

BILL

No. 3 of 1917.

An Act to incorporate the Merchants and Traders Assurance Company.

(Assented to _____, 1917.)

WHEREAS James Lawrence, manager; Charlevoix H. Dunham, insurance manager; Samuel George James Robbins, agent, all of the City of Calgary, in the Province of Alberta, and Andrew Tod, agent, of the City of Edmonton, in the Province of Alberta, have presented a petition praying for the incorporation of the Merchants and Traders Assurance Company; Preamble

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 "Merchants and Traders Assurance Company" for effecting insurance in the Province of Alberta or elsewhere in the Dominion of Canada against losses by fire, lightning, rain, hail or wind; and for effecting accident insurance, automobile insurance, liability insurance, fidelity insurance, guarantee insurance, burglary insurance, inland marine insurance, inland transportation insurance, plate glass insurance, live stock insurance and sickness insurance 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 with in any court of law or equity. Incorporation

2. The capital stock of the company shall be five hundred thousand dollars (\$500,000.00) divided into ten thousand shares of fifty dollars (\$50.00): Capital stock

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 vote of the holders of not less than two-thirds in value of the subscribed stock of the company at a general meeting of the shareholders duly called for that purpose and by filing with the Registrar of Joint Stock Companies 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 Head office

as may be designated by by-law, and branches, sub-boards and agencies may be established and maintained elsewhere as the directors may from time to time appoint:

Provided, however, that no by-law changing the chief place of business of the company from the City of Calgary shall be of any effect until it shall have been duly passed by the board of directors and sanctioned by a vote of the holders of not less than two-thirds in value of the subscribed stock of the company at an annual general meeting or a special meeting to be expressly convened for that purpose, notice whereof has been previously given in two consecutive issues of The Alberta Gazette.

4. For the purpose of organizing the said company the persons hereinbefore named 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; as soon as the directors shall have been elected as hereinafter provided the powers and functions of the provisional directors shall cease and determine. The money paid in shall be deposited in some chartered Canadian bank and withdrawn only for the purposes of the company.

5. When twelve thousand dollars (\$12,000.00) of the said capital stock shall have been *bona fide* subscribed for and taken up, and at least three thousand dollars (\$3,000.00) of the subscribed stock shall have been paid up, the provisional directors may call a general meeting of the shareholders at the chief place of business of the company giving seven days' notice of the time and place where such meeting is to be held, either in some newspaper in the City of Calgary or 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 three nor more than nine duly qualified shareholders who shall hold office until their successors are elected.

6. 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.

7. 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.

8. 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. Right to pay calls before forfeiture

9. 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: Restriction on transfer of shares

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 payment of all calls thereon due up to the time of transfer shall have been made.

10. 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. Shareholders' liability

11. 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 Restriction on liability of shareholder

company has been returned unsatisfied in whole or in part:

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.

12. The company or directors shall not be bound to see ^{Trust shares not recognized} 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 by the company.

13. The annual general meeting of the shareholders of ^{Annual meeting} the company shall be held at the chief place of business of the company in each year after the organization of the company and commencement of business on such day and at such hour as shall be appointed by by-law, ten days' notice of such meeting being given by mailing to each shareholder a written or printed notice of the meeting by registered letter addressed to the addresses of the shareholders respectively given in the books of the company.

14. Special general meetings of the shareholders may be ^{Special meeting} called in such manner as may be provided by the by-laws and by giving not less than seven days' notice.

15. At all general meetings of the shareholders of the ^{Presiding officer} 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 ^{A vote for each share} 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 ^{Majority of votes decides} shareholders shall be determined by the majority of votes.

16. The stock, property and affairs of the company ^{Election of directors} shall be managed and conducted by a board of directors which shall consist of duly qualified shareholders (not less than three nor more than nine as may be provided by the by-laws) who shall be elected at the first general meeting of the shareholders and subsequently 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 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 shares of which not less than ten per cent. shall have been paid and unless all calls on such stock shall have been paid nor if he is indebted in any manner to the company. Qualification of directors

(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 managing director of the company. How officers elected

(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. Vacancy on board

(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 have a casting vote. Quorum of directors

(6) Until otherwise provided for by the by-laws a quorum at a general meeting of the shareholders shall be one-third of the shareholders present in person or represented by proxy. Quorum at general meeting

17. 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. Directors hold office till successor appointed

18. Subject to the provisions of this Act, the directors shall have full power and authority to make and from time to time 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 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, Making and approval of by-laws

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.

19. The company shall have power to make and effect ^{Powers of company} contracts of insurance with any person or persons, or bodies politic or corporate—

- (a) Against loss or damage by fire, lightning, hail or wind to any houses, stores, factories, mills or other buildings whatsoever, or to any goods, chattels, bridges or personal effects whatsoever, or to any growing trees, shrubs or crops and to enter into contracts of sprinkler leakage insurance;
- (b) Against loss or damage by death, disease, fire, lightning or other accident or casualty to any live stock.
- (c) And without prejudice to the generality of the foregoing the company may carry on the business of fire insurance, accident insurance, sickness insurance, automobile insurance, live stock insurance, hail insurance, liability insurance, guarantee insurance, fidelity insurance, burglary insurance, inland marine insurance, inland transportation insurance, and plate glass insurance and any one or more of them, or all of them in all or any of their branches.

Subject to the provisions contained in section 26 of this Act the meaning to be given to the various kinds of insurance herein referred to is 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 appertaining thereto or connected therewith.

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

(3) The company may also undertake the reinsurance of the risks of other companies.

(4) The company may also undertake to act as agents for or as representatives of other companies doing business of a like or similar nature.

20. The company shall have full power to acquire and hold real estate for the purpose 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 ^{Power to deal in bonds, securities, etc., for purposes of undertaking}

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 fifteen 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 stocks of any banks, or in the shares, stocks, bonds or debentures of any insurance company, or in the bonds or debentures of any corporate city, town or municipality authorized to issue bonds or debentures, or in any mortgages or loans upon real estate or in 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.

21. The company shall have the power to amalgamate with or purchase the business of any other insurance company or insurance agency or to sell out and dispose of the business of the company to any other such company or agency 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 vote of not less than two-thirds in value of the subscribed stock of the company at an annual general meeting or a special meeting of the shareholders called for the purpose.

Power to
sell out or
amalgamate
with or acquire
other company

22. 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.

Directors
to submit
annual report

23. 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.

Auditors

24. If authorized by a resolution sanctioned by a vote of a majority of the subscribed stock of the company present in a general meeting of the shareholders duly called, the directors may from time to time—

Borrowing
powers

(a) Borrow money upon the credit of the company and give security therefor by bills of exchange or promissory notes, made, drawn, accepted or endorsed by or on behalf of the company.

(b) 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.

25. Subject to the provisions of this Act and to the approval of the Board of Public Utility Commissioners the directors shall have full power and authority to pay commissions not exceeding fifteen per cent. on the sale of the company's shares.

Power of
directors
to pay
commission
on sale of
stock

26. This Act and the company hereby incorporated and the exercise of the powers hereby conferred shall be subject to the provisions of *The Alberta Insurance Act, 1915*, and

to any general laws in force or that may hereafter be in force in the province respecting insurance companies.

27. Section 31 of *The Companies Ordinance* shall apply to the company.

No. 3.

FIFTH SESSION
THIRD LEGISLATURE
7 GEORGE V
1917

BILL

An Act to incorporate the Merchants
and Traders Assurance Company.

Received and read the

First time.....

Second time.....

Third time.....

MR. EWING.

EDMONTON:
J. W. JEFFERY, KING'S PRINTER.
A.D. 1917