

BILL

No. 45 of 1915.

An Act respecting Insurance.

(Assented to , 1915.)

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

SHORT TITLE.

1. This Act may be cited as "*The Alberta Insurance Act.*"

INTERPRETATION.

2. In this Act, unless the context otherwise requires—

1. "Actuarial solvency" shall mean the solvency of an insurance corporation when its actuarial liabilities are charged or treated as present liabilities;

2. "Agent" shall include any person who undertakes or assists or aids another to undertake insurance; and shall also include an insurance broker;

3. "Accident insurance" means insurance against bodily injury and death by accident, including the liability of employers for injuries to persons in their employment;

4. "Automobile insurance" shall include insurance against accidental bodily injury or death to the driver of an automobile, insurance against loss or damage from accident or injury suffered by an employee or other person caused by an automobile and for which the owner thereof is liable, insurance against loss or damage to property from an accident caused by an automobile, and insurance against loss or damage to an automobile by fire, accident, burglary or theft;

5. "Beneficiary" shall include every person entitled to insurance money, and the executors, administrators and assigns of any person so entitled;

6. "Cash-mutual company" means a company organized to transact mutual insurance, but empowered to undertake contracts of insurance on both the cash plan and the premium note or mutual plan;

7. "Certificate of authority" means any certificate issued by the superintendent of insurance entitling the holder to act as an insurance agent within the province;

8. "Company" means and includes any company or corporation, or any society or association, incorporated or unincorporated, or any firm or partnership, or any underwriter, except a friendly society, that undertakes or effects for valuable consideration, or agrees or offers so to undertake or effect, in the province, any contract of insurance within the meaning of this Act;

9. "Contract" means and includes any contract or agreement, sealed, written, or oral, the subject matter of which is within the intent of paragraph 20 hereof;

10. "Credit insurance" means insurance against the insolvency of debtors or against loss from giving or extending credit;

11. "Dominion company" means a company licensed under authority of the Parliament of the Dominion of Canada;

12. "Dominion insurance corporation" means an insurance corporation licensed under authority of the Parliament of the Dominion of Canada;

13. "Fidelity insurance" means insurance against the dishonesty, unfaithfulness, negligence, or default of employees, or trustees, or persons occupying public or private positions of duty, trust, confidence or agency;

14. "Foreign company" means any company other than a Dominion company, not incorporated by or under the authority of the legislature.

15. "Foreign insurance corporation" means any insurance corporation other than a Dominion insurance corporation not incorporated by or under the authority of the legislature;

16. "Friendly society" shall include any corporation, society, association, or fraternity, benevolent, mutual, provident, industrial or co-operative, or the like, which does not carry on insurance for profit, and which through the mutual co-operation of its members furnishes to such members or to their families, relatives, dependents, or other designated beneficiaries upon a specified contingency aid, protection, or benefit;

17. "Guarantee insurance" shall include "credit insurance," "fidelity insurance," and "title insurance," and any contract whereby the insurer undertakes suretyship, or undertakes to pay money or perform a contract, trust or duty on default of another who is in the first instance liable for such payment or performance;

18. "Inland marine insurance" means marine insurance in respect of subjects of insurance at risk in Canada above the harbour of Montreal;

19. "Inland transportation insurance" means insurance against loss or damage to goods, wares, merchandise or property of any kind including matter transmitted by mail, in transit, otherwise than by water, from place to place in Canada;

20. "Insurance" shall include the following, whether the contract be one of primary insurance, or of reinsurance, and whether the premium payable be a sum certain, or consist of sums uncertain or variable in time, number or amount:

- (a) Insurance against death, sickness, infirmity, casualty, accident, disability or any change of physical or mental condition, whether payable in money, services or otherwise;
- (b) Insurance against financial loss; or against loss of work, employment, practice, custom, wages, rents, profits, income or revenue;
- (c) Insurance of property against any loss or injury from any cause whatsoever, whether the obligation of the insurer is to indemnify by a money payment or by restoring or reinstating the property insured;
- (d) Contracts of endowment, assessment endowment, tontine, semi-tontine, lifetime benefits, annuities

on lives, or contracts of investment involving tontine or survivorship principles for the benefit of persisting members; and any contract of investment involving life contingencies;

- (e) Any contract made in consideration of a premium and based on the expectancy or expectation or probability of life; and any contract made, on such consideration and having for its subject the life, safety, health, fidelity or insurable interest of any person, whether the benefit under the contract is primarily payable to the assured or to a donee, grantee or assignee, or to trustees, guardians or representatives, or to or in trust for any beneficiary, or to the assured by way of indemnity or insurance against any liability incurred by him by or through the death or injury of any person;
- (f) Any investment contract under which lapses or payments made by discontinuing members or investors accrue to the benefit of persisting members or investors, except where a corporation other than an insurance corporation is expressly authorized to undertake such contract by a statute in force in Alberta;
- (g) Generally any contract in the nature of any of the foregoing whereby the benefit under the contract accrues payable on or after the occurrence of some contingent event;

21. "Insurance on the cash plan" means insurance given for a money consideration without premium note.

22. "Insurance corporation" shall include any company and any friendly society as defined by this Act;

23. "Investment insurance" means insurance against loss of either principal or interest, or both, of moneys lent, invested, or secured on mortgages or debentures, and loss of deposits and loans of every kind to any person at home or abroad, and includes insurance against loss of rentals by any cause except fire;

24. "Legislature" means the Legislative Assembly of Alberta;

25. "Mutual insurance" means insurance given in consideration of a premium note or undertaking with or without any immediate cash payment thereof; and the expression "mutual company" means a company empowered solely to transact mutual insurance;

26. "Offer to undertake" shall include the setting up of a sign or inscription containing the name of the insurance corporation, and the distribution or publication of any proposal, circular, card, advertisement, printed form, or like document, in the name of the insurance corporation, or any written or oral solicitation on its behalf;

27. "Officer" shall include any trustee, director, manager, treasurer, secretary or member of the board or committee of management of a corporation or any person appointed by the corporation, to sue and be sued in its behalf;

28. "Person" shall, unless the context otherwise requires, include any company or corporation, any society or association, incorporated or unincorporated, and any firm or partnership;

29. "Plate glass insurance" means insurance against the breaking of plate or other glass, either local or in transit;

30. "Policy" shall include any contract of insurance within the meaning of this Act;

31. "Premium note" means an instrument given as consideration for insurance whereby the maker undertakes to pay such sum or sums as may be legally demanded by the insurer, the aggregate of such sums not to exceed an amount specified in the instrument;

32. "Province" means the Province of Alberta;

33. "Provincial company" means any company incorporated by or under the authority of the legislature;

34. "Provincial insurance corporation" means any insurance corporation incorporated by or under the authority of the legislature;

35. "Registered" means entered in the register of the superintendent;

36. "Sickness insurance" means insurance against loss through illness not ending in death, or disability not arising from accident or old age;

37. "Steam boiler insurance" means insurance against loss or damage to life, person, or property, caused by the explosion of steam boilers, or engines or pipes connected therewith or operated thereby;

38. The expression "superintendent" and "superintendent of insurance" means any superintendent of insurance appointed under this Act, and shall include his deputy;

39. "Title insurance" shall include insurance whereby the insurer insures the validity of title to property, real or personal, or insures the legality and validity of written obligations or of other instruments;

40. "Treasurer" means the Treasurer of the Province of Alberta, or any member of the Executive Council to whom from time to time may be transferred, either for a limited period or otherwise, the powers and duties which are by this Act assigned to the Treasurer;

41. "Undertake" shall include undertake, or negotiate, or solicit, or agree, or offer to undertake;

42. "Written" as applied to any instrument, shall include written or printed, or partly written and partly printed.

3. Every insurance corporation which undertakes insurance within the province other than the renewal from time to time of life insurance policies shall pay to the superintendent, for the use of the province, an annual tax as follows:

1. Every company undertaking—	
(a) Life insurance.....	\$300.00
(b) Fire, storm, cyclone, tornado, inland marine, inland transportation and sprinkler leakage insurance.....	300.00
(c) Hail insurance.....	200.00
(d) Accident, sickness and guarantee insurance	200.00
(e) Plate glass insurance.....	50.00
(f) Storm, cyclone and tornado insurance....	50.00
(g) Inland marine and inland transportation insurance.....	50.00
(h) Sprinkler leakage insurance	50.00
(i) Mutual fire insurance—	
(i) If provincial.....	50.00
(ii) If Dominion or foreign.....	100.00
(j) One or more of all other classes of insurance.....	100.00

2. Every underwriter's agency undertaking one or more of all classes of insurance.....	100.00
3. Every friendly society, having less than one hundred members in the province, undertaking any one or more of the classes of insurance named in the following subsection.....	25.00
4. Every friendly society, having one hundred members or more in the province, undertaking—	
(a) Sickness and funeral benefit insurance, and having its head office—	
(i) Within Canada.....	25.00
(ii) Without Canada.....	50.00
(b) Life insurance, including sickness and funeral benefit insurance, and having its head office—	
(i) Within Canada.....	50.00
(ii) Without Canada.....	100.00

5. Save as in this section provided, every insurance corporation shall pay a separate tax in respect of each class of insurance undertaken by it, and no insurance corporation other than a Dominion insurance corporation, undertaking life insurance, shall undertake any other class of insurance, except as in this section provided.

