

SIXTH SESSION

THIRTY-FIRST LEGISLATURE

NATIONAL ASSEMBLY OF QUÉBEC

Bill 213

(PRIVATE)

**An Act respecting La Société d'assurance des Caisses
Populaires and General Security
Insurance Company of Canada**

First reading
Second reading
Third reading

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L'ÉDITEUR OFFICIEL DU QUÉBEC

1980

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(PRIVATE)

An Act respecting La Société d'assurance des Caisses Populaires and General Security Insurance Company of Canada

WHEREAS La Société d'assurance des Caisses Populaires, incorporated by chapter 80 of the statutes of 1944, replaced by chapter 157 of the statutes of 1960-1961 and its amendments, is an association without share capital, the object of which being to transact the business of damage insurance, and whereas it is governed by the Act respecting insurance (R.S.Q., c. A-32);

Whereas General Security Insurance Company of Canada, incorporated by chapter 34 of the Statutes of Canada, 1941, is a company with share capital, the object of which being to transact the business of damage insurance, and whereas it is governed by the Canadian and British Insurance Companies Act (R.S.C., 1970, c. I-15);

Whereas it is in the interest of the Société and necessary for the proper administration of its affairs to continue to be related to the Confédération des Caisses Populaires et d'Économie Desjardins du Québec and consequently that it be a company with share capital whose shares are held by the federations that are members of the Confédération and by their affiliated credit unions as well as by the Fédération de Montréal des Caisses Desjardins and certain of its affiliated credit unions;

Whereas under the Act to amend and to repeal the Act to incorporate the General Security Insurance Company of Canada, the Security may apply to be converted into a company governed by the Act respecting insurance (R.S.Q., c. A-32), and whereas it is in its interest and necessary for the proper administration of its affairs that it be henceforth governed by the latter act;

Whereas it is in the interest and necessary for the proper administration of the affairs of the Société and of the Security that they amalgamate and that the company created by the amalgamation be governed by the Act respecting insurance;

Whereas the conversion of the Société and its amalgamation with the Security was approved by not less than two-thirds of the votes cast by the members present at a special general meeting of the members of the Société duly convened to examine the matter;

Whereas the conversion of the Security into a company governed by the Act respecting insurance and its amalgamation with the Société was approved by the vote of not less than two-thirds in value of the shares represented by the shareholders present at a special general meeting of the shareholders of the Security duly convened to examine the matter;

Whereas the conversion and amalgamation do not interfere with the interests of the insured or of the public;

HER MAJESTY, with the advice and consent of the National Assembly of Québec, enacts as follows:

1. General Security Insurance Company of Canada, hereinafter referred to as “the Security”, is converted into a company governed by the Act respecting insurance (R.S.Q., c. A-32).

2. The corporate existence of the Security is continued with all its property, rights, powers and obligations.

3. The Société d'assurance des Caisses Populaires continues to be related to the Confédération des Caisses Populaires et d'Économie Desjardins du Québec, but is converted into a company with share capital which, after the conversion, is hereinafter referred to as “the Société”.

4. The corporate existence of the Société is continued with all its property, rights, powers and obligations.

5. The share capital of the Société is six million five hundred thousand dollars divided into six million five hundred thousand shares of a par value of one dollar each, of which six million twenty-four thousand three hundred and sixty-eight shares are issued and fully paid-up.

6. The shareholders of the Société are those who have subscribed and paid for shares of the Société, namely the federations that are members of the Confédération des Caisses Populaires et

d'Économie Desjardins du Québec and their affiliated credit unions and the Fédération de Montréal des Caisses Desjardins and certain of their affiliated credit unions, in proportion to their contribution to the Société, the subscribed shares being computed to the nearest unit, disregarding fractions of shares.

7. The Security and the Société shall amalgamate into a single corporation under the corporate name of "Le Groupe Desjardins, Assurances générales", hereinafter referred to as "Groupe Desjardins".

8. The corporate seat of Groupe Desjardins shall be at Lévis.

9. The share capital of Groupe Desjardins is one hundred million dollars divided into seventy-five million common shares of a par value of one dollar each and twenty-five million preferred shares of a par value of one dollar each, with the following privileges and restrictions in respect of preferred shares:

(a) the holders of preferred shares are entitled to receive such annual non-cumulative preferred dividend as may be determined from time to time by the board of directors;

(b) in case of dissolution, winding-up or other disposal of property, preferred shares have preference over other shares of the company with reference to the paid-up capital and the payable dividends;

(c) preferred shares shall not otherwise share in the company's profits or surplus assets;

(d) the holders of preferred shares do not vote at meetings of the shareholders, receive convening notices or attend such meetings; they are not eligible to the board of directors;

(e) preferred shares may be redeemed, at the discretion of the company, upon a written notice of thirty days, at their par value plus the dividends declared and unpaid; the redemption, if partial, shall be made in proportion to the number of such shares in the hands of all the shareholders, disregarding fractions of shares;

(f) the company may, without notice and when it deems it expedient, purchase by agreement all or part of the outstanding preferred shares, at their par value, plus the unpaid declared dividends; the purchase, if partial, is made proportionately, or otherwise, with the unanimous consent of the holders of preferred shares.

