

An Act to Incorporate The Hudson Bay Insurance Company

being a Private Act

Chapter 50 of the *Statutes of Saskatchewan, 1908*
(effective June 12, 1908).

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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1908
CHAPTER 50

An Act to Incorporate the Hudson Bay Insurance Company

(Assented to June 12, 1908)

Preamble

WHEREAS Richard Bogue, merchant, Charles E. Berg, manager, Edwin L. Colling, druggist, and Thomas Miller, newspaper proprietor, all of the city of Moose Jaw in the province of Saskatchewan have petitioned that they may be incorporated under the name of the Hudson Bay Insurance Company for the purposes herein contained;

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 Saskatchewan enacts as follows:

Incorporation, name, objects

1 The persons hereinbefore named and all such persons as shall hereafter become shareholders of the said company shall be and are hereby constituted and declared to be a body corporate in law and in fact under the name and style of the "Hudson Bay Insurance Company" for effecting insurance against losses by fire, lightning, hail storms, accidents and casualties 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 in any court of law or equity.

1908, c. 50, s. 1.

Capital stock

2 The capital stock of the company shall be five hundred thousand dollars divided into five thousand shares of one hundred dollars each.

1908, c. 50, s. 2.

Head office branches

3 The head office of the company shall be in the city of Moose Jaw in the province of Saskatchewan; but branch offices, subboards or agencies may be established and maintained either in said province or elsewhere in such manner as the directors from time to time direct; said head office however may be changed from time to time to such other place as may by the directors be designated by bylaw;

Proviso

Provided however that such bylaw shall be of no effect until it shall have been approved of by the shareholders at an annual general meeting or a special general meeting to be expressly convened for that purpose notice thereof being subsequently given in two consecutive issues of *The Saskatchewan Gazette*.

1908, c. 50, s. 3.

Provisional directors/stock book

4 For the purpose of organizing the said company the persons named in the preamble to this Act 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 out of the same all costs and expenses incurred in the application for an obtaining this Act of incorporation; so soon as the directors shall have been elected as hereinafter provided the powers and functions of the provisional directors shall cease and determine.

1908, c. 50, s. 4.

First general meeting

5 When one hundred thousand dollars of the said capital stock shall have been subscribed as aforesaid and ten per cent of the amount so subscribed paid in the provisional directors may call a general meeting of the shareholders at the chief place of business of the company giving ten days' notice of the time and place where such meeting is to be held in some newspaper published in the city of Moose Jaw and 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 five nor more than nine duly qualified shareholders who shall hold office until their successors are elected; and it shall not be lawful for the said company to commence the business of insurance until at least one hundred thousand dollars of its capital stock shall have been subscribed and ten per centum of the amount so subscribed paid in a board of directors elected as aforesaid.

1908, c. 50, s. 5.

Deposit with provincial treasurer

6 The said company before commencing the business of insurance shall deposit with the provincial treasurer the sum of five thousand dollars and such deposit may be made by the company in cash or in securities of the Dominion of Canada or in securities issued by or guaranteed by any of the provinces of Canada or in municipal or school bonds or debentures or by deposit receipts issued by any chartered bank in Canada which said sum shall be held for the benefit of the policy holders of the said company in Saskatchewan as long as any policies of the said company are outstanding within the said province.

1908, c. 50, s. 6.

Annual general meeting

7 The general meeting of the shareholders of the company shall be called once in each year at its head office on such day and at such hour as may be appointed by bylaw thirty days notice of such meeting being given in some newspaper at or as near as may be to the said head office; and at such meeting a full and correct statement of the accounts and affairs of the new company and a general abstract of its estimated liabilities and assets shall be submitted by the directors.

1908, c. 50, s. 7.

Special general meetings

8 Special general meetings of the shareholders may be called in such manner as the bylaws prescribe; shareholders who hold one-fourth part in value of the subscribed stock of the company on which all calls and other sums then due have been paid may at any time call a special meeting thereof for the transaction of any business specified in the written requisition and notice made and given for that purpose.

1908, c. 50, s. 8.

Procedure at general meeting

9(1) At all general meetings of the shareholders of the 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.

Shareholder right to vote

(2) Each shareholder shall be entitled to cast one vote 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.

Questions determined

(3) All questions proposed for the consideration of the shareholders shall be determined by the majority of votes.

1908, c. 50, s. 9.

Who may subscribe for shares

10 Any person or persons or body corporate or politic may subscribe for shares in the capital stock of the said company except when prohibited by law from so doing.

