

Bill 12
Mr. Magnus

BILL 12

2003

FINANCIAL SECTOR STATUTES AMENDMENT ACT, 2003

(Assented to , 2003)

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

Part 1 **Alberta Treasury Branches Act**

Amends RSA 2000 cA-37

1 The *Alberta Treasury Branches Act* is amended by this Part.

2 Section 1 is amended by adding the following after clause (g):

(g.1) “prescribed” means prescribed or otherwise provided for
by the regulations;

3 Section 3(4) is amended by striking out “prescribe” and substituting “specify”.

4 Section 12(1)(c) is amended by adding “, except to the extent that the prescribed conditions are met” after “corporation”.

5 Section 19 is amended

(a) in subsection (2) by striking out “subsection (1)” and substituting “this section”;

(b) in subsection (3) by striking out “held by Alberta Treasury Branches”;

(c) in subsection (4)

(i) by striking out “subsections (5) and (6), Alberta Treasury Branches may, with the prior approval of the Lieutenant Governor in Council,” **and substituting** “subsection (6) and to any prescribed conditions, Alberta Treasury Branches may”;

(ii) by adding the following after clause (c):

(c.1) a corporation that is an insurance agent, within the meaning of the *Insurance Act*, limited to the class of life insurance under that Act,

(d) by repealing subsection (5).

6 Section 34 is amended

(a) by renumbering it as section 34(1);

(b) in subsection (1) by adding the following after clause (h):

(h.1) respecting the treatment of unclaimed balances held by Alberta Treasury Branches;

(h.2) authorizing the Minister to make guidelines, or to approve guidelines with or without adaptation, on

(i) any matter falling within any other clause of this subsection, or

(ii) compliance by Alberta Treasury Branches with legislation to which it is subject,

and specifying the effect of those guidelines and of contravention of them;

(c) by adding the following after subsection (1):

(2) Guidelines referred to in subsection (1) are exempt from the *Regulations Act*, but the Minister shall ensure that they are published in such a form as the Minister considers likely to make them available, generally, to persons likely to be affected by them.

7 Sections 36(1), (2) and (6) to (8) and 38 of the *Alberta Treasury Branches Act*, SA 1997 cA-37.9, are repealed.

Part 2 Cemeteries Act

Amends RSA 2000 cC-3

8 The *Cemeteries Act* is amended by this Part.

9 Section 1(a) is amended by striking out “credit union, loan corporation,”.

Part 3 Credit Union Act

Amends RSA 2000 cC-32

10 The *Credit Union Act* is amended by this Part.

11 Section 1(1) is amended

(a) in clause (k) by adding “provided it has no federal continuance or, where circumstances warrant, the entity prescribed in relation to section 175.1(4)(c)(i)” after “156”;

(b) in clause (p) by adding “, but does not include a corporation that has secured federal continuance” after “15”;

(c) by adding the following after clause (v):

(v.1) “federal Act” means a prescribed Act of the Parliament of Canada;

(v.2) “federal continuance” means continuance under the federal Act;

12 Section 8(1)(a) is amended by striking out “one individual appointed as a director” **and substituting** “2 individuals appointed as directors”.

13 Section 11(4) is repealed and the following is substituted:

(4) An order, direction or approval of the Lieutenant Governor in Council, the Minister or the Corporation, including an approval of a special loans committee, may be made subject to such terms and conditions as that person or body imposes in it.

14 Section 46 is amended

(a) by repealing subsection (3) and substituting the following:

(3) A credit union may carry on

- (a) except as prescribed, any business that is entailed in the fulfilment of any of the purposes of a credit union,
- (b) as an ancillary business, the business of operating a post office within the meaning of the *Canada Post Corporation Act* (Canada), or
- (c) any business that is prescribed.

(b) in subsection (4)(b) by striking out “or” at the end of subclause (i), by adding “or” at the end of subclause (ii) and by adding the following after subclause (ii):

- (iii) an insurance agent, within the meaning of the *Insurance Act*, limited to the class of life insurance under that Act,

15 Section 51(2) is amended by repealing clause (c) and substituting the following:

- (c) enter into any other related party transaction, not otherwise specified in this Act,

- (i) that does not cause the expenditures by that corporation in all transactions between it and all related parties during any fiscal year of the credit union to exceed the amount approved by the Corporation, on application to it by the credit union, in relation to that corporation for that fiscal year, or
- (ii) that is prescribed as not requiring prior board authorization.

16 Section 71(2) is amended by striking out “, including the procedures for fixing the amount of that remuneration”.

17 Section 83(3) is amended by adding the following after clause (a):

- (a.1) the arithmetic mean amount of remuneration paid to the directors of the credit union during the previous fiscal year,
- (a.2) the highest and lowest amounts of remuneration paid to directors of the credit union during the previous fiscal year,

18 Section 120 is amended by adding the following after subsection (3):

(3.1) The Corporation is additionally authorized to publish information required by subsection (3) through any medium other than a newspaper referred to in that subsection.

19 Section 152(1) is amended by adding “and section 175.2(2)” after “except this section”.

20 Section 160(3) is repealed.

21 Section 165 is amended

(a) in subsection (1) by adding “, except subsections (3) and (4)” after “46”;

(b) by adding the following after subsection (1):

(1.1) Central may carry on any business that

- (a) except as prescribed, is entailed in the fulfilment of any of Central’s purposes, or
- (b) is prescribed.

