



NATIONAL ASSEMBLY OF QUÉBEC

SECOND SESSION

FORTY-THIRD LEGISLATURE

Bill 202

(Private)

**An Act respecting the merger of
Beneva Mutual and Gore Mutual
Insurance Company**

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Assented to 12 December 2025**

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Bill 202

(Private)

AN ACT RESPECTING THE MERGER OF BENEVA MUTUAL AND GORE MUTUAL INSURANCE COMPANY

AS Beneva Mutual is a mutual legal person within the meaning of section 197 of the Insurers Act (chapter A-32.1), governed by the Act respecting Beneva Mutual (2023, chapter 37), whose principal object provided for by the latter Act is to indirectly hold equity in the capital stock of Beneva Inc., a mutual-interest regulated business corporation;

AS Gore Mutual Insurance Company is a mutual corporation incorporated by the Act to incorporate Gore District Mutual Fire Insurance Company (S.C. 1937, 1 George VI, chapter 48), amended by the Act respecting Gore District Mutual Fire Insurance Company (S.C. 1944, 8 George VI, chapter 56) and the Act respecting Gore District Mutual Fire Insurance Company (S.C. 1959, 7-8 Elizabeth II, chapter 61), as well as by the Letters Patent dated 31 October 1972, issued pursuant to the Canadian and British Insurance Companies Act (R.S.C. 1970, chapter I-15), and governed by the Insurance Companies Act (S.C. 1991, chapter 47);

AS the Act to authorize Gore Mutual Insurance Company to apply to be continued as a body corporate under the laws of the Province of Québec (S.C. 2025, chapter 7) allows Gore Mutual Insurance Company to continue under the laws of Québec;

AS Unica Insurance Inc. is an insurance company governed by the Insurers Act and one of the patrimonial insurers within the meaning of section 1 of the Act respecting Beneva Mutual;

AS Beneva Mutual and Gore Mutual Insurance Company wish to merge so that their members become those of the same mutual legal person within the meaning of section 197 of the Insurers Act and that the insurer activities of Gore Mutual Insurance Company become those of a business corporation subject to the provisions of Title III of the Insurers Act;

AS the merger involves, in particular,

(1) the continuance of Gore Mutual Insurance Company as a mutual company subject to the provisions of Title III of the Insurers Act;

(2) the conversion of that mutual company into a business corporation subject to the provisions of Title III of the Insurers Act;

(3) the constitution of a mutual legal person whose object is to hold the shares of that regulated business corporation in accordance with section 197 of the Insurers Act;

(4) the amalgamation by absorption of that mutual legal person by Beneva Mutual;

AS the aforementioned continuance, conversion, constitution and amalgamation by absorption cannot be effected under the laws governing Beneva Mutual and Gore Mutual Insurance Company;

AS Unica Insurance Inc. wishes to be subject to a simplified amalgamation regime with the regulated business corporation resulting from the conversion;

AS the directors of Gore Mutual Insurance Company adopted, on 18 September 2025, the organizational agreement and the amendments to the by-laws of Beneva Mutual providing for the rules of governance following the amalgamation by absorption of the mutual legal person constituted as part of the conversion;

AS the directors of Beneva Mutual adopted, on 6 October 2025, the organizational agreement and the amendments to the by-laws of Beneva Mutual providing for the rules of governance following the amalgamation by absorption of the mutual legal person constituted as part of the conversion;

AS the members of Beneva Mutual approved, on 22 October 2025, by the favorable vote of at least two-thirds of the members qualified to vote, at a special meeting called for that purpose, the organizational agreement and the introduction of this Act;

AS the members of Gore Mutual Insurance Company approved, on 30 October 2025, by the favorable vote of at least two-thirds of the members qualified to vote, at a special general meeting called for that purpose, the organizational agreement and the introduction of this Act;

AS Beneva Mutual and Gore Mutual Insurance Company entered into the organizational agreement on 6 November 2025;

AS the Autorité des marchés financiers reviewed, in advance, the authorization granted to Gore Mutual Insurance Company in connection with its continuance and conversion as provided for by this Act and has maintained its authorization to carry on insurer activities;

AS a private Act is required for the purpose, in particular, of allowing the merger;

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

CHAPTER I

DEFINITION

1. In this Act, unless the context indicates otherwise, “organizational agreement” means the agreement between Gore Mutual Insurance Company and Beneva Mutual entered into on 6 November 2025, including any amendments that they may make to the agreement in accordance with the terms of the agreement not later than 30 December 2025 in the case of the continuance and conversion and not later than 31 December 2025 in the case of the amalgamation provided for in Chapter IV of this Act.

