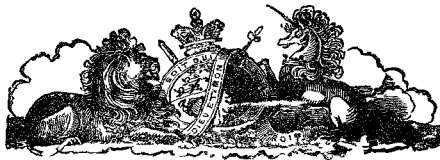


A.D. 1886.



CHAP. 28.

An Act to Incorporate the British Columbia Fire Insurance Company.

[6th April, 1886.]

WHEREAS, Noah Shakespeare, William Wilson, James E. McMillan, William Dalby, John B. Ferguson, Robert Dunsmuir, James Abrams, James Cunningham, Alexander Cowan, Benjamin Douglas, William B. Townsend, and Alexander Alfred Green have by their petition represented that it would be beneficial to establish an association for the purpose of carrying on the business of Fire Insurance within the Province of British Columbia, on the mutual system, and have prayed for an Act of Incorporation for that purpose:

Preamble.

And, whereas, it is expedient to grant the prayer of such petition:

Therefore, Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:—

1. The persons hereinbefore named, and all other persons hereafter effecting insurance in the Company proposed to be established, shall become members of the said Company, and shall be a body corporate and politic by the name, style and title of “The British Columbia Fire Insurance Company,” which shall not hereafter be changed, for the purpose of carrying on the business of fire insurance, and doing all things appertaining thereto or in connection therewith in the Province of British Columbia, under and according to the provisions of this Act, and shall and may have perpetual succession, and shall be capable in law of contracting and being contracted with, suing and being sued, and they and their successors shall have a common seal.

Incorporation.

2. The said Noah Shakespeare, William Wilson, James E. McMillan, William Dalby, John B. Ferguson, Robert Dunsmuir, James Abrams, James Cunningham, Alexander Cowan, Benjamin Douglas, William B. Townsend, and Alexander Alfred Green shall be the first directors of said Company, and they, or a majority of them, may open and keep one or more subscription books, or appoint some one or more person or persons for that purpose, in which the owners of property, movable or immovable, within the Province of British Columbia, may sign their names and enter the sums for which they shall respectively bind themselves to effect insurance with the said Company, and the majority

First Directors.

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of them may have power to nominate an additional number of duly qualified directors, not exceeding six, who shall hold office till the end of five years after the passing of this Act.

Head office.

3. The head office or principal place of business of the Company shall be in the City of Victoria.

Company may commence business when insurances to amount of \$100,000 subscribed for by 50 or more persons.

4. Whenever fifty or more persons, being owners of movable or immovable property in the Province of British Columbia, have signed their names in said subscription book and bound themselves to effect insurances in said company, which in the aggregate shall amount to one hundred thousand dollars at least, the Company may commence business under this Act.

Meeting of directors to elect president and officers.

5. As soon as convenient, after the subscription book has been completed in manner aforesaid, the directors may meet for the election of a president and vice-president from amongst themselves, for the appointment of a secretary, treasurer, or manager, and the transaction of such other business as may be brought before them. Any one of the directors may convene such meeting.

Annual meeting.

6. A general meeting of the Company shall be held once, at the least, in every year; at which meeting a report of the transactions of the Company for the year ending on the previous thirty-first of December, shall be presented and read, together with a full and unreserved statement of its affairs, exhibiting receipts and expenditures, assets and liabilities.

Notice of meeting.

7. Notice of such meeting of the members of the Company shall be published in one or more newspapers for at least one month previous to the day of such meeting.

In addition to notice required by by-laws.

8. The notice required by the last preceding section shall be in addition to any notice required by the by-laws of the Company.

Members to have votes proportionate to the amount of their insurance.

9. Each member of the Company shall be entitled, at all meetings of the Company, to the number of votes proportioned to the amount by him insured, according to the following rates, that is to say: for any sum under fifteen hundred dollars, one vote; from fifteen hundred to three thousand dollars, two votes; from three thousand dollars to six thousand dollars, three votes, and one vote for every additional three thousand dollars; but no member shall be entitled to vote while in arrear for any assessment or premium due by him to the Company.

Chairman to have casting vote.

10. At all meetings of the Company in general meeting, or of the Board of Directors, in case of an equality of votes, the chairman of the meeting shall have a casting vote in addition to his previous vote.

Qualification of directors.

11. The directors shall be members of the Company, and insurers therein, for the time they hold office, to the amount of two thousand dollars each, at least.

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12. The manager of the Company may be a director of the Company, and may be paid an annual salary, but only under a by-law of the Company.

Manager may be a director.
His salary.

13. No agent or paid officer, or person in the employment of the Company, other than the manager, shall be eligible to be elected a director, or shall be allowed to interfere in the election of directors.

Certain persons not eligible to be elected directors.

14. The Board of Directors shall consist of not less than twelve nor more than eighteen persons, but such increased or decreased number of directors shall in any such case be either twelve, fifteen, or eighteen.

