

NATIONAL ASSEMBLY
Thirty-fourth Legislature, second session

1993, chapter 107

**AN ACT TO AMEND THE ACT RESPECTING “QUÉBEC
HEALTH SERVICES” “LES SERVICES DE SANTÉ DU
QUÉBEC” AND RESPECTING SSQ, MUTUELLE DE GESTION
AND SSQ, LIFE INSURANCE COMPANY INC.**

Bill 262

Introduced by Mr Réjean Doyon, Member for Louis-Hébert

Introduced 19 May 1993

Passage in principle 18 June 1993

Passage 18 June 1993

Assented to 18 June 1993

Coming into force: 18 June 1993

Act amended:

Act respecting “Québec Health Services” “Les Services de Santé du Québec” (1991, chapter 102)





CHAPTER 107

**An Act to amend the Act respecting “Québec Health Services”
“Les Services de Santé du Québec” and respecting SSQ,
Mutuelle de gestion and SSQ, Life Insurance Company Inc.**

[Assented to 18 June 1993]

Preamble

WHEREAS under chapter 102 of the statutes of 1991, Québec Health Services was converted into a mutual management corporation and a capital stock insurance company having the corporate names “SSQ, Mutuelle de gestion” and “SSQ, Life Insurance Company Inc.”, respectively;

Whereas it is in the interest of the two corporations that changes be made to their corporate organization;

Whereas the directors of SSQ, Mutuelle de gestion adopted on 25 February 1993, by unanimous vote, a resolution approving the proposed corporate reorganization;

Whereas the directors of SSQ, Life Insurance Company Inc. adopted on 25 February 1993, by unanimous vote, a resolution approving the proposed company reorganization;

Whereas the members of SSQ, Mutuelle de gestion unanimously adopted on 26 April 1993 a resolution approving the proposed reorganization of their corporation;

Whereas the shareholders of SSQ, Life Insurance Company Inc. unanimously adopted on 26 April 1993 a resolution approving the proposed reorganization of the company;

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1991, c. 102,
s. 2,
repealed **1.** Section 2 of the Act respecting “Québec Health Services”
“Les Services de Santé du Québec” (1991, chapter 102) is repealed.

1991, c. 102,
ss. 10 and
11, repealed **2.** Sections 10 and 11 of the said Act are repealed.

1991, c. 102,
s. 13, am. **3.** Section 13 of the said Act is amended by replacing the figure
“30 000 000” in the second line of the first paragraph by the figure
“150 000 000”.

1991, c. 102,
s. 13.1,
added **4.** The said Act is amended by inserting, after section 13, the
following section:

First refusal **“13.1** The other shareholders holding shares with voting rights
in the capital stock insurance company must be given the right of first
refusal in the event of any transfer of shares with voting rights in that
company.

Acquisition
of shares If more than one shareholder indicates his intention of acquiring
the shares being transferred and, as a result, the number of shares
to be acquired exceeds the number of shares to be transferred, the
latter shares shall be divided amongst the shareholders pro rata to
the holding of each shareholder in relation to the total capital stock
issued and paid. Any shareholder not having indicated his intention
to avail himself of the right of first refusal within 15 days following
receipt of a notice to that effect is presumed to have waived such right.

Proof The Minister may, if he considers it expedient, before authorizing
any allotment or registration of a transfer of shares with voting rights
resulting in the direct or indirect transfer of control of the capital stock
insurance company to non-residents and to their associates, request
that the capital stock insurance company prove to him that the shares
were offered by preference to persons who reside in Québec and
subsidiarily to persons who are not non-residents, but that no offer
was made or was acceptable.

Resident For the purposes of this section, a person resides in Québec

(1) in the case of a natural person, if the person resides in Québec
for not less than 183 days per year;

(2) in the case of a corporation, if the person was incorporated
or continued in Québec or if it is controlled by such natural person or
by such corporation.”

1991, c. 102,
s. 15.1,
added **5.** The said Act is amended by inserting, after section 15, the following section:

Closed
company **“15.1** The capital stock insurance company is a closed company within the meaning of section 5 of the Securities Act (R.S.Q., chapter V-1.1).”

1991, c. 102,
s. 18, am. **6.** Section 18 of the said Act is amended by replacing the second paragraph by the following paragraph:

Object “Its object is to hold equity in the capital stock insurance company, directly or through a holding company or any other legal person.”

1991, c. 102,
s. 19,
replaced **7.** Section 19 of the said Act is replaced by the following sections:

Cash
dividends **“19.** The cash dividends paid to the mutual management corporation may be used only for the payment of the expenses inherent in the operation of the mutual management corporation, for the making of investments, in any form, in the holding company or in the capital stock insurance company or for the revalorization of the insurance contracts of the members of the mutual management corporation.

Investment The mutual management corporation may, temporarily, make any investment referred to in section 245.0.1 of the Act respecting insurance or referred to in the rules for investment of moneys belonging to other persons set out in the Civil Code of Lower Canada as would be made in similar circumstances by a reasonable and prudent person, acting honestly and faithfully in the best interest of the members.

Detailed
statement of
expenses **“19.1** A detailed statement of the expenses inherent in the operation of the mutual management corporation shall be submitted to the members, at the annual general meeting of the members of the mutual management corporation.”

1991, c. 102,
s. 30.1,
added **8.** The said Act is amended by inserting, after section 30, the following chapter:

“CHAPTER IV.1

“HOLDING COMPANY

First refusal **“30.1** The other shareholders holding shares with voting rights in the holding company must be given the right of first refusal in the event of any transfer of shares with voting rights in that company.

Acquisition
of shares

If more than one shareholder indicates his intention of acquiring the shares being transferred and, as a result, the number of shares to be acquired exceeds the number of shares to be transferred, the latter shares shall be divided amongst the shareholders pro rata to the holding of each shareholder in relation to the total capital stock issued and paid. Any shareholder not having indicated his intention to avail himself of the right of first refusal within 15 days following receipt of a notice to that effect is presumed to have waived such right.

Proof

The Minister may, if he considers it expedient, before authorizing any allotment or registration of a transfer of shares with voting rights resulting in the direct or indirect transfer of control of the holding company to non-residents and to their associates, request that the holding company prove to him that the shares were offered by preference to persons who reside in Québec and subsidiarily to persons who are not non-residents, but that no offer was made or was acceptable.

Resident

For the purposes of this section, a person resides in Québec

(1) in the case of a natural person, if the person resides in Québec for not less than 183 days per year;

(2) in the case of a corporation, if the person was incorporated or continued in Québec or if it is controlled by such natural person or by such corporation."

1991, c. 102,
ss. 31-34,
repealed
1991, c. 102,
s. 35, am.

9. Sections 31 to 34 of the said Act are repealed.

10. Section 35 of the said Act is amended

(1) by replacing the first paragraph by the following paragraph:

Winding-up

"35. Where the mutual management corporation disposes of its equity in the capital stock insurance company, it must be wound up.";

(2) by repealing the third paragraph.

1991, c. 102,
ss. 36, 37
and 38,
repealed
Coming into
force

11. Sections 36, 37 and 38 of the said Act are repealed.

12. This Act comes into force on 18 June 1993.