CHAPTER II

CONTINUANCE OF GORE MUTUAL INSURANCE COMPANY

2. Gore Mutual Insurance Company continues, from 31 December 2025 and without further formality, as a mutual company, without share capital, regulated by the provisions of Title III of the Insurers Act (chapter A-32.1) under the name “La Compagnie mutuelle d’assurance Gore” and its English version “Gore Mutual Insurance Company”.

The continuance provided for in the first paragraph does not affect the rights, obligations and acts of Gore Mutual Insurance Company or those of its members. Gore Mutual Insurance Company remains a party to any judicial or administrative proceeding to which it was a party before the continuance.

The continuance does not result in any transfer of assets for Gore Mutual Insurance Company or any transfer of ownership rights for its members.

3. Gore Mutual Insurance Company has its head office in the judicial district of Québec.

4. Any natural person who, on 30 December 2025, is the holder of an insurance contract issued by Gore Mutual Insurance Company is a member of the latter on 31 December 2025. However, a subrogated holder is not a member of Gore Mutual Insurance Company.

5. Despite section 266 of the Insurers Act (chapter A-32.1), the directors of Gore Mutual Insurance Company in office on 30 December 2025 remain in office from the continuance.

6. The by-laws of Gore Mutual Insurance Company in effect on 30 December 2025 remain in effect from the continuance. However, any provision of those by-laws, other than the provisions of section 5 of those by-laws, contrary to the provisions of this Act, the Insurers Act (chapter A-32.1)

or the Business Corporations Act (chapter S-31.1) ceases to have effect. The absence of shares evidencing the rights of members provided for in section 5 of the by-laws does not affect these rights.

7. Despite section 352 of the Insurers Act (chapter A-32.1), the members of Gore Mutual Insurance Company alone have the right to receive a share of its remaining property in the event of liquidation.

CHAPTER III

CONVERSION OF GORE MUTUAL INSURANCE COMPANY

DIVISION I

GENERAL PROVISIONS

8. Immediately following the continuance provided for in section 2,

(1) Gore Mutual Insurance Company is converted, without further formality, into a mutual-interest regulated business corporation within the meaning of section 197 of the Insurers Act (chapter A-32.1) under the name “La Compagnie d’assurance Gore” and its English version “Gore Insurance Company”, the conversion being considered to be a constitution for the purposes of the first paragraph of section 196 of that Act; and

(2) a mutual legal person is constituted on 31 December 2025 under the name “Mutuelle de gestion Gore”, the main purpose of which is to hold equity in the capital stock of Gore Insurance Company.

Gore Insurance Company continues Gore Mutual Insurance Company from the conversion. However, any member of Gore Mutual Insurance Company under section 4 becomes, as of the conversion, a member of Mutuelle de gestion Gore and their rights are then exercised exclusively in Mutuelle de gestion Gore as long as the insurance contract of which the member is the holder and which confers on the person the status of member remains in force.

The conversion is without prejudice to the other rights, obligations and acts of Gore Mutual Insurance Company, which is continued by Gore Insurance Company, the latter remaining a party to any judicial or administrative proceeding to which Gore Mutual Insurance Company was a party before the conversion.

The conversion does not result in any transfer of assets from Gore Mutual Insurance Company to Gore Insurance Company or any transfer of ownership rights for the members of Mutuelle de gestion Gore.

DIVISION II

PROVISIONS APPLICABLE TO GORE INSURANCE COMPANY

9. The capital stock of Gore Insurance Company is that provided for in Schedule I.

As part of the conversion and as soon as possible after it, but before 1 January 2026, common shares of the capital stock of Gore Insurance Company must be issued to Mutuelle de gestion Gore as fully paid. The shares must confer on Mutuelle de gestion Gore with respect to Gore Insurance Company all the rights set out in the first paragraph of section 47 of the Business Corporations Act (chapter S-31.1).

If the common shares issued are without par value, an amount equal to part or all of the equity of the holders of Gore Mutual Insurance Company insurance contracts immediately before the conversion may be allocated to the subdivision of the issued and paid-up capital account associated with those shares.

Subdivision 3 of Division I of Chapter VIII of Title III of the Insurers Act (chapter A-32.1) does not apply to the issuance of shares provided for in this section.

Despite the second paragraph of section 8, the members of Mutuelle de gestion Gore may vote at any general meeting of Gore Insurance Company in accordance with the representation structure provided for by the by-laws of the latter until the common shares are issued as provided for in the second paragraph of this section.

10. The number of directors of Gore Insurance Company, the restrictions relating to transfers of its securities and the classes of activities the Company is authorized to carry on are those set out in Schedule II.

