

1991 BILL 28

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Third Session, 22nd Legislature, 40 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# BILL 28

HAIL AND CROP INSURANCE AMENDMENT ACT, 1991

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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 28

1991

### HAIL AND CROP INSURANCE AMENDMENT ACT, 1991

(Assented to \_\_\_\_\_, 1991)

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 1(1) is amended by repealing clause (a.1).*

3 *Section 6 is amended*

(a) *in subsection (1) by striking out "and" at the end of clause (a), adding "and" at the end of clause (b), and adding the following after clause (b):*

(c) the business of revenue insurance in accordance with Part 4.

(b) *in subsection (2) by striking out "and to crop insurance" and substituting ", to crop insurance and to revenue insurance".*

4 *The following is added after section 7:*

**7.01** The directors of the corporation, the employees of the corporation and any persons acting under the instructions of a director or employee of the corporation or under the authority of this Act or the regulations are not personally liable for any loss or damage suffered by any person by reason of anything done or omitted to be done in good faith in the carrying out of those instructions or the exercise or the purported exercise of any powers or authority conferred by this Act or the regulations.

## Explanatory Notes

**1** This Bill will amend chapter H-1 of the Revised Statutes of Alberta 1980.

**2** Section 1(1)(a.1) presently reads:

*1(1) In this Act,*

*(a.1) "federal-provincial agreement" means an agreement entered into pursuant to section 43;*

**3** Section 6 presently reads:

*6(1) The objects of the corporation are to carry on*

*(a) the business of hail insurance in accordance with Part 2, and*

*(b) the business of crop insurance in accordance with Part 3.*

*(2) In carrying on its business the corporation shall maintain accounts and records in such a manner that all income, expenditure and equity relating to hail insurance and to crop insurance can be determined.*

**4** Protection from liability.

*5 Section 7.2(1)(a) and (b) are amended by adding “as defined in section 32” after “federal-provincial agreement”.*

*6 The following is added after section 7.2:*

**7.21(1)** For the purposes of enabling the corporation to meet its obligations under Part 4, 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 and expenses, 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 as defined in section 44, 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 as defined in section 44.

**(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 \$100 000 000, and
- (b) in respect of the amount advanced under subsection (1)(b), the aggregate outstanding amount advanced shall not at any one time exceed \$300 000 000.

**5** Section 7.2(1) presently reads:

*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 and expenses, 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.*

**6** Advances for the purposes of Part 4.

(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 4 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 \$100 000 000, 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 \$300 000 000.

7 *Section 7.3 is repealed and the following is substituted:*

**7.3 Money advanced to the corporation**

- (a) under section 7.2 shall not, unless contributions are made pursuant to a federal-provincial agreement as defined in section 32, or
- (b) under section 7.21 shall not, unless contributions are made pursuant to a federal-provincial agreement as defined in section 44,

be used by the corporation as contributions by the Government of Alberta to the corporation in respect of premiums payable under contracts of insurance entered into by the corporation.

8 *Section 7.4 is amended by striking out “and 7.2” and substituting “, 7.2 and 7.21”.*

9 *Section 10(c) is amended by striking out “hail insurance and of crop insurance” and substituting “insurance”.*

**7** Section 7.3 presently reads:

*7.3 Money advanced to the corporation under section 7.2 shall not be used by the corporation as contributions by the Government of Alberta to the corporation in respect of premiums payable under contracts of insurance entered into by the corporation unless the contributions are made pursuant to a federal-provincial agreement.*

**8** Section 7.4 presently reads:

*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.*

**9** Section 10 presently reads:

persons under any plan or plans of revenue insurance prescribed by the corporation for the purposes of reducing the impact of income losses sustained by insurable persons;

