

Bill No. 16 of 1936.

A BILL TO AMEND THE ALBERTA INSURANCE
ACT, 1926.

NOTE.

Sections 3 to 35, both inclusive, are amendments relating to the provisions of the Act respecting life insurance which have been recommended by the Conference of the Superintendents of Insurance of all the Provinces.

The Bill provides that it shall come into force on proclamation; it is anticipated that upon the adoption of similar legislation by all the provinces, a date will be arranged upon which the same may be brought into force simultaneously in each province.

By section 2 advertisements leading to trafficking in life insurance policies are prohibited, and reports furnished to the Superintendent of Insurance concerning applicants for licenses or licensed persons are declared to be privileged and to be not usable as evidence in any suit in any court brought by any such applicant or licensee.

Section 3 amends a number of definitions and adds a number of new definitions.

Section 4 revises an existing provision so as to make it conform to the other provisions of the Act.

Section 5 increases the amount of a policy to not more than \$2,000 under which it may be provided that the insurance money may be made payable to certain relatives or to persons having an equitable claim thereto by reason of expense incurred for the maintenance, &c., of the insured; and requires that every policy shall provide as to the period of grace, the conditions of reinstatement in the event of lapse and cash surrender or loan value, and any options as to paid up or extended insurance, any right to participation in profits or otherwise, and in the case of disability insurance, the notice of disablement to be given to the insurer.

Section 7 provides a revision of sections 202, 203 and 204. The chief alteration in section 202 is the elimination of the word "conscious" in connection with a disclosure or misrepresentation by an applicant for insurance.

Section 9 makes express provision as to the rights of reinstatement of the insured where the policy has lapsed and the cash value has not been paid and any options for extended insurance have not been exercised.

Section 10 makes provision for policies of fraternal societies by which the insurance money is payable to "heirs", "legal heirs", "lawful heirs" and "next-of-kin".

Section 11 substitutes for section 215 a revised section which sets out with greater precision the capacity of a minor who is over the age of fifteen.

Section 12 includes adopted children, adopting parents and children of adopted children in the class of preferred beneficiaries.

Section 13 makes it necessary for a beneficiary for value or an assignee for value of a policy to protect his interest by giving notice to the insurer.

Section 14 relates to declarations in wills, and provides that the same are effective as at the date of making the will; but requires the filing with the insurer of such declaration in order to prevent the declaration being defeated by the claim of a beneficiary for value or assignee for value created subsequently to the will.

Section 15 makes express provision for the distribution of insurance money in the case of death of an ordinary beneficiary.

Section 22 revises section 229 which sets out the right of the insured under a participating contract to receive or deal with profits and the right of the insurer to apply profits in certain cases for the purpose of keeping the contract in force.

Section 23 adds to section 230 a provision enabling insurance money payable to a minor or a person under disability to be used for his benefit; and a further provision as to the rights of beneficiaries under a policy which has been assigned by way of security.

Section 26 provides a revision of section 233: the words "any subsequent agreement" are replaced by the words "an agreement": the words "contract of agreement" are replaced by the words "contract, agreement or declaration": the liability of the insurer for interest is restricted to the term the insurer retains the money; and provision is made for the rate of interest in case the contract does not specify the rate.

Section 28 adds a new provision relieving the insurer from liability in respect of the giving or withholding of information as to notices or instruments affecting the insurance money which the insurer has received.

Section 29 replaces subsection (2) of section 235 which is defective: the new provision entitles the insurer to require reasonably sufficient proof of the name and age of a beneficiary.

Section 30 replaces subsection (2) of section 236 with a new provision as to the place and manner of payment of insurance money having regard to the domicile of the deceased and of the beneficiaries, and the terms of the contract.

Section 31 relates to the payment of insurance money when the insured was not domiciled in Canada, and is not payable to a person in Canada.

Section 32 provides a revision of subsections (1), (2) and (3) of section 237. The chief changes are,—(a) the restriction of applications under subsection (1) to cases in which the validity of the contract is admitted; (b) the extension of the time for notice of application from ten to thirty days; and (c) the enlargement of the discretionary power of the judge as to proof.

