

1977 BILL 72

Third Session, 18th Legislature, 26 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 72

THE ALBERTA INSURANCE AMENDMENT ACT, 1977

MR. YOUNG

First Reading

Second Reading

Third Reading

Bill 72
Mr. Young

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1977

THE ALBERTA INSURANCE AMENDMENT ACT, 1977

(Assented to _____, 1977)

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

1 *The Alberta Insurance Act is amended by this Act.*

2 *Section 2 is amended .*

(a) *in clause 21 by adding “or an order made under section 517.1(11)” after “of the Legislature of Alberta”,*

(b) *in clause 55 by striking out “of the Province” and substituting “of Alberta or an order made under section 517.1(11)”,*

(c) *by adding after clause 58 the following:*

58.1 “special Act of the Legislature” means an Act of the Legislature of Alberta to incorporate an insurance company and includes an order made under section 517.1(11);

3 *Section 94(2) is amended*

(a) *by adding the following after clause (g1):*

(g2) the bonds, debentures or other evidences of indebtedness of a loan company designated as a mortgage investment company under the *Loan Companies Act* (Canada); or

(b) *by adding the following after clause (11):*

(12) the shares of the capital stock of a loan company designated as a mortgage investment company under the *Loan Companies Act* (Canada); or

Explanatory Notes

1 This Bill will amend chapter 187 of the Revised Statutes of Alberta 1970.

2 Defines “special Act of the Legislature”. Section 2(21) and (55) presently read:

2. In this Act, except where inconsistent with the interpretation sections of any Part:

21. “extra-provincial company” means a company incorporated or legally constituted, otherwise than by or under any Act of the Legislature of Alberta, but does not include a Canadian registered company;

55. “provincial company” means a company incorporated by or under an Act of the Legislature of the Province;

3 Additional powers of investment for an Alberta-incorporated insurance company.

4 *Section 191(3) is amended*

(a) *in clause (b) by striking out “and”, and*

(b) *by adding the following after clause (b):*

(b.1) creating a class of insurance that may include one or more classes of insurance that are defined in section 2, and

5 *Section 289(1) is amended by striking out “section 309, subsection (2) or section 311” and substituting “section 311, 312”.*

6 *Section 298 is repealed and the following is substituted:*

298 Subject to the limitations and exclusions of the endorsement, the insurer may provide by endorsement to a contract evidenced by a motor vehicle liability policy that it shall not be liable for loss or damage resulting from the ownership, use or operation of any machinery or apparatus mounted on or attached to the automobile, including its equipment, while that automobile is at the site of the use or operation of that machinery or apparatus.

7 *Section 300 is amended*

(a) *by repealing subsection (1) and substituting the following:*

300(1) Every contract evidenced by a motor vehicle liability policy issued or renewed on or after July 1, 1978 insures, in respect of any one accident, to the limit of not less than \$100 000 exclusive of interest and costs, against liability resulting from bodily injury to or the death of one or more persons and loss of or damage to property.

(b) *in subsection (2)(a) by striking out “\$45,000” and substituting “\$95 000”, and*

4 Section 191 (3) presently reads:

(3) The Lieutenant Governor in Council may make regulations

(a) altering or amending the scale of fees or taxes provided for in Schedule A,

(b) extending the provisions of this Act or any of them to a system or class of insurance not particularly mentioned in this Act, and

(c) generally for the better administration of this Act.

Allows for the creation of a class of insurance that may include classes of insurance defined in section 2.

5 Section 289(1) presently reads:

289. (1) Except as otherwise provided in the contract, the statutory conditions set forth in section 288 do not apply to insurance coming within section 309, subsection (2) or section 311 or 313.

Prevents the owner of a motor vehicle that is damaged while being driven or operated in breach of the statutory conditions from claiming those damages from his insurer and makes the statutory conditions inapplicable to medical expenses coverage.

