

CHAPTER 68

An Act to Incorporate the Southwest Mortgage Indemnity Corporation Limited

[Assented to 1st April, 1966.]

Preamble

WHEREAS Frederick Kirkman, John Ross Johnston, William John Bell, Bert Henry Woodward, and Walter Daniel Evans, all of the City of Vancouver, in the Province of British Columbia, have, by their petition, requested that they be incorporated under the name of "Southwest Mortgage Indemnity Corporation Limited" with power to transact the business of insurance against loss caused by default on the part of a borrower under a loan secured by mortgage upon real property, a hypothec upon immovable property, or an interest in real or immovable or movable property:

And whereas a petition has been presented praying that an Act be passed to incorporate a company with rights, powers, and privileges hereinafter set forth:

And whereas it is expedient to grant the prayer of the said petition:

Now, therefore, Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:—

Short title

1. This Act may be cited as the *Southwest Mortgage Indemnity Corporation Limited Act, 1966*.

Definitions

2. In this Act, unless the context otherwise requires,

(a) "Company" means the Southwest Mortgage Indemnity Corporation Limited as incorporated by this Act;

(b) "Superintendent of Insurance" means the Superintendent of Insurance appointed under the *Insurance Act*.

Incorporation

3. Frederick Kirkman, businessman, of Vancouver, British Columbia; John Ross Johnston, businessman, of Vancouver, British Columbia; William John Bell, businessman, of Vancouver, British Columbia; Bert Henry Woodward, executive, of Vancouver, British Columbia; and Walter Daniel Evans, businessman, of Vancouver, British Columbia, together with such other persons as shall hereafter become shareholders therein, are constituted a body politic and corporate under the name of "Southwest Mortgage Indemnity Corporation Limited" (hereinafter called the "Company")

Seal

4. The Company shall have perpetual succession and a common seal.

Limited
liability

5. The liability of the shareholders shall be limited to the amount (if any) unpaid on the shares respectively held by them.

Registered
office

6. The registered office of the Company shall be in such place in the Province of British Columbia as the directors may from time to time determine, and the Company may establish branch offices and agencies at any place within or without the Province.

Objects

7. The Company is empowered to carry on business as insurers in respect of all or any of the following classes of insurance:—

- (a) Mortgage insurance:
- (b) Credit insurance.

Incidental
powers

8. The Company shall have as ancillary and incidental to the above-mentioned objects the powers set forth in section 22 of the *Companies Act*, being chapter 67 of the *Revised Statutes of British Columbia, 1960*, and amendments thereto, except in so far as any of such powers may be inconsistent with or repugnant to the provisions of the *Insurance Act*.

Idem

9. Without limiting the generality of section 8 herein, the Company shall have as ancillary and incidental to its objects the powers following.—

- (a) To purchase, take on lease or in exchange, hire, or otherwise acquire and hold any real and personal property and any rights or privileges that the Company may think necessary or convenient for the purpose of its business:
- (b) To acquire and undertake the whole or any part of the business, property, and liabilities of any person or company, wheresoever incorporated, carrying on any business that the Company is authorized to carry on, or possessed of property suitable for the purposes of the Company:
- (c) To procure the Company to be registered and recognized in any foreign country or place, and to designate persons there, according to the laws of such foreign country or place, to represent the Company, and to accept service for and on behalf of the Company of any process or suit:
- (d) To do all such other things as are incidental to or conducive to the attainment of the objects and the exercise of the powers of the Company:
- (e) To borrow, raise, or secure the payment of money, and to give security therefor, in such manner as the Company shall think fit, and to purchase, redeem, or pay off such securities:
- (f) To establish agencies and branches:
- (g) To sell or dispose of the undertakings of the Company, or any part thereof for such consideration as the Company may think fit:

- (h) To draw, make, accept, endorse, execute, and issue promissory notes, bills of exchange, warranties, and other negotiable or transferable instruments:
- (i) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account, or otherwise deal with all or any part of the property and rights of the Company:
- (j) To sue and be sued, plead and be impleaded, contract and be contracted with, in its said proper name, in any manner, action, or cause whatsoever.

Investments. **10.** The Company may invest its funds in such investments as are from time to time authorized for the investment of funds of an insurance company.

Reinsurance. **11.** The Company may cause itself to be reinsured against any risk it undertakes and may reinsure any other insurer against any risk undertaken by such other insurer if the risk is of a class of insurance that the Company is licensed to transact.

Capital. **12.** The capital of the Company shall be two million dollars (\$2,000,000), divided into twenty thousand (20,000) shares of one hundred dollars (\$100) each; providing always that the Company in general meeting of the shareholders may, subject to the provisions of section 8 of the *Companies Act*, increase or decrease its capital from time to time.

