

UNEDITED

The Mutual Fire Insurance Act

being

Chapter 81 of *The Revised Statutes of Saskatchewan, 1909*
(effective March 15, 1911).

FOR HISTORICAL REFERENCE ONLY

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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CHAPTER 81

An Act respecting Mutual Fire Insurance

SHORT TITLE

Short title

- 1 This Act may be cited as “*The Mutual Fire Insurance Act*.”

1903 (2), c.21, s.1; R.S.S. 1909, c.81, s.1.

INTERPRETATION

Interpretation

- 2 In this Act unless the context otherwise requires the expression:

1. “**Registrar**” means the registrar of joint stock companies as defined by *The Companies Act*;
2. “**Mutual insurance**” means insurance against loss by fire given in consideration of a premium note or undertaking as provided by this Act with or without a cash payment thereon;
3. “**Mutual fire insurance company**” or “**mutual company**” means a company organised in terms of this Act and empowered only to transact mutual insurance business;
4. “**Member**” means a holder of a subsisting mutual insurance policy issued by a mutual company;
5. “**Premium note**” means an instrument given as consideration for insurance whereby the maker undertakes to pay such sum or sums as may be legally demanded by the insurer the aggregate of such sums not to exceed an amount apesified in the instrument.

1903 (2), c.21, s.2; R.S.S. 1909, c.81, s.2.

INCORPORATION

Certificate of agreement to form company

- 3 Any thirty or more persons each having an insurable interest in property real or personal exposed to damage by fire who may desire to form a mutual fire insurance company under this Act may make and sign a certificate in writing in which shall be stated:

- (a) That the persons signing have agreed to form a mutual fire insurance company under this Act;
- (b) The name of the company which shall contain the words “mutual fire” and shall be subject to approval by the registrar;
- (c) The name of the city, town or other place in which the principal office of the company is to be located;

- (d) That each person signing will become a member of the company by insuring with the company property in which he has an insurable interest according to the mutual insurance plan and subject to the rates, tariff and entrance fees to be determined by the provisional directors of the company;
 - (e) The number and names of the provisional directors of the company—who shall not be less than seven nor more than fifteen—who shall manage all the affairs of the company until the first general meeting of the company;
 - (f) That the members are not individually liable for the debts of the company beyond the amounts due under the premium notes given by each to the company.
- (2) Such certificate shall be in duplicate and shall be signed in the presence of at least one witness and shall be accompanied by an affidavit by the witness proving the signatures made before some person authorised to take affidavits for use in the supreme court of Saskatchewan.
- (3) The total amount of insurance proposed to be taken under such certificate shall be not less than thirty thousand dollars.

1903 (2), c.21, s.3; R.S.S. 1909, c.81, s.3.

Incorporation

4 One duplicate of the said certificate shall be filed with the registrar accompanied with a fee of ten dollars and thereupon the subscribers thereto and other persons thereafter becoming members shall be a body corporate by and under the name adopted and approved by the registrar and have a common seal.

1903 (2), c.21, s.4; R.S.S. 1909, c.81, s.4.

First general meeting

5 The registrar shall thereupon fix the date and place of the first general meeting of the company and cause a notice to be published in the next and one following issue of *The Saskatchewan Gazette* in the form following, viz.:

THE MUTUAL FIRE INSURANCE ACT

Certificate filed for incorporation of the _____

Mutual Fire Insurance Company of this date.

Head office in _____ Saskatchewan.

The following are the provisional directors of the company, viz.:

(Insert names and addresses.)

The liability of the members is limited.

The first general meeting of the company will be held in _____ on the _____ day of _____ 19____, at the hour of _____ o'clock in _____.

Registrar.

Dated _____ 19____.

1903 (2), c.21, s.5; R.S.S. 1909, c.81, s.5.

Certified copy of certificate of incorporation as evidence

6 A copy of any certificate of incorporation filed in pursuance of this Act certified by the registrar or a copy of *The Saskatchewan Gazette* containing the registrar's notice of such certificate or a certificate of the registrar of any facts respecting any mutual company shall be *prima facie* evidence of the facts therein stated.

1903 (2), c.21, s.6; R.S.S. 1909, c.81, s.6.

