

Laws of Her Majesty's Province of United Canada, passed in the year 1851. York: Stewart Derbishire and George Desbarts, 1851.

14 & 15 Victoria – Chapter 164

An Act to incorporate the Marine Mutual Insurance Company of Montreal. 30th August, 1851.

Whereas the formation and establishment of Marine and Inland Insurance Companies in this Province is of great public utility; And whereas the several persons hereinafter named are willing and desirous to establish and maintain such a Company with mutual division of profits between the Shareholders and the Insured, but the same cannot be effected with advantage without the aid and authority of the Legislature: Be it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and of the Legislative Assembly of the Province of Canada, constituted and assembled by virtue of and under the authority of an Act passed in the Parliament of the United Kingdom of Great Britain and Ireland, and intituled, *An Act to re-unite the Provinces of Upper and Lower Canada, and for the Government of Canada*, and it is hereby enacted by the authority of the same, That the Honorable George Moffatt, John Gordon Mackenzie, John Young, James B. Greenshields, Hugh Allan, L. H. Holton, Henry Starnes, John Glennon, Haviland L. Routh, William Muir, Henry M'Kay, J. O. Moffatt, James Law, Maurice Cuvillior, Wm. Edmonstone, James Burns, A. Gilmour, Edward Maitland, and every other person who shall hereafter become a Shareholder of the said Company, shall be and are hereby united into a Company for effecting and making Inland Navigation and Marine Insurance, according to the Rules, Orders and Directions hereinafter mentioned, and for that purpose shall be one Body Corporate until the first day of January, one thousand nine hundred and fifty, under the name of "The Marine Mutual Insurance Company of Montreal."

II. That the said Company shall have power and authority to make with any person, all and every Insurance 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 the lakes, rivers or navigable waters of this Province or elsewhere, and of and to any Cargo, Goods, Wares and Merchandize, Specie, Bullion, Jewels, Bank Notes, Bills of Exchange and other evidences of debt conveyed therein, and of and to any Timber or other property of every description borne or carried by water, 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 upon 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. That 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 not at anytime exceed the value of Five Thousand Pounds, and which shall be necessary for their immediate accommodation in relation to the convenient transaction of their business, and the same to sell and dispose of and others to acquire; 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 any competent Court, -which may have been obtained for such debt or by virtue of any proceeding at law, and to hold the said real estate for a period not exceeding two years, during which time the said Company shall be bound to sell or dispose of and convert the same into money or personal property.

IV. That it shall be lawful for the said Company to invest their Funds or any part thereof in Loans on real estate, or Bond and Mortgage, or Mortgage Hypothèque on real estate worth fifty per cent. more than the sum loaned thereon, and the same to call in and re-loan, as occasion may render expedient, and in the purchase of any of the public Securities of this Province, the Stocks of any Chartered Bank or other Chartered Company, the Bonds and Debentures of the Government of Canada, or of either of the heretofore Provinces of Upper Canada or Lower Canada, or of any Incorporate City or Town, or Municipality in the said Province, and to sell and transfer the same: Provided always, that the Company shall not deal in any goods, wares or merchandizes, in the way of traffic, but nothing herein contained shall prevent the said Company from selling any goods, wares or merchandizes or other effects, of what nature or kind soever of which they may become possessed or which may be abandoned to them by the Insured in virtue of any Policy of Insurance on such goods, wares or merchandizes or other effects: And provided further, that the said Company shall not invest any part of their said Funds in any Bottomry or Respondentia Bonds, excepting upon vessels which shall be insured by the said Company at the time of taking such Bonds, to an amount equal to the sum secured to be paid by the condition of such Bond; nor shall any such bond be made payable at a time subsequent to the time at which the Policy of such Insurance shall expire.

V. That the Capital Stock of the said Company shall be formed of the sum of Twenty-Five Thousand Pounds, divided into Shares of Twenty-Five Pounds each, which shall be paid in cash, or secured by the hypothecation of the Stocks or Public Securities mentioned in the previous Section, and being worth, at least ten per cent, more than the amount for which they shall be hypothecated; and the said Capital Stock, with the property of the Company and the Premiums reserved, shall be held liable for the payment of all engagements, loss or damage, that may from time to time occur and be justly claimed from or charged upon the said Company; and the said Capital Stock may be increased to a sum not exceeding One Hundred Thousand Pounds, as a majority of the Shareholders, at a meeting expressly convened for the purpose, shall agree; which said increase shall be divided into Shares of similar amount, and be paid, invested and secured, and be liable for the debts of the Company in the same manner as the Original Stock; and the Shares of the Increased Stock shall entitle to vote at any election, and be assignable and transferable, and be subject to the same Rules and Regulations from time to time established and made by the Directors, in the same manner as the said Original Stock.

