

CHAPTER 67

An Act to Incorporate the
United Home Life Insurance Company

[Assented to 26th March, 1965.]

Preamble.

WHEREAS James Cameron Thomson McLean, Samuel Cooper Gardiner, and Richard Philip Anderson, 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 "United Home Life Insurance Company", with power to transact the business of life insurance:

And whereas a petition has been presented praying that an Act 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 *United Home Life Insurance Company Act, 1965*.

Definitions.

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

(a) "Company" means the United Home Life Insurance Company as incorporated by this Act;

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

Incorporation.

3. James Cameron Thomson McLean, of Vancouver, British Columbia, insurance executive; Samuel Cooper Gardiner, of Vancouver, British Columbia, insurance executive; and Richard Philip Anderson, of Vancouver, British Columbia, barrister and solicitor, together with such other persons as shall hereafter become shareholders therein, are constituted a body politic and corporate under the name of "United Home Life Insurance Company" (hereinafter called the "Company").

Seal.

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

Liability of shareholders.

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.

Powers

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

- (a) Personal accident insurance;
- (b) Life insurance (including annuities and endowments of all kinds and disability insurance);
- (c) Sickness insurance.

Ancillary 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*.

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:—

- (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 pay out of the funds of the Company all or any of the expenses of or incidental to the formation and organization thereof or that the Company may consider to be preliminary;
- (d) To procure the Company to be registered and recognized in any foreign country or place, and to designate persons therein, 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;
- (e) 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;
- (f) 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;
- (g) To establish agencies and branches;
- (h) To sell or dispose of the undertakings of the Company, or any part thereof, for such consideration as the Company may think fit;

- (i) To draw, make, accept, endorse, execute, and issue promissory notes, bills of exchange, warranties, and other negotiable or transferable instruments:
- (j) 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:
- (k) 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:
- (l) 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 a life insurance company:
- (m) To adopt a French form of its corporate name, subject to acceptance by the Registrar of Companies of the Province of British Columbia, but only if such French form is approved by three-fourths of such members of the Company as, being entitled so to do, vote by proxy or attend and vote in person at a special general meeting of the Company of which not less than fourteen days' notice has been given.

Capital.

10. The capital of the Company shall be two million dollars (\$2,000,000), divided into one million eight hundred thousand (1,800,000) common shares of one dollar (\$1) each and two hundred thousand (200,000) redeemable convertible preference shares of one dollar (\$1) each; provided always that the Company in general meeting may, subject to the provisions of section 8 of the *Companies Act*, increase or decrease its capital from time to time.

Vesting and transfer of title.

11. As from the date of coming into force of this Act, the business and undertaking hereto carried on by United Home Mutual Life Insurance Company, a company duly incorporated by an Act of the Legislative Assembly of the Province of British Columbia in the year 1964, and all lands, estates, leases, charges, mortgages, encumbrances, securities, assets, properties (real and personal or mixed), effects, funds, credits, moneys, rights, right of assessment, licences, permits, choses in action and causes of action of every description belonging to, vested in, held by, or standing in the name of or existing in the United Home Mutual Life Insurance Company shall be transferred to and vest in the Company without further Act, conveyance, or other deed, to and for the use and benefit absolutely of the Company, its successors and assigns, and all the estate, right, title, interest, claim, and demand which United Home Mutual Life Insurance Company or any member thereof has on the date of the coming into force of this Act, or thereafter becomes or may become entitled to therein, shall be vested in the Company.

**Assumption of
liabilities.**

12. The Company shall take over and assume all the liabilities of United Home Mutual Life Insurance Company, including all redeemable guarantee stock issued by and outstanding by United Home Mutual Life Insurance Company, with power to redeem any one or more of the said redeemable shares from time to time by payment for the same in cash or by the issuance of shares of the capital stock of the Company or for part in cash and stock as the directors of the Company may from time to time decide, subject to section 14 (c) of this Act.

**Valuation of
assets.**

13. (a) The net value of the assets of United Home Mutual Life Insurance Company vested in the Company by this Act after deducting the liabilities of United Home Mutual Life Insurance Company, including the obligations of United Home Mutual Life Insurance Company to the holders of redeemable guarantee stock issued pursuant to section 10 of the *United Home Mutual Life Insurance Company Act, 1964*, shall be determined by the auditor of United Home Mutual Life Insurance Company as of the time of the coming into force of this Act. In consultation with the actuary of United Home Mutual Life Insurance Company, the auditor in valuing the liabilities shall make reasonable provision for all benefits and administration expenses ordinarily payable by United Home Mutual Life Insurance Company after the valuation date in respect of covered services or expenses rendered to or incurred for the members on or before the valuation date and administration expenses in connection therewith incurred after the valuation date. No amount shall be included for goodwill.