Powers of company

7 A mutual company so incorporated may sue or be sued in any court under the corporate name; it may purchase, lease, hold, sell, convey or mortgage any real or personal property required for the business of the company or for the investment of any reserve fund or other moneys belonging to the company; it may also invest funds belonging to the company on mortgage on real estate; or in the purchase of Dominion, provincial, municipal or school bonds or debentures; and it may appoint such officers or agents as the business of the company shall require and define their powers and duties and fix their remuneration and the amount of the security to be required of them; and it may make bylaws not inconsistent with this Act for the management of its business, the regulation of the tariff of rates, the levying of assessments and the terms and conditions of its insurance policies.

1903 (2), c.21, s.7; 1908, c.38, s.16; R.S.S. 1909, c.81, s.7.

Forfeiture of the corporate powers

8 The corporate powers of the company shall be forfeited and cease except for the purpose of winding up provided:

1. That there are not before the lapse of one year from the date of filing the certificate of incorporation mutual insurance policies of the company in force to a total amount of two hundred thousand dollars; or
2. That at any time thereafter the total amount of such insurance policies shall have diminished and become less than two hundred thousand dollars.

1903 (2), c.21, s.8; R.S.S. 1909, c.81, s.8.

Directors may exercise powers

9 The corporate powers of the company may be exercised by the provisional board of directors prior to the date of the first meeting of the company and thereafter by the successive boards of directors appointed by the members of the company.

1903 (2), c.21, s.9; R.S.S. 1909, c.81, s.9.

Provisional directors to appoint officers

10 Within one month after incorporation of the company the provisional directors shall meet and appoint a president and vice president from their own number and shall also appoint a secretary and a treasurer and such other officers as may be required to hold office till after the first general meeting of the company and shall also within such period prepare a tariff of rates for premium notes and for entrance fees and fixed annual payments to be paid or undertaken by members in exchange for the insurance policies of the company and they shall adopt such other measures as will conduce to the establishment and furtherance of the company business and shall also prepare such bylaws as they deem necessary to regulate the business of the company or for any other purpose to be submitted to the first general meeting of the company.

1903 (2), c.21, s.10; R.S.S. 1909, c.81, s.10.

THE DIRECTORS, THEIR ELECTION AND POWERS

Board of directors

11 The affairs of the company shall be managed by a board of directors of not less than seven nor more than fifteen members the majority of whom shall be British subjects and all of whom shall be members of the company and holders of insurance therein for at least one thousand dollars each.

1903 (2), c.21, s.11; R.S.S. 1909, c.81, s.11.

First directors

12 At the first meeting of the company a board of directors shall be elected from amongst the subscribers such board to consist of not less than seven nor more than fifteen members and no subscriber shall be elected as a director unless he is a subscriber for insurance in the company to at least one thousand dollars.

1903 (2), c.21, s.12; R.S.S. 1909, c.81, s.12.

Term of office

13 The directors so elected shall hold office and enjoy all the powers exercised by the directors elected as hereinafter provided until replaced or re-elected at the first annual meeting of the company.

1903 (2), c.21, s.13; R.S.S. 1909, c.81, s.13.

Failure of election on proper day

14 In case an election of directors be not made on the day on which it ought to have been made the company shall not for this cause be dissolved but the election may be held on any subsequent day at a meeting to be called by the directors for that purpose or as is otherwise provided for by the bylaw of the company and in such case the directors shall continue to hold office until their successors are elected.

1903 (2), c.21, s. 14; R.S.S. 1909, c.81, s.14.

GENERAL POWERS OF THE BOARD OF DIRECTORS

Officers

15 The board shall appoint a president and vice president from their own number and may from time to time appoint a manager, a secretary, a treasurer and such other officers, agents or assistants as to them may seem necessary, prescribe their duties, fix their compensations or allowances, take such security from them as may be required for the faithful performance of their respective duties and remove them and appoint others instead.

1903 (2), c.21, s.15; R.S.S. 1909, c.81, s.15.

Tariff of rates

16 The said board may also adopt a tariff of rates for insurance and vary the same from time to time and determine the sum to be insured on any property.

1903 (2), c.21, s.16; R.S.S. 1909, c.81, s.16.

