



CHAPTER 80.

An Act to incorporate the B.C.F.G. Mutual
Hail Insurance Company.*[Assented to 30th March, 1950.]*

Preamble.

WHEREAS a petition has been presented praying for an Act to incorporate a company with the rights, powers, and privileges hereinafter set forth, and it is expedient to grant the prayer of the said petition:

Therefore, His 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 "B.C.F.G. Mutual Hail Insurance Company Act."

Name of Company.

2. George Albert Lundy, of Oliver, British Columbia; Edward Arthur Titchmarsh and James Anderson English, of Penticton, British Columbia; Eric Magnus Tait and Charles Edmund Bentley, of Summerland, British Columbia; William R. Fulton, of Salmon Arm, British Columbia; Clifford Montgomery Nettleton, of Naramata, British Columbia; and Nigel Robert Cathcart Pooley, of Kelowna, British Columbia, together with such persons as become members of the Company, are hereby constituted a body politic and corporate under the name of the "B.C.F.G. Mutual Hail Insurance Company."

Head office.

3. The head office of the Company shall be in such place in the Province as is determined by the directors, and the Company may establish branch offices and agencies in any place within or without British Columbia.

Guarantee stock.

4. The Company may issue guarantee stock to the amount of fifty thousand dollars or such less amount as the directors decide.

The guarantee stock shall be divided into shares of ten dollars each. No dividends shall be paid thereon. The Company may redeem and reissue its shares of guarantee stock.

Contracts.

5. The Company may make and effect contracts of insurance with respect to loss or damage to growing crops caused by hail with any person or corporation who is a member of British Columbia Fruit Growers' Association, a society incorporated under the "Societies Act," and who grows or produces products of agriculture or horticulture, or on whose behalf such crops are grown or who has an interest in such crops within the Province of British Columbia. The Company may also make and effect contracts of reinsurance with any insurance corporation or body corporate and politic wheresoever incorporated with respect to loss or damage to growing crops caused by hail wheresoever said crops may be grown.

General powers.

6. The Company has the power, subject to the limitations contained in section 5, to carry on the business of hail insurance in all its aspects of whatsoever nature and kind and whether as principal or agent.

Ancillary powers.

7. The Company has as ancillary and incidental to the objects set forth in this Act the ancillary powers given to companies incorporated thereunder by the "Companies Act" and set forth in clauses (a), (f), (i), (l), (o), (q), (r), (t), (u), (v), (w), and (x) of section 22 of the "Companies Act."

Reinsurance.

8. 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.

**Limited liability
to insured.**

9. Until the Company has accumulated a reserve of not less than one hundred thousand dollars, every policy issued by the Company shall be limited as to liability to a proportionate share of the total of the net premiums earned in the contract-year and fifty per centum of the reserves, together with any moneys received for the contract-year, from any insurer under a reinsurance contract based upon the relationship which the admitted loss claim of the insured bears to the total admitted loss claims for the contract-year.

Directors

10. The persons named in section 2 of this Act are considered the first directors of this Company, and thereafter the directors of the Company shall be such persons who are from time to time elected at the first and succeeding annual meetings of the Company. The number of directors so to be elected shall be determined by its by-laws, and the Company shall have the power to

increase or reduce the number of directors, provided that the number of directors at any time shall not be less than five.

Directors holding office.

11. Notwithstanding any other Act, no director shall be disqualified from holding office by reason that he holds any position of profit with the Company.

Preliminary powers of directors.

12. The directors may forthwith procure subscriptions of stock and make calls on stock subscribed, receive payments thereon, and may generally do whatever is necessary to organize the Company.

First general meeting.

13. 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 other officers of the Company and shall pass by-laws not inconsistent with this Act for the management of its business, the issue and transfer of its shares, the regulation of the tariff of rates and premiums, the manner in which the terms and conditions of its insurance policies and any variations thereof shall be determined, and the manner in which the Company shall refund any portion of its earned income to its members or former members subject to the provisions of section 15, and the redemption of guarantee stock.

Earned income.

14. Until the adoption of by-laws as provided in section 13, the directors may on behalf of the Company do all such things and exercise all such powers as might be done or exercised by them or by the Company by virtue of this Act, and the directors may until such time pass such by-laws not inconsistent with this Act for the management of its business, issue and transfer of its shares, the regulation of the tariff of rates and premiums, the establishment of terms and conditions of its insurance policies, and refunding any portion of its earned income to its members or former members in all respects, and alter and amend the same.

Application of earned income.

15. The Company's earned income after payment of losses and operating expenses shall be applied as follows:—

- (a) By setting aside as reserves at least fifty per centum of its surplus each year until the reserves are fifty thousand dollars for the first million dollars underwritten and twenty-five hundred dollars for each additional one hundred thousand dollars underwritten, and thereafter such sums as the Company's by-laws shall provide:
- (b) By refunding to such of its members or such class or classes of its members or former members, and in such

manner as the by-laws of the Company provide, the whole or any portion of its remaining earned income.

Reserve funds.

16. The directors may invest the reserve funds and from time to time pay from the reserve funds the claims and demands that cannot be met from the ordinary receipts of the Company. In the event of the Company being wound up and being possessed of any existing reserve funds after payment to all creditors, the then members shall be entitled to divide the same among themselves according to the provisions of the by-laws of the Company.

Limited liability.