Number of directors.

15. The said Noah Shakespeare, William Wilson, James E. McMillan, William Dalby, John B. Ferguson, Robert Dunsmuir, James Abrams, James Cunningham, Alexander Cowan, Benjamin Douglas, William B. Townsend, and Alexander Alfred Green shall be directors of the Company for five years from the passing of this Act, and thereafter one-third of the directors shall retire annually in rotation; and at some meeting of the Board during the fifth year of their term of office shall determine by lot which of them shall retire at the expiration of the said period of five years, and which of them shall hold office for the further period of one or two years respectively; and such determination shall be entered of record as part of the minutes of said meeting.

Directors for first five years.

Thereafter one-third to retire annually, to be determined by lot.

16. At each annual meeting thereafter one-third of the total number of directors shall be elected for a period of three years, to fill the places of the retiring members, who shall be eligible for re-election.

New directors to be elected for three years.

17. The election of directors shall be held and made by such members of the Company as attend for that purpose in their own proper persons.

Election of directors

18. The election of directors shall be by ballot.

Mode of election.

19. If at any such election two or more members have an equal number of votes, in such manner that a less number of persons than the whole number to be elected appear to have been chosen directors by a majority of votes, then the said members of the Company shall proceed to elect by ballot, until it is determined which of the persons so having an equal number of votes shall be the director or directors, so as to complete the whole number of directors to be elected; and the directors shall, at their first meeting after any such election, proceed to elect, by ballot among themselves, a president and vice-president, and at such election the secretary shall preside.

Case of a tie at an election.

Election of a president and vice-president.

20. If any vacancy happens among the directors during the term for which they have been appointed or elected, by death, resignation, ceasing to have the necessary qualification under the eleventh section of this Act, insolvency, or by being absent without previous leave of

Vacancies in office of director, how filled.

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the Board from the Board for three regular meetings in succession, which shall ipso facto create such vacancy, such vacancy shall be filled up for the remainder of the term by any person duly qualified to be nominated by a majority of the remaining directors, and as soon as may be after the vacancy occurs.

Provision in case of failure of election of directors on proper day.

21. In case an election of directors is not made on the day on which it ought to have been made, the Company shall not for that cause be dissolved; but the election may be held on any subsequent day, at a meeting to be called by the directors, or as otherwise provided by the by-laws of the Company; and in such case the directors shall continue to hold office till their successors are elected.

Directors disagreeing may record their dissent.

22. Any director disagreeing with the majority of the Board at any meeting may have his dissent recorded, with his reasons therefor.

Appointment of manager and other officers.

23. The Board of Directors may from time to time appoint a manager, secretary, treasurer, and such other officers, agents or assistants as to them seem necessary; prescribe their duties, fix their compensations or allowances, take such security from them as they deem expedient for the faithful performance of their respective duties, and remove them and appoint others instead. The 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.

Board may adopt a tariff of rates.

The Board may pass by-laws.

24. The Board of Directors may from time to time make and prescribe such by-laws as to them appear needful and proper respecting the funds and property of the Company; the time, place and manner of convening general meetings; the election and qualification of directors; increasing or decreasing the number of directors; the compensation of directors; the quorum required for the transaction of business; the calling of and procedure at general meetings and meetings of their own body; the appointment of committees; the making of calls upon the guarantee and share capital; the increasing or decreasing of the share capital; the issue, allotment, regulation and transfer of stock or shares; sale and forfeiture for non-payment of calls, or otherwise; the form thereof; the declaration and payment of dividends, and the determination of rates, rules and conditions upon which the Company's policies shall be issued or transferred, and generally for carrying out the objects contemplated in this Act not inconsistent with this Act or contrary to law, and may from time to time repeal, amend and re-enact the said by-laws, except in cases where such repeal would affect the rights of others than members of the Company, in any of which cases such by-law shall not be repealed.

When by-laws are not repealable.

When resolution of the Board to have the effect of a by-law.

25. Every by-law of the Board shall be duly entered in the minutes, and when confirmed at any subsequent meeting of the members shall be held to be and have the same force and effect as a by-law of the Company.

26. The Board of Directors shall in all things have full power to administer the affairs of the Company, and superintend and have the management of the funds and property of the Company, and of all matters relating thereto and not otherwise provided for.

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The Board to manage the property, &c., of the Company.

27. The Board of Directors may make arrangements with any mutual or other insurance company for the re-insurance of risks, on such conditions with respect to the payment of premiums thereon as may be agreed between them.

Re-insurement of risks.

28. The Board of Directors may invest the capital and funds of the Company in any bank having an office in British Columbia, in mortgages on freehold estate, municipal debentures, and the public securities of the Dominion or of this Province; and may, in the name of the Company, recover from any member of the Company, in any Court of competent jurisdiction, any premium or assessment upon his premium note payable by him.