6. The tax payable by any insurance corporation, not undertaking insurance within the Province, before the first day of July in any year shall, except as to the undertaking of hail insurance, be such proportion of the annual tax as the Lieutenant Governor in Council shall by order determine.

4. All taxes imposed upon any insurance corporation by this Act shall become due and payable immediately on the undertaking of insurance by it within the province, and on the first day of January in each and every year thereafter, and if any such taxes are not paid within sixty days from the time when the same became due and payable there shall be added thereto by way of a penalty a sum equal to fifty per centum of such taxes remaining unpaid and such sum shall form a part of the said taxes and be recoverable therewith.

5. The superintendent shall keep a register in which he shall enter the name of every insurance corporation which has paid all taxes due by it, and shall subject to the provisions of section 18, issue to any such insurance corporation a receipt or certificate of payment thereof in such form as he shall determine.

6. A certificate of payment of taxes shall confer on the insurance corporation named therein the same corporate rights (except as is or may be otherwise provided by this or any other Ordinance or Act) as if it had been incorporated by an Act of the Legislature.

(2) No receipt, certificate of payment of taxes, nor the publication of the annual or other report or statement in any Government publication, shall be construed to be a guarantee, warranty or commendation of the financial standing or actuarial solvency of any insurance corporation, nor shall any person orally or in writing so represent.

7. No company, other than a Dominion company, shall undertake insurance in this province if it be a company—

1. Undertaking fire, or fire and inland marine, or fire and accident, or life, or guarantee or suretyship insurance, or hail insurance, unless the amount of its authorized capital stock shall be at least \$500,000, and unless the company shall furnish to the superintendent satisfactory evidence that of the said capital stock at least \$200,000 has been *bona fide* subscribed for and taken up, and that at least \$25,000 of the said subscribed stock has been paid up.

2. Undertaking accident, or sickness, or sickness and accident, or live stock insurance with or without insurance on vehicles, unless the amount of its authorized capital stock shall be at least \$200,000, of which \$100,000 at least shall be shown to have been *bona fide* subscribed for and taken up, and at least \$10,000 paid up;

3. Undertaking only inland marine insurance, or inland transportation insurance, or insurance (other than that referred to in clause 4 hereof) against any loss or damage to property by accidental causes, including explosions, or by reason of larceny, house-breaking or burglary, or any two of the said classes of insurance, unless the amount of its authorized capital stock shall be at least \$100,000 of which at least \$50,000 shall be shown to have been *bona fide* subscribed for and taken up, and at least \$10,000 paid up;

4. Undertaking bicycle or vehicle insurance (other than automobile insurance) or plate glass insurance, or any two or more thereof, unless the amount of its authorized capital stock shall be at least \$25,000, of which \$12,000 at least shall be shown to have been *bona fide* subscribed for and taken up, and at least \$3,000 paid up;

(2) No friendly society other than one licensed by the Dominion of Canada, shall undertake insurance unless its contracts for life insurance require members to pay premiums or assessments on every \$1,000 liability equal to those set out in schedule A hereto, and in addition such further sum as the superintendent considers sufficient to cover the expenses of management.

(3) The Lieutenant Governor in Council may relieve any friendly society other than one licensed under the authority of the Parliament of Canada, licensed to do business in the province prior to the first day of January, 1915, from the application of this section upon any terms and conditions that may seem advisable.

(4) No insurance corporation other than a Dominion insurance corporation shall undertake insurance in the province if the taxes imposed upon it by this Act are in arrear.

8. The Treasurer shall cause to be published yearly in *The Alberta Gazette* a list of registered insurance corporations with the amount of deposit, if any, made by each insurance corporation, and from time to time upon a new insurance corporation becoming registered, or upon the taxes imposed by this Act being unpaid or in arrear, shall publish a notice thereof in *The Alberta Gazette*.

(2) Every registered insurance corporation shall forthwith after issue to it of the receipt or certificate referred to in section 5 publish a notice thereof in two issues of *The Alberta Gazette* and once a week for four weeks in a newspaper published in Edmonton, and shall give the like notice when it ceases to carry on any class of insurance.

9. Every insurance corporation shall forthwith, upon becoming registered file with the superintendent the following documents, that is to say:

1. A certified copy of its Act of incorporation, charter or other instrument of association and of its Dominion license, if any.

2. A power of attorney (in form prescribed by the Lieutenant Governor in Council or to the like effect) from the insurance corporation to the superintendent under its seal, if any, and signed by the president and secretary or other proper officer thereof, in the presence of a witness who shall make oath or affirmation as to the due execution thereof and the official positions in the insurance corporation held by the officers signing such power of attorney shall be sworn to or affirmed by some person cognizant of the facts necessary in that behalf; provided that whenever the insurance corporation has, by such power of attorney under its seal appointed a general agent for Canada, and has thereby authorized such general agent to appoint chief officers or agents for it in the various provinces of Canada, then, after so filing a copy of the said first mentioned document duly certified by a notary public to be a true copy thereof, powers of attorney executed by the said general agent for Canada under his seal, in the presence of a witness who has by oath or affirmation duly verified the execution thereof, shall be deemed sufficiently executed by the insurance corporation for all the purposes of this Act;

3. A certified copy of any resolution of the insurance corporation authorizing the signatories to such power of attorney to sign the same on its behalf, and such other documents as the superintendent may require;

4. A statement, in such form as may be required by the Treasurer, of the condition and affairs of the insurance corporation on the thirty-first day of December then next preceding, or up to its usual balancing day but such day shall not be more than twelve months before the filing of the statement;

(2) Every company shall pay to the superintendent for the use of the province on filing the said documents a fee of \$10.00.

(3) Every friendly society shall, in addition to the documents required to be filed by the first subsection, file the following:

- (1) Certified copies of its rules, by-laws and regulations verified to the satisfaction of the superintendent;
- (2) An affidavit or statutory declaration that the society is still in existence and legally authorized to undertake insurance under its charter;
- (3) Notice of the location of the head office of the society;
- (4) Notice of the location of the head office of the society in Alberta;
- (5) A certified statement of the society's membership in Alberta;
- (6) A schedule of the rates fixed by the society.

(4) Every friendly society shall pay to the superintendent for the use of the province on filing the said documents a fee of \$5.00.

10. After such certified copies and power of attorney are filed as aforesaid, any process in any action, suit or proceeding against the insurance corporation in respect

of any liabilities incurred in the province may be served upon its attorney appointed pursuant to the ninth section of this Act, and such notice shall be deemed to be service upon the insurance corporation; provided, however, that nothing herein contained shall render invalid service in any other mode in which the insurance corporation may be lawfully served.

11. Whenever any legal process is served upon the superintendent, under the provisions of this Act, as attorney for a registered insurance corporation, he shall, if its head office is in Canada, forthwith notify it of such service by registered letter, containing a copy of such process, prepaid and directed to its secretary, or, if its head office is without Canada, to its resident manager, if any, in Canada, or to such other person as may have been previously designated by it, by written notice filed in the office of the superintendent, as the person to whom the same should be sent. The superintendent shall keep a record of the date and hour of the service of process upon him.

12. There shall be no judgment for default of appearance or defence, or action taken as a consequence of such service unless and until an affidavit is filed in the court out of which or by which such process is issued, showing that the said attorney has, in accordance with the requirements of section 11, duly notified the insurance corporation affected by such process of the service thereof upon him.

13. Every registered fire insurance company shall cause to be printed, stamped or written in plain letters across the face of every policy, interim receipt or other insuring document, covering fire loss, issued by or on behalf of such company, on property of any kind, either real or personal, in the province, or which on the face of such policy, interim receipt or other insuring document is stated to be in the province, the words "registered under *The Alberta Insurance Act*".

UNDERWRITERS' AGENCY.

14. No policy of insurance covering loss by fire on property situate in the province shall be issued through any underwriters' agency or underwriters' company which issues policies in its own name for another principal or guaranteeing or managing company, unless such principal or guaranteeing or managing company and such underwriters' agency or underwriters' company are both registered, nor unless such policy bears the name of the principal, guaranteeing or managing company in a prominent and conspicuous manner, nor unless the form of such policy has been approved by the superintendent.

(2) Every registered fire insurance company which carries on any of its business or issues any policy of insurance through an underwriters' agency or company shall, in addition to the other information required to be given by such company, file, on a form to be prescribed by the superintendent, a return of the business transacted by the said underwriters' agency or company up to the 31st day of December in each and every year.