Section 34 amends section 241 so as to provide for the case of a trustee who dies or otherwise becomes incapable of acting.

Section 35 amends subsection (1) of section 242 by empowering the court to make an order for payment into court and by providing that the application may be made *ex parte*.

Section 36 relates to automobile insurance and is designed to prevent rate cutting competition.

Section 38 makes a new provision for the issuance of a certificate of authority to railway and transportation companies to allow any such company to sell to passengers accident insurance and insurance against loss of baggage whilst carried by the company.

Section 39 amends section 457 by including an express prohibition of any kind of rebating.

Section 40 adds a new section prohibiting life insurance agents from inducing a policy holder to lapse, forfeit or surrender a policy of life insurance with one insurer in order to effect a policy with another insurer and making a contravention of the section an offence.

The remaining sections of the Bill make amendments of a minor nature.

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. 16 of 1936.

An Act to amend The Alberta Insurance Act, 1926.

(Assented to _____, 1936.)

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, 1936.*"

2. *The Alberta Insurance Act, 1926*, being chapter 31 of the Statutes of Alberta, 1926, is hereby amended by inserting therein, immediately after section 114 thereof, the following new sections:

"**114a.** Any person, other than an insurer or its duly authorized agent, who advertises or holds himself out as a purchaser of life insurance policies or of benefits thereunder, or who trafficks or trades in life insurance policies for the purpose of procuring the sale, surrender, transfer, assignment, pledge or hypothecation thereof to himself or any other person, shall be guilty of an offence.

"**114b.** Any information, document, record, statement or thing, made or disclosed to the Superintendent concerning any person licensed or applying for license under this Act, shall be absolutely privileged and shall not be used as evidence in any action or proceeding in any court brought by or on behalf of such person."

3. The said Act is further amended as to section 196 thereof,—

(a) by striking out paragraphs (b) and (c) thereof and by substituting therefor the following:

"(b) 'Contract', 'contract of insurance' and 'contract of life insurance' mean a contract of life insurance and include any other contract which an insurer may issue under the authority of a license to transact life insurance;"

(b) by striking out paragraph (f) thereof and by substituting therefor the following:

"(f) 'Fraternal society' means a society, order or association incorporated for the purpose of making with its members only and not for profit contracts of life insurance under which benefits may be paid only to its members or their beneficiaries, in accordance with its constitution and laws and the provisions of this Act;"

- (c) by striking out paragraph (j) thereof and by substituting therefor the following:

“(j) ‘Insured’ means the person who makes a contract with an insurer and, if the context so requires, includes the person whose life is insured;”;

- (d) by inserting therein, immediately after paragraph (n) thereof, the following new paragraphs:

“(o) ‘Adopted child’ means a person who has been adopted by another person as his child and by reason thereof is entitled under the law of the place of adoption to inherit real property from the other person, if he dies intestate;

“(p) ‘Adopting parent’ means a person who has adopted another person as his child and by reason thereof is entitled under the law of the place of adoption to inherit real property from that other person, if he dies intestate;

“(q) ‘Child’ and ‘issue’ include an adopted child;

“(r) ‘Parent’, ‘father’ and ‘mother’ include an adopting parent of the same sex respectively.”

4. The said Act is further amended as to section 197 by striking out subsection (2) thereof and by substituting therefor the following:

“(2) This Part shall apply to every contract of life insurance made in the Province before the date on which this Part came into force where the maturity of the contract had not occurred before that date.”

5. The said Act is further amended as to section 200 thereof,—

- (a) by striking out the words “other than a fraternal society”, where the same occur in subsection (1) thereof;

- (b) by striking out the words “is less than one thousand dollars”, where the same occur in subsection (2) thereof and by substituting therefor the words “does not exceed two thousand dollars”;

- (c) by adding at the end thereof the following new subsections:

“(3) Every policy shall state the period of grace within which the premiums may be paid and the terms and conditions upon which the policy may, if it shall lapse, be reinstated, and shall indicate the amount (if any) of cash surrender or loan value and the options (if any) of the insured as to paid up or extended insurance respectively provided by the policy.

