

1985 BILL 49

Third Session, 20th Legislature, 34 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 49

INSURANCE AMENDMENT ACT, 1985

MR. ANDERSON

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

Bill 49
Mr. Anderson

BILL 49

1985

INSURANCE AMENDMENT ACT, 1985

(Assented to _____, 1985)

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2 *Section 21 is repealed and the following is substituted:*

21(1) The Superintendent shall deliver to the insurer affected by his ruling as to the admissibility of any asset not allowed by him or as to any item or amount added to liabilities, or as to any correction or alteration made by him in any statement, a copy of the ruling and of the reasons for the ruling.

(2) The insurer may appeal against the Superintendent's ruling by serving the Minister with a notice of appeal within 30 days after delivery of the copy required by subsection (1).

(3) The ruling of the Superintendent is binding on the insurer unless the insurer files an appeal in accordance with subsection (2), in which case the ruling is stayed pending the disposal of the appeal or appeals under this section.

(4) 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.

(5) The appeal board shall consist of

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

(b) not fewer than 2 nor more than 4 other persons who, in the opinion of the Minister, are suitably experienced and qualified in the field of accountancy, actuarial practice, appraisements or any other field of expertise which is of value in an appeal under this section, or who are licensed under this Act.

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

Explanatory Notes

1 This Bill will amend chapter I-5 of the Revised Statutes of Alberta 1980.

2 Section 21 presently reads:

21(1) An appeal from the ruling of the Superintendent as to the admissibility of any asset not allowed by him, or as to any item or amount added to liabilities, or as to any correction or alteration made in any statement, lies in a summary manner to the Lieutenant Governor in Council, who has power to make all necessary rules for the conduct of appeals under this section.

(2) For the purpose of an appeal the Superintendent shall, at the request of the insurer interested, give a certificate in writing setting out the ruling appealed from and the reasons therefor.

(3) The ruling of the Superintendent is binding on the insurer unless the insurer within 15 days after notice of the ruling serves on the Superintendent notice of its intention to appeal therefrom, setting out the grounds of appeal, and within 15 days thereafter files its appeal with the Lieutenant Governor in Council and with due diligence prosecutes the appeal, in which case action on the ruling shall be suspended until the Lieutenant Governor in Council has rendered judgment thereon.

(7) An appeal board that hears an appeal under this section may order that the ruling of the Superintendent be confirmed or order the Superintendent

- (a) to allow assets not allowed by him,
- (b) to delete any item or amount added by him to liabilities, or
- (c) to cancel any correction or alteration made by him in any statement.

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

(9) The insurer or the Superintendent may appeal the decision of the appeal board by filing an originating notice with the 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 (7).

3 Section 215 is repealed and the following is substituted:

215(1) An insurer shall on request furnish to the insured a true copy of

- (a) the insured's application or proposal for insurance, and
- (b) his policy of insurance.

(2) The insurer may charge a reasonable fee to cover its expenses in issuing any additional copies of the policy other than the first copy.

4 Section 312 is amended

(a) *in subsection (1)*

- (i) *by striking out "issued or renewed on or after July 1, 1978";*
- (ii) *by striking out "\$100 000" and substituting "\$200 000";*

(b) *in subsection (2),*

- (i) *in clause (a) by striking out "\$95 000" and substituting "\$190 000";*
- (ii) *in clause (b) by striking out "\$5000" and substituting "\$10 000";*

(c) *in subsection (3) by striking out "\$100 000" wherever it occurs and substituting "\$200 000".*

3 Section 215 presently reads:

215 Every insurer shall on request furnish to the insured a true copy of his application or proposal for insurance.

4 Section 312 presently reads in part:

312(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.

(2) The contract shall be interpreted to mean that when, 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 \$95 000 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 \$5000 over claims arising out of bodily injury or death.

(3) The insurer may, instead of specifying a limit in the policy for an inclusive amount, specify a limit of liability of at least \$100 000, 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 \$100 000, exclusive of interest and costs, against liability for loss of or damage to property.

5 *Section 508(4) to (7) are repealed.*

6 *The Motor Vehicle Administration Act is amended*

(a) *in section 62(2),*

(i) *by striking out “or” at the end of clause (b);*

(ii) *in clause (c) by adding “but before January 1, 1986, or” after “1978”;*

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

(d) *at least \$200 000, exclusive of interest and costs, if the judgment arises out of a motor vehicle accident occurring on or after January 1, 1986.*

(b) *in section 67(2) by striking out “\$100 000” and substituting “\$200 000”.*

7(1) Section 4 comes into force on January 1, 1986 and, without limiting the foregoing, applies from that date in respect of policies and contracts subsisting at that date.

(2) Section 5 comes 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.

5 Section 508(4) to (7) presently read:

(4) A salaried employee or an officer of a firm, partnership or corporation that holds a certificate of authority, who does not receive commission and who acts only in the name and on behalf of the firm, partnership or corporation, may, on application therefor and subject to the discretion of the Superintendent as provided in this Part, and on payment of the prescribed fee, receive a certificate of authority to act for the firm, partnership or corporation in the negotiation of any contracts of insurance or in the negotiation or the continuance or renewal of any contracts that the firm, partnership or corporation may lawfully undertake.

(5) In the case of a salaried employee mentioned in subsection (4), the approval and recommendation of the applicant required by section 511 may be given by the firm, partnership or corporation.

(6) The number of certificates issued under subsection (4) in regard to any one employer is absolutely in the discretion of the Superintendent.

(7) Subsections (4) to (6) do not apply to life insurance.

6 Consequential.

7 Coming into force.