Investment of capital and funds of the Company.

Recovery of assessments.

29. The Board of Directors may issue debentures or promissory notes in favour of any person, firm, society, banking or other company, for the loan of money, and may borrow money therefrom on such debentures or promissory notes for any term not exceeding twelve months, and on such conditions as they think proper, and may renew the same from time to time for any such term, the whole of the assets, including premium notes of the Company, being held liable to pay the same at maturity; but no such debenture or promissory note shall be for a less sum than one hundred dollars. All the debentures and promissory notes at any one time outstanding shall not exceed one-half of the amount remaining unpaid upon the same premium notes.

Directors may issue debentures and promissory notes for loans.

Assets of the Company to be liable for the same.

Amount of debentures, &c., limited.

30. The Company may admit, as a member thereof, the owner of any property, movable or immovable, and may insure the same; and every person admitted a member of said Company by such insurance shall be entitled to the like rights and be subjected to the like liabilities as other members of the Company.

Power to admit member and insure his property.

31. No applicant for insurance shall be competent to vote, or otherwise take part in the Company's proceedings, until his application has been accepted by the Board of Directors.

Applicant for insurance may not vote until accepted.

32. Any member of the Company may, with the consent of the directors, withdraw therefrom, upon such terms as the directors may require.

Members withdrawing.

33. The Company may issue policies of insurance for any term not exceeding five years.

Term of policies,

34. Any policy that may be issued for one year, or any shorter period, may be renewed at the discretion of the Board of Directors by

Renewing policies.

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renewal receipts instead of policy, on the insured paying the required premiums, or giving his premium note or undertaking; and any cash payments for renewal must be made at the end of the year, or other period for which the policy was granted, otherwise such policy shall be null and void.

Property which may
be insured.

35. The Company may insure dwelling-houses, stores, shops and other buildings, household furniture, merchandise, machinery, live stock, farm produce, and other commodities, against damage or loss 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.

Policies to be bind-
ing on the Company.

36. All policies of insurance issued by the Board of Directors, sealed with the seal of the Company, signed by the president or vice-president, and countersigned by the secretary or acting secretary, shall be binding on the Company.

Double insurance.

37. If an insurance subsists by the act or with the knowledge of the insured in the Company and in any other office at the same time the insurance in the Company shall be void, unless the double insurance subsists with the consent of the directors, signified by endorsement on the policy, signed by the secretary or other officer authorized to do so, or otherwise acknowledged in writing.

Notification of insur-
ance in another
Company.

38. Whenever notification in writing has been received by the Company from an applicant for insurance, or from a person already insured, of his intention to insure, or of his having insured an additional sum on the same property in some other company, the said additional insurance shall be deemed to be assented to, unless the Company so notified, within two weeks after the receipt of such notice, signify to the party, in writing, their dissent; and in case of dissent the liability of the insured on the premium note or undertaking shall cease from the date of such dissent, on account of any loss that may occur to such Company thereafter, and the policy of the assured shall be void, at the option of the directors of the Company.

Dissent of the Com-
pany to the addi-
tional insurance.

39. In case any property, real or personal, is alienated by sale, insolvency, or otherwise, the policy shall be void, and shall be surrendered to the directors of the Company, to be cancelled; and thereupon the assured shall be entitled to receive his deposit 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 to the directors such assignee, on giving proper security to their satisfaction for such portion of the deposit or 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

Policy to be void on
alienation of proper-
ty insured.

Assignee may have
the policy assigned.

confirmation 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.

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In cases, however, 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 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 in nowise affected.

Assignment to a mortgagee.

40. If any alteration is made in any house or building insured by the proprietor thereof, or if the risk on any house or building or other property insured is increased by any means whatever after the insurance has been made thereon with the Company, whereby it is exposed to greater risk or hazard from fire than it was when insurance was affected, the insurance thereon shall be void, unless previous notice thereof has been given in writing, and the requisite additional premium note or deposit after such alteration be given or paid to the directors; but no alterations or repairs in buildings not increasing such risk or hazard shall affect the insurance previously made thereon.

Where the premises are altered or risk increased.

41. It shall be optional with the directors to pay or allow claims which are void under sections thirty-seven, thirty-eight, thirty-nine and forty of this Act, in case the said directors think fit to waive the objections mentioned in said sections.

Optional with directors to pay claims void under ss. 37-40.

42. The Board of Directors shall be at liberty to cancel any policy by giving to the insured notice to the effect that they have cancelled, or will cancel, the same, by registered letter, signed by the Secretary of the Company, addressed and sent by mail, postage paid, to the post-office address of the insured, as given by him or her in the application for insurance, or subsequent writing to the Company, or by giving to the insured, personally, notice in writing, signed by the secretary, or an officer or agent of the Company, to such effect; the party insured shall, nevertheless, be liable to pay his proportion of the losses and expenses of the Company to the time of cancelling 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 portion of the premium paid by him as has not been absorbed by the losses and expenses of the Company up to such a period; and a condition to this effect shall be endorsed on the policy.

