

CHAPTER 71

An Act to Incorporate Westco Insurance Company

[Assented to 1st April, 1966.]

Preamble.

WHEREAS Francis Dominic Farrell, of the City of Vancouver, British Columbia, and Philip Knight and Brian Milton Rudkin, both of the Municipality of West Vancouver, British Columbia, have presented a petition praying for an Act providing for their incorporation under the name of "Westco Insurance Company", for the purpose of and with power to carry on the business of insurers in respect of all or any classes of insurance other than life insurance and to have the 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 *Westco Insurance Company Act*, 1966.

Definitions

2. In this Act, unless the context otherwise requires,
- (a) "Agent" means an acknowledged agent or other person who in any manner with the authority of the Company aids in transacting the insurance business of the Company, and includes an insurance broker, but does not include an employee or servant of the Company;
 - (b) "by-laws" mean the by-laws of the Company from time to time made pursuant to this Act;
 - (c) "*Companies Act*" means the *Companies Act*, being chapter 67 of the *Revised Statutes of British Columbia, 1960*, and amendments thereto;
 - (d) "*Companies Clauses Act*" means the *Companies Clauses Act*, being chapter 68 of the *Revised Statutes of British Columbia, 1960*, and amendments thereto;
 - (e) "Company" means the Westco Insurance Company as incorporated by this Act;
 - (f) "*Insurance Act*" means the *Insurance Act*, being chapter 197 of the *Revised Statutes of British Columbia, 1960*, and amendments thereto;
 - (g) "licence" means a licence to undertake a class or classes of insurance in whole or in part, issued to the Company pursuant to the provisions of Part III of the *Insurance Act*, and "licensed" refers to such a licence:

- (h) "Superintendent of Insurance" means the Superintendent of Insurance appointed pursuant to the provisions of the *Insurance Act*.

Incorporation. 3. Francis Dominic Farrell, of Vancouver, British Columbia, retired executive; Philip Knight, of West Vancouver, British Columbia, registered professional engineer; and Brian Milton Rudkin, of West Vancouver, British Columbia, insurance executive, together with such other persons as shall from time to time become members therein, are constituted a body politic and corporate under the name of "Westco Insurance Company".

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

Liability of the members. 5. The liability of the members is limited, and the liability of a member in respect of any shares held by him is limited to the amount unpaid thereon.

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

Object. 7. The object for which the Company is established is to carry on the business of insurers in respect of all or any classes of insurance other than life insurance.

Ancillary powers. 8. The Company shall have, as ancillary and incidental to the above-mentioned object, the powers set forth in section 22 of the *Companies Act*, except in so far as any of such powers may be inconsistent with or repugnant to the provisions of the *Insurance Act*.

Further ancillary powers 9. Without limiting the generality of the foregoing, the Company shall have as ancillary and incidental to its objects the powers following, namely:—

- (a) 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:
- (b) To establish agencies and branches and to adopt such means of making known the business of the Company as may seem expedient, and in particular by advertising in the press, by any form of radioelectric communication, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes, rewards, and donations:
- (c) To sell or dispose of the undertakings of the Company, or any part thereof, for such consideration as the Company may think fit:

- (d) To draw, make, accept, endorse, execute, and issue promissory notes, bills of exchange, warranties, and other negotiable or transferable instruments:
- (e) To contract and be contracted with in any manner in its said proper name, and to sue and be sued, and plead and be impleaded in any action, cause, or matter whatsoever:
- (f) To invest all the moneys of or in the possession of the Company in such investments as are authorized for the investment of trust funds or for the funds of an insurance company other than a life insurance company:
- (g) To adopt, by special resolution and with the approval of the Registrar signified in writing, a form of its corporate name in the French language.

Power to
reinsure.

10. Without limiting the generality of sections 8 and 9, the Company may cause itself to be reinsured against any risk undertaken by it, and may reinsure any other insurer against any risk undertaken by such insurer if the risk is of a class of insurance that the Company is registered to transact.

Capital.

11. The authorized capital of the Company is five million dollars (\$5,000,000) divided into four million nine hundred and fifty thousand (4,950,000) common shares with a nominal or par value of one dollar (\$1) each, and fifty thousand (50,000) Class B common shares with a nominal or par value of one dollar (\$1) each.

Share rights
and restric-
tions.

12. (1) At all meetings of the members, every holder of Class B common shares shall be entitled to one vote for each such share so held.

(2) Subject to the provisions of subsection (3), at all meetings of the members every holder of common shares shall be entitled to one vote for each such share so held.

(3) Until the thirty-first day of March, 1976, every holder of common shares shall be entitled to one vote for each such share so held for the purpose of electing one-third, disregarding fractions, of the number of directors for the time being, but shall not, as such, be entitled to vote for the purpose of electing remaining directors or for any other purpose.

(4) In all other respects, the common shares and the Class B common shares shall rank equally.

Increase of
capital.

13. Subject to the provisions of section 8 of the *Companies Act*, the Company may by special resolution increase its authorized capital by such amount divided into shares of a nominal or par value of one dollar (\$1) each as the Company may determine, in such class as the Company may determine.

Board of
Directors

14. The property, affairs, business, and interests of the Company shall be administered and managed in all things by a Board of Directors

composed of not less than three members, and the number of the directors shall be determined by the by-laws of the Company from time to time.