10. The amalgamated company may undertake and transact all the classes of damage insurance provided for by the Act respec-

ting insurance (R.S.Q., c. A-32), the regulations made thereunder and any subsequent amendments as they read when they are applied.

11. The board of directors of Groupe Desjardins is composed of nineteen directors, the first directors being Conrad Leblanc, Roland Dion, Paul-Yvon Lesage, Raymond Audet, Léopold Auger, Gilles Bouliane, Roger Desrosiers, Claude Lépine, Gérard Marotte, Gérard-Yvan Martel, Camille Montpetit, Rosaire Raymond, Léopold Robitaille, Albert Scallon, Welley Vézina, Jean-Marie Bourgeois, Gabriel Forest, Jacques L'Heureux and Lucien Maynard.

12. The directors of Groupe Desjardins shall be elected every year at the general meeting of the shareholders and the incumbent directors may be re-elected.

13. The share capital of the Security and of the Société is converted into the share capital of Groupe Desjardins as follows:

(a) the Société's six million twenty-four thousand three hundred and sixty-eight issued and fully paid-up shares of a par value of one dollar each are converted into eight million four hundred and seventy-eight thousand eight hundred and ninety-eight issued and fully paid-up common shares, of a par value of one dollar each, of Groupe Desjardins, the conversion being made to the nearest unit, disregarding fractions of shares;

(b) the Security's thirty-eight thousand six hundred and twenty-five issued and fully paid-up common shares of a par value of one hundred dollars each are converted into one million four hundred and seven thousand nine hundred and seventy issued and fully paid-up common shares, of a par value of one dollar each, of Groupe Desjardins, the conversion being made to the nearest unit, disregarding fractions of shares.

14. The Société's undistributed profit at the time of the coming into force of this act shall be kept as a reserve of Groupe Desjardins, for five years after that coming into force, for the benefit of the persons who were policyholders of the Société on the day preceding that coming into force, for the purpose of satisfying their claims and for any other purpose for which such funds were used before the coming into force of this act.

15. Groupe Desjardins continues to have the property, rights, powers and obligations of the Security and of the Société.

16. The internal management by-laws of the Security on the date of the coming into force of this act, save where they are incon-

d'Économie Desjardins du Québec and their affiliated credit unions and the Fédération de Montréal des Caisses Desjardins and certain of their affiliated credit unions, in proportion to their contribution to the Société, the subscribed shares being computed to the nearest unit, disregarding fractions of shares.

7. The Security and the Société shall amalgamate into a single corporation under the corporate name of "Le Groupe Desjardins, Assurances générales", hereinafter referred to as "Groupe Desjardins".

8. The corporate seat of Groupe Desjardins shall be at Lévis.

9. The share capital of Groupe Desjardins is one hundred million dollars divided into seventy-five million common shares of a par value of one dollar each and twenty-five million preferred shares of a par value of one dollar each, with the following privileges and restrictions in respect of preferred shares:

(a) the holders of preferred shares are entitled to receive such annual non-cumulative preferred dividend as may be determined from time to time by the board of directors;

(b) in case of dissolution, winding-up or other disposal of property, preferred shares have preference over other shares of the company with reference to the paid-up capital and the payable dividends;

(c) preferred shares shall not otherwise share in the company's profits or surplus assets;

(d) the holders of preferred shares do not vote at meetings of the shareholders, receive convening notices or attend such meetings; they are not eligible to the board of directors;

(e) preferred shares may be redeemed, at the discretion of the company, upon a written notice of thirty days, at their par value plus the dividends declared and unpaid; the redemption, if partial, shall be made in proportion to the number of such shares in the hands of all the shareholders, disregarding fractions of shares;

(f) the company may, without notice and when it deems it expedient, purchase by agreement all or part of the outstanding preferred shares, at their par value, plus the unpaid declared dividends; the purchase, if partial, is made proportionately, or otherwise, with the unanimous consent of the holders of preferred shares.

10. The amalgamated company may undertake and transact all the classes of damage insurance provided for by the Act respec-

sistent with this act or the Act respecting insurance, apply and become the internal management by-laws of Groupe Desjardins until they are amended, repealed or replaced.

17. This act replaces chapter 157 of the statutes of 1960-1961 and chapter 67 of the statutes of 1976.

18. The Act respecting insurance (R.S.Q., c. A-32) applies to Groupe Desjardins.

19. This act comes into force on 1 January 1981.