

1984 BILL 21

Second Session, 20th Legislature, 33 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 21

INSURANCE AMENDMENT ACT, 1984

THE MINISTER OF CONSUMER AND CORPORATE AFFAIRS

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 21

1984

INSURANCE AMENDMENT ACT, 1984

(Assented to _____, 1984)

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

- 1 *The Insurance Act is amended by this Act.*
- 2 *Section 22 is amended by adding the following after clause (a):*
 - (a.1) respecting the experience, training, education and examination of an applicant required for the issuance of a certificate of authority or an adjuster's certificate;
 - (a.2) respecting the terms and conditions to be included in a certificate of authority or an adjuster's certificate;

- 3 *The following is added after section 47:*

47.1(1) In this section, "insurance company" means

 - (a) an insurer, and
 - (b) a Lloyd's association

but does not include a fraternal society.

(2) If an insurance company

 - (a) neglects or refuses to make a return under the *Insurance Corporations Tax Act* within the time prescribed by that Act,

Explanatory Notes

- 1** This Bill will amend chapter I-5 of the Revised Statutes of Alberta 1980.
- 2** Section 22 presently reads:
 - 22 *The Lieutenant Governor in Council may make regulations*
 - (a) *prescribing fees payable under this Act;*
 - (b) *prescribing forms for use under this Act;*
 - (c) *extending the provisions of this Act, or any of them, to a system or class of insurance not particularly mentioned in this Act;*
 - (d) *creating a class of insurance that may include one or more classes of insurance that are defined in section 1;*
 - (e) *prescribing the method of valuation of securities owned by provincial companies for the purposes of section 99;*
 - (f) *prescribing the maximum amount that a company may invest in any class of investments for a segregated fund under section 107;*
 - (g) *respecting the form and content of an information circular for the purposes of section 161;*
 - (h) *prescribing the form and content of reports required to be filed under sections 167 and 168 and respecting any other matter necessary or advisable to carry out the intent and purpose of those sections;*
 - (i) *generally for the better administration of this Act.*
- 3** Cancellation for not providing required information.

(b) neglects or refuses to furnish to the Provincial Treasurer any further statement or any other information required under the *Insurance Corporations Tax Act* after making the return, or

(c) makes a return and furnishes the further statement or other information, but it is found by the commissioners referred to in section 8 of the *Insurance Corporations Tax Act* that the amount on which the tax should be paid has been wilfully understated,

the Minister may, in addition to any other penalties imposed under the *Insurance Corporations Tax Act*, order the cancellation of the licence, certificate of registration or other document of incorporation under which the company transacts business in Alberta, whereupon the licence, certificate of registration or other document is absolutely revoked and becomes void for all purposes.

4 *Section 512 is amended*

(a) *in subsection (1)*

(i) *by striking out* “is a suitable person to receive a certificate of authority” *and substituting* “meets the requirements of the Act and the regulations”;

(ii) *by adding* “and under the terms and conditions stipulated therein” *after* “in his certificate”;

(b) *in subsection (2) by striking out* “is not for any reason a suitable person to receive a certificate of authority” *and substituting* “does not meet the requirements of this Act and the regulations”.

5 *Section 531 is repealed and the following substituted:*

531(1) An application for an adjuster’s certificate shall be in the form prescribed by the Superintendent and approved by an authorized officer of an insurer licensed under this Act.

(2) On receipt of an application for an adjuster’s certificate and payment of the prescribed fee, the Superintendent may, if he is satisfied that the applicant meets the requirements of this Act and the regulations, issue to the applicant an adjuster’s certificate authorizing the holder during the term thereof to act as an adjuster within Alberta in the class stipulated in his certificate and under the terms and conditions stipulated therein.

(3) If the Superintendent, after due investigation, is of the opinion that an applicant does not meet the requirements of this Act and the regulations, he may in his discretion refuse a certificate to the applicant.

6 *Section 11 of the Insurance Corporations Tax Act is repealed.*

4 Section 512 presently reads:

512(1) On 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 Alberta the business of insurance in the class stipulated in his certificate.

(2) If the Superintendent, after due investigation, is of the opinion that an applicant is not for any reason a suitable person to receive a certificate of authority, he may in his discretion refuse a certificate of authority to the applicant.

5 Section 531 presently reads:

531(1) An adjuster's certificate may be issued to any person applying therefor on a form prescribed by the Superintendent and on payment of the prescribed fee.

(2) An application shall be approved by an insurer licensed under this Act and by the Superintendent.

6 Section 11 presently reads:

11 If any insurance company

(a) neglects or refuses to make a return within the time prescribed by this Act,

7 Sections 4 and 5 come into force on Proclamation.

In accordance with section 4(1) of the Interpretation Act, this Bill, except sections 4 and 5, comes into force on the date it receives Royal Assent.

(b) neglects or refuses to furnish to the Minister any further statement or other information required after making the return, or

(c) makes a return and furnishes the further statement or other information, but it is found by the commissioners that the return or statement made by the insurance company is glaringly inaccurate and that the amount on which the tax should be paid has been wilfully understated,

the Minister may, in addition to subjecting the insurance company to the penalties provided in this Act, order the cancellation of the licence, certificate of registration or other document of incorporation under which the insurance company transacts business in Alberta, whereupon the licence, certificate of registration or other document is absolutely revoked and becomes void for all purposes.