11. For the purposes of Divisions I and II of Chapter XII of Title III of the Insurers Act (chapter A-32.1) and the Business Corporations Act (chapter S-31.1), the provisions of Chapter III, other than those applicable exclusively to Mutuelle de gestion Gore, and those of Schedules I and II to this Act are deemed to be the certificate and articles of constitution of Gore Insurance Company.

12. Gore Insurance Company may apply to the Autorité des marchés financiers (the Authority) for authorization to file articles of amendment for the purpose of amending, correcting or striking out any provision of Schedules I or II or adding any provision that may be contained in the articles of constitution of a regulated business corporation in accordance with sections 5 to 7 of the Business Corporations Act (chapter S-31.1) and also with section 198 and the applicable provisions of Division I of Chapter XII of Title III of the Insurers Act (chapter A-32.1).

13. Gore Insurance Company has its head office in the judicial district of Québec.

It may, by resolution of its board of directors, move its head office within the limits of that judicial district.

14. The initial directors of Gore Insurance Company are those listed in the organizational agreement.

15. The by-laws of Gore Mutual Insurance Company in force on 31 December 2025 become, as of that date and until the issuance of the common shares provided for in the second paragraph of section 9, the by-laws of Gore Insurance Company. However, any provision of those by-laws that is contrary to the provisions of this Act, the Insurers Act (chapter A-32.1) or the Business Corporations Act (chapter S-31.1) ceases to have effect.

As of the issuance of common shares provided for in the second paragraph of section 9, the by-laws of Gore Insurance Company provided for by the organizational agreement come into force.

16. Despite sections 19 and 21 of the Business Corporations Act (chapter S-31.1) and subparagraphs 4 and 9 of the first paragraph of section 17 and section 72 of the Act respecting the legal publicity of enterprises (chapter P-44.1), Gore Insurance Company is authorized to use the name “La Compagnie mutuelle d’assurance Gore” and its English version “Gore Mutual Insurance Company” in its documents, including its bills of exchange, contracts, invoices and orders for goods or services during the 12 months following the conversion.

DIVISION III

PROVISIONS APPLICABLE TO MUTUELLE DE GESTION GORE

17. Mutuelle de gestion Gore has its head office in the judicial district of Québec.

18. The number of directors of Mutuelle de gestion Gore is 10.

The directors of Gore Mutual Insurance Company in office on 30 December 2025 become, as of 31 December 2025, the directors of Mutuelle de gestion Gore.

19. Before 1 January 2026, Mutuelle de gestion Gore is subject to the provisions of the by-laws applicable to Gore Insurance Company referred to in the first paragraph of section 15. However, a provision of those by-laws does not apply to Mutuelle de gestion Gore and its members if that provision

(1) is contrary to the provisions of this Act, the Insurers Act (chapter A-32.1) or the Business Corporations Act (chapter S-31.1); or

(2) grants a member of Mutuelle de gestion Gore a right that is not specifically granted to a member of Beneva Mutual under the Act respecting Beneva Mutual (2023, chapter 37).

20. Before 1 January 2026, the provisions of sections 10 to 13, 15 to 17 and 23 to 34 of the Act respecting Beneva Mutual (2023, chapter 37) apply to the organization, operation and, if applicable, the dissolution and liquidation of Mutuelle de gestion Gore, with the following modifications:

(1) a reference to Beneva mutual legal person is a reference to Mutuelle de gestion Gore, and a reference to the patrimonial insurers or to one of the patrimonial insurers is a reference to Gore Insurance Company; and

(2) a reference to one or more relevant shareholders or to any legal person through which Beneva Mutual holds equity in the patrimonial insurers is deemed not written.

CHAPTER IV

AMALGAMATION BY ABSORPTION OF MUTUELLE DE GESTION GORE BY BENEVA MUTUAL

21. Beneva Mutual amalgamates with Mutuelle de gestion Gore on 1 January 2026, by absorption of the latter, without further formality.

As of that date, Mutuelle de gestion Gore is continued as Beneva Mutual, and their patrimonies then form a single patrimony, that of Beneva Mutual. The rights, privileges and obligations of Mutuelle de gestion Gore become those of Beneva Mutual, and Beneva Mutual becomes, without continuance of suit, a party to any legal or administrative proceedings to which Mutuelle de gestion Gore was a party. The directors remain those of Beneva Mutual, subject to two additional directors being appointed by Gore Mutual Insurance Company, in accordance with the organizational agreement, who become members of the board of directors of Beneva Mutual as of the amalgamation, in accordance with the terms of that agreement. Beneva Mutual remains constituted and governed by the Act respecting Beneva Mutual (2023, chapter 37), and its rights, properties, privileges and obligations are not affected by the amalgamation.