“(4) Every policy shall further indicate whether or not it will participate in any surplus or profits which may be declared.

“(5) Every policy which includes disability insurance shall further state what notice of the disablement of the insured shall be given to the insurer.

“(6) This section shall not apply to a contract of insurance made by a fraternal society.”

6. The said Act is further amended as to section 201 thereof by striking out subsection (3) thereof and by substituting therefor the following:

“(3) In the case of a contract of insurance made by a fraternal society, the policy, the Act or instrument of incorporation of the society, its constitution and laws and the amendments validly made thereto, and the application for the contract and medical examination of the applicant as signed by him shall constitute the contract between the society and its member.”

7. The said Act is further amended by striking out sections 202, 203 and 204 thereof and by substituting therefor the following:

“**202.**—(1) The applicant for a contract and the person whose life is to be insured shall each disclose to the insurer in the application for the contract, on the medical examination (if any), or in any statements or answers furnished in lieu of a medical examination every fact within his knowledge which is material to the contract, and a failure to disclose or misrepresentation of any such fact by either person shall render the contract voidable at the instance of the insurer.

“(2) The statements made by the insured, or the person whose life is insured, in the application, on the medical examination (if any), or in any statements or answers furnished in lieu of a medical examination other than fraudulent statements or statements erroneous as to age, shall be deemed to be true and incontestable after the contract has been in force for two years during the lifetime of the person whose life is insured, but this provision shall not apply with respect to disability insurance or double indemnity insurance.

“**203.** A failure to disclose or misrepresentation of a fact material to the contract by the insurer shall render the contract voidable at the instance of the insured:

“Provided that in the absence of fraud the contract shall not by reason of such failure to disclose or misrepresentation be voidable after the contract has been in force for two years during the lifetime of the person whose life is insured.

“**204.** The question of materiality shall be one of fact.”

8. The said Act is further amended as to section 207 thereof by striking out the words “a contract providing for the payment of premiums weekly”, where the same occur in subsection (1) thereof, and by substituting therefor the words “an industrial contract.”

9. The said Act is further amended by inserting therein, immediately after section 207 thereof, the following new section:

"207a.—(1) Where a contract lapses and its cash value has not been paid and any options as to paid-up or extended insurance have not been exercised, the insured shall be entitled to have the contract reinstated upon application within two years, or in the case of an industrial contract within one year, from the date of lapse upon the production of evidence of good health and other evidence of insurability of the person whose life was insured satisfactorily to the insurer as at the date of the application for reinstatement and upon payment of all overdue premiums and other indebtedness to the insurer under the contract, with interest at such rate not exceeding six per centum per annum compounded annually, as the contract provides, and provided that no change has taken place in such good health and insurability subsequently to the date of such application and before the contract is reinstated.

"(2) Where an application is made to reinstate a contract and the contract is reinstated, section 202 shall, *mutatis mutandis*, apply and the period of two years referred to in subsection (2) of that section shall run from the date of reinstatement.

"(3) If the contract which lapsed provided that in the event of the suicide of the person whose life was insured within a period of time fixed thereby it should be void or that the amount payable thereunder should be reduced, and after the contract is reinstated such person commits suicide within a period of time commencing with the date of reinstatement and of the same duration as the period of time fixed by the contract, the reinstated contract shall be likewise void, or the amount payable thereunder shall be likewise reduced.

"(4) This section shall not apply to a contract of insurance made by a fraternal society."

10. The said Act is further amended as to section 209 thereof by striking out the same and by substituting therefor the following:

"209.—(1) Except in the case of contracts of fraternal societies entered into prior to the first day of January, 1937, where by a contract or declaration the insured appoints as beneficiaries or appoints or apportions insurance money to his 'heirs', 'legal heirs', 'lawful heirs', or 'next-of-kin' the appointment or apportionment shall be deemed to be for the benefit of the estate of the insured.