AGENTS.

15. Every fire or employers' liability insurance policy issued by any company covering a risk in the province shall be approved by an agent of the company who is a resident of the province, holding a certificate of authority from the superintendent, and such agent shall sign or countersign any policy, duplicate policy or contract so issued and make a record of the same in books provided by the company for that purpose, and shall receive the commission or some part thereof when the premium stipulated in such policy is paid; provided, that this section shall not apply to direct insurance covering the rolling stock of railroad corporations or property in transit, which is in the possession and custody of railroad corporations, or other common carriers, or to moveable property employed by them in their business as common carriers.

16. No agent, other than an agent of a provincial mutual fire insurance company, shall undertake insurance in this province unless and until he has obtained from the superintendent a certificate of authority to act as such agent. No such certificate shall be granted to an agent to undertake insurance for an insurance corporation which is not registered.

(2) No agent, or other person representing or doing business in the province for any company registered under this Act shall, directly or indirectly, divide or offer to divide his commission or other remuneration with, or give, or offer to give, any part of his commission or other remuneration, or any other matter or thing of value to any person whose life, safety, health, fidelity, property or insurable interest he may be insuring or seeking to insure, or to any person having or claiming or appearing to have any influence or control as to the placing of such insurance, as an inducement to insure with him or in or with a company employing him or represented by him, or to any other person who has not obtained a certificate of authority under this Act.

(3) No resident agent holding a certificate of authority shall sign any policy of insurance in blank.

(4) The Superintendent of Insurance may revoke any certificate of authority if, after due investigation by him or his agent, he determines that the agent to whom it was issued has violated any of the provisions of this Act, or of the laws of the Dominion of Canada respecting insurance, or is incompetent, untrustworthy or dishonest. No person whose certificate of authority is revoked shall be entitled to another until one year after such revocation.

17. Every agent shall pay to the superintendent for the use of the province for each certificate of authority or renewal thereof—

1. To undertake all classes of insurance:

In cities	\$25.00
In towns	7.00
In other places	3.00

2. To undertake, anywhere in the province, all classes of insurance except fire insurance 3.00

(2) The holding of a certificate of authority shall *ipso facto* exempt the agent from liability to pay any license fee for undertaking insurance imposed by any other authority in the province.

(3) Every such certificate shall expire on the fifteenth day of February next following the date of the granting thereof, but may upon the application of the agent be renewed by the superintendent upon payment of the prescribed fee.

SECURITIES.

18. Every provincial and every foreign insurance corporation, not being a friendly society incorporated and licensed by or under the authority of the Legislature of any province of Canada, shall, before the issue of a receipt or certificate of payment of taxes, lodge with the Treasurer, either in cash or in any stock, debentures or other securities approved of by the Treasurer the deposits respectively hereinafter stated.

19. The deposit to be made by any such insurance corporation shall be the sum appointed therefor in the twentieth and twenty-first sections of this Act and such deposit shall be accompanied by an affidavit of at least two of the principal officers of the insurance corporation that the said securities are its property absolutely and are free from liens and encumbrances of any and every nature whatsoever.

20. If on the preceding thirty-first day of December in any year the total contingent liability, or the amount at risk in the province, of any such insurance corporation does not exceed one million, five hundred thousand dollars, then—

1. Every joint stock company, if a provincial company, shall keep on deposit with the Treasurer \$10,000, and, if a foreign company, \$20,000; provided, however, that a provincial or foreign company undertaking plate glass insurance only shall deposit \$3,000;

2. Every friendly society, included in section 18, shall keep on deposit with the Treasurer \$10,000, but if doing only sickness and funeral benefit insurance, or one of them, the amount of the deposit shall be \$2,000;

3. Every provincial mutual fire, or fire and inland marine company, insuring mercantile or manufacturing risks, shall keep on deposit with the Treasurer \$5,000; and every provincial cash-mutual fire, or fire and inland marine company insuring mercantile or manufacturing risks, \$5,000;

4. Every foreign mutual fire, or fire and inland marine company insuring mercantile and manufacturing risks shall keep on deposit with the Treasurer \$10,000; but a foreign mutual fire insurance company not insuring mercantile and manufacturing risks shall keep on deposit with the Treasurer \$5,000;

5. Every foreign mutual hail insurance company shall keep on deposit with the Treasurer the sum of \$20,000, and every such provincial company, the sum of \$5,000.

21. If on the preceding thirty-first day of December in any year the total contingent liability, or the amount at risk in the province, of any insurance corporation, referred to in the next preceding section, exceeds one million, five hundred thousand dollars then for each additional one million, five hundred thousand dollars, or fraction thereof,

each such insurance corporation shall, if foreign, keep on deposit with the Treasurer by way of additional security a sum equal to one-half of the initial deposit; and, if provincial, shall keep on deposit \$200 for every one hundred thousand dollars, or fraction thereof, by which the said total contingent liability, or amount at risk, exceeds one million five hundred thousand dollars.

22. Notwithstanding the provisions of its charter or memorandum of association, every insurance corporation heretofore or hereafter incorporated or chartered, by or under the authority of the Legislature, shall be governed only by this Act in regard to deposits to be made with the Treasurer or the Government of Alberta, and shall not be required to make or continue any further or other deposit or deposits than such as are required hereby.

23. Securities approved of hereunder by the Treasurer shall be accepted at their market value at the time when they are deposited.

24. If the market value of any of the securities which have been deposited by any insurance corporation declines below the value at which they were deposited the Treasurer may from time to time call upon the insurance corporation to make a further deposit, so that the market value of all the securities deposited by any insurance corporation shall be equal to the amount which they are required to deposit by this Act.

25. The Treasurer may permit the substitution of other securities for those deposited with him.

26. Any securities deposited under the provisions of this Act may be used by the Treasurer for the purposes of re-insuring all or any part of the risks of the insurance corporation outstanding in Alberta as and when the superintendent may see fit.

27. An insurance corporation may deposit with the Treasurer any moneys or securities of the kind prescribed by section 18 of this Act beyond the sum hereinbefore required; and such moneys or securities shall be dealt with as if the same had been part of the original deposit, and no part thereof shall be withdrawn except with the sanction of the Lieutenant Governor in Council.

28. If from the annual statements, or from an examination of the affairs and condition of any company, other than a Dominion company, it appears that the re-insurance value of all its risks outstanding in the province, together with any other liabilities in the province, exceeds its assets in the province, including the deposit in the hands of the Treasurer, then the company shall be called upon by the Treasurer to make good the deficiency at once, and on failure to do so its corporate powers in the province shall thereupon cease and determine, except for the purpose of winding up its affairs. In the case of life companies, such re-insurance value shall be calculated on the basis used by the insurance branch of the Department of Finance at Ottawa.

29. Where an insurance corporation, other than a Dominion insurance corporation, fails to make the deposits under this Act at the time required, or where written notice has been served on the Treasurer of an undisputed claim arising from loss insured against in Alberta remaining unpaid for the space of sixty days after being due, or of a disputed claim after final judgment in the regular course of law and tender of a legal valid discharge being unpaid, so that the amount of securities representing the deposit of the insurance corporation is liable to be reduced by sale of any portion thereof, the corporate powers of such insurance corporation in the province shall *ipso facto* be suspended until the deposit is again brought to the strength required by this Act over and above such liable reduction, but on such strength being acquired, the insurance corporation shall again *ipso facto* be clothed with its corporate powers in the province.

30. Except in cases with respect to which it may be otherwise provided by the Lieutenant Governor in Council, so long as the deposit of any insurance corporation is unimpaired and no notice of any final judgment or order to the contrary is served upon the Treasurer, the interest upon securities forming the deposit shall be handed over to the insurance corporation when received by him.

31. Every registered company, other than a Dominion company, transacting any business of life insurance in the province, shall maintain a reserve for the protection of its Alberta policyholders, computed on the basis of the reserve required under the provisions of *The Insurance Act of Canada* for the time being in force.

(2) Every registered foreign insurance company shall deposit with the Treasurer such a percentage of the reserve required by the preceding subsection on all its Alberta policies as the superintendent may direct.

ADMINISTRATION OF SECURITIES.

32. The securities deposited with the Treasurer shall be subject to administration only in respect of any contract which falls within section 2 of this Act, and which further has for its subject some property in the province, or property in transit to or from the province, or the life, safety, health, fidelity, or insurable interest of some resident of the province, or where the contract itself makes the payment thereunder primarily payable to some resident of the province.

33. Any insurance corporation shall be liable upon the application of any creditor or policyholder to have its deposits in the hands of the Treasurer administered in manner hereinafter mentioned upon the failure of the company to pay any undisputed claim arising under any contract within the last preceding section for the space of sixty days after being due, or if disputed, after final judgment and tender of a legal valid discharge, and (in either case) after notice thereof, to the Treasurer. In the event of such administration all deposits of the insurance corporation held by the Treasurer shall be applied *pro rata* towards the payment of all claims duly authenticated against the insurance corporation, as well as in respect of unearned premiums, such being claims and premiums under

the contracts aforesaid; and the distribution of the proceeds of such deposits may be made by order of a judge of the Supreme Court of the province.

