

Acts of the General Assembly of Her Majesty's Province of New-Brunswick passed in the year 1867. Fredericton, NB: G. E. Fenety, Printer to the Queen's Most Excellent Majesty, 1867.

30 Victoria – Chapter 40

An Act to incorporate the Saint John Mercantile Marine Assurance Company. Passed 17th June 1867.

Section.

1. Incorporation of Company.
2. What Insurances may be made.
3. What Estate may be held.
4. What vessels, &c. Company may hold, not to trade generally.
5. Captial Stock.
6. When and to whom paid.
7. When to commence business.
8. First general meeting, how called; Election of President, &c.
9. Annual meeting; choice of officers.
10. Quarterly meetings; statement of affairs.
11. Power of President and Directors.
12. Board, how constituted.
13. President & Directors, how compensated.
14. Qualification of President, &c.
15. Secretary to give security.
16. Quorum of stockholders; number of votes, and how given.
17. President and Directors, how chosen at irregular times.

Section.

18. Vacancies, how filled.
19. Policies, &c. how signed; losses, how settled; amount of risks.
20. Investment of captial, &c.; disposal of surplus interest.
21. Captial, how increased.
22. Annual dividend.
23. When capital applied to pay losses; when Company to wind up.
24. Stock certificates; transfer of shares.
25. Liability of President & Directors.
26. What responsible for debts.
27. Annual statement of affairs.
28. Books, &c. subject to inspection.
29. When policy holders may participate in profits.
30. Bye laws, &c. where filed, how proved.
31. Shares liable to seizure; proceeding thereon.

Whereas the establishment of Marine Assurance Companies is of great public utility, and tends to encourage and protect the- trade of this Province; and -whereas, the several persons hereinafter named, are willing and desirous to establish and maintain such a Company, but the same cannot be effected without the aid of the Legislature;—

Be it therefore enacted by the Governor, Legislative Council, and Assembly, as follows:—

1. That Honorable John Robertson, Honorable Alexander M'L. Seely, John W. Cudlip, J.V. Troop, William A. Robertson, Thomas E. Millidge, Henry C. Fairweather, William Davidson, William W. Turnbull, Stephen S. Hall, J. Walter Scammell, Howard D. Troop, and Zebedee Ring, their associates, successors, and assigns, shall be and are hereby erected into a body politic and corporate by the name of "The Saint John Mercantile Marine Assurance Company," and by that name shall have all the general powers and

privileges made incident to a Corporation by Acts of Assembly in this Province, for the purpose aforesaid.

2. The said Company shall have power and authority to make with any person or persons, all and every Insurance connected with marine risks, and risks of navigation and transportation by water or railway, against any loss or damage of or to any shipping, vessel, steamer, boat, or other craft whatsoever, wheresoever or withersoever proceeding, and of and to any cargo, goods, moneys, wares and merchandize, or other property and effects of any description, borne or carried by water or by railway, and of and to any freight, profit, commission, bottomry or respondentia interest, and to cause themselves to be re-insured when deemed expedient, against any loss or risk on which they may have made or make insurance, and generally to do and perform all other necessary matters and things relating to such objects.

3. The said Company may purchase, have and hold to them and their successors, any real or leasehold estate, lands and tenements which shall be necessary for their immediate accommodation, and the transaction of their business, not exceeding in value in the whole the sum of ten thousand dollars, and may sell and dispose of the same, and acquire others in lieu thereof; and may take and hold any other real or leasehold estates, *bona fide* mortgaged and hypothecated to the said Company by way of security, or conveyed to them in satisfaction or payment of any debt previously contracted in the course of their dealings, or purchased at sales upon judgments which shall have been obtained for such debts, and may sell and dispose of, and convert the same into money or property, authorized to be held under this Act.

4. The said Company may take, hold, receive, purchase and enjoy any vessels insured by them in part or in whole, and vested in them by abandonment, and also any stranded or wrecked vessels, goods, wares or merchandize whatsoever insured by them and sold for the benefit of the underwriters, and may sell and dispose of the same at such time or times, and in such manner as the Directors of the said Company may direct and appoint; but the said Company shall not deal in any goods, wares and merchandize, other than such as they shall become possessed of by virtue of any insurance made thereon, or which may be abandoned to them.

