



## CHAPTER 45.

## An Act to amend the "Insurance Act."

[Assented to 3rd April, 1947.]

R.S.B.C. 1936, c. 133.  
1937, c. 34; 1938,  
c. 24; 1939, c. 27;  
1941-42, c. 1; 1943,  
c. 29; 1944, c. 16;  
1945, c. 37.

**H**IS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:—

1. This Act may be cited as the "Insurance Act Amendment Act, 1947." Short title.

2. Section 175 of the "Insurance Act," being chapter 133 of the "Revised Statutes of British Columbia, 1936," is amended by inserting the following as subsection (3a):— Amends s. 175.

"(3a.) It shall not be a defence to an action under this section that an instrument issued as a motor-vehicle liability policy by a person engaged in the business of an insurer, and alleged by a party to the action to be such a policy, is not a motor-vehicle liability policy; and the provisions of this section shall apply, mutatis mutandis, to the instrument."

3. Said chapter 133 is amended by inserting the following as section 176A:— Enacts s. 176A

"176A. (1.) Every insurer that issues an owner's policy shall, at the time of issue thereof, also issue and deliver to the named insured a card (to be known as 'a motor-vehicle liability insurance card'), and shall, on request by the named insured, issue and deliver to him an additional card, being a copy of the card delivered to him, for each person who commonly drives the motor-vehicle to which the card refers, or for each motor-vehicle in respect of which the policy is issued. Motor-vehicle liability insurance card.

"(2.) The card issued under this section shall be in a form approved by the Superintendent, and shall set forth the following particulars:— Form of card

- “(a.) The name and address of the insurer :
- “(b.) The name of the insured :
- “(c.) The policy number :
- “(d.) The particulars of the motor-vehicle as set forth in the motor-vehicle licence relative thereto issued pursuant to the ‘ Motor-vehicle Act ’ :
- “(e.) The date upon which the insurance expires ; and
- “(f.) Any other particulars required by the Superintendent.

Particulars of card.

“(3.) The cards issued by all insurers shall be uniform in size, colour, and form ; and the date of expiry of the policy of insurance to which a card refers shall be prominently noted thereon ; and until the Superintendent otherwise directs, the cards may be in the following form :—

(Provincial Coat of Arms.)

MOTOR-VEHICLE LIABILITY INSURANCE CARD.

This certifies that \_\_\_\_\_, of \_\_\_\_\_, is insured in this company under Policy No. \_\_\_\_\_ against public liability and property damage arising by reason of the operation of the motor-vehicle described as follows:—

Make of vehicle	Year	Type
Engine No.	Serial No.	
And such insurance expires on the _____ day of _____, 19 _____.		
Dated this _____ day of _____, 19 _____.		
Issued by [ <i>name of company</i> ].		

Supply of cards.

“(4.) The card shall be supplied to each insurer by the Superintendent in such quantity as he deems requisite, and no insurer shall prepare or issue a card under this section except on a form supplied as in this section provided.

Insurers outside the Province.

“(5.) The Superintendent may supply cards to an insurer that issues owners’ policies outside the Province if it has complied with the provisions of the ‘ Motor-vehicle Act.’

Issuance of cards by insurers outside the Province

“(6.) Before supplying cards to an insurer pursuant to subsection (5), the Superintendent shall require the insurer to file with him an undertaking that it will issue cards only to persons who are non-residents of British Columbia and who are insured under policies that are owners’ policies within the meaning of this Act.”

4. Said chapter 133 is further amended by inserting the following as section 181A:—

“181A. The provisions of this Act shall not apply to a society required to be licensed under this Act unless expressly made to apply to such society.”

Repeals ss 182 to 188.

5. Sections 182 to 188 are repealed, and the following are substituted:—

“ Society ” defined.

“182. In this Part ‘ society ’ includes a society formed outside the Province.

" 183. (1.) No society within any of the following classes shall carry on any operations in the Province unless it is a corporation and licensed under this Act, namely:— Societies required to be licensed.