Cancellation of policies.

43. The Company may accept premium notes, or the undertaking of the insured, for insurances, and may issue policies thereon; said notes

Company may accept premium notes.

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or undertakings to be assessed for the losses and expenses of the Company in manner hereinafter provided.

Part payment may be demanded at the time of application for insurance.

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

Assessment of premium notes.

45. 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, for such sums as the directors determine, and for such further sums as they think necessary to meet the losses and other expenditures of the Company during the currency of the policies for which said notes or undertakings were given, and in respect to which they are liable to 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 his policy, in accordance with such assessment ; and any such assessment shall become payable in thirty days after notice of such assessment has been 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.

Notice to be given of the assessment.

Policy to be void if any assessment or note is not paid in thirty days,

46. If the assessment on the premium note or undertaking upon any policy is not paid within thirty days after the day on which the said assessment has become due, the policy of insurance for which such assessment has been made shall be null and void as respects all claim for losses occurring during the time of such non-payment ; but the said policy shall be revived when such assessment has been paid, unless the Secretary gives notice to the contrary to the assessed party in the manner in this Act 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 happens to property insured under such policy while such assessment remains due and unpaid, unless the Board of Directors in their discretion decide otherwise.

But shall be revived by subsequent payment.

Requisites of notice of assessment.

47. A notice of assessment upon any premium note or undertaking mailed as aforesaid, shall be deemed sufficient if it embodies 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.

Assessment, how proportioned.

48. The assessment upon premium notes or undertakings shall always be in proportion to the amount of said notes or undertakings.

49. If any member or other person who has given a premium note or undertaking, for thirty days after notice of assessment has been mailed to him in manner aforesaid, neglects or refuses to pay said assessment, the Company may sue for and recover the same, with costs of suit, and such proceedings shall not be a waiver of any forfeiture incurred for such non-payment.

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Company may sue for assessments on premium notes.

50. The provisions of the "Homestead Ordinance, 1867," or any Act in amendment thereof, shall not apply to any judgment recovered by the Company under the preceding section.

Homestead Acts not to apply to any judgment on premium notes.

51. 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 this Province.

Certificate of the secretary to be prima facie evidence of the amount due to the Company.

52. The Company may form a reserve fund, to consist of all moneys which remain on hand at the end of each year, after payment of the ordinary expenses and losses of the said Company; and for that purpose the Board of Directors may levy an annual assessment not exceeding ten per centum on the premium notes or undertakings held by the said Company, 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. Such reserve fund shall be invested either in debentures or other securities of the Dominion of Canada or of this Province or municipal debentures, or remain in a bank in British Columbia on deposit at interest.

Reserve fund.

Annual assessment,

How applied.

How invested.

53. Forty days after the expiration of the term of insurance the premium note or undertaking given for insurance shall, on application therefor, be given up to the signer thereof, provided all losses and expenses with which said note or undertaking is chargeable have been paid.

When premium note is to be returned.

54. No member of the 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 undertaking.

No member liable beyond amount unpaid on premium note.

55. In case of any loss or damage by fire happening to any member upon property insured with the Company, such member shall give notice thereof to the Secretary of the Company forthwith, and the proofs, declarations, evidences, and examinations called for by or under the policy must be furnished to the Company within thirty days after

Notice of loss.

A.D 1886.

said loss, and upon receipt of notice and proofs of claim as aforesaid, the Board of Directors shall ascertain and determine the amount of such loss or damage, and such amount shall be payable within three months after the receipt by the Company of such proofs.

In cases of dispute, the value to be determined by arbitration.

56. If the party is not satisfied with the determination of the Board of Directors, all questions as to the value of property damaged or destroyed may be submitted to three disinterested persons as referees, one of whom shall be named by the Board, and one by the suffering party, and the third by the two referees, or, on their failing to agree in their choice, by a Judge of the Supreme Court of the Province, and the decision or award of a majority of them shall be binding.

Limitation of suits against Company.

57. No action or suit either at law or in equity shall be brought against the Company upon any policy or contract of insurance granted or entered into by the Company after the lapse of one year next after the happening of the loss or damage in respect of which such action or suit is brought, saving in all cases the right of parties under legal disability; and all policies to be issued by the Company shall have a condition to this effect endorsed thereon.

This condition endorsed upon policies.

Issue of execution against Company.

58. No execution shall issue against the Company upon any judgment until after the expiration of three months from the recovery thereof. But this section shall not apply to any judgment recovered on any policy or undertaking of the Company issued or given where more than fifty per centum of the premium or the premium note was paid in cash at the time of the insurance or the application therefor. A Judge in Chambers shall, upon the recovery of a judgment against the Company, upon the application of the person in whose favour the same as been recovered, upon notice to the Company, inquire into facts, and if he shall certify that more than fifty per centum of the premium, or the premium note, was paid in cash at the time of the insurance or the application therefor, execution may be forthwith issued upon such judgment

Justices of the Peace &c., may swear and examine witnesses regarding loss.

