



CHAPTER 70

An Act respecting L'Économie Compagnie d'assurance sur la vie

[Assented to 20 June 1984]

Preamble

WHEREAS L'Économie Mutuelle-Vie is a mutual insurance corporation without share capital governed by chapter 158 of the statutes of 1957-58 and by chapter 91 of the statutes of 1962;

Whereas the Société Saint-Jean-Baptiste de Montréal wishes to hand over its rights in L'Économie Mutuelle-Vie to La Sauvegarde, governed by chapter 139 of the statutes of 1911 of the Statutes of Canada;

Whereas L'Économie must for that purpose be converted into an insurance company with share capital;

Whereas, at an extraordinary general meeting duly called to consider the conversion of L'Économie Mutuelle-Vie, no fewer than two-thirds of the members present and voting were in favour;

Whereas the rights of the insured are not affected by the conversion;

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

DIVISION I

CONVERSION

Conversion

1. L'Économie Mutuelle-Vie is hereby converted into a joint-stock company under the corporate name of "L'Économie Compagnie d'assurance sur la vie".

Existence
continued

2. This Act certifies the existence of L'Économie as converted into a joint-stock company and its continuance under this Act.

- Applicability of the Act respecting insurance** The Act respecting insurance (R.S.Q., chapter A-32) and Part II of the Companies Act (R.S.Q., chapter C-38) apply to L'Économie.
- Charter** This Act is deemed to be the charter of L'Économie for the purposes of Part II of the Companies Act.
- Rights and obligations** **3.** The rights, obligations and acts of L'Économie are not affected by the conversion.

DIVISION II

CONVERSION MEETING

- Meeting held by the directors** **4.** After the conversion, the directors of L'Économie Mutuelle-Vie having become directors of L'Économie shall hold a meeting at which they shall issue at least one share.
- Number of directors** The number of directors of L'Économie is the number of directors of L'Économie Mutuelle-Vie immediately before its conversion until the number is changed according to law.
- Conversion meeting** **5.** L'Économie shall call the conversion meeting by giving at least five days' notice of the date and time thereof to each director.
- Date of meeting** The meeting must be held 90 days or less after 30 June 1984.
- General by-laws** **6.** At the conversion meeting, the directors shall, among other business, draw up the general by-laws of L'Économie.

DIVISION III

RIGHTS OF THE PARTIES AFTER THE CONVERSION

- Rights of the Société Saint-Jean-Baptiste** **7.** The Société Saint-Jean-Baptiste de Montréal is entitled, as a consideration for all the rights it held in L'Économie before its conversion, to a number of fully paid shares equal in value to 10% of the share capital surplus on 30 June 1984 as shown in the financial statements on 30 June 1984.
- Interpretation** The transaction contemplated in the first paragraph is not a distribution of surplus assets within the meaning of the Taxation Act (R.S.Q., chapter I-3).
- Shares of the capital** **8.** The shares allocated to the Société Saint-Jean-Baptiste de Montréal form part of the issued and paid-up share capital of L'Économie.
- Participating policyholder** **9.** The owner of a contract with participation before the conversion becomes a participating policyholder after the conversion.

Balance of surplus **10.** L'Économie shall preserve the balance of the share capital fund surpluses for the holders of participating policies referred to in section 9.

Dividends L'Économie may set apart for distribution as dividends or bonus additions to the policyholders such portion as it may deem safe and reasonable of the surpluses.

Amalgamation In case of amalgamation, the balance of the surpluses must be kept in a separate fund for at least five years and be used for the same purposes.

DIVISION IV

CAPITAL STOCK

Capital **11.** L'Économie has a capital stock of five million dollars divided into fifty thousand common shares of the par value of one-hundred dollars each.

Payment and issue The capital stock must be paid in currency and no share may be issued until it is fully paid.

DIVISION V

POWERS

Classes of insurance **12.** L'Économie is empowered to do business in respect of the same classes of insurance as those of L'Économie Mutuelle-Vie immediately before its conversion.

Annuity and pension contracts **13.** L'Économie may also transact in non-guaranteed annuity and pension contracts contemplated in chapter 91 of the statutes of 1962.

DIVISION VI

PROVISIONS RESPECTING OWNERS OF PENSIONS

Non-guaranteed pensions **14.** This division governs the rights concerning the non-guaranteed pensions contemplated in section 12.

Separate assets **15.** L'Économie shall maintain separate the assets derived from annuity contracts.

Obligations Assets derived from annuity contracts may be used only to fulfil the obligations arising from such contracts.

Annuitant **16.** Except if otherwise stipulated, the pension shall belong to the annuitant living on the first of January following his enrollment as a

non-annuitant member and, thereafter if he is living, on the first of January of each year.

Payment Pensions are payable on the date fixed by L'Économie.

Unseizability **17.** Pensions are unassignable and unseizable.

Net amount of pensions **18.** L'Économie shall, each year, fix the net amount of the pensions (gross pension less premiums or contributions) payable to annuitant members.

Restriction The actual value of the net pensions and the accumulations, at compound interest, of premiums and contributions paid by non-annuitants members must not exceed the assets derived from the contracts.

Distribution **19.** L'Économie may set apart for purposes of distribution to annuitants and shareholders such part as it considers prudent and reasonable of the surplus over the aggregate of the actual value of the pensions and the accumulation of premiums and contributions.

Requirement Notwithstanding the foregoing, annuitants must receive not less than 95% of the surplus.

Administration cost **20.** In no case may L'Économie set apart more than 25% of the total of the collected premiums or contributions as administration cost.

Life certificate **21.** L'Économie may require every year a life certificate from the annuitant or beneficiary of a pension by letter mailed to his last known address.

Pension withheld If the required certificate is not forwarded, the pension is withheld and is prescribed by ten years from the date of its maturity.

Payment resumed Upon production of a life certificate prior to prescription, the pension shall, however, be payable without interest.

Balance of pension **22.** Upon the death of the annuitant or beneficiary any balance of pension shall be payable to the person designated by him.

Payment to heirs If no person has been designated or, if the person designated is deceased or absent, the balance shall be paid to one of the persons hereinafter mentioned and in the following order:

- (1) the spouse;
- (2) the eldest child;
- (3) the father;

- (4) the mother;
- (5) the eldest brother;
- (6) the eldest sister;
- (7) any other brother or sister;
- (8) any surviving heir.

Rights of the heirs

Payment made under the second paragraph shall free L'Économie but shall not affect the rights of the heirs among themselves.

Sum payable at death

23. Any sum payable at death under an annuity contract shall not form part of the succession of the annuitant or non-annuitant member nor of the community of property between the latter and his or her spouse.

DIVISION VII

FINAL AND TRANSITIONAL PROVISIONS

Corporate name

24. L'Économie may use the corporate name it had before its conversion until 1 July 1985.

Annual election

25. The directors of L'Économie shall be elected every year at the general meeting.

Minimum share capital

26. The subscribed and paid-up share capital of L'Économie must be of not less than three million dollars in 1984 on the date fixed by the Inspector General of Financial Institutions to obtain the renewal of its licence on 30 June 1984.

Letters patent

27. L'Économie may apply for letters patent continuing it under section 4.5 of the Act respecting Canadian and British insurance companies (R.S.C., 1970, chapter I-15).

1957-58, c. 158, 1962, c. 91, replaced

28. This Act replaces the Act respecting Caisse Nationale d'Économie (1957-58, chapter 158) and the Act respecting Caisse Nationale d'Économie (1962, chapter 91).

Coming into force

29. This Act comes into force on 30 June 1984.