(1.2) Subject to any prescribed terms and conditions and any other law, a subsidiary or affiliate of Central may carry on

- (a) any business that Central is allowed by law to carry on, subject however to the restrictions imposed by this Act and the regulations on Central,
- (b) the business of
 - (i) a corporation within the meaning of the *Loan and Trust Corporations Act* or within the meaning ascribed to any equivalent expression by any equivalent statute of another province or territory or of Canada, or

(ii) a securities dealer,

or

- (c) any other prescribed business.

(1.3) Notwithstanding anything in this Act, Central may, with the prior approval of the Lieutenant Governor in Council, carry on the businesses or exercise the powers, or both, that an association, within the meaning of the *Cooperative Credit Associations Act* (Canada), may carry on or has under that Act.

22 Section 168(3) is amended by striking out “Canadian Cooperative Credit Society” and substituting “Credit Union Central of Canada”.

23 The following is added after section 175:

Part 13.1
Amalgamation and
Continuance Under
the Federal Act

Amalgamation involving Central

175.1(1) In this Part, “Central” means Credit Union Central Alberta Limited.

(2) Central may, in accordance with a prior prescribed authorization and the prescribed procedure, amalgamate with one or more of its equivalent entities in other provinces or territories on the condition that Central, along with the other amalgamating entities, applies and receives approval for federal continuance under a different name, on the terms and conditions prescribed.

(3) Without limiting other procedural requirements that may be included, the procedure prescribed for the purposes of subsection (2) must include, as far as the Lieutenant Governor in Council, in making the regulations, considers appropriate in the circumstances, the voluntary amalgamation procedures for credit unions set out in Division 1 of Part 15.

(4) If an application by Central for federal continuance is granted, the Lieutenant Governor in Council may, by regulation,

- (a) provide that Central no longer has any role or functions under this Act or the regulations,
- (b) provide that section 106 no longer applies and establish an appropriate provision to replace section 106, and
- (c) if Central’s functions are ended under clause (a),
 - (i) prescribe another entity, which could be the entity resulting from the amalgamation, to assume all or some of the role, functions, powers and duties of Central under this Act and the regulations, and
 - (ii) notwithstanding anything in this Act, treat Part 13 and any other provisions of this Act and the

regulations as being adapted in such a manner as is considered necessary to reflect the results of regulations made under subclause (i).

(5) Regulations made under subsection (4)(b) and (c)(ii) expire 24 months after they come into force.

Continuance of credit unions under federal Act

175.2(1) A credit union may, in accordance with the prescribed procedure and with the prior approval of the Lieutenant Governor in Council, apply for and secure federal continuance.

(2) Notwithstanding section 152, the guarantee under that section ends with the federal continuance of the credit union except that the Lieutenant Governor in Council may make regulations continuing that guarantee in respect of deposits made with the credit union before, but with a fixed term ending after, the effective date of its federal continuance.

(3) An approval under subsection (1) is subject to the condition that the credit union, before it applies for federal continuance, give the prescribed period of notice in the prescribed form to all its members and other depositors covered by the guarantee under section 152 of its intention so to apply and of the fact that, subject to subsection (2), that guarantee will not continue if the application is successful.

(4) If the credit union is amalgamating with another entity, section 175.1(3) applies with respect to a federal continuance under subsection (1).

Requirements for federal Act

175.3(1) Central or a credit union may apply for federal continuance only if the federal Act, at the time of the application, provides in effect that, if its application for federal continuance is successful,

- (a) its property continues to be the property of the federally continued corporation,
- (b) the federally continued corporation continues to be liable for its obligations,
- (c) no existing cause of action, claim or liability to prosecution is affected by the federal continuance,

- (d) a civil, criminal or administrative action or proceeding pending by or against it may continue to be prosecuted by or against the federally continued corporation,
- (e) a conviction against or ruling, order or judgment in favour of or against it may be enforced by or against the federally continued corporation, and
- (f) federal continuance will not adversely affect its members or creditors.

(2) Federal continuance is subject to the condition that the market conduct rules, within the prescribed meaning, of or under this or any other Act, are to apply or to continue to apply to the federally continued corporation.

(3) For the purposes of subsection (1)(f), in the case of a credit union, the non-continuance of the guarantee under section 152 is deemed not to affect adversely any person provided that section 175.2(3) is complied with.

24 Section 230 is amended by adding the following after clause (v):

- (v.1) notwithstanding anything in this Act but subject to Part 13.1, providing for what is to be done on or following any federal continuance and the effect of a federal continuance;
- (v.2) governing relations between credit unions and insurers and insurance agents within the meaning of the *Insurance Act*;

**Part 4
Funeral Services Act**

Amends RSA 2000 cF-29

25 The *Funeral Services Act* is amended by this Part.

26 Section 1(o) is amended by striking out “a credit union, a loan corporation or”.

27 Section 2(2) is amended by adding “and may provide for conditions for any such exemption” **after** “regulations”.

28 Section 25(3) is amended by adding “, loan corporation” **after** “trust corporation”.

**Part 5
Insurance Act**

Amends RSA 2000 cl-3

29 The *Insurance Act* is amended by this Part.

30 Section 15 is repealed and the following is substituted:

Employee schemes for medical care, sickness and accident benefits

15 This Act does not apply to a prescribed entity to the extent of its provision to employees of prescribed benefits relating to medical care, sickness and accident benefits.

Employee benefit schemes for income replacement

15.1(1) In this section, “non-accountable entities” means entities that are not accountable organizations within the meaning of section 16 of the *Government Accountability Act*.

(2) Subject to any regulations made under subsection (3), this Act does not apply to an entity to the extent of its provision to its employees of prescribed benefits whose subject-matter is income replacement due to disability, sickness or disease, provided that no death benefit is payable.

