

## ASSETS.

Coin and Bullion.....	£
Landed or other property of the Bank.....	£
Government securities.....	£
Promissory notes or bills of other Banks.....	£
Balance due from other Banks.....	£
Notes and bills discounted.....	£
Other debts due to the Bank, not included under the foregoing heads.....	£
Total average assets.....	£

## CAP. CXXIV.

## An Act to incorporate the Canada Marine Insurance Company.

[Assented to 1st July, 1856.]

Preamble.

**W**HEREAS the formation and establishment of Marine and Inland Navigation Insurance Companies is of great public utility, and is necessary to the prosperity of 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: Therefore, Her Majesty, by and with the advice and consent of the Legislative Council and Assembly of Canada, enacts as follows:

Incorporation of Company.

I. The Honorable George Moffatt, Joseph Knapp, James Mitchell, Donald Lorn McDougall, Hugh Allan, Louis Renaud, M. H. Seymour, H. H. Whitney, H. L. Routh, Thomas Morland, Wolfred Nelson, John Ogilvy, D. Lewis, J. J. C. Abbott, N. S. Whitney and C. C. Abbott, and every other person who shall hereafter become a Shareholder of the said Company shall be, and are hereby united into a Company, for making and effecting Inland Navigation and Marine Insurances, according to the rules and directions hereinafter mentioned, and for that purpose shall be a body corporate until the first day of January, One thousand nine hundred and sixty, under the name of the Canada Marine Insurance Company.

Duration and corporate name.

Power and authority to make Insurances on vessels and goods by water.

II. The said Company shall have power and authority to make, with any person or persons, all and every Insurances connected with Marine risks and risks of navigation, and transportation by water, against loss or damage of or to any Vessel, Steamer, Boat, or other Craft, either sea-going or navigating upon Lakes, rivers, or navigable waters—and of, or to, any Cargo, Goods, Wares and Merchandizes, Specie, Bullion, Jewells, Bank-notes, Bills of Exchange, and other evidences of debts, conveyed therein, and of, and to, any Timber, or other property of every description, borne or carried by water, and of,

of, and to, any freight, profit, commission, bottomry, or respondentia interest, and to cause themselves to be reinsured when deemed expedient, against any loss or risk on which they have made or may make Insurance, and generally to do and perform all other necessary matters and things relating to such objects.

III. The said Company shall have power and authority to purchase, have and hold, to them and their successors, any real or immoveable estate, lands and tenements, which shall be necessary for their immediate accommodation, and the transaction of their business, and the same to sell and dispose of, and others to acquire as may be deemed expedient; and to take and hold any real estate *bonâ 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 any sale under any judgment, order or decree of Court, which may have been obtained for such debts, or by virtue of any proceeding at law, or acquired by purchase to avoid a loss to the said Company through prior claims, and to hold the same for a period not exceeding five years, during which time the said Company shall be bound to sell or dispose of, and convert the same into money or property authorized to be held by virtue of this Act.

Power to take or hold real estate to a limited extent, and for certain purposes.

IV. It shall be lawful for the said Company to invest their funds, or any part thereof, in loans on Public or Landed Securities, and the same to call in and reloan as occasion may require, and as may be deemed expedient by their Directors from time to time,—and in the purchase of Public Securities, Stocks of chartered Banks or other chartered Companies, the bonds and debentures and the other evidences of debt of the Government, Municipal Debentures or Debentures issued by the Government of Canada in exchange for those of any incorporated Town, City or Municipality of the said Province of Canada,—the shares of ships, steamers or vessels, or bottomry bonds, and to sell and transfer the same; Provided always, that the said Company shall not deal in any goods, wares or merchandizes other than such as they shall become possessed of by virtue of any insurance made thereon, or which may be abandoned to them.

Company may invest their capital, and in what securities.

Proviso.

V. The Capital of the said Company shall be formed by, and consist of, twenty thousand shares of twenty-five pounds each, and the said Capital Stock with the property of the Company, and the Notes, Bills and Securities of special partners hereinafter described, shall be held liable for the payment of all engagements, losses or damages that may from time to time occur, and be justly claimed from, or charged upon, the said Company.

Capital Stock and shares.

Management  
by a Board of  
Directors.

VI. The corporate powers, property, and business of the said Company shall be conducted and managed by a Board of fifteen Directors, who shall be named and chosen at a meeting of Stockholders of the said Company, to be held as hereinafter provided.

Books of sub-  
scription to be  
opened.