34. In any case where a claim accruing on the occurrence of any event is by the terms of the contract payable on proof of such occurrence without any stipulated delay, the notice required in the last preceding section shall not be given until after the lapse of sixty days from the time when the claim becomes due.

35. Before an application is made to a judge of the Supreme Court of Alberta for the administration of the deposit of an insurance corporation at least ten days' notice of the intended application shall be served on the Treasurer; and the notice shall designate the day named for the hearing of the application.

36. Upon granting an order for administration as aforesaid the court shall appoint a receiver, who may be an officer of the court, who shall forthwith call upon the insurance corporation to furnish a statement of all its outstanding contracts, being within the second and thirty-second sections of this Act, and upon all claimants under such contracts to file their claims; and upon the filing of the claims with the receiver the parties interested shall have the right of contestation thereof, and the right of appeal from the decision of the receiver to the court as aforesaid, according to the practice of the court; and in case of any such administration the claimants aforesaid shall be entitled to claim for a part of the premiums paid proportionate to the unexpired period of their contracts respectively, and such unearned premiums shall rank, in the distribution of assets, with judgments obtained and claims accrued; and upon the completion of the schedule to be prepared by the receiver of all judgments against the company upon said outstanding contracts, and of all claims for unearned premiums, or for surrender of policies, the court shall cause the securities held by the Treasurer for the insurance corporation, or any part of them, to be sold in such manner and after such notice and formalities as the court appoints; but all the proceeds thereof, after paying expenses incurred, shall be distributed *pro rata* amongst the claimants according to the schedule, and the balance, if any, shall be surrendered to the insurance corporation; but if any claim, within the second and thirty-second sections of this Act, arises after the statement of the said outstanding contracts has been obtained from the insurance corporation, as hereinbefore provided, and before the final order of the court for the distribution of the proceeds of the securities, the holder of such claim, upon due proof thereof, shall be entitled to share in such distribution.

37. As to any claim arising after the distribution of the proceeds of the securities and as to any balance of claims against the insurance corporation not fully paid and met by such distribution, the holders of such claim shall not be barred from any recourse they may have against the insurance corporation.

38. The court, by the order appointing a receiver or by any subsequent order, may authorize the receiver to exercise, in respect of the accounts of the insurance cor-

poration, all or any of the powers which a judge of the Supreme Court of the province would have if he were taking an account of the claims against the said deposit, and every receiver so authorized shall possess the said powers, as well as the powers usually enjoyed by a receiver appointed under an order of the said court.

SURRENDER OF SECURITIES.

39. Where an insurance corporation has ceased to undertake insurance within the province and has given written notice to that effect to the Treasurer it shall reinsure all such outstanding contracts as are within the second and thirty-second sections of this Act with some registered insurance corporation or corporations, and shall pay all loss claims for which it is legally liable and all unearned premiums in respect of contracts not reinsured, or obtain a discharge thereof, and its securities shall not be delivered to the insurance corporation until the same is done to the satisfaction of the Treasurer.

40. When an insurance corporation has ceased to transact business in the province after the notice hereby required it shall pay the losses arising from policies not reinsured or surrendered as if it had continued to do business in the province.

41. Upon making application for securities the insurance corporation shall file with the Treasurer a list of all contracts within the second and thirty-second sections of this Act which have not been reinsured as provided by the fortieth section of this Act or have not been discharged; and it shall at the same time publish in *The Alberta Gazette* a notice that it has applied to the Treasurer for the release of its securities on a certain day, not less than three months after the date of the notice, and calling upon all claimants, contingent or actual, opposing the release, to file their opposition with the Treasurer on or before the day so named, and after that date, if the Treasurer is satisfied that the insurance corporation has ample assets to meet its liabilities under this Act, all the securities may be released to the insurance corporation by an order of the Lieutenant Governor in Council, or a sufficient amount thereof may be retained to cover the claims filed, and the remainder may be released; and thereafter from time to time, as such opposing claims lapse or proof is adduced that they have been satisfied, further releases may be made on the authority aforesaid.

CHANGE OF NAME.

42. Where an insurance corporation incorporated under the provisions of a special or general Act of the legislature is desirous of adopting a name differing from that by which it was incorporated; or where, in the opinion of the Lieutenant Governor in Council, the name by which any such insurance corporation was incorporated may be easily confounded with that of any other existing insurance corporation, the Lieutenant Governor in Council upon being satisfied that a change of name will not work or effect any improper purpose, may by order change the name of such insurance corporation to some other name to be set forth in the order; but no such change of name

shall affect the rights or obligations of the insurance corporation; and all proceedings which might have been commenced or continued by or against it by its former name may be commenced and continued by or against it by its new name.

(2) The Lieutenant Governor in Council may require the same notice to be given upon any application for such change of name as is required by *The Companies Ordinance*.

(3) Notice of any change of name shall be forthwith inserted by the insurance corporation in at least one issue of *The Alberta Gazette*.

PLACE OF PAYMENT OF LIFE POLICY.

43. The moneys payable under any policy of life insurance already issued, or that may hereafter be issued by an insurance corporation that has already become or may hereafter become registered under the provisions of this Act, or licensed or registered under any Act for which this Act is substituted, shall, in all cases, be payable in the province, when the assured is or dies domiciled therein, notwithstanding anything contained in any policy or the fact that the head office of the insurance corporation is not within the province.

BOOKS TO BE KEPT BY INSURANCE CORPORATIONS.

44. Every registered insurance corporation, other than a Dominion insurance corporation, shall keep a classification of its contracts and such registers and books of account as may from time to time be directed or authorized by the Treasurer; and if it appears at any time to the Treasurer that such books are not kept in such business-like way as to make at any time a proper showing of the affairs and standing of such insurance corporation he shall thereupon nominate a competent accountant to proceed under his directions to audit such books, and to give such instructions as will enable the officers of such insurance corporation to keep them correctly thereafter, the expense of the accountant to be borne by the insurance corporation to which he is sent, and shall not exceed ten dollars per day and necessary travelling expenses; the account for such audit and instructions shall be certified and approved by the Treasurer and thereupon shall be payable forthwith by the insurance corporation.

45. Where a registered company, other than a Dominion company, has a share or stock capital, such company shall keep a stock register, in which register all the transfers of the stock shall be accurately kept, and it shall at all reasonable times be open to the examination of any shareholder and the Treasurer. The entries in such register shall include the following particulars:

- (a) The registered number of the shares transferred;
- (b) The amount of subscribed stock transferred;
- (c) The number of shares subscribed for;
- (d) The amount paid up on said shares;
- (e) The names and addresses of the transferrer and transferee;
- (f) The date of transfer, and date of confirmation or disallowance by the board of directors.

46. The books and records required to be kept by section 44 shall include only contracts within the second and thirty-second sections of this Act.

47. Where any advertisement, letterhead, account or other documents issued, published or circulated by a registered company, other than a Dominion company, or any of its officers, agents or employees, purports to state the capital of the company it shall state separately—

- (a) The authorized capital;
- (b) The capital actually and *bona fide* subscribed;
- (c) The capital actually and *bona fide* paid up.

ANNUAL STATEMENTS.

48. Every registered insurance corporation shall on or before the first day of April in each year furnish to the superintendent a statement showing:

1. The condition and the affairs of the insurance corporation on the thirty-first day of December then next preceding, exhibiting the assets, liabilities, receipts and expenditures, in such form and with such items and detail as shall from year to year be required by the said superintendent and shall cause such statement to be deposited in the office of the superintendent, accompanied by a statutory declaration to the effect shown in the form in schedule B to this Act to be made by the president or vice-president and secretary or treasurer or other qualified officer.

2. The gross premiums received during the preceding year by the insurance corporation in respect of or on account of business wholly or in part of policies issued to or held by persons residing in the province, whether such premiums were so received by such insurance corporation within the province or were received elsewhere in respect of such Alberta business.

3. If a life insurance company, a statement of the value of all its policies in force on the thirty-first day of December then next preceding, certified to by a duly qualified actuary, such valuation to be computed on the basis of the reserve required under the provision of *The Insurance Act of Canada*; and, once in every five years, or oftener (at the discretion of the Treasurer), the superintendent shall have a valuation made of all said policies then in force by a duly qualified actuary, who shall be appointed by the Treasurer.

4. A statement showing the total liability of the company, if a provincial company, in respect of unearned premiums upon all its outstanding unmatured policies, and if not a provincial company, in respect of unearned premiums upon all its outstanding unmatured policies of insurance upon property in Alberta. This subsection shall apply only to registered fire, inland marine and accident insurance companies.