(3) The Lieutenant Governor in Council may make regulations

- (a) applying this Act to prescribed classes of non-accountable entities in respect of their provision to their employees of benefits referred to in subsection (2), and
- (b) respecting such provision of those benefits by those classes, and in particular, in relation to each such class,
 - (i) the nature and sufficiency of its financial resources as a source of continuing financial support for the

financial obligations implicit in providing the benefits,

- (ii) the availability of financial statements, prepared comparably to those referred to in section 219(1), to employees,
- (iii) the degree of segregation of any assets relating to the provision of the benefits, or offer of the benefits, to employees from the assets of the entity,
- (iv) the adequacy of any capital or reserves maintained by the entity to support the provision or offer of the benefits, and
- (v) the extent to which matters referred to in this subsection are to be disclosed to employees, and the timing of any such disclosure.

(4) Notwithstanding subsection (3)(b)(v), where a non-accountable entity provides benefits referred to in subsection (2) that are not underwritten by an insurer, it shall disclose to its employees, prior to or at the time that the benefits are offered, that the benefits are not underwritten by an insurer and that the benefits would be payable from the net income or retained earnings of the entity.

31 Section 16(b) is amended by striking out “12” and substituting “15.1”.

32 Section 54(1) is amended by striking out “or” at the end of clause (h), adding “or” at the end of clause (i) and adding the following after clause (i):

- (j) the amount of a licensed extra-provincial company’s base capital at any time falls below the respective amount specified in or under section 25(a),

33 The following is added after section 99:

Temporary exclusion from premium calculation

99.1(1) In this section, “premiums” means premiums collected or credited to the accounts of subscribers in respect of reciprocal contracts in force.

(2) A reciprocal insurance exchange may provide for the assessment on its subscribers of a premium surcharge over and above the premiums required by section 88.

(3) The premium surcharge may be assessed only during the year in which the reciprocal insurance exchange’s licence is initially issued and during the first full year of its renewal after its initial issue, except that the Minister may, on application by the exchange, extend the period of authorization of the surcharge for further one-year periods until the 2nd anniversary of the end of that year in which the licence was initially issued.

(4) The reciprocal insurance exchange may exclude the premium surcharges from “premiums” for the purpose of calculating the reserve fund requirements of section 99.

34 Section 415(a) is amended by repealing subclauses (iv) and (v) and substituting the following:

and

(iv) any other prescribed form of financing,

but does not include a deposit with a deposit-taking institution;

35 Section 502(2) is amended by adding “unless the agent is a deposit-taking institution that holds a restricted insurance agent’s certificate of authority” after “the agent”.

36 Section 672(4) is amended by striking out “660” and substituting “671”.

37 The following Acts are repealed:

- (a) *Millennium Insurance Corporation Act*;
- (b) *Trans Global Insurance Company Act*;
- (c) *Trans Global Life Insurance Company Act*.

Part 6
Loan and Trust Corporations Act

Amends RSA 2000 cL-20

38 The *Loan and Trust Corporations Act* is amended by this Part.

39 Section 207 is amended

- (a) **in subsection (2) by striking out “subsection (1)” and substituting “this section”;**
- (b) **in subsection (3) by striking out “held by the corporation”;**
- (c) **in subsection (4) by adding the following after clause (d):**
 - (d.1) a body corporate that is an insurance agent, within the meaning of the *Insurance Act*, limited to the class of life insurance under that Act,

40 Section 258 is amended by adding the following after subsection (7):

- (8) Subject to subsection (9), this section prevails notwithstanding the *Freedom of Information and Protection of Privacy Act*.
- (9) Subsection (8) does not apply in respect of information or documents described in this section that have been in existence for 50 years or more.

Part 7
Public Sector Pension Plans Act

Amends RSA 2000 cP-41

41 The *Public Sector Pension Plans Act* is amended by this Part.

42 Section 1(c) is amended by adding “(which Plan has had its assets and liabilities transferred to a pension plan regulated under the *Employment Pension Plans Act* and is about to be terminated formally)” **after** “Universities Academic Pension Plan”.

43 The following is added immediately before Schedule 1:

Transitional provision for funding requirements

12(1) Notwithstanding section 1(1)(b) of each of Schedules 1, 2, 4 and 5, those clauses are deemed to read as follows with respect to current service contributions required to be made after 2002 and before the effective date of the repeal and replacement of each such clause by the *Financial Sector Statutes Amendment Act, 2003*:

(b) “funding and solvency requirements” means the minimum funding requirements, but excluding any requirements for the funding of solvency deficiencies, of the *Employment Pension Plans Act* and the regulations under it;

(2) Subsection (1) is deemed to have come into force on January 1, 2003.

(3) This section is repealed one day after the repeal and replacement referred to in subsection (1).

44(1) Schedule 1 is amended by this section.

(2) Section 1(1) is amended

(a) by repealing clause (b) and substituting the following:

(b) “funding requirements” means the minimum funding requirements, but excluding any requirements for the funding of solvency deficiencies, of the *Employment Pension Plans Act* and the regulations under it;

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

(i.1) “solvency deficiencies” means a solvency deficiency within the meaning of, and as calculated according to the methods set out in, the regulations under the *Employment Pension Plans Act*;

- (i.2) “solvency funding requirements” means the prescribed requirements, if any, for funding solvency deficiencies.