Restrictions. **13.** The Company shall not commence business until at least five hundred thousand dollars (\$500,000) of the capital stock has been bona fide subscribed and at least five hundred thousand dollars (\$500,000) paid thereon, together with a contribution to surplus of five hundred thousand dollars (\$500,000).

Contracts **14.** The Company may undertake, transact, and make contracts of such classes of insurance as described in paragraph 7 hereof; provided that the Company may at its option limit its liability under any such contract of insurance.

Restrictions as to officers. **15.** No agent is eligible to be elected or to be a director of the Company, and the Board of Directors shall not at any time include more than two paid officers, other than the Chairman of the Board and the President.

First officers. **16.** The officers of the Company, at the time of coming into force of this Act, shall be the first officers of the Company and shall, subject to the by-laws, hold office until their successors are elected or appointed.

General meetings. **17.** The first general meeting of the Company shall be held not later than one year from the date on which this Act comes into force. At such meeting the members of the Company may appoint auditors, and shall pass by-laws not inconsistent with this Act for the management of its

business, the issue and transfer of its shares, the establishment of its fiscal year, rules governing quorum and the use and form of proxies at general meetings of the Company, regulations relating to the tariff of rates and premiums, the terms and conditions of its insurance policies, the appointment and duties of the officers, servants, and agents of the Company, the calling and conduct of meetings of the Company, the establishment of branches, and generally all other necessary matters or things that they may deem expedient in conducting and managing the interests, business, and affairs of the Company; provided that the shareholders of the Company may at any time delegate to the Board of Directors the power to pass, change, or otherwise amend any or all by-laws. After the first general meeting a general meeting shall be held at least once in every calendar year and not more than fifteen months after the preceding annual meeting. The time and place of the annual general meeting of the Company shall be determined in the manner provided in its by-laws.

By-laws

18. The by-laws of the Company shall bind the Company and its members to the same extent as if they had been respectively signed and sealed by each member and by the Company, and contained covenants on the part of each member, his heirs, executors, administrators, successors, and assigns, and to observe all the provisions of the by-laws, subject to the provisions of this Act.

Non-personal liability

19. No person in his capacity as member of the Company shall be in any way liable, accountable, or chargeable for any debt, claim, or demand due or payable by the Company, or for any act or default of the Company.

Companies Clauses Act does not apply.

20. The provisions of the *Companies Clauses Act, Revised Statutes of British Columbia, 1960*, chapter 68, and amendments thereto shall not apply to this Act.

Insurance Act applies.

21. This Act and the Company incorporated hereby shall be subject to all the provisions of the *Insurance Act*.

Companies Act provisions which apply

22. The following sections of the *Companies Act, Revised Statutes of British Columbia, 1960*, chapter 67, and amendments thereto shall mutatis mutandis apply, except in so far as any of them are varied by or inconsistent with or repugnant to the provisions of this Act, in which case the provisions of this Act shall prevail to the extent of such variation, inconsistency, or repugnancy: Sections 7, 8, 11 to 15 (inclusive), 21, 26, 49, 79 to 87 (inclusive), 84 to 98 (inclusive), 100 to 106 (inclusive), 130, 137 to 149 (inclusive), 153 to 158 (inclusive), 160, 161, 165, 166, 168, 172, 213, 219 to 245 (inclusive), 261 to 264 (inclusive), 269 and 271.

Effect of non issuance of licence.

23. (1) Unless a licence is issued to the Company within three years after the date of commencement of this Act,

- (a) the Superintendent of Insurance shall refuse to issue a licence to the Company; and
- (b) the Superintendent of Insurance shall, at the cost of the Company, appoint a liquidator of the Company in writing, and notice of any such appointment shall be given to the Company by the Superintendent of Insurance, and be entered by him in the register of insurers and be published by him in the Gazette; and
- (c) the commencement of the winding-up shall be the date of such appointment, and the affairs of the Company in the Province shall be wound up by the liquidator so appointed pursuant to the provisions of this Act,

but nothing in this section shall prejudicially affect any policyholder or creditor of the Company.

(2) The Company or any member may, prior to the appointment of a liquidator pursuant to clause (b) of subsection (1), apply to the Lieutenant-Governor in Council for relief against the provisions of this section, and the Lieutenant-Governor in Council may extend the time for a licence to be issued to the Company upon such terms and conditions as he may think proper.

(3) In no event shall an extension of time pursuant to the provision of subsection (2) extend the time for issuance of a licence beyond four years from the date of commencement of this Act.