

An Act to Incorporate The Saskatchewan Guarantee and Fidelity Company

being a Private Act

Chapter 51 of the *Statutes of Saskatchewan, 1908* (effective June 12, 1908) as amended by the *Statutes of Saskatchewan, 1910-11, c.51; 1920, c.87; 1934, c.66; 1954, c.95; and 1957, c.102.*

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 51

**An Act to Incorporate The Saskatchewan Guarantee and
Fidelity Company**

(Assented to June 12, 1908)

Preamble

WHEREAS the persons hereinafter named have by their petition prayed that it be enacted as hereinafter set forth and it is expedient to grant the prayer of the said petition;

Therefore His Majesty by and with the advice and consent of the Legislative Assembly of Saskatchewan enacts as follows:

Incorporation

1 Ernest Absalom McCallum of the city of Regina in the province of Saskatchewan, financial agent, Walter Hamilton Alexander Hill, of the same place, financial agent, Edgar Donald McCallum, of the same place, financial agent, Alexander Ross of the city of Regina aforesaid, barrister, and Charles Gordon Culbert of the same place, chemist, together with all such persons as become shareholders in the company are incorporated under the name of "The Saskatchewan Guarantee and Fidelity Company" herein called "the company."

1908, c. 51, s. 1.

Provisional directors

2 The persons named in section 1 of this Act shall be the provisional directors of the said company a majority of whom shall be a quorum for the transaction of business; and they or a majority of them may cause stock books to be opened and procure subscriptions for the undertaking and receive from the persons so subscribing ten per cent of the amount of the stock subscribed and deposit the amounts so received in a chartered bank or banks and may withdraw the same for the purposes of the company only; and may do generally whatever is necessary for the purposes of the company until such time as the directors are elected as hereinafter provided when the powers and functions of the provisional directors shall cease and determine.

1908, c. 51, s. 2.

Capital stock

3(1) The capital stock of the said company shall be five hundred thousand dollars divided into ten thousand shares of fifty dollars each.

(2) Where the amount paid up on any share of the company at the time of the coming into force of this section is less than fifty dollars the liability on such share with respect to share capital not paid up shall be reduced to the difference between the amount paid on such share and the said amount of fifty dollars per share.

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(3) Where any share of the company is fully paid up at the time of coming into force of this section the board of directors shall allot and issue to the holder of such share two shares of the par value of fifty dollars each credited as fully paid up, in exchange for such share.

(4) Where the amount paid up on any share of the company at the time of the coming into force of this section is more than fifty dollars but is not fully paid up the board of directors of the said company shall have power to make such adjustment as they may deem advisable, whether by payment of cash or by the allotment of further shares of the company either wholly or partly paid up, to the extent of the additional amount so paid.

(5) The directors of the company may from time to time with the sanction of a special resolution of the company, increase the share capital by such sum to be divided into shares of such amount as the resolution may prescribe.

1934, c. 66, s. 2.

Head office

4 The head office of the said company shall be at the city of Regina in the province of Saskatchewan or at such other place in the said province as the directors may by bylaw determine.

1908, c. 51, s. 4.

First general meeting

5 So soon as one hundred thousand dollars of the capital stock have been subscribed and ten per centum of that amount has been paid in the provisional directors shall call a general meeting of the shareholders at a place to be named in the city of Regina by addressing a notice of such meeting at least ten days before the date thereof to each shareholder at the address given by each of such shareholders when subscribing for such stock at which meeting the shareholders present or represented by proxy who have paid at least ten per centum on the amount of stock subscribed for by them shall elect a board of not less than five and not more than twelve directors who shall hold office until their successors are elected.

1908, c. 51, s. 5.

Qualification

6 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 twenty-five shares on which not less than ten per centum shall have been paid and unless he shall be free from indebtedness to the company.

1908, c. 51, s. 6.

Commencement of business

7 The company shall not commence the business of accident, sickness and guarantee insurance as provided for by the Act until at least one hundred thousand dollars of the capital stock shall have been subscribed and ten per cent paid in thereon and the company has deposited with the provincial treasurer five thousand dollars in cash or approved securities to that amount.

