

BILL

No. 5 of 1916.

An Act to incorporate The United Assurance Company of Canada.

(Assented to _____, 1916.)

WHEREAS The United Assurance Company of Canada, Limited, has by its petition represented that it was incorporated in the year A.D. 1915 under *The Companies Ordinance* of the North-West Territories and amendments thereto for the purpose of effecting contracts of Hail Insurance throughout the Province of Alberta; and whereas the said company has prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition;

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

1. The shareholders of the company mentioned in the preamble, hereinafter called "the old company," together with such persons as become shareholders in the company incorporated by this Act, are incorporated under the name of "The United Assurance Company of Canada," hereinafter called "the company."

2. The head office of the company shall be in the City of Calgary, in the Province of Alberta, and branches, advisory boards and agencies may be established and maintained elsewhere in such manner as the directors from time to time appoint.

3. The capital stock of the company shall be five hundred thousand dollars (\$500,000.00) divided into five thousand (5,000) shares of one hundred dollars (\$100.00) each. Such shares shall be and are hereby vested in the several persons to whom they shall be allotted, their legal representatives and assigns, subject to the provisions of this Act:

Provided that the company may increase its capital stock from time to time to an amount not exceeding one million dollars (\$1,000,000.00) 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*.

4. The shareholders of the old company are hereby declared to be holders respectively of as many shares in the company as they are holders respectively of shares in the old company, but only the sums which have been, or may hereafter be paid by such shareholders respectively on the issued shares of the old company shall be credited as paid on the shares of the company.

(2) The liability of a shareholder of the company upon the said shares in the company so held by him shall amount per share only to the difference between the sum so paid upon each share and one hundred dollars (\$100.00).

(3) Nothing in this Act shall affect the liability of the shareholders of the old company, who have not paid the calls already made upon the shares of the old company, to pay the said calls.

5. Nothing in this Act shall be so construed as to lessen the liability of the shareholders of the old company to the present creditors or to the present policyholders of the old company; provided, however, that any payment made upon the shares of the company shall reduce the said liability of the shareholders of the old company by the amount of such payment.

6. The company shall be liable for and subject to and shall pay, discharge, carry out and perform all the debts, liabilities, obligations and contracts of the old company, and any person having any claim, demand, right, cause of action or complaint against the old company or to whom the old company is under any obligation, liability or contract, shall have the same rights and powers in respect thereto, and to the collection and enforcement thereof, from and against the company and its shareholders as such person has against the old company and its shareholders; provided, however, that any person who recovers from any shareholder in respect of any shares in the company shall be held to have abandoned *pro tanto* his right to recover in respect of the corresponding shares in the old company.

7. All the assets, rights, credits, effects and properties, real, personal and mixed, of whatsoever kind and wheresoever situate, belonging to the old company, or to which it is, or may be, or may become, entitled, shall be vested in the company upon due execution of the indenture in the schedule to this Act, but shall remain subject to existing mortgages or liens, if any.

8. The president, vice-presidents and directors of the old company shall continue to be such in the company until their successors are elected, and all by-laws, rules and regulations of the old company, not contrary to law or inconsistent with this Act, shall be the by-laws, rules and regulations of the company until amended or repealed in pursuance of the provisions of this Act.

9. So soon as \$200,000.00 of the said capital stock of the company has been subscribed and at least \$25,000.00 of the said subscribed stock has been paid up, the directors appointed by this Act shall, by a written or printed notice mailed at least ten days before the date on which the meeting is called addressed to the addresses of the shareholders respectively given in the books of the company, call a meeting of the shareholders of the company at some place to be named in the City of Calgary (to be called the First Annual General Meeting), at which meeting the shareholders present or represented by proxy shall elect a board of not less than five or more than nine directors of whom a majority shall form a quorum.

(2) No person shall be a director unless he holds in his own name and for his own use at least 20 shares of the capital stock of the company and has paid all calls due thereon and all liabilities incurred by him to the company.