59. Any Justice of the Peace, or any one having lawful authority to administer an oath or affirmation in any legal proceeding, may examine on oath or solemn affirmation any party or person who comes before him to give evidence touching any loss by fire in which the Company is interested, and may administer any oath or affirmation required under this Act.

Directors may retain amount of premium notes.

60. If there is any loss on property insured by the Company, the Board of Directors may retain the amount of the premium note or undertaking given for insurance thereof, until the time has expired for which insurance has been made, and at the expiration of said time the insured shall have the right to demand and receive such part of the retained sum as he has not been assessed for.

61. Any action of the proper competence of the County Court upon, or for any premium note or undertaking, or any sum assessed, or to be assessed, thereon, may be entered, tried, and determined in the County Court of the district wherein the head office or any agency of the Company is situate, and the costs of all such actions shall abide the event.

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Suits in County Court, where brought.

62. The Company shall have power to acquire and hold such real estate as may be necessary for the purpose of its business, and to sell and dispose of the same, and acquire such other property in its place, as may be deemed expedient, and to take, hold, and acquire all such lands, tenements, and hereditaments 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 dealings, or purchased at sales upon judgments which shall have been obtained for such debts, or purchased for the purpose of avoiding a loss to the Company, or to the owners in respect thereof, and may from time to time sell, convey, or lease any such hereditaments.

Lands that may be held by the Company.

63. The Company may effect insurance upon the cash premium principle, for a period not exceeding one year or less on any class of property; and all the property and assets of the Company, including premium notes or undertakings, shall be liable for all losses which may arise under insurances for cash premiums.

Power of Company to insure on the cash premium principle.

64. The Company may raise by subscription of its members, or some of them, or by the admission of new members not being persons insured in the Company, or by loan or otherwise, a guarantee capital of any sum not less than twenty thousand dollars, nor exceeding five hundred thousand dollars, which guarantee capital shall belong to the Company, and be liable for all the losses, debts, and expenses of the Company, and subscribers of such capital shall, in respect thereof, have such rights as the directors of the Company declare and fix by a by-law to be passed before such capital is subscribed, and unless such capital is paid off or discharged, such by-law shall not be repealed or altered without the consent of the majority of votes of the shareholders or subscribers of such capital who represent a majority of the shares subscribed, either personally or by proxy, at a meeting held for that purpose, of the holders of such capital, each shareholder or subscriber being entitled to a vote for every share of fifty dollars held by him.

Power to raise a guarantee capital.

65. Such capital shall be subscribed by not less than ten persons, and no one person shall subscribe, or hold or receive dividends, interest, or commissions, upon more than twenty per centum of such guaranteed capital.

Limitations as to guarantee capital.

66. The directors may from time to time, in accordance with the provisions of any by-law in that behalf, require any portion of the

Application of guarantee capital to payment of losses.

A.D. 1886.

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subscribed guaranteed capital to be paid over to the Company for the purpose of settling any losses of the Company. Any sums so advanced shall be repaid, with interest not exceeding ten per cent. per annum, by the Company, within one year thereafter, from the proceeds of assessments upon the premium notes liable to assessment for such purpose, and such assessments may be made from time to time by the Company for the purpose of repaying such advances.

Limited liability of subscriber to guarantee capital.

67. The liability of each subscriber to the guarantee capital shall be limited to the amount unpaid on his subscription, and the register of subscribers and a copy of the by-law authorizing the guarantee capital, and any amendment that may from time to time be made, shall be deposited with the Registrar-General of the Province.

How and when guarantee may be withdrawn.

68. Any subscriber to the guarantee capital may withdraw his guarantee on giving not less than three months' notice of his intention so to do prior to any annual general meeting of the Company, and another guarantor may, with the sanction of the other subscribers of the guarantee capital, be admitted in his place.

When liability on withdrawn guarantee shall cease.

69. From and after the annual general meeting following the notice of intention to withdraw his guarantee, the liability of the subscriber so giving notice shall in respect of the guarantee given by him absolutely cease and determine, save and except that with respect to liabilities and obligations of the Company incurred and entered into before such annual meeting, the liability of the withdrawing guarantor shall remain the same as if notice of withdrawal had not been given.

Death or insolvency of subscriber to guarantee capital.

70. In the event of the death, bankruptcy, or insolvency of a subscriber to the guarantee capital, the remaining subscribers may admit some other person to be a subscriber to the guarantee capital; provided, however, that the estate of the deceased or bankrupt subscriber shall not be relieved from liability in respect of liabilities and obligations of the Company incurred and entered into prior to the admission of such new subscriber.

