

1988 BILL 24

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Third Session, 21st Legislature, 37 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 24**

**HAIL AND CROP INSURANCE AMENDMENT ACT, 1988**

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THE ASSOCIATE MINISTER OF AGRICULTURE

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First Reading .....

Second Reading .....

Committee of the Whole .....

Third Reading .....

Royal Assent .....

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## BILL 24

1988

### HAIL AND CROP INSURANCE AMENDMENT ACT, 1988

(Assented to \_\_\_\_\_, 1988)

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

1 *The Hail and Crop Insurance Act is amended by this Act.*

2 *Section 3 is repealed and the following is substituted:*

**3** The head office of the corporation shall be situated at a location within the Province as designated by the Lieutenant Governor in Council.

3 *The following is added after section 7:*

**7.1** For the purposes of enabling the corporation to meet its obligations under Part 2, the Lieutenant Governor in Council may, on any terms and conditions that the Lieutenant Governor in Council may prescribe, authorize the Provincial Treasurer to advance to the corporation from the General Revenue Fund money required by the corporation for those purposes.

**7.2(1)** For the purposes of enabling the corporation to meet its obligations under Part 3, the Provincial Treasurer, on the requisition of the Minister, may from time to time advance to the corporation from the General Revenue Fund

(a) in respect of premiums, an amount that is equal to all or part of the amount or estimated amount that the Government of Canada is or will be liable to pay to the Government of Alberta pursuant to a federal-provincial agreement, and

(b) in respect of indemnities, an amount that is equal to all or part of the amount or estimated amount that will be required from the Government of Alberta or the Government of Canada pursuant to a federal-provincial agreement.

(2) Notwithstanding subsection (1),

(a) in respect of the amount advanced under subsection (1)(a), the aggregate outstanding amount advanced shall not at any one time exceed \$60 000 000, and

(b) in respect of the amount advanced under subsection (1)(b), the aggregate outstanding amount advanced shall not at any one time exceed \$100 000 000.

## **Explanatory Notes**

- 1** This Bill will amend chapter H-1 of the Revised Statutes of Alberta 1980.
- 2** Section 3 presently reads:  
*3 The head office of the corporation shall be situated in Calgary or some other place that the Lieutenant Governor in Council may from time to time, by order, designate.*
- 3** Advances and guarantees.

(3) The Lieutenant Governor in Council may, on any terms and conditions that the Lieutenant Governor in Council may prescribe, authorize the Provincial Treasurer to advance to the corporation from the General Revenue Fund money required by the corporation to enable the corporation to meet its obligations under Part 3, where,

(a) in the case of money required in respect of premiums, the aggregate outstanding amount of the advances made under subsection (1)(a) has, at any one time, reached \$60 000 000, and

(b) in the case of money required in respect of indemnities, the aggregate outstanding amount of the advances made under subsection (1)(b) has, at any one time, reached \$100 000 000.

**7.3** Money advanced to the corporation under section 7.2 shall not be used by the corporation

(a) as contributions by the Government of Alberta to the corporation in respect of premiums payable under contracts of insurance entered into by the corporation, whether the contributions are made pursuant to a federal-provincial agreement or otherwise, or

(b) to pay the expenses of the corporation.

**7.4** The total amounts advanced to the corporation under sections 7.1 and 7.2 shall be

(a) repaid to the Provincial Treasurer on the terms and conditions, and

(b) secured by any evidence of indebtedness,

that may be agreed on by the Provincial Treasurer and the corporation.

**7.5** The Lieutenant Governor in Council may, on any terms and conditions that the Lieutenant Governor in Council may prescribe, authorize the Provincial Treasurer to guarantee on behalf of the Government the repayment of all or part of the principal amount of money borrowed by the corporation or the payment of interest on any amount borrowed by the corporation, or both.

*4 Section 13(a) is amended by adding “, including paying its expenses,” after “things”.*

*5 Section 16(2)(d) is repealed and the following is substituted:*

(d) the name of the person to whom payment is to be made in the event of a loss,

**4** Section 13(a) presently reads:

*13 For the purpose of discharging the duties imposed on the corporation by this Part, the corporation may*

*(a) do all acts and things that are requisite and necessary for or incidental to the purpose of providing hail insurance pursuant to this Part,*

**5** Section 16(2)(d) presently reads:

*(2) The application shall be signed by the applicant or his agent and shall set out*

*(d) the name of the person to whom the payment is to be made in the event of a loss, and if there is more than one person the share to be paid to each person,*

6 *Section 24 is repealed.*

7 *Section 31 is repealed.*

8 *Section 35 is repealed.*

9 *The following is added after section 41:*

**41.1** The board of directors may, for the purposes of this Act, determine the proportion of the corporation's expenses that is attributable to the administration of this Part.

**6** Section 24 presently reads:

*24 All money received by the corporation with respect to hail insurance undertaken by the corporation shall be deposited into a trust account at a bank or a treasury branch and all money required to be paid by the corporation pursuant to such an insurance shall be paid out of that trust account.*

**7** Section 31 presently reads:

*31 The Lieutenant Governor in Council may authorize the Provincial Treasurer, on terms and conditions that the Lieutenant Governor in Council may prescribe,*

*(a) to guarantee on behalf of the Government the payment of money borrowed by the corporation for the purpose of meeting any of its obligations, with interest and other charges on the borrowing, and*

*(b) to advance to the corporation out of the General Revenue Fund money required by the corporation for the purpose of meeting any of its obligations.*

**8** Section 35 presently reads:

*35(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 bank or treasury branch.*

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

*(3) From the money voted by the Legislature for the purpose the Provincial Treasurer shall, on the requisition of the Minister, pay to the corporation*

*(a) the corporation's administration expenses, and*

*(b) the amount the Government of Alberta undertakes to pay as a share of the premiums paid in respect of those contracts of insurance issued by the corporation that will not be paid by the Government of Canada to the Government of Alberta in accordance with an agreement entered into under section 43.*

*(4) The Provincial Treasurer, on the requisition of the Minister, may from time to time advance to the corporation a portion of the money voted by the Legislature for the purposes of subsection (3), and the corporation shall account to the Provincial Treasurer for the money so advanced during the same fiscal year in which it is advanced.*

*(5) The Provincial Treasurer, on the written requisition of the Minister, may advance out of the General Revenue Fund to the corporation from time to time an amount equal to that which will be paid by the Government of Canada to the Government of Alberta in accordance with an agreement entered into under section 43 to a total amount not exceeding \$30 000 000.*

*(6) Any money 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.*

**9** Corporation's expenses.

*10 Section 42(s) is repealed and the following is substituted:*

(s) establishing and governing any fund or reinsurance fund for the purposes of this Act or a federal-provincial agreement;



**10** Section 42(s) presently reads:

*42 For the purpose of carrying out this Part 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*

*(s) establishing a reinsurance fund or other fund for the purposes of the federal-provincial agreement;*