

Bill No. 30 of 1934.

A BILL TO AMEND THE INSURANCE ACT, 1926.

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NOTE.

The amendment made by section 2 of the Bill is for the purpose of making it clear that the provisions of the section apply both where there is only one contract and where there are more contracts than one.

Section 3 of the Bill adds two new sections to the Act, the first providing a special means for obtaining a discharge by an insurer in cases where a discharge cannot otherwise be obtained, and the second new section conferring on the Superintendent the power to require the filing of forms of policies and applications for policies, and upon the Minister the power to prohibit the use of any form which he deems to be unfair, fraudulent or not in the public interest.

Section 4 of the Bill restates in a clearer and more comprehensive manner the provisions as to limitation of liability clauses.

Section 5 of the Bill has the effect of extending the application of certain of the provisions of the Act relating to Provincial mutual companies to all mutual companies operating in the Province.

The repeal of section 263, effected by chapter 57 of 1933, should have thereby been made retroactive in the manner set out in section 6 of the Bill.

R. ANDREW SMITH,
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.)

BILL

No. 30 of 1934.

An Act to amend The Alberta Insurance Act, 1926.

(Assented to 1934.)

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

1. This Act may be cited as "*The Alberta Insurance Act, 1926, Amendment Act, 1934.*"

2. *The Alberta Insurance Act, 1926*, being chapter 31 of the Statutes of Alberta, 1926, is hereby amended as to subsection (1) of section 173 thereof by inserting immediately after the words "payable under a contract" the words "or contracts."

3. The said Act is further amended by inserting therein, immediately after section 183 thereof, the following sections:

"**183a.**—(1) Where an insurer cannot obtain sufficient discharge for insurance money for which it admits liability, the insurer may apply to the court *ex parte* for an order for the payment thereof into court, and the court may order the payment into court to be made upon such terms as to costs and otherwise as the court directs, and may provide to what fund or name the amount shall be credited.

"(2) The receipt of the registrar or other proper officer of the court shall be sufficient discharge to the insurer for the insurance money so paid into court, and the insurance money shall be dealt with according to the orders of the court.

"**183b.**—(1) The superintendent may require an insurer to file with him a copy of any form of policy or of the form of application for any policy issued or used by the insurer.

"(2) The superintendent shall report to the Minister any case where an insurer issues any policy or uses an application which, in the opinion of the superintendent, is unfair, fraudulent or not in the public interest, and after hearing the insurer the Minister may, if he concurs in the report, order the superintendent to prohibit the insurer from issuing or using such form of policy or application.

"(3) Any insurer which, after being so prohibited, issues any such policy or uses any such application, shall be guilty of an offence."

4. The said Act is further amended as to section 191 thereof by striking out the same and by substituting therefor the following:

"191.—(1) A policy may contain a limitation of liability clause or clauses—

“(a) to the effect that the insurer shall only be liable for a specified proportion of any loss which may be sustained to any of the property covered by the policy; or

“(b) to the effect that the insurer shall not be liable for more than a specified percentage of the value of any of the said property at the time of the loss; or

“(c) in the event of there being any other insurance covering any of the property, to the effect—

“(i) that the insurer shall only be liable for a rateable proportion of a specified percentage or proportion of any loss to any of the property; or

“(ii) that the insurer shall not be liable for more than a rateable proportion of a specified percentage of the value of any of the property at the time of the loss; or

“(d) to the effect that the insurer shall only be liable for a specified percentage of any loss or in the event of there being other insurance covering any of the property, for a specified percentage of its rateable proportion of any loss, but upon the fulfilment by the assured of certain specified stipulations or agreements, shall be liable for a further specified percentage of the loss, or in the event of there being other insurance covering any of the property, for a further specified percentage of its rateable percentage of the loss—

and every policy which contains any clause to the above effect shall have printed or stamped on the face of it, in conspicuous type and in red ink, the following words: ‘This policy contains a limitation of liability clause (or clauses).’

“(2) No such clause shall be deemed to be a variation of any statutory condition.”

5. The said Act is further amended as to section 351 thereof by inserting at the end thereof the following new subsection:

“(2) Notwithstanding anything contained in this Act sections 359 to 369, both inclusive, shall apply to all mutual and cash-mutual corporations operating in the Province whether incorporated under the laws of the Province or the laws of any other province of Canada, or of the Dominion of Canada.”

6. The said Act is further amended by inserting therein, immediately after section 497 thereof, the following:

"498. Section 263 of this Act, which was repealed by section 5 of *The Alberta Insurance Act, 1926, Amendment Act, 1933*, shall be deemed to have been so repealed at all times from and after the fifteenth day of May, 1929.”

7.—(1) This Act shall come into force on the day upon which it is assented to.

No. 30.

FOURTH SESSION
SEVENTH LEGISLATURE
24 GEORGE V
1934

BILL

An Act to amend The Alberta
Insurance Act, 1926.

Received and read the

First time

Second time.....

Third time.....

HON. MR. REID

EDMONTON:
W. D. McLEAN, KING'S PRINTER
1934