

An Act to incorporate The Agricultural Insurance Company, Limited

being a Private Act

Chapter 45 of the *Statutes of Saskatchewan, 1916*
(effective February 29, 1916) as amended by the *Statutes of
Saskatchewan, 1920, c.84; 1928-29, c.86; and 1933, c.90.*

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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1916

CHAPTER 45

An Act to incorporate The Agricultural Insurance Company, Limited.

(Assented to February 29, 1916)

Preamble

WHEREAS George M. Bell, of Regina, Sask., C.B. Angus, of Francis, Sask., Ralph E. Drennan, of Canora, Sask., Christopher Lee, of Forward, Sask., Hugo E. Meilicke, of Saskatoon, Sask., Arthur C. Moynes, of Lampman, Sask., and others have petitioned that they may be incorporated under the name of "The Agricultural Insurance Company, Limited," for the purposes herein contained;

And whereas it is expedient to grant the prayer of the said petitioners:

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

Incorporation, name, objects

1 The persons hereinbefore named, and all such persons as shall 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 Agricultural Insurance Company, Limited," for effecting insurance against losses by fire, lightning, hail, wind storm, tornado, damage to live stock by accident, sickness or other casualties and doing all things appertaining thereto and connected therewith.

1916, c.45, s.1.

Capital stock

2 (1) The capital stock of the said company shall be five hundred thousand dollars divided into twenty thousand shares of twenty-five dollars each:

Provided that no person shall hold more than one hundred shares, and no assignment or transfer of any share shall be valid unless approved by the directors.

(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 twenty-five 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 twenty-five dollars per share.

(3) 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 twenty-five dollars 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 partially paid up, to the extent of the additional amount so paid.

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

1933, c.90, s.2.

Chief 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 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 general meeting to be expressly convened for that purpose notice thereof being previously given by seven days notice in writing served on every member in the manner in which notices are required to be served by table A in the first schedule to *The Companies Act* being chapter 14 of the statutes of Saskatchewan 1915.

1916, c.45, s.3.

Provisional directors

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 ten 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 obtaining this Act of incorporation; brokerage on stock and other necessary expenses in connection with the organisation of the company; so soon as the directors shall have been elected as hereinafter provided the powers and functions of the provisional directors shall cease and determine.

1916, c.45, s.4.

First general meeting; Election of board of directors; Commencement of business

5 When two hundred thousand dollars of the said capital stock have been subscribed as aforesaid and twelve and one-half per cent of the amount so subscribed paid in 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 date and place where such meeting is to be held in some newspaper published in the city of Regina and by sending to each shareholder a copy of said notice by letter at which general meeting the shareholders present in person or represented by proxy shall elect in the manner hereinafter provided a board of directors composed of not less than five nor more than nine duly qualified shareholders who shall hold office until their successors are elected and it shall not be lawful for the said company to commence the business of insurance until at least 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 in other matters connected with the organisation of the company, and a board of directors elected as aforesaid.

1916, c.45, s.5.

Deposit to be made with provincial secretary

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

1916, c.45, s.6.

Calls on stock

7 The shares of the 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 twelve and one-half per cent and not less than one month's notice of any call 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.

1916, c.45, s.7.

Forfeiture of shares

8 If any shareholder shall refuse or neglect to pay any call made upon the share or shares held by him for sixty days and 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 the directors who made such calls or any other matter whatsoever than by this section specially required and any copy or extract of any bylaw, rule, regulation or minute or of any entry in any book of the company certified to be a true copy or extract under the hand of the president or vice president, the manager or secretary of the company and sealed with the corporate seal thereof shall be received in all courts and proceedings as *prima facie* evidence of such bylaw, rule, 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.

1916, c.45, s.8.

Redemption of share before sale

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

1916, c.45, s.9.

Certificate

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

1916, c.45, s.10.

Transfer of shares

11 No transfer of any share of the capital stock of the said company shall be valid until entered in the books of the company according to such form as may be from time to time fixed by the bylaws; 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 such debt is paid or secured to the satisfaction of the directors; and no transfer of stock shall at any time be made until all calls thereon due up to the time of transfer shall have been paid.

1916, c.45, s.11.

Liability of shareholders

12 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 the capital stock.

1916, c.45, s.12.

Trustees, etc.

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

1916, c.45, s.13.

Trustees may act as shareholders

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

1916, c.45, s.14.

Nonpersonal liability of mortgagees or pledgees of shares

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

1916, c.45, s.15.

Liability of shareholders for debts, etc.

16 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 the amount recoverable shall not be in excess of the amount so unpaid by him on account of shares, stock or other interests held by him in the company;

Provided further 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 the claim for unpaid dividends or salary or allowance as a 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.

1916, c.45, s.16.