17. Notwithstanding anything in this or any other Act, the Company may make contracts of insurance upon the cash plan, that is for a money consideration without a premium note. Policyholders on the cash plan shall not have any liability for the debts or obligations of the Company. Policyholders who have given premium notes shall not have any obligation for the debts and obligations of the Company beyond the balance owing on such premium notes. Each shareholder shall only be liable for the debts and obligations of the Company to the extent of the unpaid balance of the shares for which he has subscribed.

Remuneration of officers.

18. The directors may be paid such remuneration for their services as directors as may be determined by a resolution of a general meeting of the Company, and the manager, whether a director or not, and the other officers and employees of the Company may be paid such salary or remuneration as the directors may determine.

Applicant not member until policy issued.

19. No applicant for insurance shall be deemed a member of the Company until his policy of insurance has been issued to him by the directors; but he shall, upon the issuance of such policy, become and remain a member of the Company during the subsistence of such policy.

Provision for district representation and voting.

20. The by-laws of the Company shall provide:—

- (a) For the division of the members and shareholders into groups and the formation of local organizations comprising all the members who are in one or more of such groups:
- (b) For the number of directors to be elected from each local organization and the election of those directors either by the members of the local organizations or by groups, or by local delegates:
- (c) For the election of local delegates by each local organization to attend general meetings of the Company as delegates from the local organization and the number to be so elected by each organization:

- (d) For the delegation to the local delegates of all or any of the powers which could be exercised by the members of the Company at a general meeting:
- (e) For the method of forming new local organizations and groups either as additions to or substitutions for the old local organizations and groups and redetermining the number of directors and of local organizations and of groups:
- (f) For the method of summoning local delegates to attend general meetings of the Company and the persons by whom meetings may be called, including the provision for the calling of extraordinary general meetings at any time by or at the request of not less than twenty-five per centum of the local delegates:
- (g) For the obtaining of the opinion of the members of the Company on any question of general concern, and the mode of obtaining that opinion by a vote of the members:
- (h) For the formation of an executive committee and the exercise by that committee of all or any of the functions and powers of the directors subject to the general direction and control of the directors:
- (i) For the remuneration of local delegates and of members of the executive committee:
- (j) That each member shall vote only at the meetings of the local organizations or groups to which he is assigned pursuant to the provisions of the by-laws of the Company in that behalf and on questions submitted to the vote of the members pursuant to the rules made under the provisions of clause (y) and that the local delegates only shall be entitled to attend and vote at all general meetings of the Company, each delegate having one vote.

Annual meeting.

21. After the first general meeting a general meeting shall be held at least once in each calendar year and not more than fifteen months after the preceding general meeting. The time and place of the annual general meeting of the Company shall be determined in the manner provided in its by-laws.

Member defined

22. In this Act, unless the context otherwise requires, "member" means a holder of a subsisting policy of the Company, or a shareholder.

By-laws shall bind Company and members.

23. The by-laws of the Company shall bind the Company and its members to the same extent as if they had respectively been signed and sealed by each member and by the Company and con-

tained covenants on the part of each member, his heirs, executors, and administrators to observe all the provisions of the by-laws, subject to the provisions of this Act.

Certain provisions
of "Mutual Fire
Insurance Companies
Act" to apply.

24. Save in so far as the provisions thereof are expressly varied or excepted by this Act, or are inconsistent with or repugnant to this Act, in which case the provisions of this Act shall to the extent of such inconsistency or repugnancy govern, the following clauses and words of the "Mutual Fire Insurance Companies Act" shall apply to and be incorporated with this Act, namely, sections 7, 8, save and except the provisions for levying assessments, 10, 11, 18 to 25 inclusive, 30, 34 to 39 inclusive, subsection (2) of 41, 52, and 60: Provided that wherever in any of said sections the words and phrase "mutual insurance" appear, they shall mean any contract of insurance made by the Company; and wherever in any of said sections the words and phrase "mutual company" shall appear, they shall mean the Company.

Certain provisions
of the "Companies
Clauses Act" to
apply.

25. Notwithstanding the provisions of this or any other Act, save in so far as the provisions thereof are expressly varied or excepted by this Act or are inconsistent with or repugnant to this Act, in which case the provisions of this Act shall to the extent of such inconsistency or repugnancy govern, the following clauses and provisions of the "Companies Clauses Act" shall be incorporated with this Act, namely, sections 6 to 14 inclusive, 22 to 29 inclusive, 37 to 44 inclusive, 55 and 56, 127 to 135 inclusive, 145 to 154 inclusive, and 163 to 176 inclusive, and all the other clauses and provisions of said "Companies Clauses Act" shall not apply.

Certain provisions
of "Companies Act"
to apply.

26. Notwithstanding the provisions of this or any other Act, save in so far as the provisions thereof are expressly varied or excepted by this Act or are inconsistent with or repugnant to this Act, in which case the provisions of this Act shall to the extent of such inconsistency or repugnancy govern, the following clauses and provisions of the "Companies Act" shall be incorporated with this Act, namely, sections 7, 11 to 16 inclusive, 26, 78 to 85 inclusive, 92 to 95 inclusive, 97 to 99 inclusive, 102, 103, 108 to 112 inclusive, 122 to 126 inclusive, 135 to 146 inclusive, 165 to 170 inclusive, and 214 to 266 inclusive.

"Insurance Act"
to apply.

27. Notwithstanding any of the provisions of this Act, this Act and the Company incorporated hereby shall be subject to all of the provisions of the "Insurance Act."

VICTORIA, B.C.

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