



CHAP. 104.

An Act to incorporate the Manufacturers' Life Insurance Company.

[Assented to 23rd June, 1887.]

Preamble.

WHEREAS the persons whose names are hereinafter mentioned have, by their petition, prayed that they may be incorporated for the purpose of establishing a company to carry on the business of life insurance, and it is expedient to grant the prayer of the said petition: Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Incorporation.

1. William Bell, J. B. Armstrong, J. F. Ellis, Alexander Manning, R. A. Allardice, W. H. Storey, C. D. Warren, James Goldie, R. L. Patterson, Robert Crean, E. J. Lennox, Frederick Nicholls, P. J. Strathy, J. B. Carlile and W. H. C. Meyer, together with all such persons as now are or hereafter become members of the Company by this Act constituted, and their respective executors, administrators and assigns, shall be and are hereby constituted and declared to be a body corporate and politic, under the name of "The Manufacturers' Life Insurance Company," and shall be legally authorized to effect contracts of insurance throughout the Dominion of Canada and elsewhere with any persons or corporations on life or lives, to grant, sell or purchase annuities, to grant endowments, to purchase contingent rights, reversions or remainders, and generally to enter into any transactions dependent on the contingency of life and such as are usually transacted by life insurance companies, including re-insurance.

Corporate name and powers.

Capital stock and shares.

2. The capital stock of the said Company shall be two million dollars, divided into twenty thousand shares of one hundred dollars each, which said shares shall be and are hereby vested in the several persons who have subscribed or who subscribe for the same, their legal representatives and assigns, subject to the provisions of this Act,—with power to the board of directors to increase the amount of the capital stock at any time, or from time to time, to an amount not exceeding in the whole five million dollars; but the stock shall not be increased until the resolution

Increase.

of the board of directors authorizing such increase has first been submitted to and confirmed by a majority in number and amount of the shareholders, at an annual general meeting of the Company or at a special meeting of the shareholders duly called for that purpose.

3. No policies of insurance shall be issued under the authority of this Act until capital stock to the amount of two hundred and fifty thousand dollars is subscribed, and a sum not less than one hundred thousand dollars *bond fide* paid in cash into the funds of the Company to be appropriated only for the purposes of the Company under this Act: Provided, that the amount so paid in shall in no case be less than ten per cent. upon the amount of the capital so subscribed.

Conditions precedent to issue of policies.

4. The persons hereinbefore named are appointed provisional directors, and they shall hold office until their successors are appointed, as hereinafter directed; they shall have power to open stock books and do generally what may be necessary to organize the said Company; five of them shall be a quorum for the transaction of business:

Provisional directors and their powers.

Quorum.

2. So soon after the organization of the Company as the said provisional directors deem it advisable to do so they shall call a meeting of the shareholders for the election of the first board of directors, and for the transaction of such other business as is brought before the meeting; and at such meeting and at all other meetings of the shareholders each subscriber to the capital stock of the Company who has paid all calls due thereon required by this Act, and such other calls as are, from time to time, made by the directors, and who is present in person or represented by proxy at such meeting, shall have one vote for each one hundred dollars of stock subscribed for by him; but no person shall have a right to vote until he has paid at least ten per cent. on the amount of stock subscribed by him. Every proxy must be himself a member and entitled to vote.

First meeting of shareholders.

Who may vote.

Proxies.

5. All persons who are actual holders of policies from the Company, whether such persons are shareholders of the Company or not, and who are by the terms of their policies entitled to participate in profits, and are referred to in this Act as holders of participating policies, shall be members of the Company, and shall be entitled to attend and vote in person at all general meetings of the Company, except at those called for the purpose of increasing the capital stock of the Company: every holder of a participating policy of the Company for a sum not less than one thousand dollars shall be entitled to one vote for each one thousand dollars in his policy: a husband or father holding a participating policy on his life for the benefit of his wife or children shall be a member of the Company.

Holders of participating policies are members and may vote.

By-laws may be made.

