

NATIONAL ASSEMBLY

FIRST SESSION

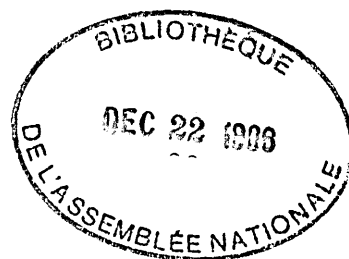
THIRTY-THIRD LEGISLATURE

Bill 269
(Private)

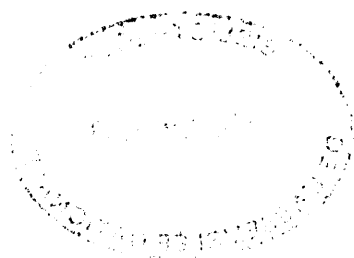
An Act respecting The Québec Mutual Life Assurance Company

Introduction

**Introduced by
Mr Jean-Pierre Bélisle
Member for Mille-Îles**



**Québec Official Publisher
1986**



Bill 269

(Private)

An Act respecting The Québec Mutual Life Assurance Company

WHEREAS The Québec Mutual Life Assurance Company, incorporated by chapter 183 of the statutes of 1958-59, is a corporation without share capital established to carry on the business of life insurance and whereas it is governed by the Act respecting insurance (R.S.Q., chapter A-32);

Whereas from the incorporation of The Québec Mutual Life Assurance Company and as is provided in its constituting Act, the Québec Hospital Service Association “a body corporate and politic without capital stock and without pecuniary gain” constituted by chapter 102 of the statutes of 1942, has paid into a reserve fund of the Québec Mutual Life Assurance Company an amount of \$11 248 981.00 to permit the proper management and the pursuit of the operations of the latter;

Whereas, due to its financial position, the Québec Mutual Life Assurance Company, has been unable for several years to pay to the Québec Hospital Service Association any interest on the money advanced by the latter;

Whereas the current financial position of the Québec Mutual Life Assurance Company is such that the Company is now in a position to reimburse, as permitted under chapter 183 of the statutes of 1958-59, the amount due to the Québec Hospital Service Association;

Whereas the amount of \$11 248 981.00 reimbursed to the Québec Hospital Service Association by the Québec Mutual Life Assurance Company will serve in part as capital stock and contributed surplus to permit the pursuit of the entity's operations and to safeguard the rights of the insured;

Whereas it is in the interest of the Québec Mutual Life Assurance Company and necessary for the proper administration of its affairs and for the safeguard of the rights of the insured, that the company be a company with share capital whose shares are held by the Québec Hospital Service Association;

Whereas the policyholders of the Québec Mutual Life Assurance Company will continue to be adequately protected by the fund set up to guarantee the performance of the obligation towards and secure the investments of holders of participating policies and by the fund of non participant policyholders, the whole as it appears and will continue to appear in the annual statement filed with the Inspector General of Financial Institutions pursuant to the Act respecting insurance (R.S.Q., chapter A-32);

Whereas the future rights of the policyholders of the Québec Mutual Life Assurance Company are not likely to be curtailed in any way;

Whereas from its incorporation, the Québec Mutual Life Assurance Company has evolved in close relation with the Québec Hospital Service Association by reason of the suppletive services offered by the latter and whereas a sizable number of policyholders are covered by both entities;

Whereas the conversion of the Québec Mutual Life Assurance Company into a company with share capital has been approved by not less than two-thirds of the members present at a special general meeting of the Québec Mutual Life Assurance Company duly called for that purpose and held on 27 November 1986;

Whereas the Québec Hospital Service Association undertakes \$5 700 000.00 in the entity with share capital that will be known under the name of "Blue Cross Life of Québec Inc.";

Whereas the conversion is not contrary to the interest of the insured or to the public interest;

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. The Québec Mutual Life Assurance Company shall be continued as a company with share capital which, thus transformed, will be known under the corporate name of "Croix Bleue Vie du Québec Inc." in French and its English version "Blue Cross Life of Québec Inc.".