6 Section 298 presently reads:

298. Subject to the limitations and exclusions of the endorsement, the insurer may provide by endorsement to a contract evidenced by a motor vehicle liability policy, in either or both of the following cases, that it shall not be liable for loss or damage:

(a) resulting from bodily injury to or the death of any person being carried in or upon or entering or getting on to or alighting from the automobile;

(b) resulting from the ownership, use or operation of any machinery or apparatus, including its equipment, mounted on or attached to the automobile while such automobile is at the site of the use or operation of that machinery or apparatus.

The deletion of the former clause (a) prevents an insurer from excluding, by an endorsement, its liability toward a gratuitous passenger. This amendment will come into force on Proclamation.

7 Section 300(1), (2) and (3) presently read:

300. (1) Every contract evidenced by a motor vehicle liability policy issued or renewed on or after January 1, 1974 insures, in respect of any one accident, to the limit of at least \$50,000 exclusive of interest and costs, against liability resulting from bodily injury to or the death of one or more persons and loss of or damage to property.

(2) The contract shall be interpreted to mean that where, by reason of any one accident, liability results from bodily injury or death and from loss of or damage to property,

(a) claims against the insured arising out of bodily injury or death have priority to the extent of \$45,000 over claims arising out of loss of or damage to property, and

(b) claims against the insured arising out of loss of or damage to property have priority to the extent of \$5,000 over claims arising out of bodily injury or death.

(c) in subsection (3) by striking out “\$45,000” wherever it occurs and substituting “\$100 000”.

8 Section 300.1 is amended

(a) by repealing subsection (2) and substituting the following:

(2) The insurer shall pay death benefits upon the death of an insured person based on the age and status of the deceased insured person at the date of the accident in a household where the head of the household or the spouse or dependent relative of the deceased survive (in this section called the “principal sum”) in accordance with the following table:

<i>Age of Deceased at Date of Accident</i>	<i>Head of Household</i>	<i>Spouse In Two Parent Household</i>	<i>Dependent Relative</i>
Up to age 4 years	\$	\$	\$ 500
5 to 9 years			1000
10 to 17 years	5000	5000	1500
18 to 64 years	5000	5000	1000
65 to 69 years	5000	5000	1000
70 years and over	5000	5000	500

(b) in subsection (5) by striking out “\$500” and substituting “\$1000”;

(c) by repealing subsection (6) and substituting the following:

(6) In the event of the total disability of an insured person, the insurer shall pay, except for the first 7 days, a weekly benefit of 80% of the gross weekly earnings of the insured person, to a maximum of \$105 a week and a minimum of \$40 a week, for a period of 104 weeks or until the injury ceases to be a total disability, whichever period is shorter, if

(a) the insured person was employed at the date of the accident, and

(b) the total disability prevents him from performing every duty pertaining to his occupation or employment.

(3) *The insurer may, instead of specifying a limit in the policy for an inclusive amount, specify a limit of liability of at least \$45,000, exclusive of interest and costs, against liability resulting from bodily injury to or the death of one or more persons and a limit of liability of at least \$45,000, exclusive of interest and costs, against liability for loss of or damage to property.*

This amendment will come into force on July 1, 1978.

8 Section 300.1(2), (5), (6) and (10) presently read:

(2) *The insurer shall pay death benefits upon the death of an insured person based on the age and status of the deceased insured person at the date of the accident in a household where the spouse or dependent relative of the deceased survive (hereinafter called "the principal sum") in accordance with the following table:*

<i>Age of Deceased at Date of Accident</i>	<i>Status of Deceased at date of Accident</i>		
	<i>Head of Household</i>	<i>Spouse in Two Parent</i>	<i>Dependent Relative</i>
Up to age 4 years	\$	\$	\$ 500
5 to 9 years			1,000
10 to 17 years	5,000	2,500	1,500
18 to 64 years	5,000	2,500	1,000
65 to 69 years	3,000	1,500	1,000
70 years and over	2,000	1,000	500