(3) Section 4 is amended by repealing subsection (4) and substituting the following:

(4) Where a recommendation made under subsection (2) would, if adopted, have the effect of changing any of the Plan’s benefits,

- (a) the recommendation must be approved by the Board in the manner prescribed, and
- (b) the Board shall advise the Minister of the impact of the proposed change on the Plan’s funded status, solvency deficiencies and current service contribution rates.

(4) Section 5 is amended

(a) by adding the following after subsection (1):

(1.1) The actuarial valuation report must include a calculation of the Plan’s solvency deficiencies, if any.

(b) in subsection (2) by striking out “the funding and solvency requirements” and substituting “the funding requirements and, if applicable, the solvency funding requirements”.

45(1) Schedule 2 is amended by this section.

(2) Section 1(1) is amended

(a) by repealing clause (b) and substituting the following:

(b) “funding requirements” means the minimum funding requirements, but excluding any requirements for the funding of solvency deficiencies, of the *Employment Pension Plans Act* and the regulations under it;

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

(i.1) “solvency deficiencies” means a solvency deficiency within the meaning of, and as calculated according to the

methods set out in, the regulations under the
Employment Pension Plans Act;

- (i.2) “solvency funding requirements” means the prescribed requirements, if any, for funding solvency deficiencies;

(3) Section 4 is amended by adding the following after subsection (3):

(4) Where a recommendation made under subsection (2) would, if adopted, have the effect of changing any of the Plan’s benefits, the Board shall advise the Minister of the impact of the proposed change on the Plan’s funded status, solvency deficiencies and current service contribution rates.

(4) Section 5 is amended

(a) by adding the following after subsection (1):

(1.1) The actuarial valuation report must include a calculation of the Plan’s solvency deficiencies, if any.

(b) in subsection (2) by striking out “the funding and solvency requirements” **and substituting** “the funding requirements and, if applicable, the solvency funding requirements”.

46(1) Schedule 4 is amended by this section.

(2) Section 1(1) is amended

(a) by repealing clause (b) and substituting the following:

(b) “funding requirements” means the minimum funding requirements, but excluding any requirements for the funding of solvency deficiencies, of the *Employment Pension Plans Act* and the regulations under it;

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

- (i.1) “solvency deficiencies” means a solvency deficiency within the meaning of, and as calculated according to the methods set out in, the regulations under the *Employment Pension Plans Act*;

- (i.2) “solvency funding requirements” means the prescribed requirements, if any, for funding solvency deficiencies.

(3) Section 4 is amended

(a) by adding the following after subsection (3):

(4) Where a recommendation made under subsection (2) would, if adopted, have the effect of changing any of the Plan’s benefits, the Board shall advise the Minister of the impact of the proposed change on the Plan’s funded status, solvency deficiencies and current service contribution rates.

(b) by repealing subsection (10)(c) and substituting the following:

- (c) the Plan meets the funding requirements and, if applicable, the solvency funding requirements, and

(4) Section 5 is amended

(a) by adding the following after subsection (1):

(1.1) The actuarial valuation report must include a calculation of the Plan’s solvency deficiencies, if any.

(b) in subsection (2) by striking out “the funding and solvency requirements” and substituting “the funding requirements and, if applicable, the solvency funding requirements”.

47(1) Schedule 5 is amended by this section.

(2) Section 1(1) is amended

(a) by repealing clause (b) and substituting the following:

(b) “funding requirements” means the minimum funding requirements, but excluding any requirements for the funding of solvency deficiencies, of the *Employment Pension Plans Act* and the regulations under it;

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

- (i.1) “solvency deficiencies” means a solvency deficiency within the meaning of, and as calculated according to the methods set out in, the regulations under the *Employment Pension Plans Act*;
- (i.2) “solvency funding requirements” means the prescribed requirements, if any, for funding solvency deficiencies.

(3) Section 5 is amended

(a) by adding the following after subsection (1):

(1.1) The actuarial valuation report must include a calculation of the Plan’s solvency deficiencies, if any.

(b) in subsection (2) by striking out “the funding and solvency requirements” and substituting “the funding requirements and, if applicable, the solvency funding requirements”.

48 Schedule 6 is amended in section 12

(a) in subsection (1) by striking out “and” at the end of clause (i), adding “, and” at the end of clause (j) and adding the following after clause (j):

(k) amending the rules of the Plan in such a manner as to reflect any amendments made to the permanent plan that have the potential for relevance to the Plan.

(b) in subsection (1.1) by adding “or (k)” after “subsection (1)(j)”;

(c) by repealing subsection (1.2) and substituting the following:

(1.2) Regulations under subsection (1) may be made to apply with effect from a date specified in them, being

- (a) in the case of regulations under subsection (1)(j), the effective date of the exit referred to in section 12(1)(j) of Schedule 5, that is prior to July 15, 1999,
- (b) in the case of regulations under subsection (1)(k), the effective date of the corresponding amendments to the permanent plan, and

- (c) in the case of regulations under any other clause of subsection (1), the date considered appropriate.

49(1) The *Public Sector Pension Plans Act*, SA 1993 cP-30.7, is amended by this section.

(2) Section 7.1 is repealed.

(3) Section 11 of Schedule 1 is repealed.

(4) Section 11 of Schedule 2 is repealed.

Part 8 Coming into Force

50 This Act comes into force on Proclamation.

Explanatory Notes

Part 1 Alberta Treasury Branches Act

1 Amends chapter A-37 of the Revised Statutes of Alberta 2000.

2 Additional definition.

3 Section 3(4) presently reads:

(4) The board may designate the offices of Alberta Treasury Branches, other than the office of Chief Executive Officer, and appoint persons to those offices and prescribe their duties.