The rights of the members of Mutuelle de gestion Gore are continued in an uninterrupted manner and are henceforth exercised within Beneva Mutual.

The amalgamation by absorption does not result in any transfer of assets from Mutuelle de gestion Gore to Beneva Mutual, nor in any transfer of ownership rights for the members of Mutuelle de gestion Gore. Similarly, the amalgamation is not considered to cause a transfer of shares in Gore Insurance Company.

Until the amalgamation, Mutuelle de gestion Gore may not transfer any shares in Gore Insurance Company.

22. The by-laws of Beneva Mutual in effect before the amalgamation remain those of the latter, subject to any amendments that the amalgamating mutual legal persons must make to them in accordance with the terms of the organizational agreement.

CHAPTER V

ACQUISITION OF A SIGNIFICANT INTEREST

23. Despite section 25 of the Act respecting Beneva Mutual (2023, chapter 37), until 31 December 2026, sections 146 to 148 and 248 to 254 of the Insurers Act (chapter A-32.1) do not apply to Beneva Mutual, to Fonds de solidarité des travailleurs et des travailleuses du Québec (FTQ), to Société de gestion Beneva inc., to Société financière Beneva inc. or to Beneva Group Inc. in the event of the acquisition of a significant interest in the decisions of Gore Insurance Company.

24. Until 31 December 2026, any authorized insurer belonging to the financial group to which Beneva Mutual belongs may acquire a significant interest in the decisions of Gore Insurance Company, subject to the following modifications:

(1) the Authority sends to the Minister of Finance the decision it intends to make following the review provided for under section 146 of the Insurers Act (chapter A-32.1) at least 30 days before the proposed date of the acquisition of a significant interest;

(2) sections 250 and 251 of the Insurers Act do not apply.

Despite the first paragraph, the Minister may, within 15 days of receiving the decision referred to in subparagraph 1 of the first paragraph and after notifying in writing to the authorized insurer subject to the review the notice prescribed by section 5 of the Act respecting administrative justice (chapter J-3) and granting that authorized insurer at least 10 days to submit observations, request that the Authority submit to the Minister the report referred to in section 250 of the Insurers Act so that the Minister may, if the Minister considers it advisable, approve the acquisition of a significant interest. In such case, section 251 of the Insurers Act applies. The Authority may not send its decision to the authorized insurer subject to the review less than 15 days after sending it to the Minister.

CHAPTER VI

AMALGAMATION OF GORE INSURANCE COMPANY AND UNICA INSURANCE INC.

25. Not later than 1 January 2027, Gore Insurance Company and Unica Insurance Inc. may amalgamate in accordance with the Insurers Act (chapter A-32.1), subject to the following modifications:

(1) the notice provided for in the first paragraph of section 148 of that Act must be received by the Authority at least 120 days before the proposed date of amalgamation, which may not be later than 1 January 2027, and publication of that notice in accordance with section 155 of that Act must be made not later than the 90th day preceding the proposed date of amalgamation;

(2) the Authority sends the decision it intends to make following the review to the Minister of Finance at least 75 days before the proposed date of amalgamation;

(3) sections 331 to 336 of that Act do not apply;

(4) the applicants may, following receipt of the Authority's decision confirming the continuation of their authorization to carry on insurer activities, forward to the enterprise registrar the articles of amalgamation that were attached to their application for review, together with the Authority's decision.

Despite subparagraphs 3 and 4 of the first paragraph, the Minister may, within 15 days following receipt of the decision referred to in subparagraph 2 and after notifying in writing to the applicants the prior notice prescribed by section 5 of the Act respecting administrative justice (chapter J-3) and granting them at least 10 days to submit observations, request that the Authority provide the Minister with the documents referred to in section 332 of the Insurers Act so that the Minister may, if the Minister considers it advisable, allow the amalgamation. In such case, sections 333 to 336 of the Insurers Act apply. The Authority may not send its decision to the applicants less than 15 days after sending it to the Minister.

In the case of a short-form amalgamation, the name of the insurance corporation resulting from the amalgamation does not have to be the name of one of the amalgamating corporations. The name considered for the insurance corporation resulting from the amalgamation must be mentioned in the resolution passed by the boards of directors of the amalgamating corporations and in the notice sent to the Authority in accordance with the first paragraph.

26. The amalgamation provided for in this chapter does not affect the rights and privileges conferred by the Act respecting Beneva Mutual (2023, chapter 37) on Beneva Mutual and the holders of Unica Insurance Inc. insurance contracts who are members of Beneva Mutual.

Any provision of the articles of amalgamation contrary to the first paragraph is deemed unwritten.

