

Bill No. 55 of 1947.

**A BILL TO AMEND THE ALBERTA HAIL INSURANCE  
ACT**

**NOTE.**

Section 5 of the above Act which is amended by section 1 of the Bill sets out the powers and duties of the Board. Paragraph (a) authorizes the Board to acquire, hold and dispose of personal property in addition to real property. Paragraph (b) provides in terms for the appointment of a Manager. Up to the present time the Manager has been appointed under the general power to appoint officers, etc. The change made by paragraph (c) is made necessary by the amendment made to paragraph (b).

The changes made by section 2 of the Bill are not substantial.

Section 3 of the Bill amends section 11 of the Act in two respects:

(a) The authority of the Board as to the policies issued is made more specific by the addition of the words "and the terms and conditions thereof" to subsection (1) of section 11;

(b) It substitutes a new paragraph (d) of subsection (2) of the same section dealing with the partial payment of loss clause. The change is made for the purpose of clarification. The words in lines three to six "or the percentage of the loss after deduction of a percentage specified in the policy in either case to be calculated as a percentage of the insurance" are substituted for the words "or the amount of the loss after deduction of a sum specified in the policy".

Section 4 of the Bill amends section 12 of the Act in four respects:

(a) It does away with the necessity of an agent of an applicant for insurance who signs an application being authorized in writing;

(b) It amends subsection (6) which declares that the rights and liabilities of the applicant and the Board shall be those set out in the Act. The amendment extends these to those set out in the application;

(c) The change made by the new subsection (8) is to make it unnecessary for the applicant to make a cash payment with any application after the first in each year.

(d) It adds a new subsection (9) which enables the Board to accept an application so as to make a valid contract in cases where the applicant has made a mistake in the legal description of his land.

Section 5 of the Bill amends section 15 of the Act in two respects:

(a) The only material change by the new subsection (1) of section 15 is the insertion of the words "to the extent of ten per cent or more" in line 2. As under the Act no insurance is payable where a crop is not damaged to the extent of at least ten per cent there should be no obligation on the insured to make the claim provided for in the subsection;

(b) Paragraph (b) introduces a new subsection (3a). Subsection (3) of section 15 provides that where a claimant does not reside within two miles of the damaged crop he shall furnish the name of an agent who does reside within two miles. The purpose of the new subsection (3a) is to make it unnecessary for the Board or the adjuster, where the name of an agent is not furnished, to endeavour to secure concurrence in the adjuster's report.

Section 6 of the Bill amends section 16 of the Act in four respects:

(a) The only material change made in subsection (1) of section 16 is as to the last five lines which are substituted for the following words in the subsection now in force: "thereafter shall report to the Board in writing the amount and extent of the damage and shall recommend to the Board the amount which, in his opinion, should be payable in respect of the damage";

(b) and (c) The amendments made by these paragraphs are made necessary by the above amendment to subsection (1);

(d) introduces a new subsection (7) authorizing the Board to defer the determination of the percentage of damage, etc., to a later date in the then current year.

Section 7 of the Bill amends section 17 of the Act in two respects. The amendment made by paragraph (a) makes the changes rendered necessary by the earlier amendments clarifying the provisions as to the partial payment of loss clause (Section 3 (b) of the Bill). Paragraph (c) of section 17 of the Act provides that no insurance shall be payable where the crop is damaged by hail after it has been cut. This provision is struck out by the amendment made by paragraph (b) of section 7 of the bill.

Section 19 of the Act amended by section 8 of the Bill deals with accounts to be kept by the Board and requires all sums received by the Board to be placed in a special trust account in a bank or a treasury branch and provides that the cost of operations for each year shall be apportioned to the several hail insurance areas and be a first charge on

the special trust account. Further provision is made for transferring a portion of a balance in the Trust Account before the twenty-eighth day of February in any year to the credit of any area, to the credit of a General Reserve Account, while subsection (3) provides that a further portion of such a balance may be transferred to the credit of an area whose credits are insufficient to pay expenses and claims. The amendment is to provide that section 19 shall no longer be operative when the Board's reserves have reached the sum of five hundred thousand dollars, it being considered that the provisions contained in it would no longer be necessary.

The new section 20a of the Act enacted by section 9 of the Bill gives the Board authority in its discretion to distribute annual surpluses to persons insured in any year.

Section 21 of the Act provides that collections made after the twenty-eighth day of February in any year on old premiums shall be placed in a General Reserve Account. Section 10 of the Bill enacts subsection (2) providing that this section shall be inoperative when reserves amount to five hundred thousand dollars for the same reason as for the amendment to section 19 above.