1908, c. 50, s. 10.

Directors

11(1) The stock, property and affairs of the company shall be managed and conducted by a board of directors which shall consist of duly qualified shareholders (not less than five nor more than nine as may be provided by the bylaws) who shall be elected each year; such election to be by ballot and the requisite number of persons receiving the greatest number of votes at such an election shall be the directors for the ensuing year; a retiring director shall be eligible for re-election;

Proviso

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 so receiving an equal number of votes shall be the director or directors to complete the board.

Qualification

(2) No person shall be eligible to be or continue as a director unless he shall hold in his own name stock in the company to the amount of ten shares on which not less than ten per cent shall have been paid and shall not be indebted in any manner to the company.

President and officers elected

(3) The directors shall as soon as may be after their election and from time to time as circumstances may require elect from among themselves by ballot a president, vice president, secretary, treasurer and such other officers as they may deem advisable of the company who shall hold office until their successors have been elected in like manner; the president, vice president or any director may be appointed manager or managing director of the company.

Vacancy in directorate

(4) Any vacancies happening among 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 director.

Meetings/Quorum

(5) The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit and determine the quorum necessary 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 case of a tie the chairman of the meeting shall have a second or casting vote.

1908, c. 50, s. 11.

Case of failure to elect directors at usual times

12 In case it should 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.

1908, c. 50, s. 12.

Powers of directors

13 Subject to the provisions of this Act the directors shall have full power and authority to make and from time to time to alter such bylaws, 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 new company all contracts into which by law the company can enter; and may from time to time make bylaws regulating the allotment of stock and making of calls thereon, the payment thereof, the issue and registration of stock certificates, the forfeiture of stock for nonpayment, the disposal of such forfeited stock and the proceeds thereof, the transfer of stock, the declaring and paying of dividends, the number 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 executive officers and manager of the company, the payment of commission on subscription obtained for stock, the time and place of annual meetings of the company, the calling of meetings of the board or committee of directors, the meetings of the company regular and special, the quorum at meetings of the directors and 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 bylaw and the conduct and management in all other particulars of the affairs of the company; and may from time to time repeal, amend or re-enact the same:

Proviso

Provided always that all such bylaws made by the directors as aforesaid shall only be valid and binding until the said annual general meeting of shareholders unless they are then approved of by such meeting and shall thereafter have force and effect as so approved or modified at such meeting until amended or altered:

Provided also that no dividend shall be declared or paid except out of the net profit arising from the business of the new company.

1908, c. 50, s. 13.

Books to be kept

14 The company shall cause a book or books to be kept by the secretary or by some other officer especially charged with that duty wherein shall be recorded:

- (a) The names alphabetically arranged of all persons who are or have been shareholders;
- (b) The address and calling of every such person while such shareholders;
- (c) The number of shares of stock held by each shareholder;
- (d) The amount paid in and remaining unpaid respectively on the stock of each shareholder;
- (e) All transfers of such stock in their order as presented to the new company for entry with the date and other particulars of such transfer and the date of the entry thereof; and
- (f) The names, addresses and callings of all persons who are or have been directors of the new company with the several dates at which each became or ceased to be such director.

1908, c. 50, s. 14.

Calls on stock

15(1) The directors may from time to time make such calls as they think fit upon the shareholders in respect of all moneys unpaid on their shares in the company; such calls shall be payable at such times and places and in such payments or instalments as the directors may appoint:

Provided that without the consent of all the shareholders affected thereby no call shall exceed ten per cent and that not less than thirty days notice of any calls 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.

(2) Such a call shall be deemed to have been made at the time when the resolution of the directors authorizing such call was passed; and if any call payable in respect of any share is not paid on or before the day appointed for the payment thereof the holder for the time being of such share shall be liable to pay interest for the same from the day appointed for the payment thereof to the time of the actual payment.

(3) The directors may if they think fit receive from any shareholder wishing to pay the same all or any part of the amount remaining unpaid upon any share or shares held by him beyond the sum actually called for and pay dividends in proportion to the amount paid up on each share in cases where a larger amount is paid up on some shares than on others.

1908, c. 50, s. 15.

Forfeiture of shares

16 If any shareholder shall refuse or neglect to pay any call made 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 to the company and may be sold by the directors;

Provided always that in case the money realized from any such sale of shares be more than sufficient to pay all arrears and interest together with the expenses 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 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 *prima facie* case it shall only be necessary to prove that the defendant was owner of the said shares in the company, that said calls were made 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 bylaw, 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 bylaw, rule, regulations, minute or entry without any further proof thereof and without proof of the official character or signature of the officer signing the same or of the corporate seal.