List of subscribers to be filed annually.

71. Within seven days after such annual meeting the register of subscribers to the guarantee capital shall be deposited with the Registrar-General of this Province, and such register shall show the changes in the said register by death, bankruptcy, withdrawal, or otherwise.

Statutory conditions to be part of every policy.

72. The conditions set forth in the Schedule to this Act shall be deemed to be part of every policy and every contract of insurance entered into or renewed by the Company, with respect to any property therein, and shall be printed on every such policy with the heading "Statutory Conditions."

Conditions held to be unreasonable and unjust to be null and void.

73. Every condition, other than the statutory conditions in the Schedule hereto, endorsed upon or affecting any policy of insurance,

which is held by the Court or Judge before whom any question relating thereto is tried not to be just and reasonable, shall be absolutely null and void.

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74. If the Company desires to vary the said conditions, or to omit any of them, or to add new conditions, there shall be added in conspicuous type, and in ink of different colour, the words to the following effect:—

Variations in conditions how indicated.

“Variations in Conditions.”

“This policy is issued on the above statutory conditions, with the following variations and conditions:

“These variations are, by virrue of the Act of Incorporation, in force so far as, by the Court or Judge before whom a question is tried relating thereto, they shall be held to be just and reasonable to be exacted by the Company.”

75. No such variation, addition, or omission shall, unless the same is distinctly indicated and set forth in the manner or to the effect aforesaid, be legal and binding on the insured; and no question shall be considered as to whether any such variation, addition, or omission is, under the circumstances, just and reasonable, but, on the contrary, the policy shall, as against the Company, be subject to the statutory conditions only, unless the variations, additions, or omissions are distinctly indicated and set forth in the manner or to the effect aforesaid.

Variations not binding unless clearly indicated.

76. In case any policy is entered into or renewed containing or including any condition other than or different from the conditions set forth in the Schedule to this Act, if the said condition so contained or included is held, by the Court or Judge before whom a question relating thereto is tried, to be not just and reasonable, such condition shall be null and void.

Policy containing other than statutory conditions.

77. A decision of a Court or Judge under this Act shall be subject to review or appeal to the same extent as a decision by such Court or Judge in other cases.

Appeal.

78. Whenever the surplus assets of the Company, aside from premium notes and undertakings, are sufficient to re-insure all outstanding risks, the Company may, upon filing a full and unreserved statement of their affairs, showing receipts and expenditures, assets and liabilities, and the register of directors with the Registrar-General, and with the consent of a majority of the members present at any regular annual meeting, or at any special meeting duly called for that purpose, and of two-thirds of the subscribers of the guarantee capital, and the consent also of three-fourths of the directors, after having given one month's notice of their intention in the British Columbia Gazette and one newspaper published in the City of Victoria, raise a share or stock

How company may become a stock company.

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capital of not less than one hundred thousand dollars, and may increase the same from time to time to a sum not exceeding five hundred thousand dollars.

Allotment of shares,
&c.

79. The directors shall prescribe the manner of allotment and the number of shares to be allotted to the subscribers of the guarantee capital and the members of the Company respectively.

Subscribers to be-
come members of
company.

80. Every subscriber shall, on allotment of one or more shares to him, become a member of the said Company, with all incidental rights, privileges, and liabilities.

Voting.

81. Shareholders in the Company may vote either personally or by proxy in such manner as the by-laws may prescribe.

Liability of share-
holders when capital
decreased.

82. In the event of a decrease of capital the liability of shareholders to persons who were, at the time of the reduction of the capital, creditors of the Company, shall remain as though the capital had not been decreased. In case a by-law authorizing the same is sanctioned by a vote of not less than two-thirds in value of the said shareholders then present in person or by proxy at a general meeting duly called for considering the by-law, the directors may borrow money upon the credit of the Company, and issue the bonds, debentures, and other securities of the Company, and may sell the said bonds, debentures, or other securities at such prices as may be deemed expedient or be necessary; but no such debentures shall be for a less sum than one hundred dollars.

Power to borrow
money on bonds or
debentures, &c.

Property of the com-
pany may be mort-
gaged.

83. The directors may, under the like sanction, hypothecate, mortgage or pledge the real or personal property of the Company to secure any sum or sums borrowed for the purpose thereof.

Company not bound
by trusts affecting
shares.

84. The Company shall not be bound to see to the execution of any trust, whether express, implied or constructive, in respect of any share; and the receipt of the shareholder in whose name the same stands in the books of the Company shall be a valid and binding discharge to the Company for any dividend or money payable in respect of such share, whether or not notice of such trust has been given to the Company, and the Company shall not be bound to see to the application of the money paid upon such receipt.

Company not to issue
negotiable paper.

