CHAP. xxi.

An Act to alter and enlarge some of the powers of "The North British and Mercantile Insurance Company." A.D. 1870.

[12th May 1870.]

WHEREAS the North British Insurance Company were established as a fire and life insurance company by articles of co-partnery dated the second day of November one thousand eight hundred and nine and subsequent dates, and were incorporated by the name of "The North British Insurance Company" by Royal Charter dated the sixth day of February one thousand eight hundred and twenty-four:

And whereas by a supplementary contract of co-partnery or deed of accession and agreement dated the fourth day of May one thousand eight hundred and twenty-four and subsequent dates the purchasers of new stock of the said incorporated company became shareholders or members of the said incorporated company:

And whereas the Act of the session of the eighth and ninth years of Her present Majesty, chapter twenty-eight (local), was afterwards passed with respect to the said incorporated company, but was repealed by the Act next herein-after recited:

And whereas by "The North British Insurance Company's Act, 1860," (herein-after called "the Act of 1860,") power was granted to extend the business of the company to the East Indies and to Her Majesty's colonies and dependencies and to foreign countries and states, and the powers of the directors with reference to the investment of the funds of the company and otherwise were amended and extended:

And whereas by "The North British and Mercantile Insurance Company's Act, 1862," (herein-after called "the Act of 1862,") the business of a fire insurance company then recently established in London under the name of "The Mercantile Fire Insurance Company" was transferred to the said incorporated company, the two companies virtually amalgamated, and the name of the amal-

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gamated companies changed to that of the North British and Mercantile Insurance Company (herein-after called "the Corporation"), and it was enacted (section 17) that the number of the directors should be twenty-four, and they should be the general court, and twelve of them and their respective successors should be the Edinburgh board, and the other twelve of them and their respective successors should be the London board, and (section 29) that the person present at any meeting, special or general, whose name should be at or nearest the top of the list of the directors to be made as therein provided should be the chairman of that meeting and should have both a deliberative and a casting vote:

And whereas by the last-mentioned Act the meetings of the Edinburgh and London boards and of the general court and of the shareholders of the Corporation were regulated, and provisions were made for the retirement of the directors by rotation and the election of directors, and for the filling up by the board of any casual vacancy in the office of director:

And whereas by "the Act of 1860" it is enacted (section 27) that the directors should cause the books and accounts of the Corporation to be kept in such form as should keep separate the funds and the transactions of the Corporation in its two distinct branches of fire and life insurance, and by the byelaws made under the powers of the recited Acts the fire and life departments of the company's business are required to be kept distinct and separate in the same way as if they were independent concerns under different management:

And whereas since the passing of the last-mentioned Act the business of the Corporation, both in the life and fire departments, has greatly increased and the fire business has been extended to and is carried on in several foreign countries and states, as well as in the East Indies and some of Her Majesty's colonies and dependencies:

And whereas the provisions in the Act of 1862, directing who shall be chairman of the general court, have been found inconvenient in practice:

And whereas it is expedient more effectually to separate the funds, assets, and liabilities of the life department from those of the fire department, and to make other provisions and regulations for the better management of the Corporation, and it is expedient that the number of the directors shall be increased, and that fresh provisions shall be made for the appointment of a chairman of the general court:

And whereas the objects of this Act cannot be attained without the authority of Parliament:

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May it therefore please Your Majesty that it may be enacted; and be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows; (that is to say,)

Short title.

1. That this Act may for all purposes be cited as "The North British and Mercantile Insurance Company's Act, 1870."

Interpretation of terms.

2. Words and expressions to which meanings are assigned by the Act of 1862, or which have therein special meanings, have in this Act the same meanings; and the words "life department" mean and include the department of the business of the Corporation relative to life insurance, and the granting and purchase of annuities and reversionary and contingent interests; and the words "fire department" mean the department of the business of the Corporation relating to fire insurance.

Defining and separating funds of life department from fire department.

3. The accumulated funds of the life department, including annuities, which amounted on the 31st day of December 1868 to the sum of two millions one hundred and twelve thousand four hundred and fifty pounds thirteen shillings, and all premiums of insurance on life policies, and the price of all annuities granted by the Corporation, and all other moneys accrued since the 31st day of December 1868 in respect of the life department, and all accumulations and investments thereof, and the income and annual produce thereof so far as the same respectively are unexpended at the passing of this Act, and all moneys hereafter to be received in respect of the life department, shall belong to the life department, free from any liability in respect of obligations of the Corporation incurred in or with reference to the fire department.

Defining funds of fire department.

4. All premiums of insurance on fire policies and other moneys accrued since the 31st day of December 1868, received and to be received by the Corporation in respect of the fire department, and all accumulations and investments thereof, and the income and annual produce thereof so far as the same respectively are unexpended at the passing of this Act, shall belong to the fire department, free from any liability in respect of obligations of the Corporation in or with reference to the life department.

Saving rights under existing policies.

5. Provided that nothing in this Act contained shall take away, lessen, or prejudice any of the rights and interests which the holders of life or fire policies of the Corporation, in force at the passing of this Act, have over the accumulations and investments of both departments in respect of such policies.

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Saving the rights and liabilities of shareholders.

6. Provided also, that nothing in this Act contained shall take away, alter, or affect any of the powers, rights, interests, or liabilities of the directors or shareholders of the Corporation in respect of the funds, income, and obligations of the life and fire departments respectively.