4 Section 12 presently reads in part:

12(1) Alberta Treasury Branches shall not

- (c) carry on business as a financial leasing corporation,*

5 Section 19 presently reads:

19(1) Subject to this section and except as otherwise provided in the regulations, Alberta Treasury Branches shall not beneficially own shares to which are attached more than 10% of the voting rights attached to all of the issued and outstanding voting shares of a corporation.

(2) For the purposes of subsection (1), shares beneficially owned by a subsidiary of Alberta Treasury Branches are deemed to be beneficially owned by Alberta Treasury Branches, except as otherwise provided in the regulations.

(3) Alberta Treasury Branches may, through realization of a security interest held by Alberta Treasury Branches or by means of a loan workout procedure, beneficially own shares to which are attached more than 10% of the voting rights attached to all of the issued and outstanding voting shares of a corporation, but Alberta Treasury Branches shall dispose of the excess shares within 5 years after acquiring the excess shares.

(4) Subject to subsections (5) and (6), Alberta Treasury Branches may, with the prior approval of the Lieutenant Governor in Council, beneficially own shares to which are attached more than 10% of the voting rights attached to all of the issued and outstanding voting shares of any of the following corporations:

- (a) a loan or trust corporation incorporated and regulated by or under an Act of a province or territory,*
- (b) a corporation that is a securities dealer,*
- (c) a corporation that is an insurer,*
- (d) a real property brokerage corporation or real property corporation,*

- (e) *a factoring corporation,*
- (f) *a mutual fund distribution corporation,*
- (g) *an asset management corporation,*
- (h) *an investment counselling corporation,*
- (i) *a portfolio management corporation,*
- (j) *an information management corporation,*
- (k) *a service corporation that does not hold shares of a corporation referred to in any of clauses (a) to (j),
or*
- (l) *a prescribed corporation.*

(5) *An approval under subsection (4) may be made subject to any terms and conditions that the Lieutenant Governor in Council considers appropriate.*

(6) *Alberta Treasury Branches may not beneficially own shares in a corporation referred to in subsection (4) to which are attached more than 10% of the voting rights attached to all of the issued and outstanding voting shares of the corporation if that corporation beneficially owns shares in another corporation, that is not a corporation referred to in subsection (4), to which are attached more than 10% of the voting rights attached to all of the issued and outstanding voting shares of that other corporation.*

6 Additional regulation-making powers.

7 Repeals expired transitional provisions not included in RSA 2000.

Part 2
Cemeteries Act

8 Amends chapter C-3 of the Revised Statutes of Alberta 2000.

9 Section 1(a) presently reads:

1 In this Act,

- (a) “authorized trustee” means the Public Trustee or a credit union, loan corporation, trust corporation or a corporation designated in the regulations;

**Part 3
Credit Union Act**

10 Amends chapter C-32 of the Revised Statutes of Alberta 2000.

11 Section 1 presently reads in part:

1(1) In this Act,

- (k) “Central” means the Credit Union Central Alberta Limited continued by section 156;
- (p) “credit union” means an existing credit union or a body of persons incorporated under Division 2 of Part 3 or continued as an incorporated credit union or incorporated under Division 1 of Part 15;

12 Section 8(1) presently reads:

8(1) The Lieutenant Governor in Council shall appoint a board of directors for the Corporation consisting of

- (a) *one individual appointed as a director on the nomination of Central, and*

(b) 6 other individuals,

none of whom is a director, officer or employee of a credit union that is under supervision or administration.

13 Section 11(4) presently reads:

(4) An order, direction or approval of the Minister or the Corporation, including an approval of a special loans committee, may be made subject to such terms and conditions as the Minister, the Corporation or the special loans committee, as the case may be, imposes in it.

14 Section 46 presently reads in part:

(3) A credit union may carry on any business that

(a) except as prescribed, is entailed in the fulfilment of any of the purposes of a credit union, or

(b) is prescribed.

(4) Subject to any prescribed terms and conditions and any other law, a subsidiary or affiliate may carry on

(b) the business of

(i) a corporation within the meaning of the Loan and Trust Corporations Act or within the meaning ascribed to any equivalent expression by any equivalent statute of another province or territory or of Canada, or

(ii) a securities dealer,

or

15 Section 51(2) presently reads in part:

(2) Notwithstanding anything in subsection (1), a credit union or a subsidiary may, without the prior authorization of the board of the credit union unless the bylaws require it,

(c) enter into any other related party transaction, not otherwise specified in this Act, that is prescribed as not requiring prior board authorization.

16 Section 71(2) presently reads:

(2) A credit union shall make bylaws with respect to the provision of remuneration by it to its directors and officers, including the procedures for fixing the amount of that remuneration.

17 Section 83(3) presently reads in part:

(3) The annual financial statements must show, as notations to them,

(a) separately in respect of each corporation, the aggregate amount provided during the previous fiscal year to all the directors, and all the officers who are not employees, of the credit union and its subsidiaries

(i) as remuneration, and

(ii) separately, as reimbursement or allowance for expenses incurred on the business and affairs of the credit union and its subsidiaries,

18 Disclosure of personal information about unclaimed balances.

19 Section 152(1) presently reads:

152(1) Notwithstanding any law except this section, the Corporation guarantees the repayment of all deposits made with credit unions, in accordance with this section.

20 Section 160(3) presently reads:

(3) Central may exercise its rights, powers, privileges and immunities under the Cooperative Credit Associations Act (Canada)

only to the extent that they are not inconsistent with this Act or the regulations.