(5) *The insurer shall pay actual funeral costs up to a maximum of \$500 in respect of the death of each insured person as a result of an automobile accident.*

(6) *In the event of total disability of an insured person, the insurer shall pay, except for the first seven days,*

(a) *\$50 per week if 80 per cent of the insured person's gross earnings are more than \$50, or*

(b) *\$40 per week if 80 per cent of the insured person's gross earnings are less than \$40 per week, or*

(c) *where 80 per cent of the insured person's gross earnings are between \$40 and \$50 per week, then that sum*

for a period of 104 weeks or until the injury ceases to be a total disability, whichever period is the shorter, provided that

(d) *the insured person was employed at the date of the accident, and*

(e) *the total disability prevents him from performing every duty pertaining to his occupation or employment.*

(10) *In this section "survivor" means spouse and dependent relatives.*

This amendment will come into force on July 1, 1978.

(d) by repealing subsection (10) and substituting the following:

(10) In this section,

(a) “common law spouse” means any man or woman who although not legally married to a person lives and cohabits with that person as the spouse of that person and is known as such in the community in which they have lived;

(b) “survivor” means spouse or dependent relative.

(11) Where a deceased insured leaves no surviving spouse and it is established to the satisfaction of a court that

(a) for the 5-year period immediately preceding his death the deceased insured cohabited with a common law spouse, or

(b) for the 2-year period immediately preceding his death the deceased insured cohabited with a common law spouse by whom he had one or more children,

the benefits to which a spouse would have been entitled under this section shall be paid to that common law spouse.

9 *Section 306 is amended*

(a) by repealing subsection (9) and substituting the following:

(9) Notwithstanding anything contained therein to the contrary, every contract evidenced by a motor vehicle liability policy shall, for the purposes of this section, be deemed to provide all the types of coverage mentioned in section 299, but the insurer is not liable to a claimant with respect to the coverage in excess of the limits mentioned in section 300.

(b) in subsection (12) by striking out “of the type mentioned in section 298, clause (a) in respect of an automobile” and substituting “for loss or damage resulting from bodily injury to or the death of any person being carried in or upon or entering or getting on to or alighting from an automobile that is”.

9 Section 306(9) and (12) presently read:

(9) Notwithstanding anything contained therein to the contrary, every contract evidenced by a motor vehicle liability policy shall, for the purposes of this section, be deemed to provide all the types of coverage mentioned in section 299, but the insurer is not liable to a claimant,

(a) where the claim results from bodily injury to or the death of any person being carried in or upon or entering or getting on to or alighting from the automobile, or

(b) with respect to such coverage in excess of the limits mentioned in section 300.

(12) Where a contract provides coverage of the type mentioned in section 298, clause (a) in respect of an automobile operated in the business of carrying passengers for compensation or hire and insured for that purpose, the insurer may, notwithstanding subsection (4),

(a) with respect to that type of coverage in excess of the limits mentioned in section 300 or the minimum limits required for that type of coverage under any other Act, whichever is the greater amount, and

(b) as against a claimant,

avail itself of any defence that it is entitled to set up against the insured other than a defence arising out of a breach of statutory condition 2 set forth in section 288.

10 *The following is added after section 327:*

327.1 (1) In this section,

(a) “original maximum benefit period” means, in relation to a contract of group insurance, the maximum period provided under the contract for the payment of any benefit payable under the contract in respect of loss of income;

(b) “prescribed time period” means, in relation to a contract of group insurance, a continuous period of 6 months following the termination of the contract or a benefit provision in the contract or such longer continuous period as may be provided in the contract instead of the 6-month period.

(2) Where a contract of group insurance or a benefit provision in a contract of group insurance is terminated, the insurer continues, as though the contract or benefit provision had remained in full force and effect, to be liable to or in respect of any group person insured under the contract to pay benefits under the contract relating to

(a) loss of income because of disability,

(b) death, or

(c) dismemberment,

arising from an accident or sickness that occurred before the termination of the contract or benefit provision, if the disability, death or dismemberment is reported to the insurer within the prescribed time period.

