

# *An Act to incorporate The Midwest Insurance Company, Limited*

*being a Private Act*

Chapter 85 of the *Statutes of Saskatchewan, 1920*  
(effective December 15, 1920).

## **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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**1920**  
**CHAPTER 85**

**An Act to incorporate The Midwest Insurance Company, Limited**

(Assented to December 15, 1920)

**Preamble**

WHEREAS Orville F. Seeber, Edmund Simon and John Lorn McDougall have presented a petition praying for the incorporation of The Midwest Insurance Company, Limited; 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 and objects**

**1** the persons hereinbefore named, and all such persons as shall become shareholders of the said company, shall be and are hereby constituted and declared to be a body corporate and politic in law, and in fact under the name and style of "The Midwest Insurance Company, Limited," with the powers, capacities and privileges for effecting and carrying on the business of insurance hereinafter conferred, and for doing all things appertaining thereto and connected therewith.

1920, c.85, s.1.

**Capital stock**

**2** The capital stock of the said company shall be five hundred thousand dollars (\$500,000) divided into ten thousand shares of fifty dollars each.

1920, c.85, s.2.

**Place of business**

**3** The chief place of business of the said company shall be in the city of Regina in the Province of Saskatchewan, but may be changed from time to time to such other place in the said province as may be designated by bylaw:

Provided, however, that such bylaw shall be of no effect until it shall have been duly passed by the board of directors, and approved of by the shareholders at an annual general meeting or a special meeting to be expressly convened for that purpose.

1920, c.85, s.3.

**Organisation**

4 For the purpose of organising 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 authorised to receive from the shareholders a deposit of at least twelve and one-half per cent on the amount of the stock subscribed by them respectively, and to pay all costs and expenses incurred in the application for and the obtaining of this Act of incorporation, brokerage on stock, and other necessary expenses in connection with the organisation of the company; as soon as the directors shall have been elected as hereinafter provided the powers and functions of the provisional directors shall cease and determine.

1920, c.85, s.4.

**First general meeting; Board of directors; Commencement of business**

5 When two hundred thousand dollars of the said capital stock shall have been subscribed as aforesaid and twelve and one-half per cent of the amount so subscribed paid in cash, the provisional directors shall call a general meeting of the shareholders at the chief place of business of the company, giving fourteen days' notice of the time and place where such meeting is to be held in some newspaper published in the city of Regina in the Province of Saskatchewan, and by sending to each shareholder a copy of the said notice by registered mail at which general meeting the shareholders present in person or represented by proxy shall elect in the manner hereinafter provided, the board of directors composed of not less than three or more than seven 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 two hundred thousand dollars of its capital stock shall have been subscribed and twelve and one-half per cent of the amount so subscribed paid in over and above all sums expended in applying for, and obtaining incorporation, in brokerage on stock, and other matters connected with the organisation of the company and a board of directors elected as aforesaid.

1920, c.85, s.5.

**Calls on stock**

6 The share of capital stock of the said company subscribed for shall after the first payment of twelve and one-half per cent thereon be paid in by such instalments and at such times and places as the directors shall appoint:

Provided that no such instalment shall exceed ten per cent and not less than one month's notice of any calls upon stock 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.

1920, c.85, s.6.

**Forfeiture of shares**

7 If any shareholder shall refuse or neglect to pay any call made upon the share or shares held by him for sixty (60) 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 and may be sold by the directors:

Provided always that in case the money realised from such sale of share or 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 a *prima facie* case it shall be necessary only to prove that the defendant was owner of the said shares in the company, that said calls were made and that notice was given as directed by this Act, and it shall not be necessary to prove the appointment of directors who made such calls or any other matter whatsoever than by this section are 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, regulation, 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.

1920, c.85, s.7.

**Redemption**

8 If payment of such arrears, calls, interest and expenses, be made before any shares so forfeited shall have been sold, such shares shall revert to the owner as if the same had been duly paid before the forfeiture thereof.

1920, c.85, s.8.

**Transfer of stock**

9 No transfer of any shares 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; and until the whole of the subscribed stock of the company is paid up it shall be necessary to obtain the consent of the directors for the time being to such transfer being made:

Provided always that no shareholder indebted to the company shall be permitted to make a transfer or receive a dividend until his 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.

1920, c.85, s.9.

**Liability of shareholders**

**10** In the event of the property and assets of the said company being insufficient to liquidate its debts, liabilities and engagements the shareholders shall be liable for the deficiency but to no greater extent than the amount of the balance remaining unpaid upon their respective shares in capital stock.

1920, c.85, s.10.

**Liability for debts, etc.**

**11** No shareholder shall be liable to any action for any debt, liability or engagement of the said company by any creditor thereof before an execution against the company has been returned unsatisfied in whole or in part; and the amount due on such execution shall be the amount recoverable with costs against such shareholder:

Provided that any shareholder may plead by way of defence in whole or in part any set off which he could set up against the company except a claim for unpaid dividends or salary or allowance as president or director; and provided always that nothing in this section shall be construed to allay or diminish the additional liabilities of the directors of the company.

1920, c.85, s.11.

**Trusts**

**12** The company or director 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 company, or 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 of such share or shares.

1920, c.85, s.12.