2. The corporate seat of Blue Cross Life of Québec Inc. shall be located in the city of Montréal.

3. The share capital of Blue Cross Life of Québec shall be ONE HUNDRED MILLION DOLLARS divided into fifty million common shares of a par value of one dollar each and fifty million preferred shares of a par value of one dollar each with the following privileges and restrictions

(a) the holders of preferred shares are entitled to receive an annual non cumulative dividend, by preference to any other dividend, as determined from time to time by the board of directors;

(b) in case of dissolution, winding-up or other disposition of property, the preferred shares take precedence over the other shares of the company with respect to the payment of the paid capital and attributable dividends;

(c) preferred shares have no additional interest in the profits or surplus assets of the company;

(d) the holders of preferred shares are not entitled to vote at, receive calling notices for, or attend shareholder meetings; their status as such does not by itself make them eligible to the board of directors;

(e) preferred shares may be redeemed, after obtaining the written authorization of the Inspector General of Financial Institutions and with the consent of the company, on thirty-day's notice, at par value plus unpaid declared dividends. Any partial redemption is made in proportion to the number of such shares in the hands of all the shareholders, disregarding fractions of shares;

(f) the company may, after obtaining the written authorization of the Inspector General of Financial Institutions, without notice, whenever it considers it expedient, purchase by agreement all or part of the issued preferred shares at par value plus unpaid declared dividends; any partial purchase is made proportionately or otherwise by unanimous consent of the holders of preferred shares.

4. On the coming into force of this Act, the Québec Hospital Service Association will subscribe THREE MILLION DOLLARS in common shares and a contributed surplus of TWO MILLION SEVEN HUNDRED DOLLARS.

5. Blue Cross Life of Québec Inc. shall have the power to carry on the business of insurance in relation to contracts of insurance or reinsurance of persons, with flat-rate or varying benefits and with or without profit sharing, and without restricting the generality of the foregoing, it may make contracts of the following class:

- (a) life insurance;
- (b) insurance against accidents, disability, illness, wage loss and any other risk of the same nature;
- (c) compensation for medical, surgical, pharmaceutical, hospital care, dental care and nursing care expenses or of any other expense of the same nature incurred by reason of accident, illness or maternity;
- (d) capitalization or sinking fund;
- (e) annuities and pension benefits of any kind.

6. The board of directors of Blue Cross Life of Québec Inc. shall consist of not less than seven directors as may be fixed in the by-laws. The first directors being

ANDERSON, John C.	FERRON, Claude
BOYER, Gaston R.	MASSÉ, Maurice A.
BRISSON, Jean-Roch	MURRAY, Robert D.
CARON, Marcel H.	PERREAULT, Germain
DE JOCAS, Charles	

all governors of the Québec Hospital Service Association and may sit on the board of directors until the annual general assembly of 1988 is held.

7. The directors of Blue Cross Life of Québec Inc. shall be elected at the annual general meeting for a term of not more than three years as may be fixed in the by-laws.

If the terms of directors are of two years or three years, the by-laws must provide the necessary mechanisms to ensure that the terms expiring in any year are in equal number, in as much as practicable.

8. Except if inconsistent with the provisions of this Act or the provisions of the Act respecting insurance (R.S.Q., chapter A-32), the administrative by-laws of the Québec Mutual Life Assurance Company as they exist on the date of coming into force of this Act but replacing therein the word “member” by the word “shareholder” apply to and become the administrative by-laws of Blue Cross Life of Québec Inc. until they are amended, repealed or replaced.

9. Blue Cross Life of Québec Inc. shall have all the rights and assume all the obligations of the Québec Mutual Life Assurance Company and this Act replaces chapter 183 of the statutes of 1958-59 without affecting anything done under the authority of the said Act and without interrupting its corporate existence nor affecting any of its rights or obligations and any instance to which the Québec Mutual Life Assurance Company is a party may be continued by or against it without continuance of suit.

10. This Act comes into force on 1 January 1987.