21 Section 165 presently reads:

165(1) Sections 46, 47, 49, 50, 51, 52, 53 and 54 apply in relation to Central.

(2) Except where prescribed, a subsidiary shall not engage generally in any business referred to in section 158(1)(a), (b) or (c).

22 Section 168 presently reads in part:

(3) Central or its subsidiary may make deposits with the Canadian Cooperative Credit Society and the Bank of Canada.

23 Amalgamation of Central and federal continuance of Central and credit unions.

24 Additional regulation-making powers.

Part 4
Funeral Services Act

25 Amends chapter F-29 of the Revised Statutes of Alberta 2000.

26 Section 1(o) presently reads:

1 In this Act,

(o) "trust corporation" means a credit union, a loan corporation or a trust corporation or a corporation designated in the regulations.

27 Section 2(2) presently reads:

(2) The Lieutenant Governor in Council may exempt

(a) any person or any class of persons, or

(b) any business or any description or class of businesses

from the operation of all or any provisions of this Act or the regulations.

28 Section 25 presently reads in part:

25(1) A regulatory board may create a fund to be used for the following purposes:

(a) to pay claims of persons who have suffered loss or damage arising out of the operation by a licensee of a business to which this Act applies;

(b) any other purpose authorized by the regulations.

(2) Subject to the regulations, a regulatory board may levy an assessment on licensees for the purpose of establishing the fund.

(3) A regulatory board is deemed to hold all money collected under subsection (2) in trust and shall immediately deposit that money in a trust account in a bank, treasury branch, trust corporation or credit union in Alberta, separate and apart from any other money of the regulatory board.

Part 5 Insurance Act

29 Amends chapter I-3 of the Revised Statutes of Alberta 2000.

30 Section 15 presently reads:

15(1) In this section, “association” means an entity that

- (a) is operated by an employer and the employer’s employees, or by 2 or more employers directly associated through corporate control and their employees, and*
- (b) is formed for the purpose of providing medical care, sickness or accident benefits for some or all of the employees and the dependants of those employees of the employer or employers.*

(2) This Act does not apply to an association if

- (a) membership in the association is restricted to bona fide employees or former employees of the employer or employers,*
- (b) the right to receive medical care, sickness or accident benefits is dependent on the terms of the constitution and bylaws of the association, and*
- (c) the association provides prescribed medical care, sickness or accident benefits.*

(3) The Lieutenant Governor in Council may make regulations

- (a) prescribing medical care, sickness and accident benefits for the purposes of subsection (2)(c);*
- (b) exempting from the application of this Act any entity or class of entity that is a non-profit organization, that has substantially the same purposes as an association and that provides the benefits referred to in subsection (2)(c);*
- (c) respecting the terms and conditions that must be met to maintain an exemption under clause (b).*

31 Section 16 presently reads in part:

16 The Lieutenant Governor in Council may make regulations

- (b) respecting any matter that is to be prescribed under sections 1 to 12;*

32 Section 54(1) presently reads:

54(1) Where

- (a) a licensed insurer or other person denies the Minister, the Superintendent or an examiner access to any information, records, documents or property that the Minister, Superintendent or examiner is authorized by this Act to have access to,*
- (b) the holding body corporate of a licensed provincial company fails to forward to the Minister audited financial statements in accordance with a notice under section 43(3),*
- (c) a licensed insurer or other person contravenes
 - (i) an order of the Minister,**

- (ii) *a decision of a review board under section 806, or*
- (iii) *an order of the Court under section 767 or 809,*
- (d) *a licensed insurer is convicted of an offence under section 531(8) or 657,*
- (e) *grounds exist for the possession and control of the assets of a provincial company by the Minister,*
- (f) *a provincial company is carrying on or soliciting business in any jurisdiction other than Alberta without first being authorized to do so under the laws of that jurisdiction,*
- (g) *a licensed insurer fails to comply with any term or condition to which its licence is subject,*
- (h) *a licensed insurer does not, for a period of 5 years or more, engage in the business of insurance, or*
- (i) *a licensed insurer fails to comply with the provisions of Part 4,*

the Minister may cancel, suspend or refuse to renew the licence of the insurer, or may impose terms or conditions on its licence.

33 Section 99 presently reads as follows:

99 Every reciprocal insurance exchange must maintain with the principal attorney as a reserve fund a sum in cash or approved securities equal to an amount calculated in accordance with the following formula:

$$(50\% \text{ of } (A-B)) + (C-D)$$

where

A is the amount of premiums collected or credited to the accounts of subscribers on reciprocal contracts in force having one year or less to run;

B is the amount paid to licensed insurers to reinsure the reciprocal contracts referred to in A;

C is the amount of premiums collected or credited to the accounts of subscribers on reciprocal contracts in force that have more than one year to run less the amount of those premiums that is attributable to the expired portion of the contracts;

D is the amount paid to licensed insurers to reinsure the reciprocal contracts referred to in C less the amount that is attributable to the expired portion of the reinsurance contracts.

34 Section 415 presently reads in part:

415 In this Subpart,

(a) “commercial loan” means

*(iv) a deposit with any deposit-taking institution,
and*

(v) any other prescribed form of financing;

35 Section 502(2) presently reads:

(2) No agent of an insurer or insurance agent may receive or accept payment of a premium for a life insurance policy if the form of payment is a negotiable instrument payable to the agent.