(3) It shall not be lawful for the company to commence the business of insurance until at least \$200,000.00 of the capital stock shall have been subscribed and at least \$25,000.00 of the said subscribed stock has been paid in and a board of directors elected as aforesaid.

10. The shares of the capital stock subscribed for shall be paid by such instalments and at such times and places as the directors appoint. The first instalment shall be not less than ten per cent. and no subsequent instalment shall exceed ten per cent., and not less than thirty days' notice of the call of each subsequent instalment shall be given.

11. If any shareholder shall refuse or neglect to pay any call made upon the share or shares held by him for thirty days after the same shall have become payable, the board of directors may by resolution declare such share or shares and all dividends declared in respect thereof and not actually paid theretofore, 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 that in case the money realized from any such sale of shares be more than sufficient to pay all arrears and interest together with the expenses 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 such shareholder; provided always that if the money realized from any such sale of shares be not sufficient to pay all arrears and interest together with the expenses of such sale the shareholder whose shares have been so sold shall notwithstanding be liable to pay and shall forthwith pay to the company such deficiency:

Provided further that in all actions or suits for the recovery of any arrears of 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 arrear amount to for such 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 to prove only that the defendant was owner of the said shares in the company, and that 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, regulations 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, and 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 any further proof thereof and without proof of the official character or signature of the officer signing the same or of the corporate seal.

12. 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 forfeiture thereof.

13. No transfer of any share of the capital stock of the 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 shall at any time be made until all calls thereon due up to the time of transfer shall have been paid.

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

15. 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 to the company for any money paid in respect of such share or shares.

16. A general meeting of the company shall be called once in each year after the holding of the first annual general meeting at its head office, and at such meeting a statement of the affairs of the company shall be submitted; and special, general and extraordinary meetings may at any time be called by any three directors or by requisition of any twenty shareholders specifying in the notice the object of such meeting.

(2) The notice of each meeting shall be sufficiently given by a printed or written notice to each of the shareholders mailed at least ten days before the date on which the meeting is called and addressed to the addresses of the shareholders respectively given in the books of the company.

17. The company in general meeting may declare a dividend to be paid out of the profits to the shareholders and such dividend shall be payable on the capital paid up on the shares held by them respectively, but in no case shall the dividend so declared be greater than that which is recommended by the directors. The company shall have a lien on the dividend payable to any shareholder in respect of any indebtedness or maturing obligation by or from such shareholder to the company whatsoever and the same shall forthwith be applied in discharge of such indebtedness or maturing obligation.

18. At all general meetings of the shareholders of the company the president shall be entitled to take the chair or in the absence of the president the senior vice-president present may act or in the absence of the president and both vice-presidents the members shall choose another director as chairman and if no director is present or if all directors present decline to act then the members present shall choose one of their number to act as chairman.

(2) At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands unless a poll is (before the declaration of the result of the show of hands) demanded by any shareholder entitled to vote thereat, and unless a poll is so demanded a declaration by the chairman that the resolution has, on a show of hands, been carried, or carried unanimously or by a particular majority or lost, and an entry to that effect in the minute book of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

(3) On a show of hands every member present in person, including the proxy of a member being an incorporated company, shall have one vote. On a poll every member shall have one vote for each share of which he is the holder and for each share (if any) for which he is proxy; provided that no member shall vote either in person or by proxy on any share which has not been held by him for at least fourteen days prior to the time of voting and upon which all calls then due have not been paid. Votes may be given either in person or by proxy, but such proxy with the exception of a proxy of an incorporated company must be a shareholder.

(4) In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

(5) All questions proposed for consideration of the shareholders shall be determined by the majority of votes except as otherwise provided by this Act.