Unless the context indicates otherwise, in any document, a reference to Unica Insurance Inc. or to Gore Insurance Company is, as of the amalgamation of the insurers, a reference to the corporation resulting from the amalgamation of the insurers.

27. Despite sections 19 and 21 of the Business Corporations Act (chapter S-31.1) and subparagraphs 4 and 9 of the first paragraph of section 17 and section 72 of the Act respecting the legal publicity of enterprises (chapter P-44.1), the regulated business corporation resulting from the amalgamation is authorized to use the names “Unica assurances inc.” and “La Compagnie mutuelle d’assurance Gore” as well as their English versions “Unica Insurance Inc.” and “Gore Mutual Insurance Company” in its documents, including its bills of exchange, contracts, invoices and orders for goods or services, for a period of 12 months following the amalgamation of the insurers.

CHAPTER VII

AMENDMENTS TO THE ACT RESPECTING BENEVA MUTUAL

28. Section 1 of the Act respecting Beneva Mutual (2023, chapter 37) is amended by replacing the definition of “patrimonial insurers” by the following definitions:

““mutual-interest insurer” means any of the mutual-interest insurers;

““mutual-interest insurers” means the Beneva insurance business corporation, Gore Insurance Company and any other business corporation regulated by the Insurers Act (chapter A-32.1) in whose capital stock Beneva mutual legal person is legally required to hold equity following an amalgamation or other form of merger permitted by law or by the Insurers Act;

““patrimonial insurers” means the mutual-interest insurers, Beneva Insurance Company, L’Unique General Insurance Inc. and Unica Insurance Inc.;”.

29. Section 7 of the Act is amended by replacing “the Beneva insurance business corporation” in the first paragraph by “each mutual-interest insurer”.

30. The Act is amended by inserting the following section after section 7:

“7.1. Despite section 7, Beneva mutual legal person may, for a period of 30 days, hold, directly or indirectly, equity in an insurance corporation other than through the holding company if such equity is for the purpose of effecting a reorganization, or a merger or amalgamation with another mutual legal person that is authorized to act as an insurer or that holds equity in a mutual-interest regulated business corporation.”

31. Section 20 of the Act is amended by replacing “the Beneva insurance business corporation” by “a mutual-interest insurer”.

32. Section 24 of the Act is amended by replacing “20” in subparagraph 11 of the first paragraph by “20, 21, 23”.

33. Section 26 of the Act is amended by replacing subparagraphs 1 to 3 of the first paragraph by the following paragraphs:

“(1) if it ceases to hold equity in at least one mutual-interest insurer;

“(2) if the last mutual-interest insurer in which it holds equity goes into voluntary dissolution or is the subject of a decision declaring its forced liquidation;

“(3) if the last mutual-interest insurer in which it holds equity sells all or substantially all of its property outside the normal course of business;”.

34. The heading of Chapter IV of the Act is amended by replacing “BENEVA MUTUAL LEGAL PERSON’S EQUITY PERCENTAGE” by “EQUITY PERCENTAGE IN MUTUAL-INTEREST INSURERS”.

35. Section 41 of the Act is amended, in the first paragraph,

(1) by replacing “the Beneva insurance business corporation” and “in the Beneva insurance business corporation” in the introductory clause by “a mutual-interest insurer” and “in that insurer”, respectively;

(2) by replacing “Beneva insurance business corporation, through the intermediary of the holding company,” in subparagraphs 1 and 2 by “mutual-interest insurer”.

CHAPTER VIII

MISCELLANEOUS AND FINAL PROVISIONS

36. Within 90 days after the date of assent to this Act, Beneva Mutual sends a copy of this Act to the enterprise registrar, who deposits it in the register established under the Act respecting the legal publicity of enterprises (chapter P-44.1).

37. The provisions of this Act come into force on 12 December 2025, except those of Chapter VII, which come into force on 1 January 2026.

SCHEDULE I
(Sections 9, 11 and 12)

CAPITAL STOCK OF GORE INSURANCE COMPANY

The Corporation's authorized capital stock consists of four classes of shares. The rights and restrictions associated with the class A, B, C and D shares are as follows:

A. CLASS A SHARES (COMMON SHARES)

A.1 GENERAL PROVISIONS

The Corporation is authorized to issue an unlimited number of Class A shares. Class A shares have no par value.

A.2 VOTING RIGHTS

Class A shares carry the right to vote at any shareholders meeting. They also confer the right to receive notice of such meetings. Each shareholder has one (1) vote per share at such meetings.

A.3 DIVIDEND AND REMAINING PROPERTY

Subject to the rights and restrictions attached to the other classes of shares, Class A shares carry the right to

(a) receive any declared dividend; and

(b) receive a share of the remaining property in the event of liquidation or dissolution of the Corporation.