As to powers of investment in Government and other securities in foreign states.

7. The powers of investment of the funds of the Corporation conferred on the directors by the Act of 1860, are by this Act declared to extend to and include investments in or upon the public or government or municipal stocks, funds, or securities of or in any foreign country or state within which any agency or branch of the business of the Corporation is or shall hereafter be carried on, to the extent which, in the judgment of the directors, may be necessary or proper to enable the Company to carry on their business in any foreign country or state, and in the purchase or upon security of land or any interest in land or other real estate in such foreign country or state to the extent aforesaid, and the directors may from time to time vary and dispose of such investments and securities.

Mode of executing policies of insurance.

8. All policies of insurance to be hereafter granted by the Corporation shall be valid and effectual to all intents if signed by one of the directors and the manager or secretary.

Execution of policies granted by local boards and agents.

9. All policies of insurance to be hereafter granted by any local board of management, or by agents or an agent of the Corporation appointed in pursuance of section 22 of the Act of 1860, and acting within the powers conferred upon them respectively by the directors, shall be valid and effectual to all intents if signed by a member of the local board and the manager or secretary thereof, or as the case may be, by agents or an agent thereunto authorised by the directors under the common seal of the Corporation.

Number of directors.

10. The number of the directors of the Corporation may be increased by the election in manner herein-after provided of additional members, either of the Edinburgh board or of the London board, but so that the numbers of the Edinburgh board and London board respectively shall never exceed fifteen, and the total number of directors shall never exceed thirty. The whole number of directors for the time being shall constitute the general court.

Powers of the Edinburgh and London boards and general court.

11. The Edinburgh and London boards and the general court, as constituted by this Act, shall have the same powers and duties, and shall be subject to the same provisions and regulations with respect to quorum, proceedings, retirement by rotation, eligibility for re-election, and the filling-up of casual vacancies, and in all other respects (save where varied by this Act), as the Edinburgh and

London boards and general court constituted by the Act of 1862 have and are subject to by virtue of that Act.

Election of additional directors.

12. The Edinburgh and London boards, as constituted for the time being by the Act of 1862 or this Act respectively, may at any time and from time to time elect any three or less number of duly qualified shareholders to be additional directors, so that the number of each board shall never exceed fifteen; and the names of the persons elected by the Edinburgh board shall be placed in the order of their election at the top of the list of that board, and the names of the persons elected by the London board shall be placed in the order of their election at the top of the list of that board, and the additional directors (if any) so elected shall be the first to retire accordingly.

The proceedings of the Edinburgh and London boards and general court to be valid notwithstanding vacancies in direction.

13. The proceedings of the Edinburgh board or the London board or of the general court shall not be invalidated by reason of no additional directors having been elected in manner aforesaid, or by reason of any occasional vacancy in either of the said boards not having been filled up, notwithstanding that the number of either of the said boards or of the general court may thereby be temporarily reduced below the number prescribed by the Act of 1862, or the number for the time being fixed by the authority of this Act, but the proceedings of the continuing or surviving directors shall be valid in all respects, provided that the proper quorum be present.

Remuneration for directors.

14. Section 34 of the Act of 1862 is hereby repealed, and the remuneration for the directors shall in future not exceed the sum of seven thousand five hundred pounds a year, and shall be apportioned among them as the general court from time to time shall determine.

Election of chairman of the general court.

15. The first general court held after the passing of this Act, and whenever a vacancy shall occur in the office of chairman of the general court, the next general court held after the happening of such vacancy, may elect any director, not being the chairman either of the Edinburgh board or of the London board, to be the chairman of the general court, and may resolve that the chairman so elected shall hold such office for such period as may be fixed by the general court at the time of such election (provided he shall so long continue a director), and if no time is fixed then he shall hold office for the period of one year from the date of his election; and the chairman so elected shall have both a deliberative and a casting vote: Provided always, that if the chairman for the time being of the general court shall become the chairman of either the Edinburgh board or the London board, he shall immediately thereupon cease to

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be the chairman of the general court: Provided also, that in the absence of the chairman of the general court at any meeting of that court, the directors present at such meeting shall choose one of their number to preside thereat, and the director so chosen shall have both a deliberative and a casting vote.

Power to change date of holding annual general meeting.

16. The annual general meeting of the shareholders of the Corporation, which under the 13th section of the Act of 1860 is to be held in Edinburgh on the first Monday of March in every year, shall be held on such day in the month of March or April in every year, and at such hour as the general court may from time to time appoint.

Meetings of general court.

17. The general court may fix their times and places of meeting (including the half-yearly meetings heretofore held in the months of February and July) as they from time to time determine.

Contracts of co-partnery and Royal Charter and Acts to remain in force.

18. The recited contracts of co-partnery and Royal Charter, the Act of 1860, and the Act of 1862 respectively, so far as the same respectively were immediately before the passing of this Act in force, and except only so far as any of the articles, clauses, or provisions thereof respectively are altered by, repugnant to, or inconsistent with any of the provisions of this Act, shall respectively be and continue in full force and effect.

Corporation not exempt from provisions of future general Act.

19. Nothing in this Act contained shall exempt the Corporation from the provisions of any general Act passed during the present or any future session of Parliament, and affecting insurance companies formed previously to the passing thereof.

Expenses of Act.

20. All the costs, charges, and expenses of and incidental to the applying for, obtaining, and passing of this Act shall be paid by the Corporation.

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