Regulations and bylaws

17 The board of directors may from time to time make and prescribe such regulations or bylaws as to them may appear needful and proper respecting the funds and property of the company, the duties of the officers, agents and assistants thereof, the effectual carrying out of the objects contemplated by the company, the holding of the annual meeting and such other matters as appertain to the business of the company and are not contrary to law and may from time to time alter and amend the said regulations and bylaws except in cases with regard to which such regulations or bylaws may not be repealed or where such repeal would affect the rights of others than the members of the company; in any of which cases such regulations or bylaws shall not be repealed.

1903 (2), c.21, s.17; R.S.S. 1909, c.81, s.17.

Bylaws to require confirmation

18 Every bylaw and every repeal, amendment or re-enactment thereof unless in the meantime confirmed at a general meeting of the company duly called for that purpose shall have force only until the next annual meeting of the company and in default of confirmation thereat shall at and from that time cease to have force and in that case no new bylaw to the same or like effect shall have any force until confirmed at a general meeting of the company.

1903 (2), c.21, s.18; R.S.S. 1909, c.81, s.18.

Board to manage property of company

19 The board of directors shall superintend and have the management of the funds and property of the company and of all matters relating thereto not otherwise provided for.

1903 (2), c.21, s.19; R.S.S. 1909, c.81, s.19.

Manager may be a director

20 The manager of a mutual company may be elected also a director though he may not be a member and he may be paid an annual salary or he may be remunerated for his services in such other form as the other directors may determine.

1903 (2), c.21, s.20; R.S.S. 1909, c.81, s.20.

Paid officers not eligible for directors

21 No paid officer or person in the employment of the company other than the manager shall be eligible to be elected a director or to take part in the election of the directors though he may be a member of the company.

1903 (2), c.21, s.21; R.S.S. 1909, c.81, s.21.

Directors to hold office for one year

22 The directors of the company shall hold office for a period of one year but shall be eligible for re-election.

1903 (2), c.21, s.22; R.S.S. 1909, c.81, s.22.

Failing a quorum at an annual meeting, directors to hold office

23 In the event of a quorum not being present at the annual general meeting of the company the retiring directors shall hold office until their successors are appointed and the board shall convene another general meeting to be held within two months of the date of the annual general meeting to transact the business of the annual general meeting.

1903 (2), c.21, s.23; R.S.S. 1909, c.81, s.23.

Directors to fill vacancy at board

24 In the event of a vacancy arising in the board of directors through the death, disqualification or resignation of any of the directors or through the absence from three consecutive meetings of the board of any member without leave of the board which shall *ipso facto* vacate his office the vacancy so arising shall be filled by the directors whose appointee shall hold office until the next annual general meeting of the company.

1903 (2), c.21, s.24; R.S.S. 1909, c.81, s.24.

Borrowing powers of board

25 The board may issue debentures, mortgages or promissory notes in favour of any person, firm, company or banking institution for money borrowed and they may borrow money for the purposes of the company for any term not exceeding one year and on such conditions as to interest and mode of repayment as they may think proper; and they may renew such debentures, mortgages or promissory notes from time to time if necessary within the said term of one year; but the total amount so borrowed shall at no time exceed one-half of the total amount remaining due on the premium notes held by the company.

1903 (2), c.21, s.25; R.S.S. 1909, c.81, s.25.

Lending money, etc., to directors forbidden

26 The board shall not loan money to or borrow money from any director of the company or enter into any contract with any director other than the issue of a policy of insurance in the ordinary course of business.

1903 (2), c.21, s.26; R.S.S. 1909, c.81, s.26.

Directors entitled to travelling expenses

27 The directors may be paid a reasonable allowance for travelling expenses to attend meetings of the board or to attend to the business of the company.

1903 (2), c.21, s.27; R.S.S. 1909, c.81, s.27.

Annual general meeting may vote payment to directors

28 At any annual general meeting of the company it shall be lawful to vote to the directors or any of them for the preceding year such sum or sums of money as may be deemed reasonable remuneration for their services.

1903,(2), c.21, s.28; R.S.S. 1909, c.81, s.28.