6. The directors to be elected may enact by-laws to carry out the objects of this Act and for the organization, maintenance and government of the Company, as well as for the application of its funds and profits, as herein provided; and such by-laws may, from time to time, be altered and amended by the directors: Provided always, that all such by-laws shall be valid and binding only until the next annual general meeting of the Company, unless they are then approved by such meeting, and shall only thereafter have force and effect as so approved or modified at such meeting; and provided further that such by-laws do not contravene the provisions of this Act.

Subject to approval at annual meeting.

Board of directors.

7. The affairs of the Company shall be managed by a board of not less than seven nor more than twenty-five directors, of whom not less than one-fourth shall form a quorum for the transaction of business, but such quorum shall, in no case, be less than four; such directors shall be elected by ballot at the annual general meeting of the Company by a majority of all persons entitled to vote at meetings of the Company; no person shall be elected or act as a director unless he is a holder of stock in the Company to the amount of not less than five thousand dollars, upon which all calls have been paid; and the directors may, from time to time, elect from among themselves a president of the Company and three vice-presidents, and may also appoint a managing director and all other officers of the Company, and may appoint sub-boards or local boards and agents, and may remove the same and appoint others in their place whenever they deem it necessary; if any director fails to accept, or refuses to act, or resigns, or dies, or becomes disqualified, the remaining directors, so often as any vacancy occurs, may choose one in his stead from among those qualified to act as a director.

Election.

President, vice-president, &c.

Vacancies, how filled.

Remuneration of officers.

8. The directors may, from time to time, fix and determine the remuneration of any committees, sub-boards, local boards, agents or other officers.

Annual general meetings

9. A general meeting of the Company shall be called once in each year after the organization of the Company and commencement of business as the directors appoint, after not less than fifteen days' notice in one or more newspapers published in the City of Toronto, and after printed circulars giving notice of such meeting have been deposited in the Toronto post office, addressed by registered letter to each stockholder and holder of a participating policy in the Company entitled to vote, to the address given in the books of the Company, at least fifteen days before the meeting; and at such meeting a statement of the affairs of the Company shall be submitted:

Notice.

2. Special general or extraordinary meetings may at any time be called by five of the directors, or the president shall, upon the requisition of twenty-five members, call such meeting upon giving notice in the manner provided by this section and specifying in the notice the object of such meeting; and in default of the president calling such meeting within one week, such twenty-five members may, by a notice signed by them and published as aforesaid, call the same.

Special meet-
ings.

10. The head office of the Company shall be in the city of Toronto, in the Province of Ontario, or in such other city of Canada as is decided on hereafter by the directors; but branches or sub-boards or agencies may be established, either within Canada or elsewhere, in such manner as the directors from time to time appoint: Provided, that no insurance shall be effected in any Province other than the Province in which the head office of the Company is situate, until an office or domicile is open in some place therein and a local agent or manager is there appointed.

Head office.

Branches.

Provide: as
to insurance
in another
Province.

11. The directors shall have power to make calls upon the subscribers for stock, for such sums and at such times as they think fit, for the purposes of the Company, and to sue for and enforce the payment of the same; no one call upon the capital stock after the organization of the Company shall exceed ten per cent. upon the subscribed capital; and not less than thirty days shall intervene between any one call and a succeeding call; and more than one call may be made at any meeting of the board.

Calls on
stock.

12. The directors may, from time to time, at their discretion, by resolution or by-law, set apart such portion of the net profits as they deem safe and proper for distribution as dividends or bonuses to shareholders and holders of participating policies, ascertaining the part thereof which has been derived from participating policies and distinguishing such part from the profits derived from other sources; and the holders of participating policies shall be entitled to share in that portion of the profits so set apart, which has been so distinguished as having been derived from participating policies, to the extent of not less than ninety per cent. thereof; and the portion of such profits which remains undivided upon the declaration of a dividend shall never be less than one-fifth of the dividend declared; and its period of allotment and distribution of profits shall be expressed in or upon each policy issued by the Company; the directors shall also have power to charge the holders, respectively, of participating policies with losses to the extent to which they have been credited with profits during the current dividend period, if the losses require it; but the holders of policies shall not, as such, be liable to any

Dividends
may be
declared.