- "(a.) Societies that have power to make contracts of life insurance under which more than four hundred dollars may be paid:
  - "(b.) Societies that have power to make contracts under which more than four hundred dollars may be paid by way of funeral benefit or relief:
  - "(c.) Societies that have power to undertake to pay benefits or render services in the event of accident, sickness, or disability, or by way of pensions or annuities.
- "(2.) This section shall not apply to:—

- "(a.) A fraternal society as defined by section 76 or a branch of any such society:
- "(b.) A society registered as a fraternal benefit society under any Act of the Dominion or a branch of any such society:
- "(c.) A society within clause (c) of subsection (1) that carries on its operations in a limited locality, or whose membership is restricted to a certain class of persons, unless the Superintendent requires the society to be licensed:
- "(d.) A society whose membership is restricted to municipal or Government employees or to employees of the same employer, including, if the employer is a corporation, any corporation affiliated with or subsidiary to the employer:
- "(e.) A society that in the opinion of the Superintendent need not be licensed.

" 184. No society shall be licensed:—

- "(a.) If it has power to make a contract of life insurance with a person who is not a member: Conditions for licence.
- "(b.) If it has not at least seventy-five members in good standing: Provided that the Superintendent may issue a temporary licence where the number of members is less than seventy-five:
- "(c.) If it operates for the acquisition of gain, or as a commercial or business enterprise, or by or for any person other than its members:
- "(d.) If its property or funds are under the control of persons not periodically elected by the members, or are not held in the name of the society:
- "(e.) If, under its charter and regulations, the amount of insurance-money payable under a contract of life insurance made by it may depend in whole or in part on the number of its members at the date of the death

of a member or on the payment by its members of any assessment levied in case of the death of a member:

“(f.) If, in the case of a society incorporated in this Province, the officers do not reside in the Province:

“(g.) If, in the case of a society to which section 188B applies, its membership in any one group is not sufficient to pay a dependent after assessment a sum equal to fifty per centum of the maximum benefit permitted for that group; or

“(h.) If it varies or attempts to vary the terms or benefits of any group or class of members.

Actuarial certificates.

“185. (1) No society within clauses (a) and (b) of subsection (1) of section 183 shall be licensed unless it files with the Superintendent the certificate of an actuary that the society's plan of insurance is sound, and that the reserve maintained or to be maintained, together with the premiums to be received from the members, is or will be sufficient to provide for the payment at maturity of the contracts made or to be made by the society without deduction or abatement.

“(2.) Every such society that is licensed shall file with the annual report required to be made under section 58 the results of a valuation of its contracts in force at the last preceding thirty-first day of December. The valuation shall be made by an actuary, and shall have regard to the prospective liabilities of the society under its contracts and to the premiums to be thereafter received from its members under their contracts according to the scale in force at the date of the valuation. The actuary shall certify the valuation and also give a certificate of the nature described in subsection (1).

“(3.) The Superintendent may prescribe the form of any certificate required by this section.

“(4.) In this section ‘actuary’ means a Fellow of the Institute of Actuaries of Great Britain, or of the Faculty of Actuaries of Scotland, or of the Actuarial Society of America, or of the American Institute of Actuaries.

Limit of insurance-money payable.

“186. No licensed society shall make a contract or contracts with a member under which the total insurance-money payable exceeds five thousand dollars.

Certain provisions to apply to life insurance societies.

“187. Subject to section 188B, sections 76 to 129 shall apply to a society within clauses (a) and (b) of subsection (1) of section 183 in the same manner as those sections apply to a fraternal society as defined by section 76.

Approval of by-laws by Superintendent.

“188. (1) The Superintendent may object to any provision of the charter and regulations of a society that applies for a licence, and to any amendment of its charter or regulations by a licensed society, on the ground that such provision or amendment is contrary to this Act, or unfair to any member or class of members,

or unjust, or unreasonable, or, except in the case of a society that was in existence on the first day of January, 1926, and that is required to be licensed under this Act, actuarially unsound; and may require such provision or amendment to be altered to his satisfaction.

"(2.) The Superintendent may require a society that applies for a licence or is licensed to amend its charter and regulations so as to include any provision thought advisable by him for the actuarial soundness of the society, the proper treatment of its members, or any other purpose.

"(3.) An appeal may be taken to the Lieutenant-Governor in Council from an objection or requirement made by the Superintendent under this section.

"188A. No society incorporated in this Province that is required to be licensed pursuant to this Part shall carry on in a foreign jurisdiction any operation that is not in accordance with the law of that jurisdiction; and where any such society is prohibited by the law of any foreign jurisdiction from soliciting within that jurisdiction, it shall not solicit any application for membership from a person resident in such jurisdiction.

