

1990, chapter 97
**AN ACT RESPECTING ASSURANCE-VIE
DESJARDINS AND LA SAUVEGARDE COMPAGNIE
D'ASSURANCE SUR LA VIE LTÉE**

Bill 249

Introduced by Mr Jacques Chagnon, Member for Saint-Louis

Introduced 23 May 1990

Passage in principle 22 June 1990

Passage 22 June 1990

Assented to 22 June 1990

Coming into force: 1 July 1990

Act amended: None





CHAPTER 97

An Act respecting Assurance-vie Desjardins and La Sauvegarde Compagnie d'Assurance sur la Vie Ltée

[Assented to 22 June 1990]

Preamble

WHEREAS Assurance-vie Desjardins is a mutual insurance company transacting insurance of persons, incorporated by chapter 60 of the Statutes of Canada, 1959, as amended by letters patent issued on 6 July 1981, and is governed by the Canadian and British Insurance Companies Act (R.S.C. 1985, chapter I-12);

Whereas La Sauvegarde Compagnie d'Assurance sur la Vie Ltée ("La Sauvegarde") is a capital stock company transacting insurance of persons, continued as an insurance company governed by the Act respecting insurance (R.S.Q., chapter A-32) by letters patent of continuance issued on 1 December 1989;

Whereas Assurance-vie Desjardins has been authorized by a special Act of the Parliament of Canada to continue its existence as an insurance company governed by the laws of Québec and whereas it is in its interest and the interest of its members that it be hereafter governed by this Act and the Act respecting insurance;

Whereas it is in the interest of Assurance-vie Desjardins and La Sauvegarde, and advisable for their respective purposes, that they be amalgamated into one capital stock company governed by this Act and the Act respecting insurance;

Whereas the outstanding shares of La Sauvegarde, except for the qualifying shares held by the directors, are held by La Société financière des caisses Desjardins Inc., a wholly-owned subsidiary of La Confédération des caisses populaires et d'économie Desjardins du Québec;

Whereas the continuance of Assurance-vie Desjardins and its amalgamation with La Sauvegarde were approved by at least two-thirds of the votes recorded by the members present or represented at a special general meeting of the members of Assurance-vie Desjardins, duly called for such purpose and held on 30 May 1990;

Whereas the amalgamation of La Sauvegarde with Assurance-vie Desjardins was approved by the vote of at least two-thirds in value of the shares represented by the shareholders present at a special general meeting of the shareholders of La Sauvegarde, duly called for such purpose and held on 30 May 1990;

Whereas the continuance of Assurance-vie Desjardins and its amalgamation with La Sauvegarde are not contrary to the interest of their policyholders and the public in general and whereas the members of Assurance-vie Desjardins are treated equitably;

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

DIVISION I

CONTINUANCE AND AMALGAMATION

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| Continuance | 1. Assurance-vie Desjardins is continued as a company governed by the Act respecting insurance (R.S.Q., chapter A-32), with all its rights, obligations and acts, which are not affected by the continuance. |
| Amalgamation | 2. Assurance-vie Desjardins and La Sauvegarde amalgamate and are continued as one capital stock company under the corporate name of "Assurance-vie Desjardins Inc." and its English version "Desjardins Life Assurance Company Inc." (the "Company"). |
| Head office | 3. The head office of the Company is located in the city of Lévis-Lauzon. |
| Object | 4. The object of the Company is to transact insurance of persons in accordance with the Act respecting insurance. |

DIVISION II

CAPITAL STOCK

Authorized capital stock **5.** The authorized capital stock of the Company consists of 100 000 000 common shares without par value, which may be issued for a total consideration of \$100 000 000.

Common shares **6.** The 423 885 class A common shares without par value of the issued and paid-up capital stock of La Sauvegarde and outstanding as of the date of amalgamation are converted into 4 238 850 common shares without par value of the capital stock of the Company, at the rate of 10 fully paid common shares of the Company for each outstanding class A common share of La Sauvegarde.

Initial capital stock The issued and paid-up capital stock of the Company is initially \$2 119 425 represented by 4 238 850 fully paid common shares.

Capital surplus The combined paid-up capital stock and capital surplus of the Company is initially \$16 249 609.

Restriction **7.** The Company is forbidden to issue and allot shares of its capital stock or register a transfer thereof if, as a result, it is no longer controlled by a holding company which is itself controlled directly or indirectly by La Confédération des caisses populaires et d'économie Desjardins du Québec.

Control The Company is controlled by a holding company if the holding company is the direct holder of shares in the Company carrying more than fifty per cent of the voting rights and may, by exercising the voting rights attached to the shares held by it, elect the majority of its directors.

DIVISION III

BOARD OF DIRECTORS

Number **8.** The board of directors of the Company is formed of not less than seven nor more than twenty-five directors, the number of which is fixed by resolution of the board. The minimum and maximum number of directors may be changed in accordance with section 54 of the Act respecting insurance.