(3) Notwithstanding subsection (2), an insurer does not remain liable, under a contract or benefit provision described in that subsection, to pay a benefit for loss of income for the recurrence, after the termination of that contract or benefit provision, of a disability that recurs after a continuous period of 6 months, or such longer period as is provided in the contract, during which the group person insured was not disabled.

(4) An insurer who is liable under subsection (2) to pay a benefit for loss of income as a result of the disability of a group person insured is not liable to pay benefits for any period longer than the period remaining of the original maximum benefit period in respect of the disability of the group person insured.

The first amendment provides for liability of insurers for the protection of gratuitous passengers on the same basis as other third party claimants. The second amendment is consequential to the amendment to section 298.

10 Termination and replacement of group accident and sickness policies.

(5) Where a contract of group insurance (in this section called the "replacement contract") is entered into within 31 days of the termination of another contract of group insurance (in this section called the "other contract") and insures the same group or part of the group insured under the other contract,

(a) the replacement contract shall provide or shall be deemed to provide that any person who was insured under the other contract at the time of its termination is insured under the replacement contract from and after the termination of the other contract if

(i) the insurance on that person under the other contract terminated solely by reason of the termination of the other contract, and

(ii) the person is a member of a class eligible for insurance under the replacement contract,

(b) every person who was insured under the other contract and who is insured under the replacement contract is entitled to receive credit for satisfaction of any deductible earned before the effective date of the replacement contract, and

(c) no person who was insured under the other contract shall be excluded from eligibility under the replacement contract solely because of not being actively at work on the effective date of the replacement contract,

but if the replacement contract provides that the full benefits required to be paid pursuant to subsection (2) by the insurer of the other contract are to be paid instead under the replacement contract, the insurer of the other contract is not liable to pay those benefits.

11 Section 485 is amended by adding after subsection (3) the following:

(4) An application under subsection (1) shall be accompanied by proof satisfactory to the Superintendent of the existence of an insurance policy issued by an insurer licensed under this Act covering the applicant's responsibility for his errors and omissions in performing his duties as an insurance agent in the form, upon the terms and for not less than the amount prescribed by the Superintendent.

(5) The Lieutenant Governor in Council may, by regulation, exempt any class or group of insurance agents from the operation of subsection (4).

11 Insurance agents to carry errors and omissions insurance. This amendment will come into force on Proclamation.

12 Section 486(1) is amended by striking out “and payment” and substituting “accompanied by proof of the existence of an insurance policy as required under section 485(4) and upon payment”.

13 Section 489(2), (3) and (4) is repealed and the following is substituted:

(2) When the agency contract between an insurance agent holding a certificate of authority to write other than life insurance and the insurer who recommended the granting of his certificate of authority is terminated, the certificate of authority of the insurance agent is suspended and the insurer shall immediately notify the Superintendent of the termination, giving the reasons for it.

(3) A certificate of authority that is suspended under subsection (2) is, subject to the approval of the Superintendent, reinstated upon the filing of a notice of a new agency contract with another insurer who has recommended in writing the reinstatement of the certificate and upon the payment of the fee prescribed in Schedule A.

14 The following is added after section 489:

489.1(1) No person holding a certificate of authority to write life insurance shall

(a) subject to subsection (3), act as an agent for more than one insurer dealing in life insurance, or

(b) represent himself to the public by advertisement or otherwise that he is the agent of more than one insurer dealing in life insurance.

(2) The certificate of authority of a life insurance agent shall state the name of the insurer for whom he is an agent.

(3) If a person holding a certificate of authority to write life insurance is unable to negotiate life insurance on behalf of an applicant with the insurer for whom he is an agent, he may obtain the life insurance from another insurer if that other insurer obtains, in each case, the consent in writing of the insurer for whom that person is an agent and files a copy of that consent with the Superintendent.