1908, c. 51, s. 7.

Calls on stock

8 The shares of the capital stock subscribed for shall after the first payment of ten per centum thereon be paid in such instalments and at such times and places as the directors may appoint:

Provided however that no instalment shall exceed ten per cent of the amount subscribed and not less than thirty days notice of each call shall be given to each shareholder.

1908, c. 51, s. 8.

Powers of directors

9 Subject to the provisions of this Act the directors shall have the general management and conduct of the stock, business, property, affairs and concerns of the company and shall have full power and authority to make and enter into or cause to be made and entered into any contract on behalf of the company which the company can make; and to make and from time to time alter, amend and repeal such bylaws, rules and regulations as shall be necessary for the management and conduct of the business and for disposition of its stock, property and effects and the making of calls thereon, the payment thereof, the issue and registration of stock certificates, the forfeiture of stock for nonpayment of calls, disposal of such forfeited stock and moneys paid thereon, the transfer of stock, the declaring of dividends, the appointment, functions and duties and the removal of officers, agents and servants of the company, the security to be given by and the remuneration of such officers, agents and servants, the time and place of the annual meeting of the company and of the meetings of the board and of the company to be held and the calling thereof and the procedure thereat, the requirements as to proxies and all other matters affecting or relating to the general management and conduct of the business and affairs of the company.

1908, c. 51, s. 9.

Election of directors

10 Such board of director shall be elected at the annual meeting of the company which election shall be by ballot and all shareholders qualified as hereinbefore provided receiving a clear majority of votes cast on the first or any subsequent ballot shall be and be declared elected and shall constitute the board of directors for the ensuing year and until their successors are elected, such board shall consist of not less than five or more than twelve members.

1908, c. 51, s. 10.

Officers

11 The board shall within ten days after such election meet and elect by ballot from among their number a president and a vice president who shall hold office for the ensuing year and until their successors are elected.

Vacancies in board of directors

(2) Any vacancy which may occur in the board or in the offices of president and vice president by reason of the death, resignation or disqualification of any director shall be filled by the board which shall elect from among the shareholders qualified to act as directors a shareholder or shareholders to fill such vacancy or vacancies; and such director so elected to fill such vacancy or vacancies shall hold office until the next annual meeting or until a successor or successors be elected.

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(3) A majority of the board shall constitute a quorum at any meeting thereof.

1908, c. 51, s. 11.

Annual meeting

12 A general meeting of the company shall be called at its head office in each year after the company commences business at such time as the directors may determine and at such meeting a statement of the affairs of the company shall be presented by the board of directors and a board of directors for the ensuing year shall be elected as hereinbefore provided.

1908, c. 51, s. 12.

Special meetings of company

13 Special general meetings of the company may be called at any time by the board of directors or by requisition of any three of such directors or of any twenty-five shareholders; and the notice calling such meeting shall state the purpose for which it is called and no business other than that stated in such notice shall be considered at any such special meeting.

1908, c. 51, s. 13.

Notice of meeting

14 Notice of the annual or of any special general meeting of the company shall be sufficiently given by mailing at least ten days before the date of meeting a notice thereof to each of the shareholders at the address of such shareholders as given on the books of the company.

1908, c. 51, s. 14

Votes of shareholders

15 Every shareholder shall be entitled to cast one vote for every share held by him on which all calls then due have been paid and such votes may be given by proxy but the holder of such proxy must be a shareholder.

1908, c. 51, s. 15.

Liability of shareholders

16 In the event of the property and assets of the company being insufficient to liquidate its debts and liabilities the shareholders shall be liable for such debts and liabilities to the extent of the amount then remaining unpaid on their respective shares but for no greater amount:

Actions against shareholders

Provided however that no action may be brought against any shareholder in respect of any debt or liability of the company until executions against the goods and lands of the company have been returned unsatisfied in whole or in part:

Defence in actions against shareholders

Provided further that any shareholder may plead by way of defence to any such action any defence or set off which he could plead to set up against the company except in respect of unpaid dividends or salary or allowances due such shareholder as an officer or director of the company.