VII. It shall be the duty of the parties named in the preamble of this Act, or a majority of them, to open books in the City of Montreal for the subscription of the stock of the said Company, after giving at least ten days' notice thereof in the *Canada Gazette*, and in one English and one French newspaper published in the said City; and the said books of subscription shall be and remain open and accessible to the public for at least one day at a place to be designated in such notice, and should the said twenty thousand shares not be fully subscribed during such time and at such place, the said parties aforementioned in the preamble of this Act, or a majority of them, or when their powers shall have ceased, the Directors for the time being, shall have power to obtain subscriptions for the remaining shares there or elsewhere, as they may deem proper, and in any manner they may consider expedient, not inconsistent with the provisions of this Act; Provided always, that it shall be the duty of the said parties or a majority of them, as aforesaid, so soon as, and whenever fifty thousand pounds, or two thousand shares, of the said stock shall have been subscribed, to organize the said Company, and to call a meeting of the shareholders, by giving at least ten days' notice in two newspapers published in the City of Montreal, as aforesaid, for that purpose.

Proviso : for  
organization  
of the Com-  
pany when  
£50,000 is  
subscribed.

Election of  
Directors.

VIII. It shall be the duty of the said shareholders, or so many of them as shall attend the meeting provided for in the last preceding clause of this Act, at such meeting to proceed to the appointment and election of fifteen Directors, as provided for by this Act, upon whom shall devolve thereafter the duty of organizing, conducting and managing the affairs of the said Company, until the first annual general meeting of shareholders upon the next ensuing first Monday in February, as provided for in this Act. And the said parties named in the preamble of this Act, shall, after such election, be relieved from further duty touching the organization or management of the affairs of the said Company.

Term of office.

Provisions  
respecting  
election of  
Directors.  
Annual meet-  
ings.

IX. All elections of Directors shall be by ballot, and after the first meeting hereinbefore provided for, a general meeting of the shareholders shall be held at the usual place of business of the said Company, or any other place in the City of Montreal, upon the first Monday of February, annually, for the election of Directors, which Directors shall serve till the next annual general meeting, and until such time as their successors shall be elected, and for the transaction of such other business as may properly be laid before such meeting, and for the review of the general affairs of the said Company; and it shall be the duty of the  
Directors

Directors for the time being, to give due notice of such meeting, by publishing the same at least ten days before the day aforesaid, in at least one newspaper published in the City of Montreal; and in the event of the first Monday in February in any year being a legal holiday, then the annual meeting aforesaid shall be held on the next following day not being a holiday; and the shareholders present, either in person or by proxy, at all general meetings, shall have one vote for each and every share that shall have been held in his or her name, or in the name of any firm, association or partnership of which he or she may be a partner, upon the books of the said Company, for at least fifteen days next preceding such annual election; Provided always, that no more than one vote, be given or taken upon any share, and that the scrutineers at such election shall decide as to the right of any person to vote, in the event of disagreement or dispute between parties holding shares registered in the name of any firm, association or partnership as aforesaid; and in case of a failure to elect from an equality of votes, for more than fifteen Directors, a new election shall be held to fill the undetermined places; and in case of any vacancy occurring in the number of Directors, such vacancy shall be filled up for the remainder of the year in which it may occur, by a shareholder to be nominated by a majority of the Directors; Provided always, that no person shall be elected or nominated to be a Director, who shall not be a shareholder in the Company to the extent of at least ten shares, at the time of his election or nomination, and during his continuance in office, either registered in his own name or the name of the firm or partnership of which he is a member; Provided further that no two persons of a firm or partnership be qualified by the same shares.

Notice of meetings.

Proviso: one vote for a share, &c.

Ties.

Vacancies to be filled by Directors.

Proviso: each Director must hold ten shares at least.

Proviso.

X. The Corporation shall not be dissolved by a failure to elect Directors at the time when such election should be made pursuant to this Act, but such election may be made on any other day, in such manner as may be directed and required by the By-laws of the Company; Provided that any ten or more of the shareholders, holding or representing at least one fourth of the subscribed stock, may require the Directors to call a special general meeting of the shareholders, in the manner prescribed for the annual general meetings, and on their refusal or neglect to do so, may themselves call such meeting by an advertisement to be published in two newspapers published in Montreal as aforesaid.

Corporation not dissolved by a failure to elect.

Special general meeting may be called by Shareholders.

XI. Any number of the Directors aforesaid, being a majority of them, shall have full power from time to time to make and enact By-laws, Rules and Regulations (the same not being repugnant to this Act, or the laws of this Province) for the proper management of the affairs of the said Company, and from time to time to alter and repeal the same, and others to make and enact in their stead; Provided that no such By-laws, Rules and Regulations made as aforesaid shall be valid or have effect, unless

Directors may make By-laws, &c.

By-laws must be approved by Shareholders.

unless approved and confirmed by a majority of the Shareholders present at an annual or special general meeting convened as aforesaid.