(2) In the case of hail insurance companies or of fire insurance companies other than those transacting purely nonhazardous mutual business, a summary of such statement shall be published by the company in a newspaper published in Edmonton, on or before the fifteenth day of April in every year and proof of publication shall be filed with the superintendent on or before the fifth day

of May next following, in default of which the superintendent shall cause such publication to be made at the expense of the company.

SUPERINTENDENT OF INSURANCE.

49. The Lieutenant Governor in Council may appoint an officer to be called the superintendent of insurance, who shall act under the instructions of the Treasurer, and his duties shall include examining into and reporting to the Treasurer from time to time upon all matters connected with insurance in this province.

(2) Neither the superintendent, nor any officer under him, shall be interested as a shareholder, directly or indirectly, in any insurance company.

50. The salary of the superintendent shall be such sum per annum as the Lieutenant Governor in Council shall from time to time determine; and the Lieutenant Governor in Council may provide from time to time such assistance as may be found necessary, and may appoint a deputy of such superintendent.

INSPECTION—REGISTER.

51. The superintendent shall keep on file the various documents required by this Act to be filed in his office, and shall personally or by deputy visit the head or chief office in Alberta of every registered insurance corporation other than a Dominion insurance corporation at least once in every year, and shall carefully examine the condition and affairs of each such insurance corporation and report thereon to the Treasurer as to all matters requiring his attention and decision.

52. In order to facilitate the inspection of the books and papers of any such insurance corporation such insurance corporation may be required by the superintendent, with the approval of the Lieutenant Governor in Council, to produce the said books and papers at its head or chief office in Alberta, or at such other convenient place as the superintendent may direct. The officer or officers of the insurance corporation who have custody of the books shall be entitled to be paid by the insurance corporation for the actual expenses of such attendance.

53. The superintendent shall from such examination prepare and lay before the Treasurer an annual report of the condition of the business of every registered insurance corporation as ascertained from such inspection, and such report may be published forthwith after the completion thereof.

54. It shall be the duty of the officers or agents of the insurance corporation to cause their books to be open for the examination of the superintendent, and otherwise to facilitate the examination so far as may be in their power; and the superintendent or his deputy shall have power to examine under oath any officer or agent of the insurance corporation relative to its business.

55. It shall also be the duty of the officers and agents of the insurance corporation to furnish the superintendent, on his request, with full information as to the total

liability of the insurance corporation, if provincial, in respect of unearned premiums upon all outstanding unmatured policies, and, if foreign, in respect of unearned premiums upon all its outstanding unmatured policies of insurance upon property in Alberta.

56. A report of all insurance corporations so inspected shall be entered in a book kept for that purpose with notes and memoranda showing the condition of each such insurance corporation, and where a special examination has been made a special written report shall be communicated to the Treasurer stating the superintendent's opinion of the condition and financial standing of the insurance corporation, and all other matters desirable to be made known to the Treasurer.

57. Every director, officer, manager, agent, collector, auditor or employee of an insurance corporation who knowingly makes or assists to make any untrue entry in any books of any such insurance corporation, or who refuses or neglects to make any proper entry therein, or to exhibit the same or to allow the same to be inspected, and extracts to be taken therefrom, shall be liable on summary conviction thereof to a fine not exceeding fifty dollars and costs, and, in default of payment to imprisonment for a term not exceeding six months.

58. If it appears to the superintendent that the assets of any insurance corporation are not sufficient to justify its continuance of business, or that the insurance corporation is unsafe for the public to effect insurance with, he shall make a special report on the affairs of the insurance corporation to the Treasurer to that effect.

59. After full consideration of such report and a reasonable time being given to the insurance corporation to be heard, and if, after such further inquiry and investigation (if any) as he may see proper to make, the Treasurer reports to the Lieutenant Governor in Council that he agrees with the superintendent in the opinion expressed in his report, then, if the Lieutenant Governor in Council also concurs in such opinion, he may by order suspend or cancel the corporate powers of the insurance corporation, other than a Dominion corporation, in Alberta, and thereafter it shall not be lawful for such insurance corporation to do any further business in the province, until the suspension or prohibition is removed by the Lieutenant Governor in Council, and the corporate powers of the insurance corporation in the province restored.

60. Notice of the suspension or cancelling of the corporate powers in the province of any insurance corporation shall be published in *The Alberta Gazette*; and thereafter any person undertaking insurance on behalf of the insurance corporation, except for winding up its affairs pursuant to this or any other Act, shall be liable on summary conviction thereof to a penalty not exceeding \$100.00 and costs.

61. Wherever the affairs of any registered insurance corporation other than a Dominion insurance corporation appear to require the same the superintendent, with the

approval of the Lieutenant Governor in Council, may, at the expense of the insurance corporation, have abstracts prepared of its books and vouchers and a valuation made of its assets and liabilities; and the certificate of the superintendent approved of by the Treasurer shall be conclusive as to the expenses to be paid by the insurance corporation in respect thereof.

62. The Treasurer's certificate, or approval of an account certified by the superintendent, shall, as to the amount payable by any insurance corporation under the forty-fourth and sixty-first sections of this Act be held to be conclusive.

IMPAIRMENT OF CAPITAL AND PAYMENT OF DIVIDENDS.

63. Every registered fire or inland marine insurance company, other than a Dominion company, shall at all times maintain assets in the province at least equal in value to the total of the unearned premiums upon all outstanding unmatured policies upon property in the province, calculated *pro rata* for the times unexpired, together with the amount of matured claims for losses in the province, and all its other liabilities of every kind in the province.

64. No dividend shall be paid by any such company while its paid up capital is impaired or while its assets are less than the amount required by the next preceding section, nor shall any dividend be paid which would reduce its assets below the said amount or impair its capital.

65. If it appears to the superintendent at any time that the assets of any such company fall below the requirements of section 63 he shall report the fact to the Treasurer, and state whether or not the company appears to him to have paid any dividend in contravention of the last preceding section, and the Treasurer, after a full consideration of the matter and after giving the company a reasonable opportunity to be heard, may either recommend to the Lieutenant Governor in Council, the cancellation by him of the corporate powers of the company in the province, who may if he concurs in such recommendation order the cancellation of the same, or the Treasurer may, upon such terms and conditions as he may deem proper, limit a time within which such company shall make good the deficiency, and upon the company's failure to make good such deficiency within the time so limited, such corporate powers in the province shall be cancelled by the Lieutenant Governor in Council upon the report of the Treasurer recommending the same.

66. If at any time it be found that the assets of any such company are less than the amount required by section 63, by an amount equal to twenty per cent. or more of the total amount of the said unearned premiums, calculated as aforesaid, or that the company has paid any dividends in contravention of section 64, it shall be the duty of the Treasurer to report the same to the Lieutenant Governor in Council, whereupon the company's corporate powers in the province shall be cancelled by order of the Lieutenant Governor in Council.

FIRE INSURANCE.

67. Every registered fire insurance company may insure or re-insure any property in which the assured has an insurable interest against damage or loss by fire, lightning or explosion, whether the same happens by accident or from any other cause, except that of design on the part of the assured.

(2) A registered fire insurance company insuring any mercantile or manufacturing risk, may either by the same or by a separate contract insure the same risk against loss or damage arising from defects in or injuries from sprinklers or other fire extinguishing appliances.

68. Fire insurance contracts shall not exceed the term of three years; and the insurance of mercantile and manufacturing risks shall, if on the cash plan, be for a term not exceeding one year, but any policy may be renewed by the delivery of a renewal receipt or a new premium note.

69. On the face of a policy of fire insurance there shall appear the name of the insurer, the name of the assured, the name of the person or persons to whom the insurance money is payable, the premium or other consideration for the insurance, the subject matter of the insurance, the maximum amount or amounts which the insurer contracts to pay, the event on the happening of which payment is to be made and the term of the insurance.

(2) On every contract of insurance issued by a registered fire insurance company there shall be printed, stamped, or written the words "Issued on application submitted by (*with name of agent filled in*), authorized resident agent at (*with name of place filled in*)" but if the contract is countersigned or is to be countersigned before delivery by an authorized resident agent, the provisions of this subsection shall not apply.

(3) A policy may contain a co-insurance clause, but any such policy shall have printed or stamped across its face in large type and in red ink the words "This policy contains a co-insurance clause", and if these words are not so printed or stamped such clause shall not be binding on the assured.

(4) Any stipulation or term of the contract, other than those above stated, if held to be not just and reasonable by a court or a judge before whom a question relating thereto is tried, shall not be binding on the assured.

(5) The conditions set forth in schedule C to this Act shall, as against the insurer, be deemed to be part of every contract in force in the province with respect to any property therein or in transit therefrom or thereto, and shall be printed on every policy with the heading "Statutory Conditions", and no stipulation to the contrary, or providing for any variation, addition or omission shall be binding on the assured unless evidenced in the manner prescribed by sections 70 and 71.

