

CHAPTER 71

An Act to Amend the
Seaboard Assurance Company Act, 1953*[Assented to 2nd April, 1971.]***Preamble.**

WHEREAS a Petition has been presented by Seaboard Life Insurance Company praying that the *Seaboard Assurance Company Act, 1953*, be amended;

And whereas it is expedient to grant the prayer of the said Petition;

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 *Seaboard Assurance Company Act, 1953, Amendment Act, 1971*.

Amends s. 6. 2.

Chapter 46 of the Statutes of British Columbia, 1953, (Second Session) is amended by deleting section 6 of the said Act and substituting the following therefor:—

6. The capital of the Company shall be Two Million (\$2,000,000.00) Dollars divided into one million (1,000,000) shares of nominal or par value of Two (\$2.00) Dollars each; provided that the Company, in general meeting, may, subject to the provisions of section 8 of the *Companies Act*, and section 17B hereof, increase or decrease its capital from time to time.

Enacts s. 6C. 3.

The said Chapter 46 is amended by inserting the following as section 6C:

6C. Each shareholder shall forthwith surrender to the Company his share certificate and shall receive a certificate for a share of the capital stock of the Company of the par value of Two (\$2.00) Dollars in lieu of each share surrendered of the par value of Five (\$5.00) Dollars. The amount treated as paid-up on each new share issued in exchange, shall be two-fifths (2/5) of the amount paid up or treated as paid up in respect of the shares surrendered.

Enacts s. 6D. 4.

The said Chapter is amended by inserting the following as section 6D:

6D. The One Million, Two Hundred Ninety-five Thousand, Five Hundred and Seventy-four (\$1,295,574.00) Dollars written off from the paid-up capital of the Company as a result of the adopting of a resolution of shareholders with respect to the reduction of the par value of the issued and outstanding shares of the Company from the par value of Five (\$5.00) Dollars each to Two (\$2.00) Dollars each, shall be transferred to an appropriate account by the Company and sections 65 and 66 of the *Companies Act* shall

apply with respect thereto as if the One Million, Two Hundred and Ninety-five Thousand, Five Hundred and Seventy-four (\$1,295,574.00) Dollars so written off were paid-up capital of the company.

Amends
s. 11.

5. Section 11 of the said Act is amended by adding after the words "Provided that the number of directors at any time shall not be less than three" where they appear in lines seven and eight of section 11, a comma, and the words "one of whom shall be a policyholders' director who is entitled to meet with the shareholders' directors and who has a vote on all business matters. Every person who has contracted with the Company for a participating policy and who holds a participating policy of the Company for \$4,000 or more of insurance, exclusive of bonus additions, upon which no premiums are due, and who has paid premiums on such policy for at least three full years, is eligible for election as a policyholders' director unless he is also a shareholder".

Enacts
s. 11A.

6. The said Chapter 46 is amended by inserting the following as section 11A:—

11A. (1) Every person who has contracted with the Company for a participating policy, and who holds such a policy upon which no premiums are due, shall be entitled to attend each annual general meeting of the Company and vote on the following matters:—

- (i) appointment of auditors,
- (ii) any resolution relating to the payment of any dividend to the holders of the participating policies of the company,
- (iii) election of the policyholders' director.

(2) Each participating policyholder shall be entitled to cast one vote, in person or by proxy, for each participating policy held by him as at the record date established by the directors. In the case of joint participating policyholders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of any other joint holder; and for this purpose seniority shall be determined by the order in which the names appear on the policy.

Enacts
s. 11B.

7. The said Chapter 46 is amended by inserting the following as section 11B:—

11B. The Company shall advise each participating policyholder at least once in each year, by means of a statement printed in prominent type on a premium notice, premium receipt or dividend notice or otherwise, of his rights to attend and vote in person or by proxy at the annual general meeting of the Company to be held in such year and a blank form of proxy shall be sent with such notice to each participating policyholder.

Enacts
s. 17B.

8. The said Chapter 46 is amended by inserting the following as section 17B:—

17B. Notwithstanding any provisions of the By-laws of the Company:

- (i) no alteration in the authorized capital of the Company shall be made, and
- (ii) no shares of the Company shall be issued for consideration other than cash without the Company in general meeting having first given approval thereof by special resolution. For the purposes of this subsection only, "special resolution" means a resolution passed by members, holding in the aggregate not less than three-fourths of the shares of the Company represented at such meeting, who, being enabled to do so, vote in person or by proxy at a general meeting of the Company of which not less than twenty-one days' notice specifying the intention to propose a resolution as a special resolution has been duly given.