Company not bound to see to execution of trusts affecting shares

17 The company or directors shall not be bound to see to the execution of any trust either express, implied or constructive affecting any share or shares of its stock; and notwithstanding any such trust or any notice thereof to the 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 to such share or shares.

1916, c.45, s.17.

Place of annual general meeting

18 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, thirty days' notice of such meetings 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.

1916, c.45, s.18.

Special general meeting

19 Special general meetings of the shareholders may be called in such manner as may be provided by the bylaws and by giving not less than fourteen days' notice.

1916, c.45, s.19.

Procedure at general meetings

20 At all general meetings of the shareholders of the company the president or in his absence the vice president or in the absence of both of them a director chosen by the shareholders shall preside who in case of an equality of votes shall give the casting vote in addition to his vote as a shareholder.

(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.

1916, c.45, s.20.

Procedure at general meetings

21 The stock, property and affairs of the company shall be managed and conducted by a board of directors which shall consist of duly qualified shareholders (not less than five nor more than nine as may be provided by the bylaws) who shall be elected 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 if two or more persons receive an equal number of votes in such a manner that a greater number of persons shall appear to be chosen as directors than are required to constitute the board then the directors who shall have received the greater number of votes or the majority of them shall determine which of the said persons so receiving an equal number of votes shall be the director or directors to complete the board.

(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 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 nor shall he be so eligible if he is indebted in any manner to the company.

(3) The directors shall as soon as may be after their election 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 or shareholders eligible for election as directors.

(5) At all meetings of directors a majority of the full number of directors shall be a quorum for the transaction of business and all questions before them shall be decided by a majority of votes each director present having one vote and in the case of a tie the question shall be resolved in the negative.

1916, c.45, s.21.

Case of election of directors not taking place at usual time

22 In case it should at any time happen that an election of directors of the said company should not be made on any day when it should have been made under the provisions of this Act, the said company shall not thereby be or be deemed to have been dissolved but the directors in office shall so continue until their successors have been duly elected.

1916, c.45, s.22.

Powers of directors

23 Subject to the provisions of this Act the directors shall have full power and authority to make and from time to time to alter such bylaws, rules, regulations and ordinances as shall appear to them proper or needful touching the well ordering of the business of the company, the management and disposition of its stock, property, estate and effects, and in, all things to administer the affairs of the company and make or cause to be made for the 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, if any, of the directors, the time and place of annual meetings of the company, the calling of meetings of the board of or committee of directors, and meetings of the company, the requirements as to proxies, the procedure in all things at meetings, the imposition and recovery of all penalties and forfeitures admitting of regulation by bylaw and the conduct and management in all other particulars of the affairs of the company; and may from time to time repeal, amend or re-enact the same:

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.

1916, c.45, s.23.

Powers of company

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

Subject to the provisions of *The Saskatchewan Insurance Act*

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

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

(3) 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 by 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 of the Legislature 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 or any company or corporation or of any authority whether corporate or unincorporate; and 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 co-trustee, co-agent, sub-agent or any person; and generally, the company may 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.

Contracts when binding on company

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

1916, c.45, s.25.

Company may borrow money

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

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

1916, c.45, s.26.

Realty

27 The company shall have full power to acquire and hold real estate for the purpose of its business within this province of an annual value not exceeding five thousand dollars and to sell and dispose of the same and acquire other property in its place as may be deemed expedient and further to take, hold and acquire all such lands and tenements, real or personal estate, as shall have been *bona fide* mortgaged to it by way of security or conveyed to it in satisfaction of debts previously contracted in the course of its business or purchased 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 the company may invest its funds or any part thereof in any of the public securities of the Dominion of Canada or any of the provinces thereof or in the stocks of any banks or in the bonds or debentures of any incorporated city, town or municipality authorised to issue bonds or debentures or in any mortgages or loans upon real estate or in real estate.

1916, c.45, s.27.

Amalgamation

28 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 resource or remedy of any creditor or policy holder of the company but before the completion of any such amalgamation, purchase or sale the same must be approved of by a two-thirds vote of the shareholders at an annual general meeting or a special meeting called for that purpose.

1916, c.45, s.28.

Annual report to shareholders

29 The directors shall cause to be prepared and submitted to the shareholders at each annual general meeting a full and correct statement of the accounts of the company and a general abstract of the estimated liabilities and assets of the company.

1920, c.84, s.3.

Auditors

30 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.

1916, c.45, s.30.

Company subject to general insurance laws

31 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.

Provided that section 35 of the said *Saskatchewan Insurance Act* shall not apply to the company hereby incorporated.

1916, c.45, s.31; 1933, c.90, s.3.

Returns

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

1916, c.45, s.32.

The Companies Act shall apply

33 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.

1916, c.45, s.33.