MEMBERS

Admission of members

29 The company through its board of directors may admit as a member thereof the owner of any property real or personal by the issuance to such owner of a policy of mutual insurance insuring such owner against loss in respect thereof as hereinafter provided and every person so admitted shall be entitled to like rights and be subjected to like liabilities as other members of the company.

1903 (2), c.21, s.29; R.S.S. 1909, c.81, s.29.

Applicant not a member

30 No applicant for insurance shall be deemed a member of the company or be entitled to be elected as a director of the company or be entitled to take part in any of the company's meetings until his policy of insurance has been issued to him.

1903 (2), c.21, s.30; R.S.S. 1909, c.81, s.30.

Member may withdraw with consent of directors

31 Any member of a company may with consent of the directors at any time withdraw therefrom upon such terms as the directors may require in respect of his obligations to the company.

1903 (2), c.21, s.31; R.S.S. 1909, c.81, s.31.

Limitation of liability

32 No member of a company shall be liable in respect of any loss or other claim or demand against the company otherwise than upon and to the extent of the amount unpaid upon his premium note or other undertaking.

1903 (2), c.21, s.32; R.S.S. 1909, c.81, s.32.

MEETINGS OF THE COMPANY

First general meeting

33 At the first general meeting of the company the members shall appoint as a board of directors not less than seven nor more than fifteen duly qualified members of the company and they shall also pass such bylaws as shall be necessary in the interests of the company and they may appoint auditors or other officers of the company.

1903 (2), c.21, s.33; R.S.S. 1909, c.81, s.33.

Annual general meetings

34 Meetings of the members of a mutual company shall be held in every year within two months after the thirty-first day of December at such time and place as may be prescribed by the directors or by the bylaws of the company. At such meeting in addition to the election of directors there shall be submitted and considered a report of the transactions of the company for the preceding year together with a full statement of its affairs exhibiting in detail its receipts and expenditures and its assets and liabilities and a report by the auditors of the company thereon.

1903 (2), c.21, s.34; R.S.S. 1909, c.81, s.34.

Special meeting

35 A special meeting of the members shall be convened by the directors at the written request of ten members of the company and the directors may themselves convene such a meeting when occasion requires; notice in either case shall be given in the manner hereinafter provided.

1903 (2), c.21, s.35; R.S.S. 1909, c.81, s.35.

Notices of annual or special general meetings

36 Notice of an annual or special meeting of the company shall be published in one or more daily or weekly newspapers published and circulating in the district embraced in the operations of the company and be given by circular letter mailed by the secretary to the last known postal address of the members at least fourteen days' previous to the date of the meeting.

1903 (2), c.21, s.36; R.S.S. 1909, c.81, s.36.

Votes at meetings

37 Each member of the company shall be entitled at all meetings of the company to the number of the votes proportioned to the amount by him insured according to the following rates, that is to say: For any sum under one thousand dollars, one vote; from one thousand dollars to three thousand dollars, two votes.

1903 (2), c.21, s.37; R.S.S. 1909, c.81, s.37.

QUORUM AT MEETINGS**Quorum at general and board meetings**

38 Fifteen members actually present shall form a quorum at all meetings of the company and five directors shall be a quorum at all board meetings.

1903 (2), c.21, s.38; R.S.S. 1909, c.81, s.38.

OFFICERS AND RECORDS**Treasurer to give security**

39 The treasurer, secretary or other officer having charge of the funds of the company shall give security to the satisfaction of the board of directors in an amount to be fixed by a general meeting or by the directors but not to be less than \$2,000 for the faithful discharge of his duties.

1903 (2), c.21, s.39; R.S.S. 1909, c.81, s.39.

Full records of all the business done to be kept

40 Every mutual company shall keep full and distinct records of its business and transactions including registers of all policies issued and premium notes and cash payments received in respect thereof; books of account showing all cash transactions; minute books and letter books and such other records as are usual and necessary to give a full and clear idea of the operations of the company; and these records shall be at all times accessible to any director or auditor of the company or to any one having authority from a general meeting on their behalf to examine and report upon the same.

1903 (2), c.21, s.40; R.S.S. 1909, c.81, s.40.