5. The capital stock of the said Company shall be a paid up cash capital of twenty thousand dollars lawful money of New Brunswick, in two hundred shares of one hundred dollars each, which shares shall be numbered in arithmetical progression, beginning with number one, and shall be respectively distinguished by the numbers affixed to them; which capital stock may be from time to time increased from the profits and net earnings of the Company as hereinafter provided, to an amount not exceeding one hundred thousand dollars, which shall be added to, and shall increase the value of the several shares of the said Company's stock then already issued.

6. All subscribers for a share or shares in the said capital stock, shall previously to the day of the first general meeting of stockholders, pay the full amount of their subscriptions to such person as the major part of the parties named in the first section of this Act shall by public notice nominate to receive the same.

7. That the said Company shall not go into operation or commence business until the full cash capital of twenty thousand dollars shall have been subscribed and paid up as last aforesaid, and until a certificate of such payment having been made, verified by the oath of any three of the said parties named in the first Section of this Act (which oath any Justice of the Peace is hereby, authorized to administer) shall be filed in the office of the Secretary of this Province.

8. Whenever the said capital stock of twenty thousand dollars shall have been subscribed and paid up, and a certificate of such payment shall have been filed as in the last Section is provided for, a general meeting of the stockholders of the said Company, or of the major part of them, shall take place, by notice thereof in two of the public newspapers published in the City of Saint John, previously to such meeting, which said notice, the first three persons named in the first Section of this Act, or either of them, is hereby empowered to give, for the purpose of making and establishing such bye laws, rules and regulations for the good order and management of the affairs of the said Company, and for the management and disposition of its stock, property, estate and effects, as they shall deem necessary and proper and also for the purpose of choosing six Directors, being members and stockholders of the said Company, under and in pursuance of the rules and regulations hereafter made and provided; which Directors shall, as soon thereafter as may be convenient, meet together and choose out of their number a President, and shall also appoint at the same time or at any future meeting a Secretary, and so many and such other officers, servants and agents for carrying on the business of the said Company, as they shall deem requisite and necessary, and shall commence the business of the said Company subject to the rules and regulations thereof, and shall serve as such Directors as aforesaid until the first meeting for the choice of Directors as hereinafter named, or until others shall be chosen in their room.

9. There shall be a general annual meeting of the members and stockholders of the said Company held on the second Tuesday in January in each and every year after the passing of this Act, at the City of Saint John, at which annual meeting there shall be chosen by the majority of the members and stockholders of the said Company then present or represented by proxy, out of the stockholders and members of the said Company, a President, who shall continue in office one year, or until another shall be chosen in his room; and there shall also be then and there chosen five Directors, who shall remain in office for one quarter of a year, or until others shall be chosen in their stead; on the choice of President and Directors, the members and stockholders of the said Company shall vote according to the rule herein after mentioned

10. There shall be quarterly meetings of the members and stockholders of the said Company held at the office of the Company in each and every year, namely, on the second Tuesday in July, October, January, and April, for choosing five Directors, who shall serve and be Directors for the quarter then next ensuing, or until others shall be chosen in their stead, at which meetings a statement of the business of the preceding quarter shall be laid by the Directors before the stockholders, specifying the aggregate amount of risks taken and the premiums thereon, with a statement of any losses then known.

11. The President and Directors for the time being shall have full power in all things to administer the affairs of the said Company agreeably to this Act of Incorporation, and to carry into effect such bye laws, rules and regulations as the stockholders and members thereof may from time to time establish, and also to do and execute all other matters and things that may be requisite and necessary for the benefit of the said Company, and also shall have power to appoint and remove at pleasure, a Secretary and such other officers, servants and agents as they or the major part of them shall think necessary, and shall allow the said Secretary, servants and agents such compensation for their respective services as to them the said President and Directors shall appear reasonable and proper; all which, together with the expense of house or office rent, and all other contingencies, shall be defrayed out of the funds of the said Company.

12. Any three or more of the Directors, of whom the President shall be one, shall be a quorum, and form a Board for the purpose of transacting and managing the details of the business and affairs of the said Company; in case of the sickness or necessary absence of the President, the Directors shall choose one of their number as Chairman for the time being; and at all meetings of the Board of Directors, all questions before them shall be decided by a majority of votes, and in case of an equality of votes the President or Chairman shall give the casting vote in addition to his proper vote as Director.

