

CHAPTER 66

An Act to Incorporate Vanco Insurance Company

[Assented to 30th March, 1972.]

Preamble.

WHEREAS James Lorne Patrick and Brian Milton Rudkin, both of the City of Vancouver, British Columbia, and Philip Thomas Sampson, of Quadra Island, British Columbia, have presented a petition praying for an Act providing for their incorporation under the name of "Vanco 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 *Vanco Insurance Company Act, 1972*.

Definitions.

2. In this Act, unless the context otherwise requires,
 - (a) "by-laws" mean the by-laws of the Company from time to time made pursuant to this Act;
 - (b) "*Companies Act*" means the *Companies Act*, being chapter 67 of the *Revised Statutes of British Columbia, 1960*, and amendments thereto;
 - (c) "*Companies Clauses Act*" means the *Companies Clauses Act*, being chapter 68 of the *Revised Statutes of British Columbia, 1960*, and amendments thereto;
 - (d) "Company" means the Vanco Insurance Company as incorporated by this Act;
 - (e) "*Insurance Act*" means the *Insurance Act*, being chapter 197 of the *Revised Statutes of British Columbia, 1960*, and amendments thereto;
 - (f) "Superintendent of Insurance" means the Superintendent of insurance appointed pursuant to the provisions of the *Insurance Act*.

Incorporation.

3. James Lorne Patrick, of Vancouver, British Columbia, business executive; Brian Milton Rudkin, of Vancouver, British Columbia, insurance executive; and Philip Thomas Sampson, of Quadra Island, British Columbia, business administrator, 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 "Vanco 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.

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 seven million five hundred thousand dollars (\$7,500,000) divided into five million (5,000,000) common shares with a nominal or par value of one dollar (\$1) each, and two million five hundred thousand (2,500,000) Class B common shares with a nominal or par value of one dollar (\$1) each.

Share rights and restrictions.

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, 1982, 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.

Further Restrictions on Class B Common Shares.

13. Until the thirty-first day of March, 1982,

(1) The directors of the Company shall refuse to consent to, or to allow the entry in the books or records of the Company kept for the purpose of, a transfer of any Class B Common Share to a non-resident.

(2) The directors of the Company shall not allot or allow the allotment of any Class B Common Share to a non-resident.

(3) In this section, "non-resident" means a person who is not ordinarily resident in British Columbia and without limiting the generality of the foregoing shall include

- (a) an individual who is not ordinarily resident in British Columbia;
- (b) a corporation incorporated, formed or otherwise organized elsewhere than in British Columbia;
- (c) a corporation that is controlled directly or indirectly by a non-resident as defined in clause (a) or (b) hereof;
- (d) the trustee of a trust-established by a non-resident as defined in clauses (a), (b), or (c) hereof, or of a trust in which a non-resident as so defined has a beneficial interest; or
- (e) a corporation that is controlled directly or indirectly by a trust mentioned in clause (d) hereof.

(4) For the purposes of this section, any transfer or any allotment or disposal of a share resulting in the creation of a beneficial interest therein directly or indirectly in favour of a non-resident shall be a transfer or an allotment or disposal within the meaning of subsection (1) or subsection (2) of this section as the case may be.

(5) Any transfer or any allotment or disposal as set out in subsection (1) or subsection (2), whether entered in the books or records of the Company kept for the purpose or not,

- (a) is void, and,
- (b) if entered in such books or records all voting rights and other rights of membership and all rights to dividend and other rights or

privileges appertaining to any Class B Common Share which is the subject matter of any such transfer or any such allotment or disposal are suspended until such time as the Class B Common Share is entered in the books or records of the Company kept for the purpose in the name of a person other than a non-resident.

(6) If a member of the Company, who is the registered holder of or has a beneficial interest in any Class B Common Share, becomes a non-resident, all voting rights and other rights of membership and all rights to dividend and other rights and privileges appertaining to the Class B Common Share shall be suspended until such time as the Class B Common Share is entered in the books or records of the Company kept for the purpose in the name of a person other than a non-resident.

(7) For the purposes of complying with and enforcing the foregoing provisions of this section

- (a) the Directors of the Company alone shall allot or dispose of any Class B Common Shares, and save as therein provided, allotment or disposal of any Class B Common Share shall be in the sole discretion of the Directors of the Company;
- (b) Class B Common Shares shall not be transferred except with the consent of the Directors of the Company, and as therein provided, the Directors of the Company may in their discretion refuse to register the transfer of any Class B Common Shares.

Increase of
capital.

14. 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.

15. 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.

16. The first directors of the Company shall be James Lorne Patrick, of the City of Vancouver, British Columbia; Brian Milton Rudkin, of the City of Vancouver, British Columbia; and Philip Thomas Sampson, of Quadra Island, British Columbia; and the first officers of the Company shall be Brian Milton Rudkin, President, and James Lorne Patrick, Chairman of the Board.

Powers of
Board of
Directors.

17. 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.

18. The Board of Directors of the Company shall not at any time include more than three paid officers of the Company, other than the President and the Chairman of the Board.

Retirement and election of directors.

19. 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.

20. Subject to section 18, any member of the Company shall be eligible to be elected as a director.

Disqualification of directors.

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

Casual vacancy.

22. 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.

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

Rules and regulations of Board of Directors.

24. 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.

25. 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.

26. The members may from time to time, by special resolution filed with the Superintendent of Insurance, 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.

27. 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.

28. Subject to section 18, 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.

29. 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.

30. 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.

31. 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.

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

Proxies.

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

Quorum.

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

***Companies Clauses Act* not to apply.**

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

S. 5 of *Companies Act* not to apply.

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

Provisions of *Companies Act* to apply.

37. 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.*

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

*Effect of non-
issuance of
licence.*

39. (1) Unless a licence is issued to the Company within two 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 three years from the date of commencement of this Act.