Auditors of the company to be appointed

41 At the annual general meeting or at a special meeting of which due notice has been given one or more auditors of the company may be appointed who shall make periodical or special examination of the books of the company and report to the directors thereon and who shall receive such remuneration as may be fixed by that or any other meeting of the directors of the company.

1903 (2), c.21, s.41; R.S.S. 1909, c.81, s.41.

RETURNS**Annual return to the registrar**

42 Within one month after the annual general meeting in each year the secretary of the company shall file with the registrar a return verified by the affidavit of the president and the secretary setting forth:

First, the assets of the company specifying:

- (a) The value of the real estate;
- (b) The amount of cash on hand and deposited in banks to the credit of the company naming the banks and the amount in each;
- (c) The amount of cash in company's office and in agents' hands respectively;
- (d) The amount of any loans or investments and the nature of the security held therefor in detail and what, if any, payments are in arrear thereon;
- (e) The amount of assessments on premium notes or undertakings on hand;
- (f) The amount still payable upon premium notes or undertakings on hand;
- (g) Other amounts due to the company;

Secondly, the liabilities of the company specifying:

- (a) The amount of losses due and yet unpaid;
- (b) The amount of claims for losses resisted;
- (c) The amount of losses incurred during the year including those claimed but not adjusted;
- (d) The amount payable for money borrowed and security given and interest payable;
- (e) The amount of all other existing claims against the company;
- (f) The amount covered by policies in force in respect of each class of risk;

Thirdly, the income of the company during the preceding year specifying:

- (a) The amount of cash received on premium notes;
- (b) The amount of premium notes or undertakings;
- (c) The amount of interest received;
- (d) The amount of income from all other sources;

Fourthly, the expenditure during the year specifying:

- (a) The amount of losses paid during the year stating how much of the same accrued prior and how much subsequently to the date of the last preceding statement and the amount at which such prior accrued losses were estimated in such preceding statement;
- (b) The amount of expenses paid during the year;
- (c) The amount of taxes;
- (d) The amount paid for reinsurance;
- (e) The amount of all other payments and expenditures under their appropriate heads;

Fifthly, a full copy of all the bylaws adopted by the directors or by a general meeting during the preceding year;

Sixthly, the names of the president, vice president, secretary treasurer, directors and auditors of the company appointed for the current year.

1903 (2), c.21, s.42; R.S.S. 1909, c.81, s.42.

Special returns

43 Any company shall further when required make prompt and explicit answer in reply to any inquiries in relation to its transactions which may be required by the Lieutenant Governor in Council; and any company which fails to make and deposit such statement as in the next preceding section required so verified or to reply to such inquiry and its manager and secretary shall be subject respectively on summary conviction for each offence to a fine or penalty of \$50 to be recovered on behalf of his Majesty for the use of the province.

1903 (2), c.21, s.43; R.S.S. 1909, c.81, s.43.

INSURABLE PROPERTY

Subjects that may be insured

44 A mutual company may insure the owners of dwelling houses, household furniture, machinery, live stock, farm produce, farm buildings and implements, churches, schools, creameries, cheese factories, warehouses, stores and merchandise and all other buildings and commodities situated in Saskatchewan against loss through damage of such subjects by fire or lightning whether the same happens by accident or any other means except that of design on the part of the insured or by the invasion of an enemy or by insurrection.

1903 (2), c.21, s.44; R.S.S. 1909, c.81, s.44.

Contracts of insurance not to exceed three years/Limit as to amount of risk

45 Contracts of insurance by mutual companies shall not exceed the term of three years and unless a mutual company has a reserve fund of at least two thousand dollars and premium notes and undertakings to the amount of at least five thousand dollars no single risks shall be undertaken and held by the company alone for an amount larger than two thousand dollars. The maximum amount of any single risk that can be undertaken and held by a mutual company alone is three thousand dollars.

1903 (2), c.21, s.45; R.S.S. 1909, c.81, s.45.

Validity of mutual insurance contracts

46 All contracts of mutual insurance sealed with the seal of the company, signed by the president or vice president and countersigned by the secretary shall be binding on the company.

1903 (2), c.21, s.46; R.S.S. 1909, c.81, s.46.