13. The President and Directors shall not be entitled to any fixed salary or emolument for their services, but the stockholders may make to them such compensation as to the stockholders shall appear reasonable and proper.

14. No person shall be eligible for President or Director unless he is a stockholder, and holds not less than five shares of the capital stock of the said company in his own right.

15. Every person hereafter to be appointed Secretary of the said Company shall, before he enters upon the duties of his office, give a bond to the said Company, with two or more sufficient sureties, to the approval of the Directors, in a sum not less than ten thousand dollars, and conditioned for the faithful performance of his duties as such Secretary.

16. At all general meetings of the said Company fifteen shareholders shall form a quorum, and the President, or in his absence one of the Directors, shall preside; each shareholder of stock shall be entitled to one vote for each share held by him or her in his or her own name, and all votes given at any meeting may be either personal or by proxy, provided that such proxy be a shareholder, and do produce an authority in writing under the hands of the shareholders nominating such proxy, and provided that no shareholder shall hold at any one time, more than five votes by proxy; and in case of an equality of votes on any question, the chairman shall have the casting vote in addition to his vote as a shareholder.

17. If it shall happen at any time or for any cause that an election of President and Directors or either of them shall not be made on any day when pursuant to this Act or the bye laws of the said Company it ought to have been made, the said Company shall not for that cause be dissolved, but it shall be lawful on any other day to hold and make such election in such manner as may be directed and required by the bye laws of the Company.

18. If the President or any Director of the said Company shall die, resign, or become disqualified or incompetent to act, the remaining Directors, if they think proper so to do, may elect in the place of such President or Director any stockholder duly qualified, to fill such vacancy and the stockholder so elected shall serve until another shall be chosen in his stead.

19. All policies, checks or other instruments issued or entered into by the said Company shall be signed by the President, or in case of his death, absence, or inability to act, by any two of the Directors, and countersigned by the Secretary, or in case of his absence, as otherwise directed by the bye law of the Company; and being so signed and countersigned, shall be deemed valid and binding upon the said Company according to the tenor and meaning thereof, and all losses duly arising under any policy so subscribed and countersigned shall and may be adjusted and settled by the Board of Directors, and the same shall be binding on the said Company, and shall be paid to the assured within the sixty days after such adjustment; provided always, that the said Directors shall not in any case make insurance on any single risk to an amount exceeding one half of the paid up capital stock of the said Company; but in no case shall said Company make insurance on any single risk to an amount greater than fifteen thousand dollars and that the actual amount of capital paid up and invested shall appear at the head of every policy in words to this effect:—

“Amount of capital paid up and invested, \$50,000, (as the case may be.)”

20. The President and Directors of the said Company may immediately after the commencement of the business of the said Company invest the cash capital of the said Company, in public securities or evidences of debt, whether of Government or Municipal stock, bonds, or debentures, as the President and Directors may deem most

expedient, and which in their opinion can be, if necessary, most speedily converted into money; and in like manner shall from time to time invest all sums received and set apart for the increase of the capital stock of the said Company as by this Act contemplated, and so much of the interest accruing from all such investments as shall not be required by the said Company for payment of losses shall be paid at half-yearly periods to the stockholders in proportion to their respective shares.

21. The President and Directors shall from time to time, so long as the cash capital remains unimpaired and sufficient to meet all immediate and prospective claims against the said Company, set apart all earnings and net profits of the said Company (except the interest on investments hereinbefore provided for) for the purpose of increasing the capital stock of the said Company, and shall from time to time increase the value of the shares of the said Company by an appropriation therefrom to each share of an equal amount of decimal dollars.

22. After the capital stock the said Company shall have been increased, by the means aforesaid, to the sum of one hundred thousand dollars, the Board of Directors, at each annual general meeting, shall declare a dividend in favour of the stockholders out of the net profits of the preceding period, which dividend shall be paid in cash.

23. The President and Directors shall at any time when the same shall be needed, apply the cash capital stock invested, and any interest payable thereon, in payment of losses, and shall replace the same out of any net earnings set apart for increasing the said capital stock as before provided for; provided that such net earnings, when not so needed, shall continue to be applied in increasing the said capital stock to the contemplated amount of one hundred thousand dollars; should, however, the capital stock of the said Company, from any cause, become at any time reduced to less than five thousand dollars, the said Company shall forthwith discontinue business and wind up its affairs.

