

No. 134

1st Session, 15th Legislature, Alberta
12 Elizabeth II

BILL 134

A Bill respecting the Insurance of Crops

HON. MR. STROM

Explanatory Note

General. This Bill will incorporate the Alberta Crop Insurance Corporation with power to engage in crop insurance in the Province subject to the terms and conditions contained in the Bill.

2. Definitions.

3. Affairs of the corporation are to be conducted by a board appointed by the Lieutenant Governor in Council.

BILL

No. 134 of 1964

An Act respecting the Insurance of Crops

(Assented to _____, 1964)

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

1. This Act may be cited as "*The Alberta Crop Insurance Act*".

2. In this Act,

- (a) "corporation" means the Alberta Crop Insurance Corporation constituted under this Act;
- (b) "insurable crop" means wheat, oats, barley or any other agricultural crop declared by the regulations to be an insurable crop;
- (c) "insurable person" means an operator, landlord or tenant of a farm in Alberta who has an insurable interest in an insurable crop seeded or to be seeded thereon;
- (d) "Minister" means the Minister of Agriculture.

3. (1) A corporation is hereby established with the name of the Alberta Crop Insurance Corporation.

(2) The affairs of the corporation shall be conducted by a board of directors which shall consist of five persons appointed by the Lieutenant Governor in Council, each to hold office for three years or such shorter period as the Lieutenant Governor in Council may fix.

(3) The Lieutenant Governor in Council shall appoint one of the directors to be chairman of the board of directors and one of them to be vice-chairman of the board of directors, and, in the absence, or at the request of the chairman or in the event of his inability to act, the vice-chairman shall act as and has all the powers and authority of the chairman.

(4) Where one or more vacancies occur on the board, the remaining directors may exercise all the powers of the board so long as a quorum of the board remains in office.

4. Employment of general manager and other staff. . . .

5. General powers of the corporation.

(5) Any directors who are members of the public service of the Province shall serve without remuneration but the corporation may pay the other directors such remuneration as may be determined by the Lieutenant Governor in Council.

(6) The directors are entitled to be paid by the corporation reasonable travelling and living expenses while absent from their ordinary place of residence in the course of their duties.

(7) The corporation may make by-laws respecting the calling of meetings of the board and the quorum and conduct of business thereat, the duties and conduct of the directors, general manager, employees and agents and generally as to the conduct of the affairs of the corporation.

4. (1) Subject to the approval of the Lieutenant Governor in Council, the corporation shall appoint a general manager who shall act as the chief administrative officer of the corporation.

(2) The corporation may employ such other employees and agents as it considers necessary for the conduct of its business and determine the compensation to be paid to the general manager, employees and agents.

5. Subject to this Act and the regulations, the corporation may engage in the business of all risk crop insurance on insurable crops in the Province and for that purpose, and without restricting the generality of the foregoing, it may,

- (a) if in the opinion of the board sufficient actuarial data are available, insure insurable persons under any plan or plans of crop insurance prescribed by the board,
- (b) fix such rates for premiums for insurance in cash as the board considers sufficient to cover claims for losses of insured crops, having regard to the payments provided for in subsection (4) of section 6, and provide as expeditiously as possible a reasonable reserve against unforeseen losses,
- (c) enter into an agreement with any person providing for the soliciting and taking of applications for insurance under this Act and the collecting of premiums for such insurance, for or on behalf of the corporation, and the doing of such other things that the board considers necessary with respect to the carrying out of an all-risk insurance plan under this Act,
- (d) conduct research, surveys and investigations relating to crop insurance and assemble data for the purpose of establishing sound actuarial bases for crop insurance,

6. Financial affairs of corporation.

7. Crop insurance areas are to be established.

- (e) obtain and pay for the services, advice and assistance of such actuaries, accountants, economists, solicitors, engineers, surveyors, valuers and other professional or expert personnel that it considers necessary, and
- (f) re-insure the risk undertaken by it, or any portion thereof, with any other insurer.

6. (1) There is hereby established a fund to be known as the Crop Insurance Fund which shall be maintained by the corporation in an account in a chartered bank or treasury branch.

(2) All moneys received by the corporation shall be paid into the Fund and all moneys required to be paid by the corporation, including the cost of administering this Act, shall be paid out of the Fund.

(3) From the moneys appropriated by the Legislature for that purpose the Provincial Treasurer shall each year, on the requisition of the Minister, pay to the corporation an amount not exceeding one-half of the amount determined to be the cost of administering this Act in that year.