Contract may be renewed by renewal receipt

47 Any contract may be renewed at the discretion of the board of directors by renewal receipts instead of a new policy on the insured furnishing the required cash and premium note but such renewal must be effected before the actual lapse of the period of the principal contract.

1903 (2), c.21, s.47; R.S.S. 1909, c.81, s.47.

Minimum rate to be charged

48 The minimum rate to be charged or taken by any company for insuring first class isolated nonhazardous property shall not be less than thirty-three and one-third cents per one hundred dollars per annum; and the minimum rate of insurance upon other property shall be increased relatively with the increased risk according to the nature of such property.

1903 (2), c.21, s.48; R.S.S. 1909, c.81, s.48.

Reinsurance

49 The directors of a mutual company may make arrangements with any mutual or stock company carrying on business in Canada for reinsurance of risks undertaken by the company on such terms and conditions as to premiums and rates of losses as may be arranged.

1903 (2), c.21, s.49; R.S.S. 1909, c.81, s.49.

Effect of cancellation of policy

50 If the policy be cancelled or avoided by the company the liability of the insured on his premium note or undertaking shall cease from the date of such cancellation or avoidance on account of any loss that may occur to the company thereafter but the party insured shall nevertheless be liable to pay his proportion of the losses and expenses of the company to the time of cancelling or avoiding the policy and on payment of his proportion of all assessments then payable and to become payable in respect of losses and expenses sustained up to such period shall be entitled to a return of his premium note or undertaking and such proportion of the premium paid by him as shall not have been absorbed by the losses and expenses of the company up to such period and a condition to this effect shall be indorsed on the policy.

1903 (2), c.21, s.50; R.S.S. 1909, c.81, s.50.

Assignment of property insured

51 If the company become entitled to avoid a policy for alienation or partial alienation of the insured property or of any interest therein upon the return of the policy to the company to be cancelled unless the directors elect to continue the same the assured shall be entitled to receive his premium note or notes upon payment of his proportion of all losses and expenses which had accrued prior to such surrender; but the assignee may have the policy transferred to him and upon application of the directors such assignee on giving proper security to their satisfaction for such proportion of the premium note or undertaking as remains unpaid and with their consent within thirty days next after such alienation may have the policy ratified and confirmed to him; and by such ratification and confirmation the said assignee shall be entitled to all the rights and privileges and be subject to all the liabilities and conditions to which the original party insured was entitled and subject:

Provided however that in case where the assignee is a mortgagee the directors may permit the policy to remain in force and to be transferred to him by way of additional security without requiring any premium note or undertaking from such assignee or without his becoming in any manner personally liable for premiums or otherwise; but in such cases the premium note or undertaking and liability of the mortgagor in respect thereof shall continue and be in no wise affected.

1903 (2), c.21, s.51; R.S.S. 1909, c.81, s.51.

Company may accept premium note

52 The company may accept premium notes or the undertaking of the insured for insurances and may issue policies thereon said notes or undertakings to be assessed for the losses and expenses of the company in manner hereinafter provided.

1903 (2), c.21, s.52; R.S.S. 1909, c.81, s.52.

PREMIUM NOTES AND ASSESSMENTS**Part payment in premium notes**

53 The directors may demand a part of the amount of premium note or undertaking at the time that application for insurance is made; and such first payment may be in cash or by promissory note and may be credited upon said premium note or undertaking or against future assessments.

1903 (2), c.21, s.53; R.S.S. 1909, c.81, s.53.

Part payment in cash

54 The directors may collect a portion of the premium in cash and take a premium note for the remainder thereof; and in case the amount so collected is more than sufficient to pay all losses and expenses during the continuance of the policy then any such surplus shall become part of the reserve fund.

1903 (2), c.21, s.54; R.S.S. 1909, c.81, s.54.

Assessments on premium notes

55 The directors may make assessments upon premium notes before losses have happened or expenses have been incurred and any surplus from such assessment shall become part of the reserve fund.

1903 (2), c.21, s.55; R.S.S. 1909, c.81, s.55.

