

Laws of Her Majesty's Province of United Canada, passed in the year 1856. Quebec: Stewart
Derbshire and George Desbarts, 1856.

20 Victoria – Chapter 89

**An Act providing for the payment of dividends by Insurance Companies. Assented to 1st July,
1856.**

Whereas it is expedient for the security of persons effecting Assurance with, and of the
Subscribers to the Stock of, the various Fire, Life, Marine, and other Insurance Companies already
chartered, or that may hereafter be chartered by the Provincial Legislature, that no dividend or
bonus be declared or paid, unless from the surplus earnings or profits arising or made from the
business of such Companies over and above the paid up Capital thereof: Therefore, Her Majesty,
by and with the advice and consent of the Legislative Council and Assembly of Canada, enacts as
follows:

I. If the Managers, Directors or Trustees, of any Fire, Life, Marine, or other Assurance Company,
incorporated by the Legislature of Canada, or of Upper Canada or Lower Canada, shall knowingly
and wilfully declare and pay any dividend or bonus, out of the paid up capital of said Company, or
when the Company is insolvent, or which would render it insolvent, or which would diminish the
amount of its Capital Stock, such Managers, Directors or Trustees who may be present when such
dividend or bonus shall have been declared and which said dividend shall be paid, shall be jointly
and severally liable for all the debts of the Company then existing, and for all that shall be
thereafter contracted while they shall respectively continue in office; Provided always that if any of
such Managers, Directors or Trustees, shall object to the declaration of such dividend or bonus, or
to the payment of the same, and shall at any time before the time fixed for the payment thereof,
file a written Statement of such objection in the Office of the Company, and also in the Registry
Office of the City, Town or County where such Company is situated, such Managers, Directors or
Trustees shall be exempt from such liability.