(4) The Provincial Treasurer, with the approval of the Lieutenant Governor in Council, and on the written requisition of the Minister, may advance out of the General Revenue Fund to the corporation from time to time for use as working capital such sums as may be stated in the requisition to a total amount not exceeding one million dollars.

(5) Any moneys in the Fund not immediately required for the purposes of the corporation may be invested in any securities in which a trustee may invest under *The Trustee Act*.

7. (1) The corporation, if satisfied that there is a general interest in the establishment of a plan of all-risk insurance in an area, may ascertain by the holding of public meetings or otherwise the wishes of the insurable persons in the area with respect to the type of contract to be offered by the corporation.

- (2) The corporation, if satisfied that in an area
 - (a) at least twenty-five per cent of the insurable persons in the area, or
 - (b) a group of persons owning a minimum of twenty-five per cent of the aggregate insurable acreage in the area,

are willing to enter into contracts with the corporation, may by an order declare a voluntary all-risk insurance plan to be in operation in the area the boundaries of which are to be determined by the order.

8. Conditions of contracts of insurance.

9. Application for insurance and payment of premium.

10. Powers of corporation to recover unpaid premiums.

8. (1) A contract entered into by the corporation is a continuous one and, subject to payment of the prescribed premium, shall be deemed to be in force from year to year unless terminated by either party giving notice in writing to the other party not later than the thirty-first day of January in any year.

(2) Notwithstanding subsection (1), if on or after the fifteenth day of April in any year participation in a crop insurance plan falls below the minimum mentioned in section 7, the corporation may thereupon by notice in writing terminate the existing contracts entered into under such plan and within thirty days refund the premiums paid or may terminate the contracts at the end of the current crop year.

9. (1) An insurable person whose land is situated in an area to which a crop insurance plan applies and who desires to obtain insurance under this Act shall apply to the corporation therefor in the prescribed form, and the application shall contain such information and details as may be prescribed in the regulations.

(2) With his application or subsequently, but in any case not later than the fifteenth day of June of the year in respect of which the contract is made, the insurable person shall pay the prescribed premium to the corporation either in cash or in such manner and in accordance with such terms and conditions as may be prescribed by the regulations.

10. (1) Where the total premium payable to the corporation in respect of any policy is not paid, the corporation has on and from the date of the policy or the date on which the amount is charged to the applicant, as the case may be, a lien upon all crops grown by the applicant, or in which he has an interest in the year for which the premium is payable, and in each of the next ensuing three years, for the amount of the unpaid premium, and such lien, subject only to *The Crop Liens Priorities Act* has priority over all other liens, encumbrances, claims and demands whatsoever.

(2) When the total premium payable to the corporation in respect of any policy is not paid, the corporation has a lien upon all amounts payable in respect of any claim for loss or damage to the insured crops under the policy upon or in respect of which the premium is unpaid, and upon all amounts payable in terms of any other policy in which the applicant has an interest, and the amount of the corporation's claim may at the discretion of the corporation be deducted from or offset against any amounts payable in terms of those policies, or any of them.

(3) Payment of the premium due to the corporation in respect of a policy is enforceable by seizure and sale of the crops and of other goods and chattels of the applicant to the same extent and in the same manner *mutatis mutandis* as is provided by *The Municipal District Act* for the recovery by distress of taxes owing to a municipal district.

(4) The seizure and sale referred to in subsection (3) may be made and carried out by any person designated in writing by the chairman or general manager of the corporation or by an appointee of the chairman or the general manager for the purpose.

(5) The charges chargeable in respect of such seizure and sale shall be those payable to a bailiff under *The Seizures Act*.

(6) Every person who is the grower of or entitled to any crop which is subject to a lien under subsection (1) who either by himself, his servant or agent directly or indirectly sells, ships or otherwise disposes of any such crop without having made due provision for the satisfying of the lien, or without the consent in writing of the corporation or of some person authorized by the corporation for that purpose is guilty of an offence and liable on summary conviction to a penalty which shall not be less than the aggregate of all sums owing by such person to the corporation as at the day upon which the offence occurred and shall not exceed the amount of such aggregate and the additional sum of one hundred dollars, together with costs, and in default of payment to imprisonment for a term of not more than one year.

(7) Every person who, having knowledge that any crop is subject to a lien under subsection (1), buys, sells, receives or disposes of any of that crop and does not apply the proceeds or value thereof in satisfying the lien upon it, is guilty of an offence and liable on summary conviction to a fine of not more than five hundred dollars and costs, and in default of payment to imprisonment for not more than three months.

(8) Any penalty imposed on any person under subsection (6) and paid shall, up to the aggregate of all sums owing by such person to the corporation, be paid to the corporation, and the balance shall be applied in accordance with *The Summary Convictions Act*.