Manner of assessment

56 All premium notes or undertakings belonging to the company shall be assessed under the direction of the board of directors at such intervals from their respective dates and for such sums as they may think necessary to meet the losses and other expenditures of said company during the currency of the policies for which said notes or undertakings were given and in respect for which they are liable for assessment; and every member of the company or person who has given a premium note or undertaking shall pay the sums from time to time payable by him to the company during the continuance of the policy in accordance with such assessment; and any such assessment shall become payable in thirty days after notice of such assessment shall be mailed to such member or person who has given the premium note or undertaking directed to his post office address as given in his original application or in writing to the secretary of the company.

1903 (2), c.21, s.56; R.S.S. 1909, c.81, s.56.

Voidance of policy on default in payment of assessments

57 If the assessment on the premium note or undertaking upon any policy be not paid within thirty days after the day on which the said assessment shall have become due the policy of insurance for which said assessment shall have been made shall be null and void as respects all claim for losses occurring during the time of such nonpayment:

Provided always that the said policy shall be renewed when such assessment shall have been paid unless the secretary give notice to the contrary to the assessed party in the manner hereinafter provided; but nothing shall relieve the assured party from his liability to pay such assessment or any subsequent assessments nor shall such assured party be entitled to recover the amount of any loss or damage which may happen to property insured under such policy while such assessment shall remain due and unpaid unless the board of directors in their direction shall decide otherwise.

1903 (2), c.21, s.57; R.S.S. 1909, c.81, s.57.

Notice of assessment

58 A notice of assessment upon any premium note or undertaking mailed as aforesaid shall be deemed sufficient if it embody the number of the policy, the period over which the assessment extends, the amount of the assessment, the time when and the place where payable.

1903 (2), c.21, s.58; R.S.S. 1909, c.81, s.58.

Assessments to be pro rata

59 The assessment upon premium notes or undertakings shall always be in proportion to the amount of said notes or undertakings having regard to the branch or department to which their policies respectively appertain.

1903 (2), c.21, s.59; R.S.S. 1909, c.81, s.59.

Right of suit on default in payment

60 If any member or other person who has given a premium note or undertaking shall for thirty days after notice of assessment shall have been mailed to him in manner aforesaid neglect or refuse to pay such assessment the company may sue for and recover the same with costs of suit and such proceeding shall not be a waiver of any forfeiture incurred by such nonpayment.

1903 (2), c.21, s.60; R.S.S. 1909, c.81, s.60.

Evidence in suit

61 Whenever any assessment is made on any premium note or undertaking given to the company for any risk taken by the company or as a consideration for any policy of insurance issued or to be issued by the company and an action is brought to recover such assessment the certificate of the secretary of the company specifying such assessment and the amount due to the company on such note or undertaking by means thereof shall be taken and received as *prima facie* evidence thereof in any court in Saskatchewan.

1903 (2), c.21, s.61; R.S.S. 1909, c.81, s.61.

Contents of note to be retained in event of loss to implement contract

62 If there is a loss on property insured by the company the directors may retain the amount of the premium note given for insurance thereon until the time has expired for which insurance has been made and at the expiration of the said time the assured shall have the right to demand and receive such part of the retained sum as has been assessed for or become due under fixed payments.

1903 (2), c.21, s.62; R.S.S. 1909, c.81, s.62.

Note to be given up after term of contract

63 Forty days after the expiration of the term of insurance the premium note given for the insurance policy shall on application therefor be given up to the grantor thereof provided all assessments levied and all losses and expenses with which the note is chargeable have been paid.

1903 (2), c.21, s.63; R.S.S. 1909, c.81, s.63.

RESERVE OR GUARANTEE FUND**Reserve fund**

64 The company may form a reserve fund to consist of all moneys which shall remain on hand at the end of each year after payment of the ordinary expenses and losses of the company; and for that purpose the board of directors may levy an annual assessment not exceeding twenty-five per centum on the premium notes or undertakings held by said company and such annual assessment may be made in advance; and such reserve fund may from time to time be applied by the directors to pay off such liabilities of the company as may not be provided for out of the ordinary receipts for the same or any succeeding year:

Provided that such reserve fund shall be invested either in debentures or other securities of the Dominion of Canada or of any province of Canada or in municipal or school debentures or real estate mortgages or may remain in a chartered bank on deposit at interest.