A.4 RESTRICTION

The Corporation may not pay any dividend on Class A shares or issue payment to purchase them if such payment prevents the Corporation from paying the sums necessary to purchase or redeem all outstanding Class C and D shares.

B. CLASS B SHARES (CONTROLLING SHARES)

B.1 GENERAL PROVISIONS

The Corporation is authorized to issue an unlimited number of Class B shares. Class B shares have no par value. Class B shares may be issued only if they are fully paid.

B.2 VOTING RIGHTS

Class B shares carry the right to vote at any shareholders meeting. They also confer the right to receive notice of such meetings. Each shareholder has ten (10) votes per share at such meetings.

B.3 DIVIDEND

Class B shares do not carry the right to receive a dividend.

B.4 LIQUIDATION AND DISSOLUTION

Class B shares carry the right to receive a share of the remaining property, in the event of liquidation or dissolution of the Corporation, at an amount equal to the redemption price of the Class B shares at the time specified in paragraph B.6. Class B shares have priority for the payment of the amount, in the event of liquidation or dissolution, over any amount payable to Class C, D and A shares.

B.5 ADDITIONAL PARTICIPATION

Class B shares do not otherwise participate in the distribution of the remaining property in the event of the liquidation or dissolution of the Corporation.

B.6 AUTOMATIC REDEMPTION

The Corporation redeems, for a price equal to the redemption price at that time, the Class B shares belonging to a shareholder who dies, declares bankruptcy, makes an assignment of property or a proposal to creditors, is the object of an order to seize Corporation shares or who, in general, seeks relief under any insolvency law.

The redemption price of Class B shares at a given time is equal to the amount paid, on issue, in the subdivision of the issued and paid-up share capital account for Class B shares, increased or decreased to reflect any subsequent increase or decrease in the amount of the issued and paid-up share capital attached to Class B shares.

Subject to sections 95 and 96 of the Business Corporations Act (chapter S-31.1), the Corporation must pay the redemption price in full to the entitled person within sixty (60) days.

If the Corporation is unable to pay the redemption price in full, the entitled person then becomes the Corporation's creditor and is entitled to receive payment as soon as it is legal for the Corporation to do so. The Corporation must provide that person with an evidence of indebtedness.

The above-mentioned automatic redemption rules do not apply to Class B shareholders who hold the shares as beneficiaries.

The redemption of Class B shares by the Corporation entails their cancellation. Moreover, the Corporation reduces the subdivision of its issued and paid-up share capital account for Class B shares by the amount specified in section 72 of the Business Corporations Act.

B.7 PURCHASE BY AGREEMENT

Subject to sections 95, 96 and 97 of the Business Corporations Act (chapter S-31.1), the Corporation may, without taking into consideration other classes of shares, purchase by agreement all or part of the Class B shares it has issued.

The Corporation must, within thirty (30) days of its acquisition by agreement of outstanding Class B shares, notify its other shareholders of the purchase. The notice includes the number of shares acquired, the names of the shareholders from whom the Corporation acquired the shares, the price paid for the shares and any balance remaining due to the shareholders; if the consideration was not money, the notice must include the nature of the consideration given and the value attributed to it. The Corporation is not required to provide the notice if it has been waived by all shareholders, whether or not their shares carry voting rights. The Corporation sends a notice to all shareholders who have not, in writing, waived their right to receive the notice.

The Corporation must provide, free of charge, to any shareholder who so requests, a copy of the agreement under which the Corporation has acquired the Class B shares.

The purchase of Class B shares by the Corporation entails their cancellation. Moreover, the Corporation reduces the subdivision of its issued and paid-up share capital account for Class B shares by the amount specified in section 72 of the Business Corporations Act.

C. CLASS C SHARES (ROLLOVER SHARES)

C.1 GENERAL PROVISIONS

The Corporation is authorized to issue an unlimited number of Class C shares. Class C shares have no par value.

C.2 VOTING RIGHTS

Subject to the provisions of the Business Corporations Act (chapter S-31.1), Class C shares do not carry the right to vote at any shareholders meeting of the Corporation or the right to receive notice of or attend such meetings.

C.3 DIVIDENDS

Class C shares carry the right to receive, with priority over Class D and A shares, a monthly, preferential, non-cumulative dividend at a maximum rate of one percent (1%) per month of the redemption price of Class C shares determined in paragraph C.6. The board of directors sets the terms of payment of the dividend. After one month has elapsed, no dividend may be declared for that month.