VI. That the Corporate powers, property and business of the Company shall be conducted and managed by a Board of five Directors, which Board, in the first instance and until the first General Annual Meeting of the Company as hereinafter provided, and until others may be chosen and appointed thereafter as herein provided, shall consist of the said Honorable George Moffatt, John Gordon Mackenzie, Hugh Allan, John Young, and L. H. Holton, named in the first section of this Act, but who shall nevertheless be eligible for re-election at the said first or any other Annual Meeting,

and thereafter the Directors shall be elected annually at the said General Annual Meeting, and be eligible for re-election as aforesaid; and all elections of Directors shall be by ballot, and shall be held at a General Meeting of the Company by the Members thereof, present in person or by proxy, and in case of a failure to elect from an equality in the number of votes for more than five 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 happen, by a Member, to be nominated by a majority of the Directors: Provided that no Member shall be elected or nominated to the office of Director, who shall not be a Shareholder in the Company to the extent of twenty Shares, at the time of his election, and during his continuance in office: Provided always, that the authority to any such proxy to vote at such Meeting shall be produced thereat. And further provided, that one person only shall be allowed to vote at the same election on the same Share or Certificate.

VII. That each holder of Shares, held by him in his own name or the name of a firm of which he is a partner, and each person having in his possession a Certificate representing actual profits at the time of the election, to the amount of not less than Fifty Pounds, undiminished by payments, or subsequent losses, shall severally be entitled to one vote in the election of Directors, for each Share so held by him, or for each such amount of actual profits.

VIII. That the Corporation shall not be deemed to 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, and the Directors in office shall continue until such new election shall be made.

IX. That the Annual General Meetings of the Company shall be held on the first Tuesday of the month of April in each year, of which the first shall be held on the said day in the year one thousand eight hundred and fifty-two; and Public Notice of all such Meetings shall be given in the Canada Gazette, and in one Newspaper published in the Cities of Montreal and Quebec respectively, at least ten days previous to the time of holding such General Meeting: Provided that any ten or more Shareholders representing one third of the Stock of the Company, may require the Directors to call a Special General Meeting of the Shareholders, in the manner provided for the Annual Meetings; and on their refusal or neglect so to do, may, themselves, call such Meeting in the same manner.

X. That any number of the Directors aforesaid being a majority of them, shall have full power and authority to make, prescribe, alter, amend or repeal such By-laws, Rules, Regulations and Ordinances, as shall appear to them proper and needful, touching the well ordering of the Company, the management and disposition of its Stock, Property, Estate and Effects, the rates and amount of Insurance, and the issuing of Policies; and also to call in any instalment at such time and season as they shall think fit, giving due notice thereof as hereinafter provided, and also to issue Certificates to the respective Stockholders of the Company and persons insured therein, of any dividend of profits which shall be declared, and to appoint a Manager and such other Officers as to them may appear necessary for the carrying on the business of the Company, and to take Security from them for the due performance of their respective duties, with such salary and allowances to

each as they shall think meet and advisable: Provided always, That for the purposes in this section mentioned, except as hereinafter specially provided, a majority of the Directors shall be present and assisting, and no less a number than were present at the time shall have power to alter, repeal or amend any matter or thing so done: And provided further, that no such By-laws, Rules, Regulations and Ordinances made as aforesaid, shall be valid or have effect unless approved and confirmed by the majority of Shareholders voting at an Annual or other Special General Meeting convened as aforesaid.

XI. That there shall be a Weekly Meeting of the Board of Directors, at such time and place as shall be designated in the By-laws, and any three or more of the Directors shall be a *quorum* for transacting and managing the details of the business and affairs of the Company; and at all meetings of the said Board, all questions before them shall be decided by a majority of votes, and in case of an equality of votes, the Presiding Director shall give the casting vote, over and above his proper vote as a Director:

Provided always, that the said Directors shall be indemnified and saved harmless by the Members of the Company, in proportion to their several interests in the same, in and for their giving out and signing Policies of Insurance, and all other lawful acts, deeds and transactions done and performed in pursuance of this Act; and they shall not be answerable for or chargeable with the defaults, neglects or misdeeds of others of them, or of any Officer or Clerk of the said Company.

XII. That 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.

XIII. That it shall be the duty of the said Board of Directors, or of a majority of them, to cause Books of Subscription for Shares in the Company to be opened at the City of Montreal, or, at their option, in any of the other principal Cities and Towns of this Province, of which public notice shall be first given by them, and under such Peculations as they shall direct; and as soon as the aforesaid Capital Stock of Twenty- five Thousand Pounds shall have been subscribed, paid in or secured as aforesaid, and not before, the said Board of Directors shall thereafter organize the said Company, and proceed with the business and purposes thereof.

XIV. That 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 any Shareholders refuse or neglect to pay the said Instalment at the time required so to do, he shall forfeit his Share, together with the amount paid thereon, and the said Share shall be sold, mid the sum arising from such sale, together with the amount so previously paid, shall be accounted for and divided in 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 expense.

XV. That in case the said Directors shall deem it more expedient in any case to enforce the payment of any unpaid Instalment than to forfeit the said Share therefor, it shall and may be lawful for the Company to sue for and recover the same from such Shareholder, 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.