36 Section 672(4) presently reads:

(4) Statutory Conditions 3, 4, 5, 6 and 9, and subject to the restriction in subsection (5), Statutory Condition 7, may be varied, but if by reason of the variation the contract is less favourable to the insured, a person insured or a beneficiary than it would be if the condition had not been varied, the

condition is deemed to be included in the policy in the form in which it appears in section 660.

37 Act repeals.

Part 6
Loan and Trust Corporations Act

38 Amends chapter L-20 of the Revised Statutes of Alberta 2000.

39 Section 207 presently reads in part:

(2) For the purposes of subsection (1), shares beneficially owned by a subsidiary of a provincial corporation are deemed to be beneficially owned by the provincial corporation, except as otherwise provided in the regulations.

(3) Notwithstanding subsection (1), a provincial corporation may, through realization of a security interest held by the corporation or, subject to the approval of the Minister, by means of a loan workout procedure, beneficially own shares to which are attached more than 10% of the voting rights attached to all of the issued and outstanding voting shares of a body corporate, but the provincial corporation shall dispose of the excess shares within

(a) 2 years after acquiring the excess shares, or

(b) any longer period the Minister allows.

(4) Notwithstanding subsections (1) and (3), a provincial corporation may beneficially own shares to which are attached more than 10% of the voting rights attached to all of the issued and outstanding voting shares of any of the following bodies corporate:

(a) with the approval of the Minister, a loan or trust corporation incorporated and regulated by or under an Act of Canada or of a province or territory,

- (b) *a financial leasing corporation,*
- (c) *a body corporate that is a securities dealer,*
- (d) *a body corporate that is an insurer,*
- (e) *a real property brokerage corporation or a real property corporation,*
- (f) *a factoring corporation,*
- (g) *a mutual fund distribution corporation that is registered as a mutual fund dealer under the Securities Act or in a similar capacity under comparable legislation in another jurisdiction in Canada,*
- (h) *an investment counselling corporation that is registered as an investment counsel under the Securities Act or in a similar capacity under comparable legislation in another jurisdiction in Canada,*
- (i) *a portfolio management corporation that is registered as a portfolio manager under the Securities Act or in a similar capacity under comparable legislation in another jurisdiction in Canada,*
- (j) *a service corporation that does not hold shares of a body corporate referred to in this subsection,*
- (k) *an information management corporation,*
- (l) *a bank, or*
- (m) *a prescribed body corporate.*

40 Section 258 presently reads:

258(1) Subject to this section, where, as a result of administering this Act, the Minister obtains information or documents, other than information or documents kept in a

register under section 28, regarding the business or affairs of a registered corporation or

persons dealing with a registered corporation, the Minister shall not disclose that information or provide those documents or disclose any information contained in, or allow access to, those documents, to any person other than the registered corporation.

(2) The Minister may in any manner communicate or provide information and copies of documents referred to in subsection (1) whose disclosure the Minister considers to be required

- (a) for the proper administration of this Act, to persons acting under the Minister's direction or authority in the administration of this Act,*
- (b) for the purpose of enabling the auditor of a registered corporation to fulfil the auditor's functions as such, to that auditor, or*
- (c) for regular law enforcement purposes, to a law enforcement authority.*

(3) The Minister may in any manner communicate information and provide copies of documents referred to in subsection (1), or allow inspection of or access to any of those documents,

- (a) to the government of any other province or territory or of Canada, or an agency of any of those governments,*
- (b) for the purposes of the administration or enforcement of
 - (i) the Securities Act, to the Executive Director,*
 - (ii) the Insurance Act, to the Minister responsible for the Insurance Act, or*
 - (iii) the Credit Union Act, to any employee in the public service of Alberta who is involved in the administration of that Act,**

or

(c) for any prescribed purpose, to any other prescribed person.

(4) Subject to subsection (5), a person to whom information or a document is communicated or provided under subsection (2) or (3)(b) or (c) shall comply with subsection (1) in respect of it.

(5) Subsection (4) does not apply to any disclosure made by the recipient referred to in that subsection

(a) for the relevant purpose referred to in subsection (2)(b) or (c) or (3)(b) or (c), or

(b) to another person acting under the recipient's direction or authority or otherwise associated with the recipient in achieving that purpose.

(6) Where, for the purpose of the administration of this Act, the Minister receives information communicated to the Minister by, or is allowed inspection of or access to any document provided by, the government of or a public body of Canada or any other province or territory, the Minister shall not disclose the information or the contents of the document other than with the consent of that government or public body.

(7) Subject to subsections (4) and (5), duties under this section apply not only to a person referred to in this section, but also to any other person acting under that person's direction or authority or to whose notice information or a document comes as a result of any relationship with that person.

Part 7

Public Sector Pension Plans Act

41 Amends chapter P-41 of the Revised Statutes of Alberta 2000.

42 Section 1 presently reads in part:

1 Apart from sections 1 to 12, this Act is divided into

- (a) *Schedule 1, containing part of the Local Authorities Pension Plan and other provisions relating to that pension plan,*
- (b) *Schedule 2, containing part of the Public Service Pension Plan and other provisions relating to that pension plan,*
- (c) *Schedule 3, containing part of the Universities Academic Pension Plan and other provisions relating to that pension plan,*

43 Transitional provision for funding requirements.

44(1) Provides for Schedule 1 amendments.

(2) Section 1 presently reads in part:

1(1) In this Schedule,

- (b) *“funding and solvency requirements” means the minimum funding and solvency requirements set by section 48(2) and (3), and regulations made with reference to section 48(2), of the Employment Pension Plans Act;*
- (i) *“regulations” does not include the plan rules.*

(3) Section 4 presently reads in part:

(4) Where a recommendation made under subsection (2) would, if adopted, have the effect of changing any of the Plan’s benefits, the recommendation must be approved by the Board in the manner prescribed.