Directors The first board of directors of the Company is formed of Fernand BIDAL, administrator, of Coniston (Ontario), Jean-Guy CHAPUT, administrator, of Montréal, Normand COLLET, administrator, of Winnipeg (Manitoba), René DERASPE, administrator, of Fatima,

Pierre FORTIER, administrator, of Outremont, François GIGUÈRE, administrator, of Saint-Joseph de Beauce, Claude GRAVEL, administrator, of Québec, Fernand HOULE, pensioner, of St-Félix de Valois, Maurice LAVALLÉE, businessman, of Pierreville, Yves MALO, administrator, of Outremont, Pierre MERCURE, public servant, of Val d'Or, Raymond MÉTIVIER, pensioner, of Cabano, Céline MORIN, administrator, of Lévis, Michel PARENT, fireman, of Montréal, L. Philippe POULIN, pensioner, of Montréal, Albert SCALLON, administrator, of Sherbrooke, Serge SIMARD, administrator, of Port Alfred, Jacques SYLVESTRE, lawyer, of Saint-Hyacinthe, and Michel TOURANGEAU, lawyer, of Montréal.

Continuance
in office

The above directors remain in office until the next annual general meeting of the Company.

General
by-laws

9. Subject to this Act, the general by-laws of La Sauvegarde in force at the time of the coming into force of this Act, adapted as required, are the general by-laws of the Company until they are amended, repealed or replaced.

DIVISION IV

RIGHTS OF THE POLICYHOLDERS AND MEMBERS

Transfer

10. The portion of the participating funds of Assurance-vie Desjardins composed of their assets, liabilities and equity, originating from participating insurance policies issued by Assurance-vie Desjardins and related to the business transacted with the Caisses Desjardins and other legal entities of the Mouvement Desjardins, the holders of which are designated “cooperative mutualists”, and the non-participating funds of La Sauvegarde composed of their assets, liabilities and equity, originating from non-participating policies issued by La Sauvegarde, are transferred to the non-participating fund of the Company.

Legal
entities

Other legal entities of the Mouvement Desjardins include the federations, La Confédération des caisses populaires et d'économie Desjardins du Québec, the holding companies referred to in Division II of Chapter V of Title IV of the Savings and Credit Unions Act (R.S.Q., chapter C-41) as well as legal persons controlled directly or indirectly by those holding companies, Place Desjardins Inc., La Caisse centrale Desjardins du Québec, Corporation de fonds de sécurité de la Confédération Desjardins, Institut coopératif Desjardins, Fondation Desjardins, Société de développement international Desjardins Inc. and La Société historique Alphonse-Desjardins.

Transfer

11. The portion of the participating funds of Assurance-vie Desjardins composed of their assets, liabilities and equity, originating from participating insurance policies issued by Assurance-vie Desjardins and related to the business other than that transacted with the cooperative mutualists of Assurance-vie Desjardins, the holders of which are designated “other mutualists”, and the participating funds of La Sauvegarde composed of their assets, liabilities and equity, originating from participating policies issued by La Sauvegarde, are transferred to the participating fund of the Company. The scales of participation of such policies in force as of the date of the amalgamation are guaranteed for a period of five years unless there is danger of insolvency acknowledged by the Inspector General of Financial Institutions.

Valuation

12. The participating fund shall be valued as of 31 December 1995 and 31 December 2000 by an independent actuary, whose report shall be submitted to the Inspector General of Financial Institutions. The purpose of the valuation is to review the progression of such fund according to sources of revenues and to determine, in accordance with generally accepted actuarial principles, whether any surplus may be distributed. Any such surplus must be distributed equitably in the manner deemed acceptable by the Inspector General of Financial Institutions.

Transfer

13. The Company shall, upon the amalgamation, transfer from the equity of the non-participating fund to the equity of the participating fund an amount of \$6 500 000.

Dividends

14. From such amount, the Company shall, no later than 31 December 1991, distribute to the other mutualists of Assurance-vie Desjardins who were already receiving dividends on their policies before the amalgamation, an amount of \$1 500 000, either in cash, in the form of dividends or through an increase in the value of their policies.

DIVISION V

TRANSITIONAL PROVISIONS

Corporate
name

15. The Company has all the rights and shall assume all the obligations of Assurance-vie Desjardins and La Sauvegarde. The corporate name of the Company and its English version are substituted by operation of law, without any formality, for the corporate names and their English versions of Assurance-vie Desjardins and La Sauvegarde, in all contracts or documents in which

they may be involved. Suits to which they are parties before the amalgamation may be continued by or against the Company without continuance of suit.

Policyholders **16.** The policyholders of Assurance-vie Desjardins and La Sauvegarde become policyholders of the Company and, subject to the second paragraph hereof, retain, in such quality, their rights and privileges under such policies.

Policies Participating insurance policies issued to the cooperative mutualists of Assurance-vie Desjardins become non-participating policies of the Company.

DIVISION VI

COMING INTO FORCE

**Coming
into force**

17. This Act comes into force on 1 July 1990.