



Practical Information On Corporate And Trade-mark Matters

## Federal name granting policy: THE INSURANCE QUESTION

*Choosing a corporate name at the federal level can sometimes be difficult. Administrative policies that aim to clarify the extent of applicable legislative provisions, are often obstacles to proposed names. The following text deals with the specific case of names made up of the word INSURANCE.*

### **If the name clearly suggests**

An insurance company under federal jurisdiction must be formed pursuant to the *Insurance Companies Act* <sup>(1)</sup>. Consequently, a proposed corporate name will be rejected by the Corporations Directorate if it clearly connotes that the applicant will be performing services restricted to insurance companies. *Ex.: ABC INSURANCE COMPANY INC.*

However, refusal of a name may be remedied if the activities performed are not those of an

insurance company. *Ex.: ABC INSURANCE INC. (activities : insurance brokerage services)*. In this example, the applicant will be required to obtain written approval from the Office of the Superintendent of Financial Institutions (OSFI) who is in charge of administering the *Insurance Companies Act*. As we explain later, approval will be given in the case of insurance brokerage services.

### **If the name appears to suggest**

Approval from the OSFI will also be required if the examiner at the Corporations Directorate determines that the proposed name merely appears to connote insurance company activities. This would apply to proposed names which include words such as "guaranty", "life", "risk" or "indemnity". *Ex. : ABC LIFE SECURITY INC.*

### **If the name does not clearly suggest**

Approval from the OSFI will not be required if the examiner at the Corporations Directorate determines that the proposed name does not clearly connote insurance company activities. This would be the case where:

- the proposed name uses restricted words in a fanciful way or other way that clearly does not suggest insurance company activities. *Ex. : THE GUARANTEED PLEASURE CHOCOLATE STORE, INC. - MARRIED FOR LIFE ACCESSORIES INC.;*
- the proposed name uses words that suggest insurance services such as "broker", "agent", "agency" or "service". *Ex. : ABC INSURANCE BROKERS INC.*

*cont'd on page 3*

## N O M I N A T I O N

We are very pleased to announce the appointment of Ms. Therese Fredette to the Counsel of Deontology and Verification of the Caisse Populaire of Place Desjardins. The Counsel answers directly to the Director General of the Caisse Populaire of Place Desjardins. Its function is to supervise the decisions and meetings of the Board of Directors of said Caisse. We congratulate Ms. Fredette for her nomination.



## A word of thought...

*The real voyage  
of discovery consists  
not in seeking  
new landscapes,  
but in having new eyes.*

*Marcel Proust  
(1871-1922) French writer*

To find out current  
turnaround times  
for corporate  
services, consult  
our web site's  
"what's new"  
section

[www.crac.com](http://www.crac.com)

## Turnaround schedule for Corporate Services as of October 1st, 1999

SERVICES	PROVINCIAL	FEDERAL
TaxExpress™ (GST / QST / QDAS)	5 to 10 days	
Name Search Report and Reservation	*48 hours	24 hours
Certificate of Incorporation	*2 to 3 days	2 days
Certificate of Amendment	*2 to 3 days	2 days
Certificate of Continuation, of Continuance or of Amalgamation	*1 to 2 weeks	3 to 6 days
Certificate of Dissolution	*4 to 5 weeks	2 to 3 days
Notice of Change (Federal) or Amending Declaration (Quebec)	*2 to 3 weeks	2 days
Letters Patent for Non-Profit Corporations	*2 to 3 weeks	20 days
Attestation / Certificate of Good Standing or of Compliance	*24 hours	48 hours
Revival		3 to 6 days
Initial or Registration Declaration	*1 to 2 weeks	
Annual Declaration	*4 to 5 weeks	
Revocation of Striking-Off (s. 54 Legal Publicity Act)	*2 to 3 weeks	

The turnaround times may vary slightly according to each file (\*) = Priority service available.

## The "all-in-one" corporate service: CORPOKIT™

*This service is offered exclusively to lawyers and notaries.*

A simple solution, a complete service! Here's what it includes: the corporate name reservation, the preparation and filing of the articles of incorporation, obtaining the original certificate, a minute book with tabs of superior quality, obtaining the tax numbers (GST/QST/QDAS), the complete organization of the company, the filing of either initial or registration declaration and free delivery of all these documents to your office in a very short turnaround time.



**PRICE: • Provincial \$879 • Federal \$1,190 • (with cheque)**

For further details, contact Ms. Franca Sucapane, at ext. 328.

## The insurance question (cont'd)

### Exceptions to the approval requirement

The prohibition to using the words "insurance", "assurance", "lifeco" or any other word having an equivalent meaning is found in Section 47(1) of the *Insurance companies Act*. However, a few exceptions are listed in paragraph 47(2). They pertain to names proposed by:

- a) a company or society as defined under the Act;
- b) an entity the business of which is not financial activities;
- c) an entity that is primarily engaged in insurance brokerage or insurance agency services; or
- d) an entity having an acquired right.

Hence, use of the word "insurance" in a proposed name is not prohibited when the activities are those of insurance brokerage services. In view of this, it is fair to question the relevance of having to obtain approval from the OSFI in such cases. It would appear that even the OSFI considers this requirement to be unnecessary. However, the Corporations Directorate maintains the requirement. It is felt that Corporations Directorate examiners should not be held responsible for making interpretations based on legal provisions that do not fall under its jurisdiction.

### Conclusion

Proposed names containing the word "insurance" present a special situation. Other terms are also the subject of restrictions. Words such as "bank", "university", "mortgage", "trust" and many others can also create complications in having a proposed corporate name accepted at the federal level. It is therefore important to keep track of current administrative guidelines. Recommendation: entrust your names to a technician at CRAC. It is your best "insurance" against unexpected refusals.

(1) S.C. 1991, c. 47; Amended by 1996, c. 6

## CRAC welcomes a new baby!

We wish a warm welcome to Alessandro, born on March 3rd 1999.

We congratulate his proud parents:  
Ms. Rosanna D'Aloé  
(Rapidis Department) and her spouse  
Mr. Enzo Commisso.



## Update . . .

### Canada Cooperatives Act

The Corporations Directorate at Industry Canada recently announced the proclamation of the *Canada Cooperatives Act* which will come into force on December 31, 1999. It will replace the *Canada Cooperative Associations Act* on that date. The new Act will modernize laws by strengthening and clarifying corporate governance rules. Cooperatives will now have greater access to sources of capital. For more information, please contact Industry Canada at (613) 941-9042 (Information and Publication Unit).

### Time to file your 1999 Annual Declarations !

It's that time of year again. Corporations have from September 15th to December 15th, 1999 to file their Provincial Annual Declaration. Afterwards, a 50% penalty will apply (\$79.00 + 50% = \$118.50).

## What's new on the web?

- Federal forms ready to print or download !  
(Acrobat™ version)

### ALSO

- Latest issue of our newsletter INFO-CRAC!
- Latest turnaround times for corporate services.

[www.crac.com](http://www.crac.com)