19. At the first annual general meeting of the company and at each succeeding annual general meeting all the directors shall retire from office. A retiring director shall retain office until the dissolution of the meeting at which his successor is elected. A retiring director shall be eligible for re-election. The shareholders at the annual general meeting at which the directors retire as aforesaid shall fill up the vacated office by electing a like number of persons to be directors; provided that the shareholders may increase the number of directors who hold office for the ensuing year to any number not greater than the maximum number of directors hereinbefore mentioned and in that case the shareholders shall in addition to filling up the vacancies of the retiring directors as aforesaid elect such additional directors.

20. Any casual vacancy in the board of directors may be filled up by the directors but any person so chosen shall retain his office so long only as the vacating director would have retained the same if no vacancy had occurred.

21. In case it should 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 it shall be lawful on any other day to hold and make an election in such manner as may be regulated by the directors for the time being and the directors in office shall so continue until their successors have been duly elected.

22. Subject to the provisions of this Act the directors shall have full power and authority to pay all costs and expenses incurred in the application for and obtaining this Act of incorporation and to pay commission on the sale of the company's shares and to make and from time to time to alter such by-laws, rules, regulations and ordinances as shall appear to them proper and needful, touching the well-ordering of the business of the company, and management and disposition of its stock, property, estate and effects, and in all things to administer the affairs of the company and to make or cause to be made for the company all contracts into which by law the company may 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 nonpayment, the disposal of such forfeited stock, and the proceeds thereof, the transfer of stock, the declaring and payment of dividends, 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 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-laws and the conduct and management in all other particulars of the affairs of the company and may from time to time repeal, amend or re-enact the same; and the directors may from time to time appoint one of their body to be managing director of the company and may entrust to and confer upon such managing director for the time being such of the powers exercisable by the directors under this Act as they think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient; provided always that all such by-laws made by the directors as aforesaid shall only be valid and binding until the next annual general meeting of the 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.

23. The company may carry on all or any of the classes, branches or kinds of insurance following, that is to say:

- (a) The making and effecting of contracts of insurance with any person or persons or bodies politic or corporate against loss or damage by fire or lightning in or to any houses, dwellings, stores,

factories, mills or other buildings whatsoever or to any goods, chattels, bridges or personal effects whatsoever and contracts of sprinkler leakage insurance in connection only with fire contracts made by the company;

- (b) The making and effecting of contracts of insurance with any person or persons or bodies politic or corporate against loss or damage by hail to any growing crops;
- (c) The making and effecting with any person or persons or bodies politic or corporate of contracts of fidelity insurance, plate glass insurance, accident insurance or sickness insurance as defined by *The Alberta Insurance Act, 1915*; all of which contracts of insurance may be made for such time or times and for such premiums and considerations and under such modifications and restrictions and upon such conditions as are bargained and agreed upon and set forth by and between the company and insured, and the company may do all things pertaining thereto or connected therewith, and as such have perpetual succession, with a corporate seal, with 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, pleading and being impleaded in any court of law or equity.

(2) The company may also cause itself to be insured against any risk it may have undertaken in the course of its business.

(3) The company may also undertake the re-insurance of the risks of other companies.

24. If authorized by a resolution, sanctioned by a vote of not less than two-thirds in value of the subscribed stock of the company, represented in general meeting of the shareholders duly called for considering the resolution, the directors may from time to time—

- (a) Borrow money upon the credit of the company;
- (b) Limit or increase the amount to be borrowed;
- (c) Hypothecate, mortgage or pledge the real and personal property of the company or both, to secure any such money borrowed for the purpose of the company.

(2) Nothing in this section contained shall be deemed to limit or restrict the borrowing of money by the company on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the company.

25. The company shall have power to acquire and hold such real estate as is required for its actual use and occupation or such as may reasonably be required for the natural expansion of its business; 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 at sales upon judgments which shall have been obtained

for such debts 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 twelve 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 of the provinces thereof, or in the bonds or debentures of any incorporated city, town or municipality, authorized to issue bonds or debentures or in mortgages or loans upon real estate, or in any of the investments provided for in subclauses (a) and (b) of subsection (1) of section 59 of chapter 32, Statutes of Canada, 1910, being *An Act respecting Insurance*.