The new section 21a is inserted by section 11 of the Bill to make it clear that if and when sections 19 and 21 become inoperative, the provision requiring funds to be deposited in a bank or treasury branch will still be in force.

Section 12 of the Bill enacts a new section 24 and one change is to enable the Board to employ a firm of chartered accountants instead of individuals, if it desires, to make the annual audit. It also provides for "an audit" of the books, etc., instead of a "full and complete audit."

W. S. GRAY,  
*Legislative Counsel.*

*(This note does not form any part of the Bill but is offered in explanation of its provisions.)*

# BILL

No. 55 of 1947.

An Act to amend The Alberta Hail Insurance Act.

(Assented to , 1947.)

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

1. *The Alberta Hail Insurance Act*, being chapter 203 of the Revised Statutes of Alberta, 1942, is hereby amended as to section 5,—

- (a) by adding immediately after the word “real” where the same occurs in paragraph (b) thereof the words “and personal”;
- (b) by adding immediately after paragraph (f) thereof the following new paragraph:  
“(ff) to appoint a Manager and to prescribe his powers and duties and the terms and conditions of his employment;”;
- (c) by striking out the words “to employ such officers, adjusters, agents and servants as the Board deems necessary”, where the same occur in paragraph (g) thereof, and by substituting therefor the words “to employ such other officers and such adjusters, agents and servants as the Board deems necessary.”

2. The said Act is further amended by striking out sections 7 and 8 thereof and by substituting therefor the following:

“7. The Chairman shall preside at all meetings of the Board and shall have power to sign on behalf of the Board all orders made by the Board and to perform and do all acts and things authorized by the Board.

“8. The Board shall appoint one of the members of the Board as the Vice-Chairman of the Board and in the absence of the chairman the Vice-Chairman shall have all the powers, functions and duties which are by this Act or by the Board conferred upon the Chairman.”

3. The said Act is further amended as to section 11,—

- (a) by striking out subsection (1) thereof and by substituting therefor the following:

“11.—(1) The Board may from time to time prescribe the kind or kinds of policies which it will issue and the terms and conditions thereof.”;

- (b) by striking out paragraph (d) of subsection (2) thereof and by substituting therefor the following:

"(d) contain a partial payment of loss clause to the effect that the Board shall pay only an agreed portion of any loss which may be sustained or the percentage of the loss after deduction of a percentage specified in the policy in either case to be calculated as a percentage of the insurance and not exceeding the amount of the insurance, in which case there shall be printed or stamped upon the face of the policy in conspicuous type in red ink the words 'This policy contains a partial payment of loss clause';".

4. The said Act is further amended as to section 12,—

- (a) by striking out the words "authorized in writing for the purpose" where the same occur in the second and third lines of subsection (2) thereof;

- (b) by adding immediately after the word "Act", where the same occurs in subsection (6) thereof, the words "and in the application";

- (c) by striking out subsection (8) thereof and by substituting therefor the following:

"(8) No application shall be deemed to have been made unless and until the applicant has delivered to the Board or to a duly authorized agent of the Board the written application for insurance required by the provisions of this Act and, in the case of a first application in any year, has paid to the Board or to an authorized agent of the Board a sum of not less than five dollars or such greater amount as may from time to time be prescribed by the Board either generally or in respect of any specified class of application or in respect of any applications or class of applications with respect to crops in any specified area or areas and no first application in any year shall be accepted by the Board unless and until the applicant has paid the prescribed sum to the Board or to an authorized agent of the Board.";

- (d) by adding immediately after subsection (8) thereof the following new subsection:

"(9) When the legal description of the parcel or parcels of land as given in any application is incorrect and the applicant has no interest in the said parcel or parcels of land or any of them, and such application is accepted by the Board, the contract constituted thereby shall be valid and shall be read and construed as having reference to crops growing on lands owned by or in which the applicant has an interest provided always that the amount of insurance per acre shall not exceed the amount stated in the application and shall not exceed the amount



purchasable with respect to lands owned by or in which the applicant has an interest with the amount of premium mentioned in his application and provided further that no error or omission in the legal description of any parcel of land shall invalidate the contract."

5. The said Act is further amended as to section 15,—

(a) by striking out subsection (1) thereof and by substituting the following:

"15.—(1) When any crop in respect to which insurance has been effected under this Act is damaged to the extent of ten per cent or more, the applicant shall within three days after the date upon which the loss occurs send by registered mail in a prepaid cover addressed to The Alberta Hail Insurance Board, Calgary, Alberta, a notice of claim of loss in such form as may be prescribed by the Board."