1903 (2), c.21, s.64; 1908, c.38, s.16; R.S.S. 1909, c.81, s.64.

MUTUAL FIRE INSURANCE

c. 81

Reserve fund to be the property of company

65 The reserve fund shall be the property of the company as a whole and no member shall have any right to claim any share or interest therein in respect of any payment contributed by him towards it but in the event of the company being wound up possessed of an existing reserve fund the then members shall be entitled to divide the same among themselves *pro rata* according to the amount of their premium notes with the company.

1903 (2), c.21, s.65; R.S.S. 1909, c.81, s.65.

CASH PREMIUM INSURANCE

Policies to be issued on cash plan

66 A mutual company may effect policies of insurance on the cash premium plan for periods not exceeding three years and the directors shall prepare a tariff of rates for such policies; but no premium to be paid on such policies shall be less than at the rate of one and one-quarter per centum for three years and no single risk shall be undertaken for a larger amount than \$2,000.

1909, c.35, s.25; R.S.S. 1909, c.81, s.66.

Policy holders under cash plan not thereby to be members of company

67 Policy holders under the cash plan shall not as such be members of the company or have any liability for its debts or obligations.

1903 (2), c. 21, s.67; R.S.S. 1909, c.81, s.67.

BRANCHES OR DEPARTMENTS

Separate branches

68 Any company may separate its business into branches or departments with reference to the nature or classification of risks or of the localities in which insurances may be effected.

1903 (2), c.21, s.68; R.S.S. 1909, c.81, s.68.

Business to be kept separate

69 The directors of every company so separating its business shall make a scale of risks and tariff of rates for each branch and direct that the amounts of each shall be kept separate and distinct the one from the other.

1903 (2), c.21, s.69; R.S.S. 1909, c.81, s.69.

Apportionment of expenses

70 All necessary expenses incurred in the conducting and management of any such company shall be assessed upon and divided between the several branches in such proportion as the directors may determine.

1903 (2), c.21, s.70; R.S.S. 1909, c.81, s.70.

MISCELLANEOUS

Fire Insurance Policy Act to apply to the mutual policies

71 The provisions of *The Fire Insurance Policy Act* shall apply to all policies issued by a mutual company but it shall be optional with the directors to pay or allow claims which are void under the 3rd, 4th or 8th of the statutory conditions in said Act and to waive the objections therein mentioned.

1903 (2), c.21, s.71; R.S.S. 1909, c.81, s.71.

Limit on right to hold lands

72 The company may hold such lands only as are requisite for the accommodation of the company in the transaction of its business or such lands as have been *bona fide* mortgaged to it by way of security or conveyed to it in satisfaction of debts contracted in the course of its dealings or purchased at sale upon judgments obtained for such debts and may from time to time sell, mortgage and convey or lease any such lands.

1903 (2), c.21, s.72; R.S.S. 1909, c.81, s.72.

Judgment against a mutual company not to issue for sixty days

73 In the event of judgment being obtained against a mutual company the issue of execution shall be stayed for sixty days from the date of judgment.

1903 (2), c.21, s.73; R.S.S. 1909, c.81, s.73.

Winding up

74 In the event of the corporate powers of the company being forfeited in terms of section 8 of this Act or in the event of the members adopting a resolution at a general meeting of which due notice has been given to wind up the company the company may in general meeting appoint a receiver or receivers to conduct the winding up proceedings and such receiver or receivers shall thereupon have the full power and authority of the board of directors in the matter.

1903 (2), c.21, s.74; 1908, c.38, s.16 (3);
R.S.S. 1909, c.81, s.74.

Receiver to effect reinsurance if funds are available

75 It shall be lawful for the receiver to use the reserve or guarantee funds if necessary to effect an equitable reinsurance of all risks held by the company whether held under the premium note plan or a short term policy on the cash plan.

1903 (2), c.21, s.75; R.S.S. 1909, c.81, s.75.

Receiver to file statement

76 After winding up the affairs of the company the receiver shall file with the registrar a full statement of his transactions, dealings and conduct with respect to the property of the company together with a copy of the minutes of a general meeting approving of his report and management.

1903 (2), c.21, s.76; R.S.S. 1909, c.81, s.76.