(9) The taking of proceedings under subsections (6) and (7) or either of them does not prejudice or affect in any way the corporation's rights to recover moneys owing to it.

(10) Proceedings under subsection (6) or (7) shall be commenced within one year from the date on which the offence complained of occurs and not afterwards.

11. Offence and penalty.

12. Lieutenant Governor in Council may make regulations.

11. A person who furnishes any false information or who makes a false statement in any application, declaration or return made or given under this Act or the regulations, or who, by failing to complete or omitting information for any such application, declaration or return makes the application, declaration or return misleading, is guilty of an offence and liable on summary conviction to a fine of not more than five hundred dollars or to imprisonment for a term of not more than six months or to both such fine and imprisonment.

12. For the purpose of carrying out this Act according to its intent and of supplying any deficiency therein the Lieutenant Governor in Council may make regulations and without limiting the generality of the foregoing may make regulations

- (a) declaring any agricultural crop to be an insurable crop for the purposes of this Act,
- (b) defining the perils that are covered by all-risk crop insurance,
- (c) determining and prescribing the cases in which loss of an insured crop is to be deemed to have been beyond control or prevention,
- (d) determining the coverage with respect to any insurable crop in any area,
- (e) prescribing the basis for determining whether an insured person has suffered a loss and the amount of the loss against which he is insured by reference to the stage of the maturity of the crop, the actual yield and the long term average yield,
- (f) prescribing the manner of determining the actual yield of any insured crop,
- (g) prescribing the manner of calculating the long term average yield for any insurable crop in any area and determining such long term average yield,
- (h) prescribing the manner of determining the insurable acreage under any contract,
- (i) prescribing the proof that may be required in order to establish that a person is an insurable person,
- (j) prescribing the terms and conditions of payment and the manner of collection of premiums in respect of contracts,
- (k) prescribing the forms of contracts, which may be different for different areas,
- (l) prescribing the form of application for a contract,
- (m) prescribing the information and details to be set out in an application for a contract,
- (n) prescribing the form in which proof of loss shall be given and the information and details to be furnished therewith,

13. Annual audit by Provincial Auditor.

14. Application of The Alberta Insurance Act to contracts of the corporation.

15. Agreement with the Government of Canada.

- (o) prescribing the method of fixing the date of a loss where the exact date thereof is uncertain,
- (p) providing for the settlement of disputes arising out of the adjustment of losses and prescribing the manner of and the procedure for appointing arbitrators and conducting and carrying out arbitration proceedings,
- (q) prescribing the maximum insurance liability to be underwritten by the corporation in any year,
- (r) limiting or controlling the powers of the corporation under section 5, and
- (s) fixing a final date in each year for the execution of insurance contracts with the corporation.

13. (1) The Provincial Auditor or his nominee shall from time to time and at least once every year audit the books and accounts of the corporation.

(2) The corporation shall annually, after the end of each fiscal year, prepare a report of the activities of the corporation during that fiscal year, including an audited financial statement.

(3) The Minister shall lay a copy of the report before the Legislative Assembly within fifteen days after the commencement of the next ensuing session.

14. A contract entered into pursuant to this Act is not a contract of insurance within the meaning of *The Alberta Insurance Act*.

15. (1) The Government of Alberta, represented therein by the Minister, may, if so authorized by order of the Lieutenant Governor in Council, enter into an agreement with the Government of Canada pursuant to this Act and an Act of the Parliament of Canada enacted for the purpose, whereby the Government of Canada agrees to make contributions to the Fund for the purpose of

- (a) defraying such part of the cost of administering this Act as is stated in the agreement,
- (b) reimbursing the Fund for such part of the amounts paid from the Fund in satisfaction of claims of insured persons, as is stated in the agreement, and
- (c) the corporation refunding to the insured persons such part of the premiums paid by them under contracts as is stated in the agreement,

or for any of those purposes, and for any other purpose that may be stated in the Act of Parliament or in the agreement.

(2) An agreement made under subsection (1) shall contain a provision that unless sooner terminated it will continue while this Act as it may be amended from time to time, or any consolidation or revision thereof, remains in

16. Commencement of Act.

force and that the Government of Canada will not terminate it except on five years' notice in writing given to the Minister.

16. This Act comes into force on the day upon which it is assented to.

No. 134

FIRST SESSION
FIFTEENTH LEGISLATURE
12 ELIZABETH II
1964

BILL

An Act respecting the Insurance
of Crops

Received and read the

First time

Second time

Third time

HON. MR. STROM