12 Section 486(1) presently reads:

486(1) Upon receipt of an application for a certificate of authority and payment of the prescribed fee the Superintendent may, if he is satisfied that the applicant is a suitable person to receive a certificate of authority, issue to the applicant a certificate of authority authorizing the holder during the term thereof to carry on within the Province the business of insurance in the class stipulated in his certificate.

Consequential to the amendment to section 485. This amendment will come into force on Proclamation.

13 Section 489(2), (3) and (4) presently read:

(2) Where an individual holding a certificate of authority to write life insurance has his contract with the insurer terminated, notice in writing shall forthwith be given by the insurer to the Superintendent of the termination, with the reasons therefor, and thereupon the licence is ipso facto suspended, but the certificate may be revived, subject to the approval of the Superintendent, upon filing notice of a new agency appointment and upon payment of a fee of \$2.

(3) No life insurance agent shall be licensed to act as agent for more than one insurer transacting life insurance, and the name of such insurer shall be specified in the licence, and no such agent shall represent himself to the public by advertisement or otherwise as the agent of more than one such insurer; but where such an agent is unable to negotiate insurance on behalf of an applicant for insurance with the insurer for which he is the authorized agent, the agent may procure the insurance from another insurer if the other insurer obtains in each case the consent in writing of the insurer for which the agent is the authorized agent, and files a copy of the consent with the Superintendent.

(4) Where an insurance agency other than a life insurance agency is terminated the insurer sponsoring that agent's application shall forthwith give notice in writing to the Superintendent of the termination and the reasons therefor.

14 Provides for multi-company representation by life insurance agents.

(4) Subsections (1), (2) and (3) do not apply to a person who has held a certificate of authority to write life insurance for at least 2 years, but the certificate of authority of that person to write life insurance or any renewal of it shall state the name of the insurer who recommended the granting of the certificate of authority or renewal.

(5) When the agency contract between an insurance agent holding a certificate of authority to write life insurance and the insurer who recommended the granting of his certificate of authority is terminated, the certificate of authority of the insurance agent is suspended and the insurer shall immediately notify the Superintendent of the termination, giving the reasons for it.

(6) A certificate of authority that is suspended under subsection (5) is, subject to the approval of the Superintendent, reinstated upon the filing of a notice of a new agency contract with another insurer who has recommended in writing the reinstatement of the certificate and upon the payment of the fee prescribed in Schedule A.

15 Sections 513 and 514 are repealed and the following is substituted:

513(1) If the Superintendent

(a) refuses an application for a certificate of authority or licence to act as an agent, adjuster or broker, or

(b) suspends or revokes a certification of authority or licence of an agent, adjuster or broker,

he shall notify the applicant or the agent, adjuster or broker in writing of the refusal, suspension or revocation, stating his reasons for it.

(2) An applicant who has been refused a certificate of authority or licence to act as an agent, adjuster or broker by the Superintendent or an agent, adjuster or broker whose certificate of authority or licence has been suspended or revoked by the Superintendent may appeal the refusal, suspension or revocation by serving the Minister with a notice of appeal within 30 days of being notified in writing of the refusal, suspension or revocation.

(3) The Minister shall, within 30 days of being served with a notice of appeal under subsection (2), appoint an appeal board to hear the appeal.

(4) The Minister may set the time within which an appeal board is to hear an appeal and render a decision and may extend that time.

15 Sections 513 and 514 presently read:

513(1) If the Superintendent refuses, suspends, or revokes a certificate or licence applied for by or issued to a broker, agent or adjuster he shall state in writing his reasons therefor.

(2) Any person who deems himself aggrieved by the decision of the Superintendent may appeal therefrom to the Minister.

(3) In the case of an appeal the decision of the Superintendent does not take effect until after the hearing and disposition thereof by the Minister.