1908, c. 50, s. 16.

Redemption of shares before sale

17 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.

1908, c. 50, s. 17.

Evidence of title of shares

18 A certificate under the common seal of the company specifying any share or shares held by any shareholder of the company shall be *prima facie* evidence of the title of the shareholder to the share or shares specified.

1908, c. 50, s. 18.

Transfer of shares

19 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 bylaws:

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 shall at any time be made until all calls thereon due up to the time of transfer shall have been paid.

1908, c. 50, s. 19.

Liability of Shareholders

20 Every shareholder shall until the whole amount of his stock has been paid up be individually liable to the creditors of the company to an amount equal to that not paid up thereon; but shall not be liable to any action therefor by any creditor until an execution against the company at the suit of such creditor has been returned unsatisfied in whole or in part and the amount due on such execution shall be the amount recoverable with costs from such shareholder:

Provided that any shareholder may plead by way of defence in whole or in part and 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.

1908, c. 50, s. 20.

Limited to amount of stock

21 The shareholders of the company shall not as such be held responsible for any act, default or liability whatsoever of the company or for any engagement, claim, payment, loss, injury, transaction, matter or thing whatsoever relating to or connected with the company beyond the amount of their respective shares in the capital stock thereof.

1908, c. 50, s. 21.

Company not bound to see to execution of trusts affecting shares

22 The company or its directors shall not be bound to see 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 new company or its directors the receipt of the person in whose name any share stands shall be sufficient discharge to the company for any money paid in respect to such share or shares.

1908, c. 50, s. 22.

Trustees, etc.

23 No person holding shares, stock or other interest in the company as executor, administrator, guardian or trustee shall be personally subject to liability as a shareholder; but the estate and funds in the hands of such person shall be liable in like manner and to the same extent as the testator or intestate or the minor, ward or other person interested in the trust fund would be if living and competent to act and holding such shares, stock or other interest in his own name.

1908, c. 50, s. 23.

Trustees may act as shareholders

24 Every such administrator, executor, guardian or trustee shall represent the stock in his possession at all meetings of the company and may vote as a shareholder; and every person who pledges his stock may notwithstanding such pledge represent the said stock at all such meetings and vote as a shareholder.

1908, c. 50, s. 24.

Nonpersonal liability of mortgagees or pledges of shares

25 No person holding shares, stock or other interest in the company as collateral security shall be personally subject to liability as a shareholder; but the person pledging such share, stock or other interest as such collateral security shall be considered as holding same and shall be liable as a shareholder in respect thereof.

1908, c. 50, s. 25.

Powers of company

26(1) The company shall have power to make and effect contracts of insurance with any person or persons or bodies politic or corporate against any loss or damage by fire or lightning in or to any houses, stores, factories, mills or other buildings whatsoever and in or to any shipping or vessels whatsoever or whithersoever proceeding against loss or damage by fire and in like manner to any goods, chattels or personal estate whatsoever for such time or times and for such premiums or considerations and under such modifications or restrictions and upon such conditions as may be bargained or agreed upon and set forth by and between the company and the person or persons insured or to be insured; and to cause themselves to be reinsured against any loss or risk they may have incurred in the course of the business and likewise the reinsurance of the risks of other companies and generally to do and perform all other necessary matters and things connected with and proper to promote the objects for which the said company is incorporated; and all policies or contracts issued or entered into by the said company shall be under the seal of the said company and shall be signed by the president or vice president and countersigned by the manager or otherwise as may be directed by the bylaws, rules and regulations of the company and being so sealed, signed and countersigned shall be deemed valid and binding upon the company according to the tenor and meaning thereof.

(2) The said company shall in like manner have power and authority to make and effect contracts of insurance against all accidents or casualties of whatsoever nature and from whatsoever cause arising whereby the insured or his property may suffer loss, damage or injury or be disabled or whereby any growing crops of the insured may be damaged or destroyed or in the case of the death of any person insured from any accident to secure to his representative the payment of a sum of money; to ensure and guarantee safe transit and delivery of any money, goods, chattels or effects and to guarantee the fidelity of persons in positions of trust, the due performance of their duties and against any liabilities they may incur in connection therewith:

Provided however that the powers granted under this subsection shall be subject to the provisions of *The Hail Insurance Ordinance* or any Act which may be passed in amendment thereto or in substitution therefor.