(6) The said conditions shall be deemed to have been in force from the first day of January, 1915, but the provisions of this Act as to printing the same on the policies shall not be imperative until on and after the first day of January, 1916.

70. If the insurer desires to vary the statutory conditions or to omit any of them, or to add any new condition, there shall be added immediately after such conditions words to the following effect, which with any such variation, addition or reference to omissions, shall be printed in conspicuous type and in red ink.

VARIATIONS IN CONDITIONS.

“This policy is issued on the above statutory conditions, with the following variations, omissions and additions, which are, by virtue of *The Alberta Insurance Act*, in force so far only as they shall be held to be just and reasonable to be exacted by the company.”

71. No such variation, omission or addition, unless the same is distinctly indicated and set forth in the manner above prescribed, shall be binding on the assured; but on the contrary the policy shall, as against the insurer, be subject to the statutory conditions only.

72. Any such variation, omission or addition, unless held to be just and reasonable, shall be null and void.

73. It shall be optional with the insurer to pay or allow claims, wholly or in part, which are void under any statutory condition.

74. Where the loss, if any, under any policy has with the consent of the company been made payable to some person or persons other than the assured as mortgagee or mortgagees said policy shall not be cancelled by the company upon the application of the assured nor in any case without reasonable notice to the said mortgagee or mortgagees.

75. Where, by reason of necessity, accident or mistake, any condition of a contract of insurance on property in the province as to the proof to be given to the insurer after the occurrence of the event insured against, has not been strictly complied with; or where after statement or proof of loss has been given in good faith by or on behalf of the assured, in pursuance of any condition of such contract of insurance, the insurer, through its agent or otherwise, objects to the loss upon other grounds than for imperfect compliance with such conditions or does not within a reasonable time after receiving such statement or proof notify the assured in writing that it is objected to, stating the particulars in which the same is alleged to be defective, and so from time to time, or where, for any other reason, it is held to be inequitable that the insurance should be deemed void or forfeited by reason of imperfect compliance with such condition, no objection to the sufficiency of such statement or proof or amended or supplemental statement or proof, as the case may be, shall be allowed as a defence by the insurer or a discharge of his liability on such contract of insurance wherever entered into.

76. After any loss or damage to insured property the insurer by a duly accredited agent, shall have an immediate right of entry and access sufficient to enable him to survey and examine the property, and to make an estimate of the loss or damage, but the insurer shall not be entitled to the

disposition, control, occupation or possession of the injured property, or of the remains or salvage thereof, unless the insurer undertakes reinstatement, or accepts abandonment of the property.

(2) After any loss or damage to insured property, it shall be the duty of the assured when, and as soon as it is practicable, to secure the insured property from damage, or from further damage, and to separate as far as reasonably may be, the damaged from the undamaged property, and to notify the insurer when such separation has been made, and thereupon the insurer shall be entitled to entry and access sufficient to enable him to make an appraisalment or particular estimate of the loss or damage.

(3) The insurer and the assured, instead of proceeding by arbitration under statutory condition 22, may at any time after the loss or damage make a joint survey, examination, estimate or appraisalment of the loss or damage, in which case the insurer shall be deemed to have waived all right to make a separate survey, examination, estimate or appraisalment thereof.

77. Where proofs of loss are made by any person other than the assured, the insurer shall be entitled to have the assured examined under oath touching the loss or damage before the judge of the district in which the assured resides, and the procedure shall be the same as that upon an examination for discovery in an action.

EXAMINATION OF COMPANY'S AFFAIRS. RECEIVER.

78. The Lieutenant Governor in Council may, when he deems it expedient, direct an inquiry to be made by a commissioner or commissioners into the affairs of any insurance corporation, under the provisions of *An Act respecting Inquiries Concerning Public Matters*, being chapter 2 of the Statutes of 1908, insurance and the undertaking thereof being hereby declared to be "public business" within the meaning of the said Act.

79. After receiving the report the Attorney General may be authorized by the Lieutenant Governor in Council to take such action as may be taken by a contributory under *The Companies Winding Up Ordinance*.

LIQUIDATION AND WINDING UP.

80. The corporate powers of any provincial insurance corporation, whether incorporated under a special or general Act of the Legislature, shall be forfeited by non-user during any continuous period of four years, ending after the coming into force of this Act, whether commencing before or after such coming into force, or if, after an insurance corporation has undertaken contracts within the intent of this Act, such insurance corporation discontinues business for one year, or if it ceases to be a registered insurance corporation, or if its corporate powers in Alberta are otherwise cancelled, the said corporate powers shall be forfeited, except for the sole purpose of winding up its affairs; and a judge of the Supreme Court of Alberta, upon the petition of the Attorney General or of any person interested, may, by judgment or order, limit the time within which the insurance corporation shall settle and

close its accounts, and may for this specific purpose direct it to be wound up under *The Companies Winding Up Ordinance*.

81. When an insurance corporation proposes to go into voluntary liquidation, under the provisions of *The Companies Winding Up Ordinance*, at least one month's notice in advance shall be given to the Treasurer; the like notice shall also be published by the insurance corporation in two consecutive issues of *The Alberta Gazette*, and in some newspaper should the Treasurer so require; and the notice shall state the date at which contracts shall cease to be taken by the insurance corporation, also the name and address of its liquidator, or its intention to apply on a stated date for the appointment of a liquidator.

82. The Treasurer may, at any time before a permanent liquidator is appointed, appoint a provisional liquidator, who shall forthwith take charge of the affairs of the insurance corporation and shall act until a permanent liquidator is appointed.

83. The remuneration to be paid to any liquidator appointed under the provisions of the preceding section shall be fixed by the Treasurer, and such remuneration and all expenses and outlay in connection with such appointment, together with all expenses and outlay of the provisional liquidator while he acts in such capacity, shall be borne and paid by the insurance corporation; and all such remuneration, expenses and outlay shall form a first lien or charge upon the assets of the insurance corporation, and the Treasurer may pay the same out of the securities deposited with him by the insurance corporation.

84. At the winding up of a mutual or cash-mutual fire insurance company, after notice has been given as required by section 81 of this Act, it shall be lawful for the directors of such company to reinsure out of the reserve fund the unexpired contracts for which premiums or premium notes have been taken, but such reinsurance shall be effected with some registered company.

85. When any insurance corporation is wound up, each person contracted with on the cash plan shall be entitled to a refund from the insurance corporation of the unearned proportion of the cash premium calculated from the date at which the insurance corporation according to the notice as provided for by this Act, ceased to undertake contracts; but this shall not destroy or defeat any other remedy such person may have against the insurance corporation in respect thereof or for any other cause.

86. Every assignee or liquidator of an insurance corporation shall, until the affairs of the insurance corporation are wound up and the accounts are finally closed, within seven days after the close of each month, file with the court or other authority appointing him, and also with the Treasurer, detailed schedules showing in such forms as may be required receipts and expenditures, and also assets and liabilities, and he shall, whenever, by the authority appointing him or by the Treasurer, required so to do, exhibit the office books and vouchers, and furnish such other information respecting the affairs of the insurance cor-

poration as may be required; and any assignee or liquidator refusing or neglecting to furnish such information shall, for each offence, be subject to a penalty of not less than fifty dollars nor more than two hundred dollars, to be recovered with costs on behalf of His Majesty for the use of the province; and he shall in addition render himself liable to be dismissed or removed.

INSURANCE IN UNREGISTERED COMPANIES.

87. Save as hereinafter provided, no person shall insure or cause to be insured any property whatever, real or personal, situate in, or described in any policy, interim receipt, or insuring document as situate in any part of the province against fire loss in any provincial or foreign company which is not registered under this Act.

88. Any person may insure any property situate in the province, in which he has an insurable interest, with any foreign company, which is not registered under this Act, and any person may also insure with persons who reciprocally insure for protection only and not for profit; and any property insured under this section may be inspected and any loss incurred in respect thereof adjusted, provided:

1. That such insurance is effected outside of Canada without any solicitation whatsoever directly or indirectly on the part of such company or persons, and that such company or persons, as the case may be, do not undertake insurance within the province;

2. That any person (or any officer, agent or employee of any such person, having any actual knowledge of the facts) procuring any insurance against fire on any property, real or personal in the province, or described in any policy, interim receipt, or insuring document as situate in any part of the province in any such company or with any such persons, shall forthwith, and not later than one month from the effecting of any such insurance, or of the receipt of any such policy, interim receipt, or insuring document issued by or on behalf of such company or persons, whichever shall be first in point of time, notify the superintendent of insurance in writing under oath of the terms of such insurance, the company with which such insurance is placed, and the amount of premium paid or payable, or premium notes given or to be given, or mutual liability assumed in connection therewith, and shall, at the same time, pay to the Treasurer for the benefit of the province a sum equal to fifty per centum of the premium paid or payable, or premium note given or to be given, or mutual liability assumed in connection with such insurance.

