

Bill No. 64 of 1950.

A BILL TO AMEND THE ALBERTA INSURANCE
ACT.

NOTE.

This Bill amends *The Alberta Insurance Act*, being chapter 201 of the Revised Statutes of Alberta, 1942.

Sections 99 and 105 are each amended. These two sections relate to valuation of contracts of life insurance and of annuity contracts. The effect of the amendments is to add references to more modern annuity tables which may be used for calculation of reserves under the Act. For purposes of these calculations interest is at an assumed rate not exceeding three and one-half per cent per annum.

Section 223 is struck out and a new section is substituted. This section at present limits the amount of insurance which may be placed on the life of a child. The amendment has the effect of increasing the amounts that may be carried. The Superintendents of Insurance of each of the provinces except Quebec have agreed on the proposed new section and a similar amendment will be introduced into the Legislatures of each of the provinces.

Section 371 is amended by the addition of a new subsection. The effect of this amendment is that in the case of a fraternal society a notice of the reduction of any benefit payable under a policy or of the increase of the premium payable shall be sent by registered post to the member affected rather than being given in the manner provided in the present section. This amendment has also been approved by the Superintendents of Insurance and will be introduced into the Legislatures of the other provinces.

The Bill provides that these amendments will come into force upon Proclamation so that the amendments can be made effective from the same date for all the provinces.

KENNETH A. MCKENZIE,
Acting Legislative Counsel.

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

BILL

No. 64 of 1950.

An Act to amend The Alberta Insurance Act.

(Assented to _____, 1950.)

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

1. *The Alberta Insurance Act*, being chapter 201 of the Revised Statutes of Alberta, 1942, is hereby amended as to section 99,—

- (a) by striking out the words “and on a rate of interest of three and one-half per cent per annum” and by substituting the words “with interest at an assumed rate not exceeding three and one-half per cent per annum”;
- (b) by striking out the words “with interest at three and one-half per cent per annum, for the valuation of contracts issued on and after January 1, 1929”, where they occur in the proviso and by substituting the words “or Canadian Men’s Table C^M (5) with interest at an assumed rate not exceeding three and one-half per cent per annum”.

2. The said Act is further amended as to section 105 by striking out the words “(male or female according to the sex of the nominee), with interest at three and one-half per cent per annum” and by substituting the words “or Standard Annuity Table, 1937 (male or female according to the sex of the nominee), with interest at an assumed rate not exceeding three and one-half per cent per annum”.

3. The said Act is further amended by striking out section 223 and by substituting the following:

“**223.**—(1) No insurer shall pay on the death of a child who has not attained the age of five years, an amount that alone or together with any amount payable on the death of the child by another insurer, exceeds the following amount:

- “\$ 200 if the child dies before attaining the age of 1 year;
- 400 if the child dies after attaining the age of 1 year but before attaining the age of 2 years;
- 600 if the child dies after attaining the age of 2 years but before attaining the age of 3 years;
- 800 if the child dies after attaining the age of 3 years but before attaining the age of 4 years;
- 1,000 if the child dies after attaining the age of 4 years but before attaining the age of 5 years.

“(2) Where the amount payable under a contract on the death of the child, either alone or together with an amount payable under any other contract previously made, is in excess of the maximum amount that may be paid under subsection (1), and the child dies before attaining the age of five years, the amount payable on death in excess of the amount specified in subsection (1) shall be limited to,—

“(a) the amount of any excess premiums paid under the contract; and

“(b) if the insurer has knowingly or without sufficient inquiry entered into the contract, interest at six per cent per annum on the excess premiums.

“(3) Every insurer that undertakes insurance on the lives of children who have not attained the age of five years shall print the scale of benefits set out in subsection (1) in conspicuous type upon every circular or advertisement soliciting the insurance, and upon every policy evidencing the insurance.

“(4) This section does not,—

“(a) apply to a contract under which the insured has a pecuniary interest in the life insured, or that limits the payment on the death of a child who has not attained the age of five years to the premiums that have been paid, with interest at the rate provided in the contract; or

“(b) preclude the payment of dividends or the repayment of premiums in addition to the amounts specified in subsection (1).”.

4. The said Act is further amended as to section 371,—

(a) by renumbering the same as subsection (1);

(b) by adding immediately at the beginning of subsection (1) the words “Subject to subsection (2),”;

(c) by adding immediately after subsection (1) the following new subsection:

“(2) A notice of the reduction of any benefit payable under a contract of insurance or of the increase of the premium payable thereunder shall be sent by registered post to the member at his last known place of abode or of business.”.

5. This Act shall come into force upon a date to be fixed by Proclamation of the Lieutenant Governor in Council.

THIRD SESSION
ELEVENTH LEGISLATURE

14 GEORGE VI

1950

BILL

An Act to amend The Alberta
Insurance Act.

Received and read the

First time

Second time

Third time

HON. MR. GERHART.