85. Nothing in this Act shall be construed to authorize the Company to issue any note payable to the bearer thereof, or any promissory note intended to be circulated as money or as the note of a bank, or to engage in the business of banking.

When company may
make insurances for
premiums payable
wholly in cash.

86. After the sum of one hundred thousand dollars of the said stock or share capital has been bona fide subscribed, and twenty per centum paid thereon into the funds of the said Company, the said

Company may make insurances for premiums payable wholly in cash ; but no insurance on the wholly cash principle shall make the insured a member of the Company, or make him liable to contribute or pay any sum to the Company, or to its funds, or to any other member thereof, beyond the cash premium agreed upon, or give him any right to any participation in the profits or surplus funds of the Company.

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87. A copy of any by-law, 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, or managing director or secretary of the Company, and sealed with the corporate seal, shall be received in all Courts in this Province as prima facie evidence of such by-law, rule, regulation, minute or entry, without proof of the official character or signature of the officer signing the same or of the corporate seal.

How by-laws, rules, &c., to be proved in evidence.

88. The liability of the shareholders shall be limited to the amount unpaid on their shares, in accordance with and as if the Company had been incorporated under the "Companies Ordinance, 1866," and an Act of the Imperial Parliament, passed in the 25th and 26th years of the reign of Her Majesty Queen Victoria, chapter 89, entitled the "Companies Act, 1862 ;" and the Company shall have all the rights and privileges conferred by, and, in all things not hereinbefore provided for, conform to and be governed by the said Ordinance and "Companies Act, 1862," save in so far as the said Ordinance and "Companies Act, 1862," are modified or altered by this Act, or by any Act of the Dominion of Canada.

Liability of members.

SCHEDULE.

STATUTORY CONDITIONS.

1. If any person or persons insures his or their buildings or goods, and causes the same to be described otherwise than as they really are, to the prejudice of the Company, or misrepresents or omits to communicate any circumstance which is material to be made known to the Company, in order to enable it to judge of the risk it undertakes, such insurance shall be of no force in respect to the property in regard to which the misrepresentation or omission is made.

Misrepresentation or omission.

2. After application for insurance, it shall be deemed that any policy sent to the assured is intended to be in accordance with the terms of the application, unless the Company points out, in writing, the particulars wherein the policy differs from the application.

Policy sent to be deemed as applied for unless variance pointed out.

3. Any change material to the risk, and within the control or knowledge of the assured, shall avoid the policy as to the part affected thereby unless the change is promptly notified in writing to the Company or its local agent ; and the Company when so notified may return the premium for the unexpired period and cancel the policy, or may demand in writing an additional

When a change as to risk shall avoid a policy.

Notice of change, &c.

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premium, which the insured shall, if he desires the continuance of the policy, forthwith pay the Company; and if he neglects to make such payment forthwith after receiving such demand, the policy shall be no longer in force.

Change of property.

4. If the property insured is assigned without a written permission endorsed hereon by an agent of the Company duly authorized for such purpose, the policy shall thereby become void; but this condition does not apply to change of title by succession, or by the operation of the law, or by reason of death.

Partial damage salvage.

5. Where property insured is only partially damaged, no abandonment of the same will be allowed unless by the consent of the Company or its agent; and in case of the removal of property to escape conflagration, the Company will rateably contribute to the loss and expenses attending such act of salvage.

Money securities, &c.

6. Money, books of account, securities for money, and evidences of debt or title are not insured.

Plate, paintings, clocks, &c.

7. Plate, plated ware, jewellery, medals, paintings, sculptures, curiosities, scientific and musical instruments, bullion, works of art, articles of virtue, frescoes, clocks, watches, trinkets, plate glass, and mirrors, are not insured unless mentioned in the policy.

Prior or subsequent insurance.

8. The Company is not liable for loss if there is any prior insurance in any other Company, unless the Company's assent thereto appears herein or is endorsed hereon, nor if any subsequent insurance is effected in any other Company, unless and until the Company assents thereto by writing signed by a duly authorized agent.

Case of assent to other insurance.

9. In the event of any other insurance on the property herein described having been assented to as aforesaid, then this Company shall, if such other insurance remains in force, on the happening of any loss or damage, only be liable for the payment of a rateable proportion of such loss or damage, without reference to the dates of the different policies.

Liability in case of non-ownership.

10. The Company is not liable for the losses following, that is to say:—

(a.) For loss of property owned by any other party than the assured, unless the interest of the assured is stated in or upon the policy;

Riot, invasion, &c.

(b.) For loss caused by invasion, insurrection, riot, civil commotion, military or usurped power;

Chimneys, ashes, &c.

(c.) Where the insurance is upon buildings—for loss caused by the want of good and substantial brick or stone chimneys; or by ashes or embers being deposited with the knowledge and consent of the insured, in wooden vessels; or by stoves or stove pipes being, to the knowledge of the assured, in an unsafe condition or improperly secured;

Goods to which fire heat is being applied.