89. It shall be competent for the Treasurer, or the Lieutenant Governor in Council, on application made by or on behalf of any person, to permit contracts of insurance to be made or entered into without the province with a foreign company not registered under this Act, under such regulations and restrictions as may be deemed necessary and expedient.

PENALTIES AND PROSECUTIONS.

90. Any person or any insurance corporation violating any of the provisions of this Act or of any rules or regu-

lations made thereunder or omitting or refusing or neglecting to fulfil, perform, observe or carry out any duty or obligation created or imposed by this Act or any rules or regulations made thereunder shall, unless a special penalty is otherwise provided by this Act, be liable upon summary conviction to a penalty of not less than \$20.00 and costs and not more than \$200.00 and costs for every such offence, and in default of payment thereof forthwith, to imprisonment for a term not exceeding three months.

91. In any prosecution under this Act the burden of proof shall be upon the accused.

FURTHER DEPOSIT BY FOREIGN MUTUAL HAIL COMPANIES.

92. Every foreign mutual hail insurance company shall, in addition to the deposit required by sections 20 and 21 of this Act, on or before the first day of March in each and every year until the sum of fifteen thousand dollars, exclusive of any deposit under the provisions of sections 20 and 21, is deposited as herein provided, deposit with the Treasurer either in cash, or in any stock debentures or other securities approved by the Treasurer, an amount equal to two per centum of the total gross premiums or premium notes paid or payable or assessments made in respect of all insurance undertaken within the province, during the preceding calendar year.

(2) The provisions of this Act as to proof of ownership, payment or interest, administration and release of securities shall, *mutatis mutandis*, apply to securities deposited under the provisions of this section.

(3) Every such company may, for the purpose of complying with the provisions of this section, make any such special assessment or assessments upon its members within the province as may be necessary therefor.

(4) Any such company undertaking insurance within the province during the year 1915 shall make the deposit required by this section on or before the 15th day of May, 1915.

(5) Any such company, refusing, omitting or neglecting to make the deposit required by this section within the time or times so limited, shall be liable to a penalty of not less than \$100.00 per day to be paid to the Treasurer for the use of the province for each and every day during which such refusal, omission or neglect continues, and in addition thereto to have its corporate powers within the province suspended or cancelled by the Lieutenant Governor in Council.

MISCELLANEOUS.

93. All moneys payable or becoming payable to the Treasurer, under this Act, or under *The Alberta Insurance Act* heretofore in force, shall be a debt due to the Treasurer, and shall be recoverable by him by action in any court of competent jurisdiction.

94. Every agent of any registered company who receives or collects any premium moneys as such agent shall be responsible in a trust or fiduciary capacity to such company

and such premium moneys shall not be retained when paid to him by the assured over and beyond the term stipulated in his agency contract or agreement.

95. All fees paid by any insurance corporation under *The Alberta Insurance Act* and amendments heretofore in force shall be deemed to have been taxes paid as if this Act had been in force at the time of the several payments thereof.

96. The corporate powers in the province of any insurance corporation when suspended or cancelled under this Act for any cause may, unless otherwise expressed in this Act, be restored by order of the Lieutenant Governor in Council.

97. For the purposes of his duties under this Act, or under any other Act relating to insurance, the superintendent may require to be made, and may take and receive affidavits, statutory declarations and depositions, and may examine witnesses upon oath; and he shall have the same power to summon officers of corporations, receivers and liquidators, and other persons to attend as witnesses, to enforce their attendance, and to compel them to produce books, documents and things, and to give evidence as any court has in civil cases.

98. No company incorporated elsewhere than in Canada shall have corporate powers in the province conferred upon it under the provisions of section 6 of this Act, unless it shows to the satisfaction of the Treasurer that it has carried on successfully for a period of at least five years the class or classes of insurance which it proposes to undertake.

99. Where the contract of insurance has been delivered it shall be as binding on the insurer as if the premium had been paid, although it has not in fact been paid, and although delivered by an officer or agent of the insurer, who had not authority to deliver it.

(2) The insurer may sue for the unpaid premium and may deduct the same from the amount for which he may become liable under the policy or contract of insurance.

(3) This section shall have effect notwithstanding any agreement, condition or stipulation to the contrary.

(4) Where the premium is paid by a cheque or a promissory note and the cheque is not paid on presentation or the promissory note at maturity the contract shall at the option of the insurer be void.

100. For the purpose of carrying out the provisions of this Act according to their true intent and supplying any deficiency therein the Lieutenant Governor in Council may make rules and regulations not inconsistent with the spirit of this Act, including the fixing of a scale of fees for departmental services, which shall have the same force and effect as if incorporated herein.

101. *The Alberta Insurance Act*, being chapter 16 of the Statutes of 1913, is hereby repealed but all actions and proceedings already instituted under the said Act may be completed under the provisions thereof.

SCHEDULES.

SCHEDULE A.

(Section 7.)

Age at Entry	NET LEVEL PREMIUM FOR ALL-LIFE INSURANCE OF \$1,000			
	Yearly in advance	Half-yearly in advance	Quarterly in advance	Monthly in advance
18	\$ 9.86	\$ 5.00	\$ 2.51	\$.84
19	10.20	5.18	2.60	.87
20	10.55	5.36	2.69	.90
21	10.91	5.53	2.78	.93
22	11.28	5.71	2.87	.96
23	11.66	5.89	2.96	.99
24	12.03	6.07	3.05	1.02
25	12.42	6.25	3.14	1.05
26	12.76	6.43	3.23	1.08
27	13.12	6.60	3.32	1.11
28	13.49	6.78	3.41	1.14
29	13.87	7.02	3.53	1.18
30	14.31	7.20	3.62	1.21
31	14.76	7.44	3.74	1.25
32	15.22	7.68	3.86	1.29
33	15.73	7.91	3.98	1.33
34	16.25	8.21	4.13	1.38
35	16.82	8.51	4.28	1.43
36	17.42	8.81	4.43	1.48
37	18.05	9.10	4.57	1.53
38	18.71	9.46	4.75	1.59
39	19.42	9.82	4.93	1.65
40	20.18	10.17	5.11	1.71
41	20.97	10.59	5.32	1.78
42	21.81	11.01	5.53	1.85
43	22.70	11.48	5.77	1.93
44	23.65	11.96	6.01	2.01
45	24.66	12.44	6.25	2.09
46	25.72	12.97	6.52	2.18
47	27.31	13.80	6.94	2.32
48	28.10	14.16	7.12	2.38
49	29.36	14.82	7.45	2.49
50	30.72	15.53	7.80	2.61
51	32.17	16.24	8.16	2.73
52	33.71	17.02	8.55	2.86
53	35.34	17.85	8.97	3.00
54	37.07	18.74	9.42	3.15
55	38.94	19.64	9.87	3.30

SCHEDULE B.

(Section 48.)

STATUTORY DECLARATION.

In the matter of *The Alberta Insurance Act*, and in the matter of the annual statement of., an insurance corporation.

We,, of the. of., in the. of., and. of. in the. of., do solemnly declare:

1. That I, the said., am the. of., the above named insurance corporation;

2. That I, the said....., am
the.of., the above named
insurance corporation;

3. That each of us has the means of verifying the correct-
ness of the statement within contained (or hereunto annexed)
of the affairs of the said insurance corporation, and that
on the..... day of..... last all the above
described assets were the absolute property of the said
insurance corporation, free and clear of any and every
lien or claim thereon, except as above stated, and that
the said statement and the schedules and explanations
hereunto annexed and by us subscribed are a full and
correct exhibit of all the liabilities and of the income and
expenditure and of the general condition and affairs of
the said insurance corporation on the said.....
day of..... last and for the.....
year ending on that date.

And we severally make this solemn declaration, con-
scientiously believing it to be true and knowing that it
is of the same force and effect as if made under oath and
by virtue of *The Canada Evidence Act*.

SEVERALLY DECLARED before me
at....., in the }
.....of..... }
this.....day of....., }
A.D. 19.... }

A Commissioner, Notary Public, etc.

SCHEDULE C.

STATUTORY CONDITIONS.

1. If any person insures property and causes the same
to be described otherwise than as it really is to the
prejudice of the company, or misrepresents or omits to
communicate any circumstance which is material to be
made known to the company, in order to enable it to
judge of the risk it undertakes, such insurance shall be
of no force in respect to the property in regard to which
the misrepresentation or omission is made.

2. Any change, material to the risk, and within the
control or knowledge of the assured, shall avoid the policy
as to the part affected thereby, unless the change is
promptly notified in writing to the company or its local
agent; and the company when so notified may return the
unearned portion, if any, of the premium which has been
paid for the unexpired period and cancel the policy, or
may demand in writing, by registered letter addressed to
the assured at his last post office address notified to the
company, and where no address notified then to the post
office of the agency from which the application was received,
an additional premium, which the assured shall, if he desires
the continuance of the policy, within fifteen days pay to
the company, and if he neglects to make such payment
within fifteen days after receiving such demand the policy
shall be no longer in force.