C.4 LIQUIDATION AND DISSOLUTION

Class C shares carry the right to receive a share of the remaining property, in the event of liquidation or dissolution of the Corporation, at an amount equal to the redemption price of the shares at the time specified in paragraph C.6, plus any declared and unpaid dividends on Class C shares. Class C shares have priority for the payment of the amount, in the event of liquidation or dissolution, over any amount payable to Class D and A shares.

C.5 ADDITIONAL PARTICIPATION

The Class C share right to receive any declared dividend or a share of the remaining property of the Corporation in the event of its liquidation or dissolution is limited to that provided above. Class C shares do not otherwise participate in the property, profits or surplus assets of the Corporation.

C.6 REDEMPTION ON THE SHAREHOLDER'S REQUEST

A Class C shareholder may, at any time and on written request, require the Corporation to redeem all or part of the fully paid Class C shares that the shareholder holds, for a price equal to the current redemption price of such shares plus any declared but unpaid dividends on the shares.

The Corporation acquires the shares upon receipt of the written request or on any other date specified in the request; it then has thirty (30) days to pay the redemption price to the shareholder, subject to sections 95 and 96 of the Business Corporations Act (chapter S-31.1).

If the Corporation is unable to pay the redemption price in full, the shareholder then becomes a creditor of the Corporation and is entitled to receive payment as soon as it is legal for the Corporation to do so. The Corporation must provide the shareholder with an evidence of indebtedness.

The redemption price at a given time is established by adding the following amounts:

1. the amount paid, on issue, in the subdivision of the issued and paid-up share capital account for Class C shares, increased or decreased, if applicable, to reflect any subsequent increase or decrease in the amount of the issued and paid-up share capital attached to Class C shares; and

2. a premium equal to the difference between the fair market value of all the property received by the Corporation at the time of an exchange of property that included, among other things, the issuance of Class C shares and the total of the amount paid, at the time of the exchange of property, in the subdivision of the issued and paid-up share capital account attached to the Class C shares and the fair market value of any property other than the Class C shares remitted by the Corporation at the time of the exchange of property.

The fair market value of the property received by the Corporation at the time of the exchange is established by the Corporation and the shareholder at the time of the issue of such shares.

In the event of a discrepancy between the fair market value attributed by the federal or provincial tax authorities to the property received by the Corporation and the value established when the shares were issued, the amount of the premium is increased or decreased accordingly, on the condition that the Corporation and the shareholder have had an opportunity to debate the validity of the valuation with the appropriate tax authority or before the court. The accepted valuation is therefore that which is

1. used as a basis for any assessment or reassessment unless it is the subject of an appeal;
2. agreed upon by the Corporation, the shareholder and the tax authority concerned as payment of any assessment, reassessment or proposed assessment; or
3. definitively established by the court.

In the event of a discrepancy between the federal valuation and the provincial valuation, the adjustment is made on the basis of the lowest of those valuations.

If the redemption price is adjusted following the redemption of one or more Class C shares, the Corporation pays to the holder of the redeemed shares or the shareholder reimburses the Corporation the difference between the redemption price of the shares, as adjusted, and the redemption price initially paid by the Corporation.

If dividends were paid prior to the adjustment, the Corporation or the shareholder, as the case may be, must pay or reimburse the dividend amount due.

The payment or reimbursement is made within sixty (60) days of the date of the redemption price adjustment. However, the Corporation may not issue any payment in breach of sections 95, 96 and 104 of the Business Corporations Act.

The redemption of Class C shares by the Corporation entails their cancellation. Moreover, the Corporation reduces the subdivision of its issued and paid-up share capital account for Class C shares by the amount specified in section 72 of the Business Corporations Act.

C.7 PURCHASE BY AGREEMENT

Subject to sections 95, 96 and 97 of the Business Corporations Act (chapter S-31.1), the Corporation may, without taking into consideration other share classes, purchase by agreement all or part of the fully paid Class C shares it has issued. However, the Corporation may not purchase the shares at a price higher than the previously determined redemption price.

The Corporation must, within thirty (30) days of its acquisition by agreement of outstanding Class C shares, notify its other shareholders of that purchase. The notice includes the number of shares acquired, the names of the shareholders from whom the Corporation acquired the shares, the price paid for the shares and any balance remaining due to the shareholders; if the consideration was not money, the notice must include the nature of the consideration given and the value attributed to it. The Corporation is not required to provide the notice if it has been waived by all shareholders, whether or not their shares carry voting rights. The Corporation sends a notice to all shareholders who have not, in writing, waived their right to receive the notice.

The Corporation must provide, free of charge, to any shareholder who so requests, a copy of the agreement under which the Corporation has acquired the Class C shares.