*Society operating outside the Province.*

"188B. (1.) In the case of a society within clauses (a) and (b) of subsection (1) of section 183 to which the ' Societies Act ' applies, and that was in existence on the first day of January, 1926, section 86, section 89, clause (e) of section 184, and section 185 shall not apply, but the following provisions shall apply:—

*Provisions applicable to certain societies.*

"(a.) If the society has not power under its by-laws to admit as a member or make a contract with any person unless he is within certain limits of age, but nevertheless purports to admit as a member or to make a contract with a person who is not qualified in respect of age, that person, after the lapse of two years, if he has fulfilled his obligations, shall, in the absence of fraud, be deemed to have been duly admitted as a member or to hold a valid contract, as the case may be:

"(b.) When the society suspends or terminates any membership or rights to benefits under a contract for default in payment of any subscription, due, assessment, or other like sum, the member or holder of the contract shall be entitled to have his membership or rights reinstated upon application within one year from the date of the notice calling for payment of the subscription, due, assessment, or other like sum in default, and upon payment of all sums overdue and accrued during the period of suspension or termination and upon compliance with any provision of the by-laws in respect of evidence of insurability:

- “(c.) The society shall not vary or terminate any membership or rights under a contract by reason only that the member or holder of the contract has reached a certain age, unless the by-laws in force at the date when the member was admitted or the contract was made expressly provide for such variation or termination, or unless a resolution approved as to form and content by the Superintendent is submitted to a general meeting of the members of the society and passed by a majority of not less than three-fourths of those members present in person or by proxy at such meeting :
- “(d.) The society shall not suspend or terminate any membership or rights under a contract for default in payment of any subscription, due, assessment, or other like sum until the member or holder of the contract is in arrears for at least three months from the date on which the payment was due, and unless at least two written notices calling for payment have been sent to the member or holder of the contract, and at least one of them has been sent by registered post requiring an acknowledgment of receipt to be given to the letter-carrier in accordance with regulations of the post-office :
- “(e.) Every society shall establish and maintain an Advance Assessment Fund which shall be used only for the payment of claims arising from deaths of members, and shall consist of the proceeds of assessments on the members, or any groups or classes of members, made as hereinafter mentioned ; and the society shall keep an account for each member showing the assessments paid by him to the society and the amounts disbursed by it in respect of his liability for deaths of members. The society shall forthwith make such an assessment or assessments as will provide in the Advance Assessment Fund a sum or sums sufficient to pay claims arising from deaths of members according to the following table:—
- “(i.) In the case of a society or a group or class thereof having not more than one thousand members, an amount equivalent to at least three assessments under its by-laws :
- “(ii.) In the case of a society or a group or class thereof having more than one thousand and less than three thousand members, an amount equivalent to at least four assessments under its by-laws :

"(iii.) In any other case, an amount equivalent to at least five assessments under its by-laws.

"Whenever the society has paid claims, it shall forthwith, if necessary, make in the same manner a new assessment, so that the minimum Advance Assessment Fund is maintained. Nothing in this clause shall exempt the society from making any other assessment in order to make full payment of a claim or prevent the society from using any other funds in order to make full payment of a claim, but the provisions respecting the Advance Assessment Fund shall be applicable notwithstanding anything in the constitution or by-laws of the society.

"(f.) The society shall attach to every certificate of membership or policy issued by it a true copy of the application of the member or policy-holder, together with a separate notice directing his attention to the effect of incorrect statements in his application:

"(g.) The society shall clearly explain in every prospectus, notice, circular, advertisement, or other document used by it in relation to any invitation to membership or contracts the method on which the society is operated, referring in particular to the sources of its revenue for payment of expenses and death benefits; and no such document shall make any comparison of the society or any similar society with an insurer required by this Act to maintain reserves for its contracts of life insurance or contain any reference to similar societies existing outside the Province.

"(2.) The by-laws of the society shall contain provisions in conformity with clauses (b), (c), (d), and (e) of subsection (1)."

6. Section 203 is amended by inserting after "insurance," in the third line of clause (d) of subsection (2), the words "and is not required to be licensed under this Act." Amends s 203

7. Section 218 is amended by adding the following to subsection (2): "or such other person or persons as he may deem necessary to so act in that capacity." Amends s 218

8. This Act shall come into operation on a day to be named by the Lieutenant-Governor by his Proclamation. Commencement.

VICTORIA, B C

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1947