

Companies not licensed as provided in this Act or that of 1875, unless confining themselves exclusively to Ocean Marine Insurance, may do no insurance business in Canada of any kind without special permission of the Minister of Finance, issued after report of Treasury Board and confirmation of the Governor in Council, and subject to such conditions respecting deposits, fees, statements, inspections, &c., as may be deemed necessary. Issuing a policy or receiving a premium, without such permission or compliance with its conditions, renders a party liable for the respective penalties of \$1000, \$500 and \$100 above provided. Special Acts of incorporation hereafter shall lapse unless the Cos. take out a license in two years after they pass, and so with Cos. already incorporated if the license is not taken out before 28th April, 1879. The time for depositing the annual statements of Fire and Inland Marine Cos., required under the Act of 1875, is extended to the 1st March in each year. Cos. under the exclusive legislative control of any Province are not affected by this Act, but they may avail themselves of its provisions and so be authorized to transact business throughout Canada. Previous Acts are repealed saving any rights acquired under them. Deposits by instalments may be continued under their provisions till the \$50,000 are reached. Saving existing rights, the Mutual Insurance Co. Act, Con. Stat. U. C., Chapter 52, an Act to repeal which has been passed by the Legislature of Ontario, is repealed in so far as Parliament may repeal it.

INCORPORATION BY LETTERS PATENT.

Chap. 43.—The G. in C. may, by letters patent, incorporate any 5 or more persons to transact any business, except that of constructing and making railways, or banking and the issue of paper money or insurance. The applicants must give notice for one month in the *Canada Gazette*, stating the proposed name of the Co., its purposes, its chief place of business its proposed capital (which for a loan company must be at least \$100,000), the number and amount of shares, the names, places of residence and occupation of all the applicants, and 3 to 15 of them are to be Prov. Directors. Within a month after the last publication of the notice, the petition is to be presented through the S. of S. It must recite the facts as in the notice, and also the amount of stock taken by each applicant and paid in upon it, and how paid in and held by the Co. At least one-half the proposed capital must have been taken, and 10 per cent. paid in. In case of a loan Co., the payment must amount to \$100,000. The money must be paid in to credit of the Co., or of trustees, in some chartered bank; but if the business requires the holding of real estate, one half may be invested in it and held by trustees. Provisions inserted in the charter may not be altered by by-law, unless the charter so provides. Before it issues, the parties must establish to satisfaction of the S. of S., or other officer charged with the duty, the sufficiency of the notice and of the statements in the petition, and their truth. Also, that the name proposed is not that

of another Co., or objectionable. If it be, the G. G. may give another. Notice of the granting of the charter must forthwith be given in the *Canada Gazette*, and the parties are thereupon incorporated and become vested with all moneys of or properties theretofore held in trust for them. Such Co. may hold real estate necessary for carrying on their business. The G. in C. may issue supplementary letters patent to change the name, if it be found that it is likely to be confounded with that of another Co., or may change it on application of the Co. The shareholders may, by a two-thirds vote in value, authorize the Directors to apply for supplementary letters extending the powers of the Co. to other objects. And they may apply within 6 mos., giving notice as before, and establishing their authority to the satisfaction of the S. of S., &c. Notice, as before, must be given of the issue of such supplementary letters. Any by-law, approved by two thirds in value of the shareholders, the Co. may change the No. of Directors (within the above limit), and the chief place of business. Such by-law, duly sealed and certified, to be deposited with the S. of S., and published in the *Canada Gazette*, before having effect. The Directors (if other than a loan Co.,) may, by by-law, subdivide the shares. Directors may in like manner reduce the capital, (in case of a loan Co., not lower than \$100,000) or, after all the stock is subscribed and half paid in, increase it, and settle the No. and allment of new shares, or reduced shares. Such by-laws for reduction or increase require confirmation by the shareholders as above; and no decrease shall interfere with liabilities to creditors incurred before it. Within 6 mos. supplementary letters patent must be asked for to confirm the same, and granted if proof of such compliance with above provisions, and of expediency of change, is given. Notice of such issue is to be given in the *Gazette*. Provisional Directors act till others are elected. To be elected, one must own in his own right stock to the amount fixed by the by-laws, and owe no arrears on calls. The majority of Directors must be residents in Canada. They are to be elected by the shareholders in general meeting, for not more than 2 years, at times and places fixed by the by laws or charters. If not otherwise provided, the election shall be by ballot, held yearly, 21 days' notice having been given in a newspaper published at or near the chief office. A vote is given for each share by the owner or his proxy. Proxies must be shareholders. Arrears on calls disqualify from voting. The chairman has a casting vote. Vacancies are filled by the Directors for unexpired term with qualified shareholders. They must elect a President, and may a Vice-President, and such other officers as are necessary. Failure to elect on the day named does not dissolve the Co. The election may take place on a later day, the old Directors continuing till then. The usual full powers to transact the business of the Co., and to make by-laws are given them. Such bylaws have effect until next general meeting, when they must be confirmed or lapse; except those to issue, allot, or sell unissued stock at a less premium than previously authorized