(4) Section 5 presently reads:

5(1) The Board shall have an actuarial valuation of the Plan performed, and a report on that valuation prepared, by the Plan's actuary at least once every 3 years.

(2) The Board shall, if necessary, within a reasonable time after receiving the report, make plan provisions, following the recommendations of the Plan's actuary in the report, adjusting either or both the employer and employee contribution rates for current service so that those rates will meet or exceed the funding and solvency requirements.

45(1) Provides for Schedule 2 amendments.

(2) Section 1 presently reads in part:

1(1) In this Schedule,

(b) "funding and solvency requirements" means the minimum funding and solvency requirements set by section 48(2) and (3), and regulations made with reference to section 48(2), of the Employment Pension Plans Act;

(i) "regulations" does not include the plan rules;

(3) Section 4 presently reads in part:

(2) Notwithstanding any other law, the Lieutenant Governor in Council may amend or repeal and replace existing plan rules only on the Board's recommendation.

(4) Section 5 presently reads:

5(1) The Board shall have an actuarial valuation of the Plan performed, and a report on that valuation prepared, by the Plan's actuary at least once every 3 years.

(2) The Board shall, if necessary, within a reasonable time after receiving the report, make plan provisions, following the recommendations of the Plan's actuary in the report, adjusting either or both the employer and employee

contribution rates for current service so that those rates will meet or exceed the funding and solvency requirements.

46(1) Provides for Schedule 4 amendments.

(2) Section 1 presently reads in part:

1(1) In this Schedule,

(b) “funding and solvency requirements” means the minimum funding and solvency requirements set by section 48(2) and (3), and regulations made with reference to section 48(2), of the Employment Pension Plans Act;

(i) “regulations” does not include the plan rules.

(3) Section 4 presently reads in part:

(2) Notwithstanding any other law, the Lieutenant Governor in Council may amend or repeal and replace existing plan rules only on the Board’s recommendation.

(10) Notwithstanding anything in subsections (1)(j) and (9), any particular post-1991 COLA benefit increase may be made only if

(a) the indexing fund, before the transfer under section 6.2, contains assets at least equal in value to the amount certified by the Plan’s actuary to be the actuarial present value of the

particular increase over the expected remaining lifetimes of all persons who stand to benefit by the increase,

(b) the increase is to be paid from the plan fund,

(c) the Plan meets the funding and solvency requirements, and

(d) the increase complies with the tax rules and this Schedule.

(4) Section 5 presently reads:

5(1) The Board shall have an actuarial valuation of the Plan performed, and a report on that valuation prepared, by the Plan's actuary at least once every 3 years.

(2) The Board shall, if necessary, within a reasonable time after receiving the report, make plan provisions, following the recommendations of the Plan's actuary in the report, adjusting either or both the employer and employee contribution rates for current service (other than the post-1991 COLA contribution rates established by the Board's plan rules under section 4(8)) so that those rates will meet or exceed the funding and solvency requirements.

47(1) Provides for Schedule 5 amendments.

(2) Section 1 presently reads in part:

1(1) In this Schedule,

(b) "funding and solvency requirements" means the minimum funding and solvency requirements set by section 48(2) and (3), and regulations made with reference to section 48(2), of the Employment Pension Plans Act;

(i) "regulations" does not include the plan rules.

(3) Section 5 presently reads:

5(1) The Minister, in consultation with the Board, shall have an actuarial valuation of the Plan performed, and a report on that valuation prepared, by the Plan's actuary at least once every 3 years.

(2) The Minister shall, if necessary, within a reasonable time after receiving the report and after consulting with the Board, make a recommendation to the Lieutenant Governor in Council to make plan rules, following the

recommendations of the Plan's actuary in the report, adjusting either or both the employer and employee contribution rates for current service so that those rates will meet or exceed the funding and solvency requirements.

(3) The Lieutenant Governor in Council, on receiving the Minister's recommendation, shall forthwith by regulation make the plan provisions recommended.

48 Schedule 6, section 12 presently reads:

12(1) The Lieutenant Governor in Council may make any regulations

- (a.1) that are considered necessary to give full effect to the intent of this Schedule,*
- (b) respecting the administration of the Plan, including provisions delegating or allowing the delegation of some or all of the Plan's administration and respecting any contracts with respect to any such delegation,*
- (i) prescribing any matter or thing that by this Schedule may be or is to be prescribed, and*
- (j) that are considered necessary or advisable, from the perspective of the Plan, to give full effect to the regulations made under section 12(1)(j) of Schedule 5.*

(1.1) Regulations under subsection (1)(j) operate notwithstanding anything to the contrary in this Schedule.

(1.2) Regulations under subsection (1)(j) may be made to apply with effect from a date specified in them, being the effective date of the exit referred to in section 12(1)(j) of Schedule 5, that is prior to July 15, 1999.

(3) If the Lieutenant Governor in Council considers that any provision of this Schedule is inconsistent with the overall intent expressed in section 2, the regulations under subsection (1) may amend that provision to make it so consistent.

49(1) Provides for amendments to SA 1993 cP-30.7.

(2) Section 7.1 was omitted but not repealed by RSA 2000.

(3) Section 11 of Schedule 1 was omitted but not repealed by RSA 2000.

(4) Section 11 of Schedule 2 was omitted but not repealed by RSA 2000.

Part 8
Coming into Force

50 Coming into force.