- (b) fix rates for premiums for insurance in cash that the corporation considers sufficient to cover claims for losses of eligible crops 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 Part and the collecting of premiums for that insurance for or on behalf of the corporation;
- (d) conduct research, surveys and investigations relating to revenue insurance and assemble data for the purpose of establishing sound actuarial bases for revenue insurance;
- (e) obtain and pay for the services, advice and assistance of actuaries, accountants, economists, solicitors, engineers, surveyors, valuers and other professional or expert personnel that it considers necessary;
- (f) charge interest on unpaid premiums at a rate and from a date fixed by the corporation;
- (g) receive money paid on contracts of revenue insurance and pay indemnities;
- (h) determine the eligibility of a person to participate in a revenue insurance plan;
- (i) establish a review committee to which persons may make representations regarding forfeiture of rights, denial of eligibility and contractual obligations under a contract of revenue insurance;
- (j) do all things that the corporation considers necessary that are incidental to or conducive to the carrying out of revenue insurance plans and the corporation's responsibilities under this Part;
- (k) deduct from payments to insurable persons any outstanding amount under the programs included in the *Farm Income Protection Act* (Canada) or





any provincial stabilization or income insurance program as determined by the Lieutenant Governor in Council.

**47(1)** A contract entered into by the corporation is a continuous one and, subject to payment of the prescribed premium, is deemed to be in force from year to year unless terminated by either party giving notice in writing to the other party in accordance with the federal-provincial agreement.

(2) If an insurance premium payable under this Part is not paid in accordance with the requirements prescribed in the regulations and the federal-provincial agreement, the corporation may, at any time, by notice in writing by registered mail, cancel the contract to which the premium relates.

**48(1)** An insurable person whose land is situated in an area to which a revenue insurance plan applies and who desires to obtain insurance under this Part shall apply for the insurance to the corporation in the prescribed form, and the application shall contain the information and details prescribed in the federal-provincial agreement.

(2) An insured person shall pay any premium owing to the corporation in accordance with the terms and conditions prescribed in the federal-provincial agreement.

(3) The corporation is not bound to accept any application for insurance and if it refuses to enter into a contract with a person it shall refund to that person any money paid by that person as an intended premium.

**49** Section 18 applies with respect to insurance under this Part.

**50** A person who furnishes false information or who makes a false statement in an application, declaration or return made or given under this Part or the regulations, or who, by failing to complete or omitting information from any such application, declaration or return, makes the application, declaration or return misleading, is guilty of an offence and liable to a fine of not more than \$500 or to imprisonment for a term of not more than 6 months or to both fine and imprisonment.

**51** Except pursuant to this Part, no money payable by the corporation in respect of claims for crop losses is subject to garnishment, attachment, seizure or other legal process.

**52** 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.



**53** For the purposes 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

- (a) determining and prescribing the cases in which loss of an eligible crop is to be deemed to have been beyond control or prevention;
- (b) prescribing the basis for determining whether an insured person has suffered a loss and the amount of the loss against which the person is insured by reference to the stage of the maturity of the crop, the actual yield and the long term average yield;
- (c) requiring insured persons to submit seeded area reports to the corporation under the terms and conditions and in the form the corporation directs;
- (d) prescribing the proof that may be required in order to establish that a person is an insurable person;
- (e) prescribing the terms and conditions of payment of premiums, including the final dates for payment of premiums in respect of any particular eligible crop, class of eligible crop or class of insurance contract, and the manner in which premiums may be paid or collected;
- (f) prescribing the forms of contracts, which may be different for different areas;
- (g) prescribing the form of application for a contract;
- (h) 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;
- (i) limiting or controlling the powers of the corporation under section 46;
- (j) fixing a final date in each year for the execution of insurance contracts with the corporation;



- (k) providing for any matter necessary to carry out the business of revenue insurance and the obligations of the Government under the federal-provincial agreement.

**54** The Government of Alberta, represented by the Minister, may, with the approval of the Lieutenant Governor in Council, enter into an agreement with the Government of Canada pursuant to the *Farm Income Protection Act* (Canada).

*12 This Act is deemed to have come into force on April 1, 1991.*

**12** Coming into force.