24. Certificates of stock shall be issued in such form, and the shares of the said Company shall be assignable and transferable in such manner, as shall be prescribed therefor by the bye laws and rules of the said Company; and no assignment or transfer shall be valid unless the same be entered and registered by its proper number in a book to be kept by the Directors for that purpose, and in no case shall any fractional part of a share or other than a complete share or shares be assignable or transferable; and whenever any stockholder shall transfer all his stock in manner aforesaid, he shall cease to be a member of the said Company.

25. In case of any loss or losses taking place which shall be equal to the capital stock of the said Company, and the President and Directors, after knowing of such loss or losses taking place, shall make any further policy of policies of insurance, they and their estates jointly and severally shall be accountable to the holder or holders of such policy or policies, for the amount of any loss which shall take place under such policy or policies.

26. The joint stock and property of the said Company shall alone be responsible for the debts and engagements of the same.

27. The Secretary of the said Company shall at each general annual meeting, to be held on the second Tuesday in January in each year, lay before the stockholders for their information, an exact and particular statement in triplicate, of the state of affairs and business of the said Company, as they existed at three of the clock in the afternoon of the preceding day, and of their funds, property, and securities, also an account of their real estate, bonds, public debt, or other stock, and the amount of debt due to and by the said Company; which statement shall also specify, the aggregate amount of risks at that time taken by the said Company, and the amount of losses incurred during the preceding year, together with the amount of surplus profits (if any) on hand, showing any and what increase of capital stock, and how invested and secured, with a particular statement of all other the affairs of the said Company, which return shall be signed by the Secretary of the said Company, who shall make oath or affirmation before some Justice of the Peace of the City and County of Saint John, to the truth of such return, according to the best of his knowledge and belief; and the Directors of the said Company, or a majority of them, shall certify and make oath or affirmation before a like Justice, that the books of the said Company then indicate the state of facts so returned by their Secretary, and that they have full confidence in the truth of the return so made by him; and the Secretary of the said Company shall immediately after such general meeting transmit such return and certificate to the Provincial Secretary, who shall lay the same before the Legislature at its then next meeting, for the information of the members thereof.

28. Any Joint Committee hereafter to be appointed by the Honorable the Legislative Council and the House of Assembly, for the purpose of examining into the proceedings of the said Company, shall have free access to all the books and accounts of the same; and all the books, papers, correspondence, and all other matters and things belonging or relating to the said Company, shall at all times be open to the inspection of the Directors or any of them.

29. After the capital stock of the said Company shall have been increased to the sum of one hundred thousand dollars, it shall and may be lawful for the said Company, if two-thirds of the shareholders thereof, at a special meeting for that purpose holden, shall deem it expedient, to allow to then policy holders a participation in the actual realized profits of the said Company, in such parts, shares, and proportions, and at such times and in such manner as the said Company may deem advisable.

30. A copy of all the bye laws and rules of the said Company, certified by the Secretary of said Company, shall within two weeks after the same are made, be filed in the office of the Provincial Secretary, and a copy of the same, certified by the Provincial Secretary, shall be evidence in all Courts.

31. The shares in the capital stock of the said Company shall be liable to be seized and taken in execution and sold always, that the Sheriff or other officer executing :such execution, shall leave a copy of such execution, certified by the Sheriff or his deputy, with the Secretary of the said Company; and the shares in the capital stock of the said Company so liable to such execution, shall be deemed to be seized in execution when such copy is so left, and the sale shall be made within thirty days after such seizure; and on production of a bill of sale from the Sheriff, the Secretary of the said Company shall transfer the number of shares sold under such execution to the purchaser or purchasers thereof, and such transfer shall be valid and effectual notwithstanding there may be any debt due to the said Company from the person or persons whose shares may be seized and sold; provided also, that the said Secretary shall, upon the exhibiting to him of such certified copy of the execution, be bound to give to such Sheriff or other officer, a certificate of the number of shares in the said capital stock held by the judgment debtor named in such execution; and the shares of such judgment debtor in the said capital stock shall be bound by such execution only from the time when such copy of the execution shall be so left with the Secretary.