(b) Any member of United Home Mutual Life Insurance Company in good standing at the time of the coming into force of this Act shall, by virtue of his being such a member of United Home Mutual Life Insurance Company in good standing, be entitled to receive from the Company, in exchange for and in satisfaction of any interest he may have in the assets of United Home Mutual Life Insurance Company, redeemable convertible preference shares of United Home Life Insurance Company in the amount determined by dividing the net assets so determined in paragraph (a) herein by the total number of members of United Home Mutual Life Insurance Company in good standing at the valuation date.

**Redeemable
guarantee
stock**

14. The redeemable guarantee stock shares issued by United Home Mutual Life Insurance Company shall be subject to the preferences, priorities, rights, privileges, limitations, and conditions hereinafter set forth:—

- (a)** All holders of the said guarantee stock shares shall be entitled to notice of all meetings of the Company and shall be entitled to vote at all meetings of the Company:
- (b)** The guarantee stock shares shall not be interest or dividend bearing:

- (c) All holders of the said guarantee stock shares shall have the right to exchange the said guarantee stock for either redeemable convertible preference shares or common shares of the Company on a share for share basis for a period of six months after the coming into force of this Act and thereafter on such basis as the directors may determine from time to time:
- (d) Upon any dissolution or liquidation, in whole or in part, merger or consolidation of the Company whereby there is any distribution of capital or surplus, no sum whatsoever shall be paid to or be distributed among the holders of any of the other classes of shares of the Company until there shall have been paid to, or set aside for, the holders of the said guarantee stock shares one hundred per cent (100%) of the par value of the said guarantee stock shares, and the holders of the said guarantee stock shares shall be entitled to be paid all such moneys out of the assets of the Company by preference over and in priority to all other classes of shareholders herein, but no holder of said guarantee stock shall, by virtue of that fact alone, be entitled, upon the winding-up or termination of the business of the Company, to share in the assets of the Company over and above the value of his guarantee stock:
- (e) The Company by resolution of its Board of Directors from time to time, at its option, and discretion, upon fifteen (15) days' notice in writing, to any or all of the registered holders thereof (by prepaid ordinary mail to the address on record), may redeem the whole or any one or ones of the said guarantee stock shares at one dollar (\$1) per share, consistently with this Act and subject to any restrictions of the Superintendent of Insurance requiring the Company to maintain a minimum amount of capital and surplus.

Redeemable
convertible
preference
shares.

15. The redeemable convertible preference shares of the Company shall be subject to the preferences, priorities, rights, privileges, limitations, and conditions hereinafter set forth:—

- (a) All holders of the said preference shares shall be entitled to notice of all meetings of the Company and shall be entitled to vote at all meetings of the Company:
- (b) The holders of the said preference shares shall be entitled to receive out of the profits or surplus of the Company, if the same are available for dividends, a dividend at a rate of interest to be set, from time to time, by the directors at such times as the directors shall deem advisable:
- (c) All holders of the said preference shares shall have the right to exchange the said preference shares for common shares of the Company on a share for share basis for a period of six months

after the coming into force of this Act and thereafter on such basis as the directors may determine:

- (d) Upon any dissolution or liquidation, in whole or in part, merger or consolidation of the Company whereby there is any distribution of capital or surplus, no sum whatsoever shall be paid to or be distributed among the holders of any of the common shares of the Company until there shall have been paid to, or set aside for, the holders of the said preference shares herein one hundred per cent (100%) of the par value of the said preference shares together with a sum equivalent to the amount of all dividends declared but unpaid at that time, and the holders of the said preference shares shall be entitled to be paid all such moneys out of the assets of the Company by preference over and in priority to all common stock shareholders herein, but the said holders of the said preference shares shall not be entitled to payment of any amounts other than aforesaid:
- (e) The Company by resolution of its Board of Directors from time to time, at its option, and discretion, upon fifteen (15) days' notice in writing, to any or all of the registered holders thereof (by prepaid ordinary mail to the address on record), may redeem the whole or any one or ones of the said preference shares at one dollar (\$1) per share plus any unpaid dividends due to the date of redemption, consistently with this Act and subject to any restrictions of the Superintendent of Insurance requiring the Company to maintain a minimum amount of capital and surplus.

Restriction on
dividends.

16. No dividends shall be paid on any common shares of the Company until all issued preference shares and all of the said redeemable guarantee stock issued by United Home Mutual Life Insurance Company shall have been redeemed by the Company.

Minimum issue
price of
common
shares

17 No common shares of the Company shall be issued by the Company at a lower price than one dollar (\$1) per share.

Power to
reinsure.

18 The Company may cause itself to be insured against any risk it has undertaken and against any loss or risk it may incur in the course of its business.