**Annual meeting**

**13** The annual general meeting of shareholders of the company shall be held at the chief place of business of the company on such day and at such hour as may be appointed by bylaw, fifteen days' notice of such meeting being given in some newspaper published at or as near as may be to the said chief place of business, or in such other manner as may be provided by the bylaws of the company.

1920, c.85, s.13.

**Special general meeting**

**14** Special general meetings of the shareholders may be called in such manner as may be provided by the bylaws.

1920, c.85, s.14.

**Procedure at general meeting**

**15(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 present, shall preside, who in case of an equality of votes shall give the casting vote in addition to his vote as a shareholder.

(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.

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

1920, c.85, s.15.

**Management of company; Board of directors**

16(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 three or more than seven as may be provided by the bylaws who shall be elected at the annual general meeting of the shareholders each year, such election to be by ballot, and the requisite number of persons receiving the greatest number of votes at such election shall be the directors for the ensuing year; provided that 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 greatest 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.

(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 five (5) shares on which not less than twelve and one-half per cent shall have been paid and unless all calls on such stock shall have been paid to the company.

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

(4) Any vacancy happening amongst 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 eligible for election as director.

(5) The directors may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings as they think fit, and may determine by bylaw the quorum necessary for the transaction of business, but in the meantime and until otherwise determined two directors shall be a quorum. Questions arising at any meeting of the directors shall be decided by a majority of votes, each director present having one vote, and in the case of a tie the question shall be resolved in the negative.

1920, c.85, s.16.

**Procedure when election not held under provisions of Act**

17 In case it shall at any time happen that an election of directors of the said company shall 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 deemed to have been dissolved but the directors in office shall so continue until their successors have been elected.

1920, c.85, s.17.

**Powers of directors**

18 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 and 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 company all contracts into which by law the company can enter, and may from time to time make bylaws, regulating the allotment of stock, the 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 and term of service 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 of any of the directors, the time and place of annual meetings of the company, the calling of meetings of the board or of committee of directors and meetings of the company, the requirements as to proxies, the procedure and 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:

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

1920, c.85, s.18.

**Powers of company**

19(1) The company shall have power to undertake and carry on the business of insurance in all its branches and to insure or guarantee against loss of any kind arising from any risk or contingency, whatsoever, and in respect of any matter whatsoever, including insurance of the person, within the meaning of *The Saskatchewan Insurance Act*, but excepting insurance against death and insurance commonly known as life insurance.

(2) The company shall in like manner have power and authority to make and effect reinsurance risks undertaken and to grant reinsurance of risks within the limits of the company's business and generally to do and perform all other necessary matters and things connected with and proper to promote the objects for which the company is incorporated.

1920, c.85, s.19.



**Authentication of contracts**

**20** All policies or contracts issued or entered into by the company 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 when so signed and countersigned shall be deemed valid and binding upon the company according to the tenor and meaning thereof.

1920, c.85, s.20.

**Power to acquire and hold real estate, etc.**

**21** The company shall have full power to acquire and hold personal property for the purposes of its business and to acquire and hold real property or any estate therein for like purposes to an annual value not exceeding \$5,000 and to sell and dispose of the same, and acquire other property in their place as may be deemed expedient, and further to take, hold and acquire all such lands and tenements, real or personal property 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 for the purpose of avoiding a loss to the company in respect thereof or of the owner thereof and to retain the same for a period not exceeding five years from the acquisition thereof, and may invest its surplus funds and reserve in securities authorised by *The Saskatchewan Insurance Act*.

1920, c.85, s.21.

**Borrowing powers**

**22** The directors may, with the consent of the company in general meeting, borrow money from time to time on behalf of the company at such rates of interest and upon such terms as they may from time to time think proper; and the directors may for that purpose make and execute any mortgages, bonds or other instruments, under the common seal of the company, for sums of not less than one hundred dollars each, or make promissory notes, or assign, transfer or deposit by way of equitable mortgage or otherwise, any of the documents of title, deeds, muniments, securities or property of the company, not held by it in trust, and either with or without powers of sale, or other special provisions as the directors shall deem expedient.

1920, c.85, s.22.

**Amalgamation**

**23** The company shall have power to amalgamate with or purchase the business of any other insurance company or to sell out and 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 the company but before the completion of any such amalgamation, purchase or sale the same shall be approved of by a two-thirds vote of the shareholders at an annual general meeting or special meeting called for that purpose.

1920, c.85, s.23.

**Annual report to shareholders**

**24** The directors shall cause to be prepared and submitted to the shareholders at each annual 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 the shareholders showing the amount of stock held and the amount unpaid thereon respectively.

1920, c.85, s.24.

**Auditors**

**25** 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 as provided in the next preceding section.

1920, c.85, s.25.

**Subject to *Insurance Act***

**26** This Act, and the company hereby incorporated and the exercise of the powers hereby conferred shall be subject to *The Saskatchewan Insurance Act*, and any general laws in force or that may hereafter be in force in the province respecting insurance companies.

1920, c.85, s.26.

**Returns to Provincial Secretary**

**27** The company shall furnish all such returns as may be called for from time to time by the Provincial Secretary.

1920, c.85, s.27.

**Subject to *Companies Act***

**28** Subject to the provisions of this Act, the provisions of *The Companies Act* shall apply to this company in so far as the same may be applicable.

1920, c.85, s.28.