- XII.** There shall be a monthly meeting of the Directors; and any seven or more of the Directors shall form a quorum for transacting and managing the business and affairs of the Company, at the first of which monthly meetings the said Board of Directors shall appoint one of their members as President, who shall serve for one year, or until the next annual general meeting of Directors, and until his successor shall be appointed, and such other officers as shall be deemed necessary, at such salaries as they may deem proper, and at each monthly meeting shall also nominate and appoint two out of their number to cooperate and advise with the President until the next meeting of the Board, in managing the ordinary affairs of the Company.
- XIII.** The President and two Directors so appointed shall be a Sub-Board, and shall hold daily meetings for the transaction of business, and all Policies of Insurance issued by the Company, shall be signed by the President and Manager, and at least one of the Directors so appointed for the current month, and sealed with the seal of the Company; and it shall be the duty of the said Board, as far as practicable, to carry out the policy of the General Board as shall be expressed at their monthly meetings: Provided always, that no Director or Officer shall be held liable, except as a shareholder in the Company, for the giving out and signing Policies of Insurance or any other lawful acts, deeds or transactions done and performed in pursuance of this Act; and no Director shall be answerable for, or chargeable with, the defaults, neglects or misdeeds of others of them, or of any Officer or Clerk of the Company.
- XIV.** Any Manager, or other Officer of the Company who shall be guilty of any wilful falsehood or fraud, in any matter or thing pertaining to his office or duty, shall be guilty of a misdemeanor; and any person falsely personating a member entitled to vote, and offering to vote as such member at any election of Directors, or who shall falsely sign or affix the name of any member of the Company to any appointment of a proxy, shall be guilty of a misdemeanor.
- XV.** So soon as fifty thousand pounds of the said capital stock shall have been subscribed as aforesaid, and the sum of ten thousand pounds shall be paid in on account thereof, and not before, the said Board of Directors shall thereafter proceed with the business and purposes of the said Company.
- XVI.** Any person may subscribe for such and so many shares as he may think fit, and five per centum on each share shall be paid at the time of subscribing therefor, and the remainder at such times as the Directors for the time being shall appoint; and
- if
- Directors shall meet monthly;
- Shall appoint a President;
- And other Officers;
- Also Sub-Boards.
- Duties of the Sub-Boards.
- Proviso.
- Directors not responsible for each other or for Officers.
- Punishment of Officers or others for fraud.
- On subscription of £50,000 and payment of Company may be organized.
- Five per cent. on amount of subscription to be paid on subscribing.

if any Shareholder refuse or neglect to pay the said instalments at the time when required so to do, he shall forfeit his share, together with the amount paid thereon; and the said share shall be sold, and the sum arising from such sale, together with the amount so previously paid, shall be accounted for and divided in the like manner as the other moneys of the Company, unless the sum produced from such sale shall be more than sufficient to pay all arrears and interest on such instalment, together with the expense of such sale, and in such case the surplus of such money shall be paid on demand to the owner; and no more shares shall be sold than what shall be deemed necessary to pay such arrears, interest and expenses.

Remainder by instalments.  
Forfeiture for non-payment of calls.

XVII. In case the said Directors shall deem it more expedient in any case to enforce the payment of any unpaid instalments than to forfeit the share therefor, it shall and may be lawful for the Company to sue for and recover the same from such Shareholders with interest thereon, in any action for debt, in any Court having civil jurisdiction to the amount claimed; and in any such action it shall be sufficient to allege that the defendant is the holder of one or more shares (stating the number of shares), and is indebted to the Company in the sum to which the calls in arrear may amount; and to maintain such action, it shall be sufficient that the signature of the defendant to some book, or paper, by which his subscription for such share shall appear, be proved by one witness, whether in the employment of, or interested in the Company, or in any way allied, or related to any of the said Directors or Shareholders, or other persons interested in the said Company, or not, and that the number of calls in arrear have been made.

Proceedings to enforce payment in place of forfeiture.

What only need be alleged and proved:

XVIII. The shares of the said Company shall be assignable and transferable according to such rules as the Board of Directors shall appoint and establish, and such transfers shall be recognized and acknowledged by the Company, only after they shall have been entered in the Books of the Company; and no Shareholder or member indebted to the Company shall be permitted to make a transfer or receive a dividend until his debt is paid, or security to the satisfaction of the Directors be given to them that it will be paid.

Transfer of shares.

Debts to the Company must be first paid.

XIX. It shall be the duty of the Sub-Board to reinsure the excess of any risk or risks that shall be taken by the Company upon a single bottom, exceeding five per centum upon the subscribed Capital of the Company, including the amount of notes or securities contributed by special partners for the time being, any thing in this Act or any By-law to the contrary notwithstanding; and any wilful neglect to obtain or apply for such re-insurance shall subject the said Sub-Board, or any member of the same so offending, to be suspended or discharged from office by the Board.