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

27. The company shall have power to take, purchase or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this company or carrying on any business capable of being conducted so as directly or indirectly to benefit this company; to enter into any arrangement for sharing profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise, with any company carrying on or engaged in any insurance business.

28. 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 and a list of shareholders showing the amount of stock held and the amount unpaid thereof respectively.

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

30. This Act shall not take effect unless and until accepted and approved by a resolution passed by a vote of not less than two-thirds in value of the shareholders of the old company present or represented by proxy at a special general meeting of the old company duly called for the purpose of considering this Act; and, if so accepted and approved of, this Act shall come into force upon a subsequent day to be fixed for that purpose by the said resolution.

(2) Notice of such acceptance and approval, and of the day so fixed, shall be published by the company in *The Alberta Gazette*.

31. If at the time of the passing of the resolution mentioned in the preceding clause hereof by the shareholders of the old company not less than \$200,000.00 of the capital stock of the old company shall have been subscribed and not less than \$25,000.00 of such subscribed stock shall have been paid, the requirements of section 9 and the subsections thereof and of section 7 of *The Alberta Insurance Act*, 1915, shall be deemed to have been complied with and it shall be lawful for the company to commence the business of insurance provided that other conditions precedent required by this Act and by the said *The Alberta Insurance Act* have been complied with; provided that in any event the stock subscribed for in the old company and the amount paid up in respect thereof at the date of the passing of the said resolution shall for the purposes of section 9 aforesaid and of the said section 7 of *The Alberta Insurance Act* be deemed to have been subscribed for and paid up in the company.

32. 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.

SCHEDULE.

This indenture made this.....day of....., A.D. 1916, between The United Assurance Company of Canada, Limited, incorporated under *The Companies Ordinance* of the North-West Territories, 1901, and amendments thereto, of the first part, hereinafter called "the old company," and The United Assurance Company of Canada, incorporated by chapter of the Statutes of 1916 of the Province of Alberta, of the second part, hereinafter called "the company."

Whereas the shareholders of the old company have accepted and approved of the company's said Act of incorporation, intituled "*An Act to incorporate The United Assurance Company of Canada*" and, by the resolutions of the shareholders duly passed in that behalf, the..... day of....., A.D. 1916, was fixed as the date from which the said Act should take effect; and whereas by the said Act the company is authorized to acquire all the assets, rights, credits, effects and property, real, personal and mixed, of the old company; and whereas the old company has agreed to convey and assign the same to the company;

Now this indenture witnesseth, that in consideration of the said Act and of the shares in the capital stock of the company, which are thereby vested in the shareholders of the old company, and in consideration of the covenants by the company hereinafter contained, the old company hereby grants, assigns, transfers and sets over unto the company, its successors and assigns, forever, all the assets, rights, credits, effects and property, real, personal and

mixed, of whatever kind and wheresoever situated, belonging to the old company, or to which it is, or may be or may become entitled: To have and to hold unto the company, its successors and assigns, to and for its sole and only use forever; and the old company covenants with the company to execute and deliver, at the expense of the company, all such further and other separate and formal assurances, assignments, transfers and conveyances, for registration purposes or otherwise, as may be required to vest in the company, its successors and assigns, the full, legal, equitable and beneficial title and interest to and in the said assets, rights, credits, effects and property;

And in consideration of the foregoing, the company covenants with the old company, its successors and assigns, that it shall and will be liable for and subject to and shall and will pay, discharge, carry out and perform all debts, liabilities, obligations and contracts for or in respect of which the old company is now liable, or to which it is subject or which it should pay, discharge, carry out or perform, and the company shall and will indemnify and save harmless the old company in respect thereof.

No. 5.

FOURTH SESSION
THIRD LEGISLATURE
GEORGE V
1916

BILL

An Act to Incorporate The United
Assurance Company of Canada.

Received and read the

First time

Second time

Third time

EDMONTON:
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