1908, c. 51, s. 16.

Forfeiture of shares

17 If any shareholder shall refuse or neglect to pay the call or calls due upon any shares held by him the directors may declare the said shares and all moneys paid thereon forfeited in such manner as the bylaws may provide.

1908, c. 51, s. 17.

Company not bound to see to execution of trusts

18 The company or the directors shall not be bound to see to the execution of any trust express, implied or constructive affecting any of the shares; and notwithstanding any such trust or notice thereof to the company or directors the receipt, discharge or release by the person or persons in whose name the said shares may stand on the books of the said company shall be sufficient discharge to the company in respect of any liability in respect of any such shares.

1908, c. 51, s. 18.

Powers of company guarantee

19(1) The company may make and effect contracts guaranteeing the fidelity of persons filling or about to fill positions of trust or confidence and the due performance and discharge by such persons of all or any of the duties or obligations imposed on them by contract or the terms or nature of their employment or otherwise and guaranteeing the due performance and observance by any persons of any or all of the obligations imposed or about to be imposed upon such persons by any contract and guaranteeing that any person seeking to enter into any such contract will if required execute and complete said contract and guaranteeing the fidelity and due performance and discharge by receivers, official and other liquidators, assignees, committees, guardians, executors, administrators, trustees, attorneys, brokers, grain dealers and agents of their respective duties and obligations and guaranteeing to any employer or employers the fidelity and the due performance of their respective duties of any or all of the employees of such employer or employers and guaranteeing the due observance and performance of any duty imposed on any person or persons under any Statute of the Parliament of Canada or the legislative Assembly of any province or under any rule of court or the order of any court or judge and guaranteeing the payment of moneys secured by or payable under or in respect of debentures, bonds, debenture stock, contracts, mortgages, charges, obligations and securities of any company or corporation or of any authority whether corporate or unincorporate or guaranteeing persons filling or about to secure situations of trust or confidence against liability in connection therewith and particularly against liabilities resulting from the misconduct of any cotrustee, coagent, subagent or any person and generally to enter into such contracts as are necessary and usual for carrying on and transacting every kind of guarantee business and every kind of indemnity business and counter guarantee and counter indemnity business.

Plate glass insurance

(2) The said company may also make and enter into contracts for the insurance and reinsurance against loss or damage by breaking and otherwise to plate or other glass wherever the same may be situated or placed.

Additional powers

(3) In addition to the kinds, classes or branches of insurance mentioned in subsections (1) and (2), the company may engage in and carry on the business of an insurance carrier and transact business in any and every kind, class or branch whatever of insurance and may do all acts and things necessary or incidental to the

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transaction of such business and, without prejudice to the generality of the foregoing, the company may for such time, for such premium or other consideration, upon such terms and conditions and with such modifications and restrictions as may in each contract be agreed upon and as may not be contrary to law, make and perform contracts relating to any and all of the hereinafter enumerated kinds, classes or branches of insurance, their subdivisions and parts, that is to say:

Fire insurance

(a) insurance against loss of or damage to property through fire, lightning or explosion or any other peril against which insurance may lawfully be provided under or as supplemental coverage to a fire insurance contract;

Accident insurance

(b) insurance by which the company undertakes to pay insurance money in the event of accident to the person or persons insured;

Aircraft insurance

(c) insurance against loss of or damage to aircraft and against liability for loss or damage to persons or property caused by an aircraft or by the operation thereof;

Automobile insurance

(d) insurance against loss of or damage to an automobile and against liability for loss or damage to persons or property caused by an automobile or the use or operation hereof;

Boiler and machinery insurance

(e) insurance against loss of or damage to property and against liability for loss or damage to persons or property through the explosion, collapse, rupture or breakdown of or accident to, boilers or machinery of any kind;

Credit insurance

(f) insurance against loss to the person insured through insolvency or default of a person to whom credit is given in respect of goods, wares or merchandise;

Employers' liability insurance

(g) insurance against loss to an employer through liability for accidental injury to or death of an employee arising out of or in the course of his employment;