514(1) In deciding an appeal under section 513, subsection (2) the Minister may in any case where he considers it proper appoint an advisory board before which a hearing shall be held.

(2) An advisory board shall consist of

(a) a chairman who shall not be the Superintendent or his representative or a person licensed under this Act, and

(b) not less than two and not more than four other persons who shall be persons licensed under this Act.

(3) When the Minister receives a report from an advisory board appointed pursuant to subsection (2) he shall

(a) decide, taking the report into consideration, whether or not the licence should be granted, suspended, cancelled or reinstated, as the case may be, and

(b) direct the Superintendent to act accordingly.

(4) The Minister may pay to members of the advisory board such fees as may be approved by regulation together with such reasonable travelling and other expenses as he considers proper.

(5) A suspension or revocation by the Superintendent that is appealed under subsection (2) does not take effect until after the hearing and disposition of the appeal by the appeal board.

(6) An appeal board that hears an appeal under this section may, by order, either

- (a) confirm the refusal, suspension or cancellation,
- (b) order that the certificate of authority or licence be issued,
- (c) cancel the revocation of the certificate of authority or licence or substitute a period of suspension, or
- (d) cancel or vary the suspension.

(7) An appeal board appointed under this section shall consist of the following members:

- (a) a person (who is not the Superintendent, a representative of the Superintendent or a person who holds a certificate of authority or is licensed under this Act) who is designated as chairman of the appeal board by the Minister, and
- (b) not less than 2 or more than 4 other persons who hold a certificate of authority or are licensed under this Act.

(8) The Minister may pay those fees and reasonable living and travelling expenses that he considers proper to the members of an appeal board.

(9) A person whose appeal is heard by an appeal board, or the Superintendent, may appeal the decision of the appeal board by filing an originating notice with a court within 30 days of being notified in writing of the decision, and the court may make any order that an appeal board may make under subsection (6).

16 The following is added after section 525:

525.1(1) Notwithstanding anything in this Part, where an agreement for reinsurance, transfer or purchase has been entered into by 2 or more Canadian registered companies, the insurers that are parties to the agreement shall file with the Superintendent a certified copy of it setting forth in full its terms and conditions.

(2) An agreement referred to in subsection (1) does not affect contracts of insurance in force in Alberta until it has been approved in writing by the Superintendent.

16 Agreement by Canadian registered companies.

(3) The Superintendent may, where he has approved an agreement under this section, require that the insurer who is reinsuring, transferring or selling his business notify, in a form and manner satisfactory to the Superintendent, those of the insurer's policyholders who are affected by the agreement.

17 The following is added before Part 18:

PART 17.1

UNFAIR INSURANCE PRACTICES

525.2 In this Part,

- (a) "person" means a person engaged in the business of insurance who is licensed or holds a certificate of authority under this Act and includes a member, officer, agent or employee of that person;
- (b) "unfair insurance practice" means
 - (i) the commission of an act prohibited by this Act or the regulations,
 - (ii) an unfair discrimination between individuals of the same class and of the same expectation of life, in the amount, payment or return of premiums or rates charged for contracts of life insurance or annuity contracts, in the dividends or other benefits payable under those contracts or in the terms and conditions of those contracts,
 - (iii) an unfair discrimination in a rate or schedule of rates between risks in Alberta of essentially the same physical hazard in the same territorial classification,
 - (iv) the publication or distribution of an illustration, circular, memorandum or statement that misrepresents, or by omission is so incomplete that it misrepresents, the terms, benefits or advantages of a policy or contract of insurance issued or to be issued,

17 Prohibits unfair insurance practices and provides for the enforcement of those prohibitions. This Part will come into force on Proclamation.