1908, c. 50, s. 26.

Contracts when binding on company

27 Every contract, engagement, agreement or bargain made and every bill of exchange drawn, accepted or indorsed and every promissory note and cheque made, drawn or indorsed on behalf of the company by any agent, officer or servant of the company in general accordance with his powers as such under the bylaws of the company shall be binding upon the company and in no case will it be necessary to have the seal of the company affixed to any such contract, agreement, engagement, bargain, bill of exchange, promissory note or cheque or to prove that the same was made, drawn, accepted or indorsed, as the case may be, in pursuance of any bylaw or special vote or order; and the person so acting as agent, officer or servant of the company shall not be thereby subjected individually to any liability whatsoever to any third person therefor.

1908, c. 50, s. 27.

Borrowing powers

28(1) If authorised by bylaw sanctioned by a vote of not less than two-thirds in value of the subscribed stock of the company represented at a general meeting of the shareholders duly called for considering the bylaw the directors may from time to time:

- (a) Borrow money upon the credit of the company;
 - (b) Limit or increase the amount to be borrowed;
 - (c) Issue bonds, debentures or other securities of the company for sums not less than one hundred dollars each and pledge or sell the same for such sums and at such prices as may be deemed expedient;
 - (d) Hypothecate, mortgage or pledge the real or personal property of the company or both to secure any such bond, debenture or other securities and any money borrowed for the purposes of the company.
- (2) Nothing in this section contained shall limit or restrict the borrowing of money by the company on bills of exchange or promissory notes made, drawn, accepted or indorsed by or on behalf of the company.

1908, c. 50, s. 28.

Realty/Investments

29 The company shall have power to acquire and hold real estate for the purpose of its business within this province of an annual value not exceeding \$20,000 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 of debts previously contracted in the course of its business or purchased at sales upon judgments which shall have been obtained for such debts or purchased for the purpose of avoiding a loss to the company in respect thereof or to the owner thereof and to retain the same for a period not exceeding five 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 bonds and debentures of any incorporated city, town or municipality authorised to issue bonds or debentures or in any mortgages or loans upon real estate or in real estate.

1908, c. 50, s. 29.

Amalgamation

30 The company shall have power to amalgamate with or purchase the business of any other insurance company or to sell out or dispose of the business of the company to any other such company upon such terms and conditions as may be agreed upon and as shall not impair the resources or remedy of any creditor or policy holder of either company to the transaction; but before the completion of any such amalgamation, purchase or sale the same must be approved of by two-thirds of the votes of the shareholders at an annual general meeting or of a special general meeting called for the purpose.

1908, c. 50, s. 30.

Auditors

31 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 the affairs of the company submitted to the shareholders by the directors as provided in section 7.

1908, c. 50, s. 31.

Company subject to general insurance laws

32 This act and the company hereby incorporated and the exercise of the powers hereby conferred shall be subject to any general laws in force or that may hereafter be in force in the province respecting insurance companies.

1908, c. 50, s. 32.

Returns

33 The company shall furnish all such returns as any be called for from time to time by the provincial secretary.

1908, c. 50, s. 33.

Power to purchase assets, etc., Hudson Bay Insurance Company Limited

34 The company Shall have the power to purchase and take over all the business, assets, contracts, rights, effects and properties real and personal of whatever kind and wheresoever situated belonging to or vested in the Hudson Bay Insurance Company, Limited, or to which it is or may be or may become entitled and to assume, pay, discharge, carry out and perform all the debts, liabilities, obligations and contracts of said last mentioned company upon such terms and conditions as may be agreed upon, including therein the right of the directors of the first mentioned company to allot shares in said company to the shareholders of the Hudson Bay Insurance Company, Limited, and to receive and to accept as sufficient payment of said shares to allotted or of the calls made upon the same, the transfer to the company by this Act incorporated of all the right, title and interest of said shareholder or shareholders of, in and to the said Hudson Bay Insurance Company, Limited and of, in and to his or their share or shares in the same or such portion thereof as may be agreed upon which said last mentioned company was incorporated by letters patent dated the thirtieth day of August, A.D. 1905, under and by virtue of *The Companies Ordinance* of the North-West Territories of 1901 with head office at said city of Moose Jaw.

1908, c. 50, s. 34.

When Act to take effect

35 This Act shall come into force and effect on the day the same is assented to.

1908, c. 50, s. 35.