Hail insurance

(h) insurance against loss or damage to growing crops caused by hail;

Inland transportation and inland marine insurance

(i) Insurance against loss of or damage to property while in transit on land, through the air or on inland waterways or during delay incidental to transit or through a peril which is substantially a transit peril;

Live stock insurance

(j) insurance against loss through the death or sickness of or accident to an animal;

Marine insurance

(k) insurance against marine losses of all kinds;

Property damage insurance

(l) insurance against loss of or damage to property of any kind from any cause, not included in any other kind, class or branch of insurance expressly mentioned in this section;

Public liability insurance

(m) insurance by which the company undertakes to pay insurance money in the event of sickness of the person or persons insured;

Sickness insurance

(n) insurance by which the company undertakes to pay insurance money in the event of sickness of the person or persons insured;

Sprinkler leakage insurance

(o) insurance against loss of or damage to property through the breakage or leakage of sprinkler equipment or any other fire protection system, or of pumps, water pipes or plumbing and its fixtures;

Theft insurance

(p) insurance against loss or damage through theft, wrongful conversion, burglary housebreaking, robbery or forgery;

Weather insurance

(q) insurance against loss or damage through windstorm, cyclone, toronado, rain, hail, flood or frost, not included in any other kind, class or branch of insurance expressly mentioned in this section.

Reinsurance

(4) The company may cause itself to be reinsured against any risk it may have undertaken, or which it may undertake, and may reinsure any other person or company against any risk which such company or person may have undertaken.

Investment

(5) And the said company may accumulate capital for any of the purposes of he company or appropriate any of the company's assets to a special purpose either conditionally or unconditionally; and may borrow such sum or sums of money as to the directors shall from time to time seem needful or expedient upon the security of the real or personal property of the said company; and may invest the funds of the said company as the directors may see fit.

1908, c. 51, s. 19; 1910-11, c. 51, s. 3; 1920, c. 87, s. 1; 1954, c. 95, s. 2.

20 Repealed. 1920, c. 87, s. 2.**Real estate**

21 The company shall have power to lease, acquire and hold real estate for the purpose and the accommodation of its business within the province and to sell and dispose of the same and to acquire other property in its place as may be deemed expedient and to take, hold and acquire all such real and personal estate as shall have been mortgaged to it by way of security under the provisions hereinbefore contained or conveyed to it in satisfaction of debts previously contracted in the course of its business.

1908, c. 51, s. 21; 1920, c. 87, s. 3; 1957, c. 102, s. 2.

Recovery of debts

22 The said company may do all acts, matters or things that may be necessary for recovering and obtaining repayment of any moneys loaned by the said company upon any of the securities aforesaid and for insuring payment of all interest accruing thereon or any conditions attached to such advances or any forfeiture consequent upon nonpayment thereof; and may execute all necessary and proper receipts, acquittances and discharges for the same and execute all releases and do all acts or payments whatsoever requisite and expedient to the done and exercised in relation to the same.

1908, c. 57, s. 22.

c. 51 SASKATCHEWAN GUARANTEE AND FIDELITY COMPANY**Deposit to be made with provincial treasurer**

23 The said company shall forthwith after the passing of this Act deposit with the provincial treasurer the sum of five thousand dollars which said sum shall be held for the benefit of the policy holders of the said company in Saskatchewan so long as any policies of the said company are outstanding within the said province.

1908, c. 51, s. 23.

Annual reports to shareholders

24 The directors shall cause to be prepared and submitted to the shareholders of each annual general meeting a full and correct statement of the accounts of the company, a general abstract of the estimated liabilities and assets of the company and a list of shareholders showing the amount of stock held and the amount unpaid thereon respectively.

1908, c. 51, s. 24.

Auditors

25 One or more auditors shall be appointed by the shareholders of each annual general meeting whose report shall be embodied in the general statement of the affairs of the company submitted to the shareholders as provided in the next preceding section.

1908 c. 51, s. 25.

Returns

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

1908, c. 51, s. 26.