(d.) For loss or damage to goods destroyed or damaged while undergoing any process in or by which the application of fire heat is necessary.

Repairs by carpenters, &c.

(e.) For loss or damage occurring to buildings or their contents while the buildings are being repaired by carpenters, joiners, plasterers, or other workmen, and in consequence thereof, unless permission to execute such repairs had been previously granted in writing, signed by a duly

authorized agent of the Company. But in dwelling-houses, fifteen days are allowed in each year in incidental repairs, without such permission ;

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- (f.) For loss or damage occurring while petroleum, rock, earth, or coal oil, camphine, burning fluid, benzine, naphtha, or any liquid products thereof, or any of their constituent parts (refined coal oil for lighting purposes only, not exceeding five gallons in quantity, excepted), or more than twenty-five pounds weight of gunpowder, are stored or kept in the building insured or containing the property insured, unless permission is given in writing by the Company. Gunpowder, coal oil, &c.

11. The Company will make good loss caused by the explosion of coal gas in a building not forming part of gas works, and loss by fire caused by any other explosion or by lightning. Explosion.
Lightning.

12. Proof of loss must be made by the assured, although the loss be payable to a third party. Proof of loss when payable to other than assured.

13. Any person entitled to make a claim under this policy is to observe the following directions : — Directions to be observed on making claim.

- (a.) He is forthwith after loss to give notice in writing to the Company ;
- (b.) He is to deliver, as soon afterwards as practicable, as particular an account of the loss as the nature of the case permits ;
- (c.) He is also to furnish therewith a statutory declaration, declaring—
 - (1.) That the said account is just and true ;
 - (2.) When and how the fire originated, so far as the declarant knows or believes ;
 - (3.) That the fire was not caused through his wilful act or neglect, procurement, means, or contrivance ; and
 - (4.) The amount of other insurances.
- (d.) He is, in support of his claim, if required and if practicable, to produce books of account, and furnish invoices and other vouchers ; to furnish copies of the written portion of all policies ; and to exhibit for examination all that remains of the property which was covered by the policy ;
- (e.) He is to produce, if required, a certificate under the hand of a magistrate, notary public, or clergyman residing in the vicinity in which the fire happened, and not concerned in the loss or related to the assured or sufferers, stating that he has examined the circumstances attending the fire, loss or damage alleged, that he is acquainted with the character and circumstances of the assured, or claimant, and that he verily believes that the insured has by misfortune, and without fraud or evil practice, sustained loss and damage on the subject assured, to the amount certified.

14. The above proofs of loss may be made by the agent of the assured, in case of the absence or inability of the assured himself to make the same, such absence or inability being satisfactorily accounted for. Proof of loss may be made by agent.

15. Any fraud or false statement in a statutory declaration, in relation to any of the above particulars, shall vitiate the claim. Fraud, &c., vitiates claim.

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Arbitration in case
of differences.

16. If any difference arises as to the value of the property insured, or the property saved, or amount of the loss, such value and amount, and the proportion thereof (if any) to be paid by the Company, shall, whether the right to recover on the policy is disputed or not, and independently of all other questions, be submitted to the arbitration of some person to be chosen by both parties, or if they cannot agree on one person, then to two persons, one to be chosen by the party insured and the other by the Company, and a third to be appointed by the persons so chosen; and such reference shall be subject to the provisions of the "Common Law Procedure Act, 1854;" and the award shall, if the Company is in other respects liable, be conclusive as to the amount of the loss and proportion to be paid by the Company.

Loss payable days
after proof.

17. The loss shall not be payable until thirty days after completion of the proofs of loss, unless otherwise provided by statute or the agreement of the parties.

Company may rein-
state instead of pay-
ing.

18. The Company, instead of making payment, may repair, rebuild, or replace, within a reasonable time, the property damaged or lost, giving notice of their intention within fifteen days after the receipt of the proofs herein required.

Termination of
policy on notice, and
repayment of pro-
portions of pre-
miums.

19. The insurance may be terminated by the Company at any time, by giving ten days' notice to that effect, and by repaying a rateable proportion of the premium for the unexpired term; and the policy shall cease after the expiration of ten days from the receipt of such notice and repayment.

Waiver of condition.

20. No condition of the policy, either in whole or in part, shall be deemed to have been waived by the Company, unless the waiver is clearly expressed in writing, signed by an agent of the Company.

Officers assuming to
agree in writing to
be deemed agents.

21. Any officer or agent of the Company, who assumes on behalf of the Company to enter into any written agreement relating to any matter connected with the insurance, shall be deemed prima facie to be the agent of the Company for the purpose.

Suits to be brought
within one year.

22. Every suit, action or proceeding against the Company for the recovery of any claim under or by virtue of this policy, shall be absolutely barred, unless commenced within the term of one year next after the loss or damage occurs.