(b) by adding immediately after subsection (3) thereof the following new subsection:

"(3a) When the claimant fails to furnish the name of a person as provided in subsection (3), it shall not be incumbent upon the Board or the adjuster to endeavour to secure the written concurrence of the claimant or of anyone on his behalf to the report of the Board's adjuster."

6. The said Act is further amended as to section 16,—

(a) by striking out subsection (1) thereof and by substituting therefor the following:

"16.—(1) Upon receipt of any claim in conformity with section 15, the Board shall cause an adjuster to inspect the crops to which the claim relates and the adjuster shall proceed to inspect the crops and to interview the claimant or in the absence of the claimant, his agent, if any, and thereafter shall report to the Board in writing the percentage of the damage and shall recommend to the Board the percentage of the insurance which in his opinion should be paid in respect of the damage or in the alternative, that the determination of the percentage of the damage and the amount payable in respect thereof be deferred to a later date."

(b) by striking out the words "the amount and extent of the damage", where the same occur in subsection (3) thereof, and by substituting therefor the words "the percentage of the damage";

(c) by striking out the words "as to the amount of the loss sustained by any claimant", where the same occur in subsection (6) thereof, and by substituting therefor the words "as to the percentage of the damage suffered by any claimant";

(d) by adding immediately at the end thereof the following new subsection:

"(7) The Board may in its discretion defer to a later date in the then current year the determination of the percentage of damage to any crop and the amount payable in respect thereof."

**7. The said Act is further amended as to section 17,—**

(a) by striking out the words "The amount payable in respect of any claim shall in no case exceed the amount set out in the accepted application as the maximum amount payable, nor shall the amount exceed an amount which represents the actual amount of the damage done by hail to the crop to which the application relates", where the same occur in the first six lines thereof, and by substituting therefor the words "The amount payable in respect of any claim shall, subject to the provisions of this Act and to any partial payment of loss clause and any provision for the deduction of a percentage of the loss contained in the policy, be the same percentage of the amount for which the crop damaged is insured as the percentage of damage by hail except only that when the percentage of damage is in excess of ninety per cent the percentage of damage shall be deemed to be one hundred per cent but in no case shall the amount payable exceed the amount set out in the accepted application";

(b) by striking out paragraph (c) thereof.

**8. The said Act is further amended as to section 19 by adding immediately at the end thereof the following new subsection:**

"(5) This section shall not be operative when and so long as the assets of the Board exceed its current and deferred liabilities by the sum of at least five hundred thousand dollars."

**9. The said Act is further amended by adding immediately after section 20 thereof the following new section:**

"20a. If in any fiscal year a surplus is realized, the Board may and is hereby empowered in its discretion to distribute such surplus or any portion thereof among applicants or classes of applicants for insurance during such fiscal year on such basis as the Board may from time to time determine."

**10. The said Act is further amended as to section 21 by adding immediately at the end thereof the following new subsection:**

"(2) This section shall not be operative when and so long as the assets of the Board exceed its current and deferred liabilities by the sum of at least five hundred thousand dollars."

**11.** The said Act is further amended by adding immediately after section 21 thereof the following new section:

**"21a.** Notwithstanding the provisions of subsection (5) of section 19 and subsection (2) of section 21 all sums received by the Board in respect of hail insurance undertaken by the Board shall at all times be deposited in a bank or treasury branch."

**12.** The said Act is further amended as to section 24 by striking out the same and by substituting therefor the following:

**"24.—(1)** The Board shall not later than the fifteenth day of May in each year appoint a chartered accountant or a firm of chartered accountants who or which shall have been first approved by the Minister as a suitable person or firm as auditor or auditors and the person or firm so appointed shall not at the time of appointment or so long as the appointment continues be employed by the Board in any other capacity.

**"(2)** The auditor shall proceed as soon as possible after the thirty-first day of March of each year to make an audit of the books, records and accounts of the Board for the year ended on the said thirty-first day of March and shall prepare and deliver to the Board and to the Minister a full and complete report of the audit."

**13.** This Act shall come into force on the day upon which it is assented to.



No. 55

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FOURTH SESSION  
TENTH LEGISLATURE  
11 GEORGE VI  
1947

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**BILL**

A Bill to amend The Alberta Hail  
Insurance Act

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Received and read the

First time .....

Second time .....

Third time .....

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HON. MR. MANNING.

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EDMONTON:  
A. Shnitka, King's Printer  
1947