The purchase of Class C shares by the Corporation entails their cancellation. Moreover, the Corporation reduces the subdivision of its issued and paid-up share capital account for Class C shares by the amount specified in section 72 of the Business Corporations Act.

D. CLASS D SHARES (INVESTMENT SHARES)

D.1 GENERAL PROVISIONS

The Corporation is authorized to issue an unlimited number of Class D shares. Class D shares have no par value.

D.2 VOTING RIGHTS

Subject to the provisions of the Business Corporations Act (chapter S-31.1), Class D shares do not carry the right to vote at any shareholders meeting of the Corporation or the right to receive notice of or attend such meetings.

D.3 DIVIDEND

Class D shares carry the right to receive, with priority over Class A shares, an annual preferential, non-cumulative dividend at a maximum rate of eight percent (8%) per year of the redemption price of Class D shares determined in paragraph D.6. The board of directors sets the terms of payment of the dividend.

D.4 LIQUIDATION AND DISSOLUTION

Class D shares carry the right to receive a share of the remaining property, in the event of liquidation or dissolution of the Corporation, at an amount equal to the redemption price of the shares at the time specified in paragraph D.6, plus any declared and unpaid dividends on Class D shares. Class D shares have priority for the payment of the amount, in the event of liquidation or dissolution, over any amount payable to Class A shares.

D.5 ADDITIONAL PARTICIPATION

The Class D share right to receive any declared dividend or a share of the remaining property of the Corporation in the event of its liquidation or dissolution is limited to that provided above. Class D shares do not otherwise participate in the property, profits or surplus assets of the Corporation.

D.6 UNILATERAL REDEMPTION

Subject to sections 95 and 96 of the Business Corporations Act (chapter S-31.1), the Corporation may, at any time, unilaterally redeem the fully paid Class D shares that it issued at a price equal to the redemption price of the shares at that time plus any declared and unpaid dividends on Class D shares. The redemption price of Class D shares at a given time is equal to the amount paid, on issue, in the subdivision of the issued and paid-up share capital account for Class D shares, increased or decreased to reflect any subsequent increase or decrease in the amount of the issued and paid-up share capital attached to Class D shares.

The Corporation provides a written notice to that effect at least thirty (30) days prior to the expected date of redemption. The redemption, if partial, is conducted in proportion to the number of outstanding Class D shares, without taking fractional shares into account.

The Corporation may not unilaterally redeem Class D shares unless the redemption price is paid in full.

The redemption of Class D shares by the Corporation entails their cancellation. Moreover, the Corporation reduces the subdivision of its issued and paid-up share capital account for Class D shares by the amount specified in section 72 of the Business Corporations Act.

D.7 PURCHASE BY AGREEMENT

Subject to sections 95, 96 and 97 of the Business Corporations Act (chapter S-31.1), the Corporation may, without taking into consideration other share classes, purchase by agreement all or part of the fully paid Class D shares it has issued. However, the Corporation may not purchase Class D shares at a price higher than the previously determined redemption price.

The Corporation must, within thirty (30) days of its acquisition by agreement of outstanding Class D shares, notify its other shareholders of that purchase. The notice includes the number of shares acquired, the names of the shareholders from whom the Corporation acquired the shares, the price paid for the shares and any balance remaining due to the shareholders; if the consideration was not money, the notice must include the nature of the consideration given and the value attributed to it. The Corporation is not required to provide the notice if it has been waived by all shareholders, whether or not their shares carry voting rights. The Corporation sends a notice to all shareholders who have not, in writing, waived their right to receive the notice.

The Corporation must provide, free of charge, to any shareholder who so requests, a copy of the agreement under which the Corporation has acquired the Class D shares.

The purchase of Class D shares by the Corporation entails their cancellation. Moreover, the Corporation reduces the subdivision of its issued and paid-up share capital account for Class D shares by the amount specified in section 72 of the Business Corporations Act.

SCHEDULE II
(Sections 10, 11 and 12)

NUMBER OF DIRECTORS

The board of directors of the Corporation must be composed of a minimum of seven (7) directors and a maximum of twenty (20) directors.

**RESTRICTIONS ON THE TRANSFER
OF THE CORPORATION'S SECURITIES**

As long as the Corporation has private issuer status within the meaning of Regulation 45-106 respecting Prospectus Exemptions (chapter V-1.1, r. 21), any transfer of its securities, other than non-convertible debt securities, is subject to the consent of the board of directors expressed in a duly adopted resolution or, if applicable, to the restrictions contained in any agreement between the holders.

CLASSES OF ACTIVITIES

The Corporation is authorized to carry on its activities in all classes of damage insurance, in the class of accident or sickness insurance and in the class of marine insurance.