(v) the making, publication or distribution of a false or misleading statement as to the terms, benefits or advantages of a contract or policy of insurance issued or to be issued,

(vi) the making, publication or distribution of an incomplete comparison of a policy or contract of insurance with that of another insurer for the purpose of inducing, or that induces, an insured to lapse, forfeit or surrender a policy or contract,

(vii) a payment, allowance or gift, or an offer to pay, allow or give, directly or indirectly, any money or thing of value as an inducement to a prospective insured to insure, or

(viii) a consistent practice or conduct that results in an unreasonable delay or resistance to the fair adjustment or settlement of claims.

525.21 The Lieutenant Governor in Council may make regulations defining a word or expression used in this Part.

525.3 No person shall engage in an unfair insurance practice.

525.4(1) Where the Superintendent is of the opinion that a person is engaging or has engaged in an unfair insurance practice he may, by order, do any one or more of the following:

(a) suspend or cancel the certificate of authority or licence of that person;

(b) direct that person to stop engaging in the unfair insurance practice specified in the order;

(c) prescribe the conditions that must be complied with by that person prior to the reinstatement of the certificate of authority or licence.

(2) Subject to section 525.5, an order shall not be made under subsection (1) unless the person to be named in the order

(a) has been served with written notice issued by the Superintendent setting out the Superintendent's intention to make the order and the reasons for it, and

(b) has been given an opportunity to have a hearing before the Superintendent.

525.5(1) Where the Superintendent considers it in the public interest to do so, he may make an interim order under section 525.4(1) prior to the person named in the order being served with a notice or being given an opportunity to have a hearing under section 525.4(2)(b).

- (2) An interim order remains in force until
 - (a) the expiration of a period of 15 days from the date of making the order, or
 - (b) the person named in the order has been given an opportunity to have a hearing under section 525.4(2)(b),

whichever occurs first.

- (3) Notwithstanding subsection (2), a person named in an interim order may consent to that order remaining in force for a period longer than 15 days, and upon that consent the order remains in force for the period specified in the consent.

525.6(1) A person named in an order under section 525.4(1), other than an interim order, may appeal the order by serving the Minister with a notice of appeal within 30 days of being served with the order.

- (2) The Minister shall, within 30 days of being served with a notice of appeal under subsection (1), appoint an appeal board to hear the appeal.

- (3) The Minister may set the time within which an appeal board is to hear an appeal and render a decision and may extend that time.

- (4) An appeal board that hears an appeal under this section may, by order, confirm, vary or rescind the order of the Superintendent.

- (5) An appeal board appointed under this section shall consist of the following members:

- (a) a person (who is not the Superintendent, a representative of the Superintendent or an individual who holds a certificate of authority or is licensed under this Act) who is designated as chairman of the appeal board by the Minister, and

- (b) not less than 2 or more than 4 other individuals who hold a certificate of authority or are licensed under this Act or who are authorized representatives of insurers licensed under this Act.

(6) The Minister may pay those fees and reasonable living and travelling expenses that he considers proper to the members of an appeal board.

(7) A person whose appeal is heard by an appeal board, or the Superintendent, may appeal the decision of the appeal board by filing an originating notice with a court within 30 days of being notified in writing of the decision, and the court may make any order that an appeal board may make under subsection (4).

525.7 An order made or notice issued under this Part shall be served upon the persons named in the order by

(a) personal service, or

(b) by registered mail sent to the last address of that person shown on the records of the Superintendent.

525.8 Any person who contravenes an order made under this Part is guilty of an offence and liable on summary conviction to a fine of not more than \$1000 and in the case of a continuing offence, to a further fine of not more than \$100 for each day during which the offence continues after the first day or part of a day.

525.9 If a person fails to comply with an order made under this Part, the Superintendent may apply to a court for an order requiring that person to comply with the order.

18(1) This Act, except sections 6, 7, 8, 11, 12 and 17, comes into force on the day upon which it is assented to.

(2) Sections 7 and 8 come into force on July 1, 1978.

(3) Sections 6, 11, 12 and 17 come into force on a date or dates to be fixed by Proclamation.