Board of
Directors

19 The property, business, and affairs of the Company shall be administered by a Board of Directors composed of not less than three members, as may be determined by the by-laws of the Company from time to time, and the first directors of the Company shall be James Cameron Thomson McLean, Samuel Cooper Gardiner, and Richard Philip Anderson, all of the City of Vancouver, in the Province of British Columbia

- First officers.** **20.** The officers of the Company at the time of the 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.
- Retirement of directors.** **21.** At the first and each subsequent annual meeting of the Company such directors shall retire, as shall be prescribed by the by-laws.
- Election of directors.** **22.** Directors shall be elected at each annual meeting of the Company to fill the vacancies then occurring, and the directors then elected shall, subject to the by-laws, hold office until their successors are elected.
- Eligibility for directors** **23.** Any member of the Company in good standing shall be eligible to be elected as a director.
- Disqualification of director.** **24.** Any director who would not be eligible for election as such shall cease to be a director.
- Casual vacancies** **25.** The directors may fill any casual vacancy occurring on the Board of Directors: provided that the person appointed to fill such vacancy would be eligible for election as a director.
- Retiring director** **26.** A retiring director may, if otherwise eligible, be re-elected.
- Rules and regulations** **27.** Subject to the provisions of this Act, the directors 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.
- Power of first directors** **28.** The first directors shall have power to receive subscriptions for shares and to do all such other acts, deeds, and things as are advisable or necessary for or incidental to the purposes of organization of the Company.
- By-laws** **29.** It shall be lawful for the Board of Directors to make by-laws, not inconsistent with the provisions of this Act, for the government and proper administration of the property, affairs, business, and interest of the Company, and the carrying-out of its objects and powers, and to repeal, alter, and amend the same from time to time, including, without limiting the generality of the foregoing, relating to
- (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 officers, servants, and agents of the Company;
 - (e) the calling and conduct of meetings of the Company;
 - (f) the method of voting and the form of proxy;
 - (g) determining the rates, rules, and conditions under which the Company's policies shall be issued, transferred, or purchased;
 - (h) the establishment of branches;

- (i) the classification of members into different classes and prescribing the rights of any class;
- (j) generally, all other necessary matters and things that they may deem expedient in conducting and managing the interests, business, and affairs of the Company.

**Effect of
by-laws**

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

**Contracts with
directors**

31. 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

32. The fiscal year of the Company shall terminate on the thirty-first day of December in each year, and the annual meeting of the members of the Company 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 directors may appoint.

**Failure to hold
meetings**

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

**Notice of
annual
meeting**

34. Notice of the annual meeting shall be given by advertisement in a daily newspaper published and circulated in the City of Vancouver, or otherwise as the directors may decide.

**Special
meetings**

35. The directors may from time to time, as they see fit, call special meetings of the Company.

**Votes of
members**

36. Each holder of redeemable guarantee stock shall be entitled to one vote for each dollar of said stock held by him, and each holder of said preference shares or common shares shall be entitled to one vote per share, and such votes may be cast at any meeting of the Company in person or by proxy.

Proxies

37. Proxies shall be in such form as provided by the by-laws of the Company.

Quorum

38. A quorum at any meeting of the members shall be not less than twenty members present in person.

Application of
assets on
dissolution

39. In the event of the dissolution or winding-up of the Company, the assets of the Company shall be applied

- (i) in payment of all legal costs incurred in the winding-up or dissolution of the Company;
- (ii) in the payment of all debts or liabilities of the Company;
- (iii) and the balance (if any) shall be disposed of as may be directed by any Judge of the Supreme Court of British Columbia, to whom application for such direction shall be made by the directors of the Company or the Liquidator, as the case may be.

Liability of
members.

40. 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*
not to apply.

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

Provisions of
Companies Act
to apply.

42. 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, 11 to 15 (inclusive), 21, 25, 49, 79 to 82 (inclusive), 84 to 98 (inclusive), 100 to 106 (inclusive), 108, 109, 112 to 115 (inclusive), 124 to 128 (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.

Application of
Insurance Act.

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

Coming into
force of Act.

44. (1) This Act shall come into operation on a date to be fixed by the Lieutenant-Governor in Council by his Proclamation; provided that this Act shall first have been approved by a vote of not less than three-fourths of such members of United Home Mutual Life Insurance Company as, being entitled so to do, vote by proxy or attend and vote in person at a special general meeting of United Home Mutual Life Insurance Company of which not less than fourteen days' notice has been given.

(2) Notice of the said meeting shall be deemed to have been properly given if the same shall have been advertised for two consecutive issues in The British Columbia Gazette and in a newspaper freely circulating in the City of Vancouver.

(3) As and from the date of the coming into force of this Act, the said United Home Mutual Life Insurance Company shall be and be deemed to have been dissolved.

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