

A BILL TO AMEND THE ALBERTA INSURANCE
ACT, 1926.

NOTE.

In general the amendments provided for by this Bill are amendments which were drafted at the Conferences of Provincial Superintendents of Insurance in the years 1927 and 1928, and have, or are now being recommended for enactment in all Provinces.

Section 2 of this Bill supplies new definitions of accident and sickness insurance.

Sections 3 and 4 provide for commutation purposes a later table to that now provided, for use when necessary, and precautions against any reserve becoming deficient.

Section 5 removes the necessity of printing on policies, etc., the words "Licensed under The Alberta Insurance Act, 1926."

Section 6 eliminates any doubt as to effect of Statutory Conditions and exempts fire insurance contracts under certain conditions from the terms thereof.

Section 8 removes contracts of life insurance containing special benefits, etc., upon death by accident from the category of accident policies and makes clear what sections of the Part relating to accident and sickness insurance relate to group insurance.

Sections 14, 15 and 16. The changes are proposed to overcome certain difficulties as to hail insurance.

Section 14 updates references to telegraph and telephone.

Section 15 sets out the manner in which applications shall be accepted or declined.

Section 16 deletes mention of previous procedure.

Section 17 of the Bill provides a penalty where fees are not paid within a time specified.

Section 18 gives a right to appoint a beneficiary and change the appointment in cases of accident and sickness insurance.

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Legislative Counsel.

(This note does not form any part of the Bill and is offered merely as a partial explanation of some of its provisions.)

5. Section 105 of the said Act is amended by striking out subsection (1) thereof.

6. Section 189 of the said Act is amended—

- (a) as to subsection (1) thereof by adding thereto the following words: "nor shall anything contained in the description of the subject-matter of the insurance be effective in so far as it is inconsistent with, varies, modifies or avoids any such condition;" and
- (b) by striking out subsection (2) thereof and substituting therefor the following:

"(2) Where the subject-matter of the insurance is exclusively rents, charges, or loss of profits, the conditions set forth in this section shall not be required to be part of any such contract or to be printed therein."

7. Section 252 of the said Act is amended as to subsection (1) by inserting after the words "upon every written application," the words "and policy."

8. Section 261 of the said Act is amended—

- (a) by inserting after the words "shall apply to," the words "contracts of"; and
- (b) by adding as subsections (2) and (3) thereof, the following:

"(2) This Part shall not apply to contracts of life insurance to which Part VI applies, notwithstanding that such contracts includes provisions for special benefits or indemnities upon death by accident, or upon disability which is by the terms of the contract deemed to be total and permanent, or upon total disability which exists for a continuous period of not less than three months, or ninety days, according as the contract may provide.

"(3) This Part, except section 274, shall not apply to a contract made with an employer and insuring his employees or made with a representative of a group and insuring such group, for the individual benefit of the employees or persons insured thereby, but sections 199, 210, 211, to 214 and 233 shall apply to any such contract."

9. Section 262 of the said Act is repealed and the following substituted therefor:

"262. The following sections, 199, 210 to 215, and 238, shall apply to contracts to which this Part applies."

10. Section 266 of the said Act is repealed and the following substituted therefor:

"266. Every policy shall contain the names and address of the insurer, the name and address and occupation or business of the insured, the name of the person to whom the insurance money is payable, the premium for the insurance, the indemnity for which the insurer may become liable, the event on the happening of which such liability is to accrue, and the term of the insurance."

11. Section 270 of the said Act is hereby repealed.

12. Section 271 of the said Act is hereby repealed.

13. Section 272 of the said Act is hereby amended—

- (a) as to subsection (1) thereof, by striking out the words and figures "sections 268 to 271" and substituting therefor the words and figures "sections 268 and 269"; and
- (b) as to subsection (2) thereof, by striking out the words and figures "sections 268 to 271," and substituting therefor the words and figures "sections 268 and 269."

14. Section 285 of the said Act is amended by striking out subsection 4 thereof.

15. Section 286 of the said Act is hereby repealed and the following substituted therefor:

"286.—(1) The liability of the insurer shall commence as hereinafter set forth.

"(2) Where the applicant, either by himself or through an agent of the insurer, tenders with his application settlement of the premium to the head office of any insurer, or its branch office or general agency, in the Province for which contracts for fire insurance are issued, the application shall immediately be stamped with the date of its receipt, and not later than the following day, with either the word 'accepted' or the word 'declined.' If accepted, the liability of the insurer shall commence at noon of the day the application is accepted. If declined, the applicant shall be notified not later than the day following the day on which the application is received, at his address as given in the application. Where there is a telegraph office at such address, the notice shall be given by telegram prepaid, otherwise it shall be forwarded in writing by registered mail, and the settlement accompanying the application returned.

"(3) If the insurer does not so notify the applicant that his application is declined, the insurer shall be conclusively presumed to have accepted such application."

16. Section 287 of the said Act is hereby repealed.

17. Section 484 of the said Act is amended—

- (a) as to subsection (2) thereof—
 - (i) by inserting after the words "or purporting to represent any insurer" the word "and"; and
 - (ii) by striking out the words "in contravention of section 285"; and

- (b) by adding as subsection (7) thereof, the following:

"(7) All fees or taxes, or both, imposed by this Act upon any insurer or upon any reciprocal or inter-insurance exchange, or upon any broker, shall become due and payable immediately on the underwriting of insurance by any insurer or reciprocal or inter-insurance exchange or the placing of insurance by any broker within the Province and as otherwise set out by this Act, and if any such fees or taxes are not paid within thirty days from the time when the same become due and payable, there shall be added thereto by way of a penalty, a sum equal to fifty per cent of such fees or taxes remaining unpaid, and such sum shall form a part of the said fees or taxes and be recoverable therewith."

18. Schedule E is amended—

- (a) as to paragraph 12 (b) by striking out the word "termination" where it occurs in the sixth line, and substituting therefor the word "commencement"; and

- (b) by striking out paragraph 19 and substituting therefor the following:

"19. Where moneys are payable under this policy upon the death of the insured by accident, the insured may from time to time, designate a beneficiary, appoint, appropriate or apportion such moneys and alter or revoke any prior designation, appointment, appropriation or apportionment."

- 19. This Act shall come into force on a date to be fixed by Proclamation.**

THIRD SESSION
SIXTH LEGISLATURE
19 GEORGE V

1929

BILL

An Act to amend The Alberta Insurance Act, 1926.

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. REID

EDUCATION,
W. D. McLENNAN, ROBERT TAYLOR
A.D. 1929

Title: 1929 (6th, 3rd) Bill 29, An Act to amend The Alberta Insurance Act, 1926