Duty of Sub-Board to reinsure in certain cases.

Proportion of premium to be returned in certain cases.

XX. Policy holders whose Policies shall not have resulted in a loss to the Company, either total or partial, the premiums on which shall have amounted to ten pounds or upwards during the current year, shall be entitled to a dividend in cash upon the amount of such premiums paid by them, in such proportion to the dividend declared to Stockholders as shall be fixed upon by a By-law of the Company; Provided always, that any By-law for such purpose may, if deemed expedient, require that each and every Policy shall be voted upon and dealt with without reference to any other Policy taken from or made with the said Insurance Company.

Proviso.

Shareholders shall be paid interest on amounts paid in.

XXI. Prior to any dividend being declared, there shall be paid or allowed to the Shareholders respectively, upon the amount paid in upon their Stock, an annual interest not exceeding the income derived from the investment of the funds of the Company, without reference to the profits of the Company which shall be made up annually to the first day of February, and paid from time to time to the said Shareholders.

Annual statements, dividends, &c.

XXII. No separate statement shall be required for the part of year following the day on which the Company shall have issued their first Policy, but after that period an annual dividend statement shall be made which shall exhibit a full and unreserved statement of the affairs of the Company, of their funds, property and securities, the amount in real estate, bonds and mortgages, notes and other securities therefor, public debt, or other Stock, and the amount of debt due to and from the Company, together with a fair estimate of the net profits of the Company not before divided, up to the first day of February in each year, and allowing for any previous or probable deficiencies, which said annual statement shall be submitted to the Annual General Meeting aforesaid.

Declaration of dividend.

XXIII. At each Annual General Meeting, after the allowance of such reduction to insurers as aforesaid, and after the submission of the said statement and approval thereof by the Shareholders, the Board of Directors shall declare such dividend in favor of Stockholders, and in favor of those who shall have become special partners for the current year as aforesaid, out of the net profits of the preceding period, as they shall think fit, and which dividend shall be paid in cash.

Limitation of liability of Shareholders.

XXIV. Shareholders, recipients of return premiums or grantors of notes in advance for premiums, shall not be held liable for any claim, engagement, loss or payment whatsoever, for or by reason of the liabilities of the said Company of what nature soever, beyond the amount of the share or shares, note or notes, or securities, which each may respectively hold or have granted, and after payment to the said Company of the full amount of such share or shares, note or notes, or securities, such Shareholders, or grantors of notes, shall not be liable for any further sum of money whatever.

XXV. All shares in the Company shall be deemed personal property. Shares to be personalty.

XXVI. No dividends shall be declared or paid out of the Capital Stock of the Company; nor shall any dividend out of the said net profits be declared or paid, unless the said Capital shall be unimpaired, together with such dividends and interest as shall have been collected upon the invested Capital of the Company. No dividend to be paid out of capital.

XXVII. Whereas certain doubts have been and are still entertained as to the liability of persons dealing with Insurance Companies doing business upon the mutual principle, and it is desirable that the said Canada Marine Insurance Company should cause its re-assurances to be made with Mutual Insurance Companies: It is therefore expressly enacted, That the liability of the said Canada Marine Insurance Company, shall be limited to, and in no case exceed, the amount of premiums paid or agreed to be paid by the same, to such Mutual Insurance Companies; and that the said Canada Marine Insurance Company may, at any time, and at all times, receive from any such Mutual Insurance Companies, their return premiums, either in cash or scrip, as the case may be, and collect, hold, or dispose of the same as they may deem expedient and proper; and the said Canada Marine Insurance Company shall be exonerated, and its Stockholders, President and Directors, either collectively or individually, are hereby expressly declared not to be liable for more than the amount of the premiums paid, or expressly stipulated to be paid to such Mutual Insurance Companies. Recital.  
Limitation of liability on Scrip of Mutual Companies.

XXVIII. The operations and business of the said Company shall be carried on at such place in the City of Montreal as the Directors shall direct, but Agencies, with or without Branch Boards of Directors, may be established elsewhere, either in or out of Canada, as the Stockholders shall deem expedient, and which Branch Boards of Directors shall consist of not less than three, who shall be shareholders to the extent of at least ten shares or two hundred and fifty pounds each, and shall be appointed by the Montreal Board of Directors. Business to be carried on principally at Montreal.  
Branch Boards may be established.

XXIX. Suits at law or in Equity may be prosecuted and maintained by any member against the said Company; and no member of the Company not being in his individual capacity a party to such suit, shall be incompetent as a witness in suits and legal proceedings, by or against the Company. Suits by Members against Company.

XXX. This Act shall be a Public Act, and shall be subject to the provisions contained in the Interpretation Act of this Province, twelfth Victoria, chapter ten, which shall be held to form part hereof, so far as the same shall apply. Public Act.