificates, the forfeiture of stock for non-payment, the disposal of such forfeited stock and the proceeds thereof, the transfer of stock, the declaring and paying of dividends, the number and term of service of directors, the appointment, functions, duties and removal of agents, officers and servants of the company, the security to be given by them, their remuneration, and that, if any, of the directors, the time and place of annual meetings of the company, the calling of meetings of the board or committee of directors and meetings of the company, the requirements as to proxies, the procedure in all things at meetings, the imposition and recovery of all penalties and forfeitures admitting of regulation by by-law and the conduct and management in all other particulars of the affairs of the company; and may from time to time repeal, amend, re-enact the same:

Provided always that all such by-laws made by the directors as aforesaid shall be valid and binding only until the next annual general meeting of shareholders, unless they are then approved by such meeting, and shall thereafter have force and effect as so approved or modified at such meeting until amended or altered.

20. The company shall have power to make and effect contracts of insurance with any person or persons or bodies politic or corporate against any loss or damage by fire or lightning on any houses, stores or other buildings whatsoever and on any shipping or vessels whatsoever and wheresoever, proceedings against loss or damage by fire, and in like manner on any goods, chattels or personal estate whatsoever for such time or times and for such premiums or consideration and under such modifications or restrictions and upon such conditions as may be bargained or agreed upon or set forth by and between the company and the person or persons insured or to be insured and to cause themselves to be reinsured against any loss or risk they may have incurred in the course of the business; and generally to do and perform all other necessary matters and things connected with and proper to promote the objects for which said company is incorporated; and all policies or contracts issued or entered into by the said company shall be signed by the president or vice-president and the manager or otherwise as may be directed by the by-laws, rules and regulations of the company and being signed and countersigned shall be deemed valid and binding upon the company according to the tenor and meaning thereof.

21. The company shall have full power to acquire and hold real estate for the purpose of its business within this province of an annual value not exceeding twenty thousand dollars and to sell and dispose of the same and acquire other property in its place as may be deemed expedient, and further to take, hold and acquire all such lands and tenements, real or personal estate, as shall have been *bona fide* mortgaged to it by way of security or conveyed to it in satisfaction of debts previously contracted in the course of its business or purchased for the purpose of avoiding a loss to the company in respect thereof or of the owner thereof and to retain the same for a period not exceeding five years from the acquisition thereof; and the company may invest its funds or any part thereof in any of the public securities of the Dominion of Canada or any or the provinces thereof or in the stocks of any banks or in the bonds or debentures of any incorporated city, town or municipality authorized to issue bonds or debentures or in any mortgages or loans upon real estate or in real estate.

22. The company shall have power to amalgamate with or purchase the business of any other insurance company or to sell out and dispose of the business of the company to any other such company upon the terms and conditions that may be agreed upon and that shall not impair the resource or remedy of any creditor or policy holder of the company; but before the completion of any such amalgamation, purchase or sale, the same must be approved of by a two-thirds vote of the shareholders at an annual general meeting or a special meeting called for the purpose.

23. The directors shall cause to be prepared and submitted to the shareholders at each annual general meeting a full and correct statement of the accounts of the company, a general abstract of the estimated liabilities and assets of the company.

24. One or more auditors shall be appointed by the shareholders at each annual general meeting, whose report shall be embodied in the general statement of affairs of the company submitted to the shareholders, as provided in the next preceding section.

25. This Act and the company hereby incorporated and the exercise of the powers hereby conferred shall be subject to any general laws in force or that may hereafter be in force in the province respecting insurance companies.

26. The company shall furnish all such returns as may be called for from time to time by the Provincial Secretary.

No. 5

~~FOURTH SESSION~~
SECOND LEGISLATURE

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1913

BILL

**An Act to Incorporate the Canada Union
Assurance Co.**

Received and read the

First time

Second time

Third time.....

**EDMONTON :
J. W. JEFFERY, Government Printer
A.D. 1913**