Holders of
participating
policies.

any other or greater extent than is expressed by the terms of their policies.

Directors may make by-laws and for what purposes.

13. The directors may make all such by-laws, rules and regulations for their own government, and for the government and guidance of the committees of the board, and of the officers of the board or of the Company, and of the provincial boards and managers,—for the issuing of policies, and regarding their form, conditions, restrictions and limitations,—and for the investment of the funds of the Company,—and for determining computations and rates of premiums and insurance, and for the time and manner of the increase of the capital stock, or of the issue of new stock, and the mode in which the same shall be appropriated, allotted or sold,—and for determining the number of directors within the limits provided, and for the regulation of elections and the time and manner of notice thereof,—and for the calling of annual and special meetings and the time and manner of notice thereof,—and for the declaration of dividends and bonuses and the division of profits and the rates thereof and the appropriation thereof, and the manner and time of payment,—and generally for the management, guidance, direction and regulation of the business and affairs of the Company with respect to any subject matter or thing whatsoever as, from time to time, appear to them necessary for the proper and satisfactory working of the Company, or of the powers and rights conferred by this Act; and such by-laws, rules and regulations shall have force only until the next annual general meeting of the stockholders, or a special general meeting called for that purpose, unless then confirmed by them.

Subject to approval at general meeting.

Investment of funds.

14. It shall be lawful for the said Company to invest its funds in the debentures, bonds, stock or other securities of Canada, or on the security thereof, or in or on the securities of any municipal corporation in Canada, or on the security of stock or debentures of any incorporated building society, loan or investment company, or of bank stock, or on the security of real estate or mortgage security thereon, or on the security of leaseholds for a term or terms of years, or other estate or interest in real property or mortgage security thereon in any Province of Canada, or on its life policies to the extent of their surrender value, and to change and re invest the same as occasion, from time to time, requires; and to take, receive and hold all or any such securities in the corporate name of the Company, or in the name of trustees for the Company appointed by the directors, whether for funds invested by being advanced or paid in the purchase of such securities as aforesaid; such loans to be on such terms and conditions, and in such manner, and at such times and for such sums, and in such sums of repayment, whether of principal or interest,

or

or principal and interest together, and at such interest and return as the board of directors, from time to time, determine and direct, and whether they are taken absolutely or conditionally, or whether such securities are taken in satisfaction of debts due to the said Company, or judgments recovered against any person or body corporate in its behalf, or in security for the payment of the same, or any part thereof.

15. The Company may invest or deposit such portion of its funds in foreign securities as is necessary for the maintenance of any foreign branch. Foreign securities.

16. The Company may hold such real estate as is *bond fide* mortgaged to it by way of security or conveyed to it in satisfaction of debts or judgments recovered: Provided always, that all real estate so mortgaged or conveyed in security as aforesaid shall be sold and disposed of within ten years from the time of its becoming the absolute property of the Company. Company may hold real estate. Proviso: as to sale thereof.

17. The Company may hold real estate required for the use and accommodation of the Company,—and may sell or mortgage the same. Real estate required for use of company.

18. The shares of the capital stock shall be transferable under the regulations of, and in accordance with, the by-laws; but the Company shall not be liable for the execution of any trust, whether expressed, implied or constructive. Transfer of shares. As to trusts.

19. This Act, and the Company hereby incorporated, and the exercise of the powers hereby conferred, shall be subject to the provisions contained in "*The Insurance Act*," and to such other legislation on the subject of insurance as is passed from time to time. R.S.C., c. 124, to apply.

20. Notwithstanding anything contained therein or in any other Act, "*The Companies Clauses Act*," except sections eighteen and thirty-nine thereof, shall extend and apply to the Company hereby incorporated, and shall be incorporated with and form part of this Act, in so far as the same is not inconsistent with any of the provisions hereinbefore contained. R.S.C., c. 118, except sections 18 and 39, to apply.