3. If the assured now has any other insurance on any property covered by this policy which is not disclosed to the company or hereafter effects any other insurance thereon without the written assent of the company, he shall not be entitled to recover in excess of sixty per cent. of the loss or damage in respect of such property; but if for any fraudulent purpose the assured does not disclose such other insurance to the company this policy shall be void.

(a) If within two weeks after written notice of such other insurance or of any intended insurance, or after that time and before such other insurance is effected, the company does not dissent by notice in writing to the assured, it shall be deemed to have assented thereto.

4. In the event of there being any other insurance on property herein described at the time of the happening of any loss or damage in respect thereof, then this company shall be liable only for the payment of a rateable proportion of such loss or damage or of such amount as the assured shall be entitled to recover as provided by condition No. 3.

5. After application for insurance, if the same is in writing signed by the assured, it shall be deemed that any policy sent or delivered to the assured is intended to be in accordance with the terms of the application, unless the company points out in writing, the particulars wherein the policy differs from the application. If the policy has been issued on verbal application or instructions of the assured it shall be deemed to be in accordance with such application or instructions, unless the assured points out to the company in writing the particulars wherein the policy differs from such application or instructions.

6. No condition of the policy, either in whole or in part, shall be deemed to have been waived by the company, unless the waiver is clearly expressed in writing, signed by an agent of the company.

7. Any officer or agent of the company who assumes on behalf of the company to enter into any written agreement relating to any matter connected with the insurance shall be deemed *prima facie* to be the agent of the company for the purpose.

8. Any written notice to the assured may be by letter delivered to the assured or by registered letter addressed to him at his last post office address notified to the company or where no address is notified and the address is not known, addressed to him at the post office of the agency, if any, from which the application was received.

9. Any written notice to the company may be delivered at the head office or chief agency of the company in the province in which the property is situate, or sent by registered post addressed to the company, its manager or agent, at such head office or chief agency or may be delivered or sent by registered post to an authorized agent of the company.

10. The insurance may be terminated by the company by giving to the assured fifteen days' notice in writing or five days' personal notice to that effect, and if on the cash plan by tendering therewith a rateable proportion of the premium paid, for the unexpired term, calculated from the termination of the notice, and the policy shall cease after such notice or notice and tender, as the case

may be, and the expiration of the fifteen days or five days, as the case may be.

11. The insurance, if on the cash plan, may also be terminated by the assured by giving written notice to that effect to the company or its authorized agent, in which case the company may retain the customary short rate for the time the insurance has been in force, and shall repay to the assured the balance of the premium paid.

12. If the property insured is assigned without a written permission indorsed hereon by an agent of the company duly authorized for such purpose, the policy shall thereby become void; but this condition does not apply to change of title by succession or by operation of the law, or by reason of death.

13. Money, books of account, securities for money, and evidences of debt or title, are not insured.

14. The company is not liable for the losses following, that is to say:

(a) For the loss of property owned by any other person than the assured, unless the interest of the assured is stated in or upon the policy; nor for loss beyond the actual value destroyed by fire nor for loss occasioned by Ordinance or law regulating construction or repair of buildings;

(b) For loss caused by invasion, insurrection, riot, civil commotion, military or usurped power;

(c) Where the insurance is upon buildings or their contents for loss caused by the want of good and substantial brick or stone or cement chimneys; or by ashes or embers being deposited, with the knowledge and consent of the assured, in wooden vessels; or by stoves or stove-pipes being, to the knowledge of the assured, in an unsafe condition or improperly secured;

(d) For loss or damage to goods destroyed or damaged while undergoing any process in or by which the application of fire heat is necessary;

(e) For loss or damage occurring to buildings or to their contents while the buildings are being altered or repaired by carpenters, joiners, plasterers, or other workmen, and in consequence thereof, unless permission to execute such repairs or alterations has been previously granted in writing, signed by a duly authorized agent of the company, but fifteen days are allowed in each year for incidental alterations or repairs without such permission;

(f) For loss or damage occurring while petroleum, rock, earth or coal oil, camphene, gasoline, burning fluid, benzine, naphtha or any liquid products thereof, or any of their constituent parts (refined coal oil for lighting purposes only, not exceeding five gallons in quantity, or lubricating oil not being crude petroleum nor oil of less specific gravity than required by law for illuminating purposes, not exceeding five gallons in quantity, excepted) or more than twenty-five pounds weight of gunpowder is or are stored, kept or used by the assured or to his knowledge by any other person under his control, in the building insured or containing the property insured unless permission is given in writing by the company. In the case of gasoline not more than a quart shall be stored, kept, or used upon the premises without a permit;

(g) Where the building insured or containing the property insured be, or becomes vacant and unoccupied for a period of thirty days to the knowledge of the assured without the consent of the company in writing.

15. The company shall make good loss or damage caused by the explosion of coal or natural gas in a building not forming part of gas works, and loss or damage by fire caused by any other explosion or loss or damage caused by lightning, whether fire ensues therefrom or not, but if dynamos, excitors, lamps, switches, motors, or other electrical appliances or devices are insured any loss or damage to them caused by lightning or other electrical currents, artificial or natural, is expressly excluded and the company is liable only for such loss or damage to them as may occur from resultant fire originating outside the machines themselves.

16. Where property insured is only partially damaged, no abandonment of the same will be allowed unless by the consent of the company or its agent; and in case of removal of property to prevent damage thereto, the company will contribute to the loss and expenses attending such act of salvage proportionately to the respective interest of the company or companies and the assured; and that part of this policy in excess of its proportion of any loss and of the value of the property remaining in the original location, shall for the ensuing seven days only or for the unexpired term of the policy if less than seven days, cover the property so removed in the new location or locations in the proportion that the value in any one such new location bears to the value in all such new locations.

17. The company instead of making payment, may repair, rebuild or replace, within a reasonable time, the property damaged or lost, giving notice of their intention within fifteen days after receipt of the proofs herein required.

18. Subject to condition 19 proof of loss must be made by the assured, although the loss is payable to a third person.

19. Proofs of loss may be made by the agent of the assured, in case of the absence or inability of the assured himself to make the same, such absence or inability being satisfactorily accounted for, or in the like case or if the assured refuses to do so by a person to whom any part of the insurance money is payable.

20. Any person entitled to make a claim under this policy shall:

(a) Forthwith after loss give notice in writing to the company;

(b) Deliver, as soon after as practicable, as particular an account of the loss as the nature of the case permits;

(c) Furnish therewith a statutory declaration declaring: That the account is just and true; when and how the loss occurred, and if caused by fire how the fire originated, so far as the declarant knows or believes; that the loss did not occur, or if caused by fire, that the fire was not caused through any wilful act or neglect of the procurement, means or contrivance of the assured; the amount of other insurances, and names of other insuring companies; all liens and incumbrances on the subject of insurance; the place where the property insured, if moveable, was deposited at the time of the fire;

(d) If required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers, verified by a statutory declaration in support of his claim, and furnish copies of the written portion of all policies, separate as far as reasonably may be the damaged from the undamaged property and exhibit for examination all that remains of the property which was covered by the policy. The evidence furnished under this clause shall not be considered proofs of loss within the meaning of condition 23.

21. Any fraud or false statement in any statutory declaration, in relation to any of the above particulars shall vitiate the claim of the person making the declaration.

22. If any difference arises as to the value of the property insured, the property saved, or the amount of the loss, such value and amount and the proportion thereof (if any) to be paid by the company shall, whether the right to recover on the policy is disputed or not, and independently of all other questions, be submitted to the arbitration of some person to be chosen by both parties, or if they cannot agree on one person, then to two persons one to be chosen by the party assured and the other by the company, and a third to be appointed by the persons so chosen, or in their failing to agree, then by a judge of the district court of the district in which the loss has happened; and such reference shall be subject to the provisions of *The Arbitration Act*; and the award shall, if the company is in other respects liable, be conclusive as to the amount of the loss and the proportion to be paid by the company; where the full amount of the claim is awarded the costs shall follow the event; and in other cases all questions of costs shall be in the discretion of the arbitrators.

23. The loss shall be payable in sixty days after the completion of the proofs of loss, unless a shorter period is provided for by the contract of insurance.

24. Every action or proceeding against the company for the recovery of any claim under or by virtue of this policy, shall be absolutely barred, unless commenced within one year next after the loss or damage occurs.

No. 45

THIRD SESSION
THIRD LEGISLATURE
5 GEORGE V
1915

BILL

An Act respecting Insurance.

Received and read the

First time

Second time

Third time

HON. MR. MITCHELL.

EDMONTON:
J. W. JEFFERY, Government Printer
A. D. 1915.