**First directors
and first
officers.**

15. The first directors of the Company shall be Francis Dominic Farrell, of the City of Vancouver, British Columbia; Clarence Harry Roosevelt Gillis and Philip Knight, both of the Municipality of West Vancouver, British Columbia; Patrick Matthew Reynolds of the City of Vancouver, British Columbia; Brian Milton Rudkin, of the Municipality of West Vancouver, British Columbia; and Philip Thomas Sampson, of Quadra Island, British Columbia; and the first officers of the Company shall be Francis Dominic Farrell, Chairman of the Board of Directors, and Brian Milton Rudkin, President.

**Powers of
Board of
Directors**

16. The Board of Directors of the Company may exercise all such powers of the Company as are not required to be exercised by the Company in general meeting.

**Paid officers
on Board of
Directors**

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

**Retirement
and election
of directors**

18. At each annual general meeting of the members the whole of the directors shall retire, and directors shall be elected to fill the vacancies, and the directors then elected shall, subject to the by-laws, hold office until their successors are elected.

**Eligibility of
directors**

19. Subject to section 17, any member of the Company shall be eligible to be elected as a director.

**Disqualifi-
cation of
directors**

20. Any director who would not be eligible for election as such shall cease to be a director.

**Casual
vacancy**

21. The directors may fill any casual vacancy occurring on the Board of Directors of the Company, but the person appointed to fill such vacancy shall be eligible for election as a director.

**Retiring
director.**

22. If otherwise eligible, a retiring director may be re-elected.

**Rules and
regulations
of Board of
Directors**

23. Subject to the provisions of this Act and to the by-laws, the Board of Directors of the Company may from time to time make such rules and regulations as they shall see fit governing the holding of meetings of the Board and the method of conducting its affairs.

**Annual
general
meeting**

24. The first annual general meeting of the members shall be held not later than one year from the date on which this Act comes into force, and an annual general meeting of the members shall be held once in each subsequent calendar year.

By-laws.

25. The members may from time to time, by ordinary resolution filed with the Registrar, enact, repeal, amend, or re-enact by-laws, and at the first annual general meeting the members shall enact by-laws not contrary to law or to this Act for the government and proper administration of the property, affairs, business, and interests of the Company, the carrying-out of its object and the exercise of its powers, including, without limiting the generality of the foregoing, by-laws to regulate

- (a) the number, nomination, election, rotation, retirement, and removal of directors;
- (b) the appointment of committees;
- (c) the officers of the Company and their nomination, election, or appointment;
- (d) the duties of the directors, officers, servants, and agents of the Company;
- (e) the convening and conduct of meetings of the Company;
- (f) the method of voting and the form of proxy;
- (g) the establishment of branch offices of the Company;
- (h) the determination of rates, rules, and conditions under which contracts of insurance of the Company shall be issued, transferred, or purchased;
- (i) the delegation to the Board of Directors of the power to repeal, amend, or re-enact the by-laws or any of them;
- (j) the conduct, in all other particulars, of the affairs, business, and interests of the Company.

Effect of by-laws.

26. The by-laws 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, to observe all the provisions of the by-laws subject to the provisions of this Act.

Contracts with directors.

27. Subject to section 17, any director may accept and hold any office or place of trust or profit under the Company, and may enter into or be interested in any contract with the Company, and may receive any salary or remuneration for attending to the business of the Company as an officer, employee, agent, solicitor, or otherwise.

Fiscal year.

28. The fiscal year of the Company shall terminate on the thirty-first day of December in each year, and the annual general meeting of the members shall be held not later than the thirtieth day of April next following the termination of each fiscal year at such time and place as the Board of Directors of the Company may appoint.

Failure to hold annual general meeting.

29. No failure to elect directors or to hold a first or any annual general meeting shall operate as a dissolution of the Company, and anything omitted to be done may afterwards be performed at a meeting called in conformity with the by-laws.

Notice of
annual
general
meeting.

30. Notice of the annual general meeting shall be given by advertisement in a daily newspaper published and circulated in the City of Vancouver, or otherwise as the Board of Directors of the Company may decide.

Special
meetings.

31. The Board of Directors of the Company may from time to time, as they see fit, call special meetings of the members.

Proxies.

32. Proxies shall be in such form as provided for by the by-laws.

Quorum.

33. A quorum at any meeting of the members shall be as provided in the by-laws.

*Companies
Clauses Act*
not to apply.

34. The provisions of the *Companies Clauses Act* shall not apply to the Company.

S. 5 of *Com-
panies Act*
not to apply

35. Section 5 of the *Companies Act* shall not apply to the Company.

Provisions of
*Companies
Act* to apply.

36. The following sections of the *Companies Act* shall, mutatis mutandis, apply to the Company, except in so far as any of them are varied by or are 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 2, 7, 8, 11 to 15 (inclusive), 25, 49, 52, 59 to 66 (inclusive), 79 to 98 (inclusive), 100 to 106 (inclusive), 108, 109, 112 to 115 (inclusive), 124 to 128 (inclusive), 130, 137 to 149 (inclusive), 152 to 155 (inclusive), 166, 168, 172, 219 to 246 (inclusive), and 263.

Insurance Act
to apply.

37. This Act and the Company shall be subject to all provisions of the *Insurance Act*.

Effect of
non-issuance
of licence.

38. (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;
- (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, 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 provisions of subsection (2) extend the time for issuance of a licence beyond four years from the date of commencement of this Act.