XVI. That the Shares of the said Company, and the Certificates of Profits to be issued by the said Company as hereinafter provided, shall be assignable and transferable according to such Rules as the Board of Directors shall appoint and establish, and be recognized and acknowledged by the Company, only after the transfer thereof 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.

XVII. That no Transferred Share or Certificate of Profits shall entitle the person to whom it is transferred to a vote until the expiration of thirty days after such transfer.

XVIII. That all Policies of Insurance issued or entered into by the Company, shall be signed by any two of the Directors, and countersigned by the Manager and by him sealed with the Seal of the Company, and being so signed, countersigned and sealed, shall be deemed valid and binding upon them according to the tenor and meaning thereof.

XIX. That for the better security of parties dealing with the Company, Notes for Premiums in advance may be received by the Company from persons intending to receive Policies, and may be negotiated for the purpose of paying claims or otherwise in the course of the business of the Company; and on such portions of said Notes as may exceed the amount of Premiums paid by the respective makers thereof at the successive annual periods of the last day of February in each year, and on new Notes taken in advance thereafter, a compensation to the makers, at a rate to be determined by the Directors, but not exceeding six per cent, per annum, shall and may be allowed and paid from time to time.

XX. That there shall also be allowed to the Shareholders respectively who shall have paid their Shares in Cash, an Annual Interest not exceeding six per cent, upon the amount of the Shares held by each, which shall be reserved and taken from the profits of the Company, and shall be made up annually to the said last day of February, and paid from time to time, and to the said Shareholders

who shall have secured the payment of their Shares by Stocks as aforesaid, the interest thereon as it shall accrue and have been received by the Company.

XXI. That no separate Statement shall be required for the part of the 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 and including the last day of February in each year, and allowing for any previous or probable deficiencies, which said Annual Statement shall be completed in the month of March succeeding the period to which it relates, and shall be submitted to the Annual General Meeting aforesaid.

XXII. That at each Annual General Meeting, -after the submission of the said Statement and approval thereof by the Shareholders, the Board of Directors shall declare a Dividend of the Net Profits of the preceding period, Certificates whereof shall be issued by the Company of a certain amount per centum, to be computed on the said Capital, and the amount of Premiums to the persons in whose names the Policies of Insurance not marked off were originally made, or their heirs, executors, representatives or assigns; and to the Shareholders or their heirs, executors and representatives, who shall be entitled to receive the same per cent, of Dividends out of the Profits of the Company, as may be declared and may be made payable to the Insured; and the amount named in such Certificates shall be conclusive on the parties entitled to receive them at such periods, and shall not be changed by subsequent events, showing the actual payment to be more or less favorable than the estimate; and the Certificates aforesaid shall be subject to any future losses and expenses of the Company, until the same are redeemed, as hereinafter provided for, and shall be subject to be reduced by the Board of Directors, in case of losses and expenses in any subsequent year exceeding the estimated profits of such year; and the original Certificates may be called in and new ones issued in their stead, less the proper reduction.

XXIII. That the Shareholders shall not be held liable for any claim, engagement, loss, or payment whatsoever, for or by reason of the said Company, beyond the amount of the Share or Shares which each may respectively hold; and the persons insuring and entitled to or holding Certificates as aforesaid, shall not be held liable for any such claim, engagement, loss or payment, or for any matter or thing in this Act contained, beyond the amount of their Premiums, Certificates or Notes, given in advance for Premiums.

XXIV. That all Shares, Certificates and Interest in the Company shall be deemed personal property.

XXV. That no original Certificate shall be issued for a less sum than Two Pounds Ten Shillings, nor for the fractional sums between even sums of Two Pounds Ten Shillings, but all such shall be passed to the Contingent. Accounts of the Company.

XXVI. That 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, and six per cent, annual interest upon the amount paid in from the time of payment, allowed and reserved to the Shareholders who shall have paid their Shares in Cash as aforesaid, together with such Dividends and Interests as shall have been collected upon the Stocks hypothecated to the Company for Security as aforesaid.

XXVII. Whenever the accumulations of the Profits of the Company, and for which Certificates shall have been issued, shall exceed a sum equal to the Capital of the Company for the time being, the excess shall be applied from year to year, or semi-annually, as shall be provided by a By-law to that effect, towards the redemption of each year's Certificates, in whole or in part, as may be determined on by the said Board, but the Certificates of a subsequent year shall not be redeemed until those of the preceding year are provided for.

XXVIII. 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.

XXIX. The operations and business of the Company shall be carried on at such place in the City of Montreal as the Directors shall direct, but Agencies may be elsewhere established, as the Directors shall deem expedient.

XXX. That this Act shall be a Public Act, and shall be subject to the provisions contained in the Interpretation Act of this Province, Twelve Victoria, Chapter Ten, which shall be held to form part hereof, so far as the same shall apply.