"(2) In the case of contracts of fraternal societies entered into prior to the first day of January, 1937, where by a contract or declaration the insured appoints as beneficiaries or appoints or apportions insurance money to his 'heirs', 'legal heirs', 'lawful heirs' or 'next-of-kin' the appointment or apportionment shall be deemed to be in favour of the persons provided by the law of the Province, state or country in which the insured was domiciled at the time of his death respecting the distribution of the personal property of an intestate, and the insurance money so appointed or apportioned shall be paid to those persons in the shares provided by that law, and the insurance money shall not form part of the estate of the insured."

11. The said Act is further amended as to section 215 thereof by striking out the same and by substituting therefor the following:

"215. A minor shall, after attaining the age of fifteen years, have the capacity of a person of full age,—

- "(a)** to effect a contract of insurance on his own life and to deal with such contract;
- "(b)** to deal with a contract of insurance on his own life effected by him before attaining the age of fifteen years;
- "(c)** to deal with his interest in a contract of insurance effected on his life by another, whether effected before or after the minor attained the age of fifteen years;
- "(d)** if married, to effect a contract of insurance on the life of his wife or her husband or his or her children, as the case may be, and to deal with such contract."

12. The said Act is further amended as to section 217 thereof by striking out subsection (2) thereof and by substituting therefor the following:

"(2) Subject to section 224a, preferred beneficiaries are the husband, wife, children, adopted children, grandchildren, children of adopted children, father, mother, and adopting parents of the person whose life is insured."

13. The said Act is further amended as to section 218 thereof by striking out the same and by substituting therefor the following:

"218. A beneficiary for value and an assignee for value of a policy shall have a vested interest in the policy; but except as regards beneficiaries for value who are expressly stated to be or described as beneficiaries for value in the policy, a beneficiary for value or assignee for value who gives notice in writing of his interest in the policy to the insurer at the head or principal office of the insurer in Canada prior to any other beneficiary for value or assignee for value shall have priority of interest as against such last mentioned beneficiary or assignee."

14. The said Act is further amended as to section 219 thereof by striking out subsection (2) thereof and by substituting therefor the following:

"(2) A declaration contained in a will shall as against a subsequent declaration be deemed to have been made at the date of the will and not as if it had been made immediately before the death of the testator, provided that a declaration contained in a will shall not affect the rights or interest of any beneficiary for value or assignee for value who became such beneficiary for value or assignee for value subsequent to the date of the will unless a copy of the will or of the paragraph containing the declaration duly verified by statutory declaration has been filed with the insurer at its head or principal office in Canada prior to the time when the beneficiary for value or assignee for value acquired his interest in the policy."

“(3) A declaration contained in an instrument purporting to be a will which has not been revoked otherwise than by operation of law shall be effective as a declaration, notwithstanding that the instrument is invalid as a testamentary instrument.”

15. The said Act is further amended as to section 221 thereof by striking out the same and by substituting therefor the following:

“**221.** Where there are several beneficiaries of whom one or more are ordinary beneficiaries and one or more of the ordinary beneficiaries die before the maturity of the contract, and no apportionment or other disposition of his or their shares is provided for in the contract or by a declaration, the share of any such deceased ordinary beneficiary shall be payable to the surviving designated beneficiary or beneficiaries, whether preferred or ordinary, and, if more than one, in equal shares but if there is no surviving beneficiary, shall be payable to the insured or his estate.”

16. The said Act is further amended as to section 222 thereof by striking out the words “so long as any of the class of preferred beneficiaries remains”, where the same occur in subsection (1) thereof.

17. The said Act is further amended as to section 222 thereof by striking out subsections (2) and (3) thereof and by substituting therefor the following:

“(2) The contract may provide or the insured may at any time direct by declaration that a preferred beneficiary shall be entitled only to the income from insurance money for life or for a period of time or subject to any limitation or contingency stated in the instrument.

“(3) The provisions of this section are subject to any vested rights of beneficiaries for value and assignees for value, to the provisions hereinafter contained relating to preferred beneficiaries, and to any contingency or limitation stated in the instrument by which the insured designates a preferred beneficiary, provided that no provision in any instrument reserving to the insured the right to revoke or abridge the interest of a preferred beneficiary shall be effective so as to enable the insured to revoke or abridge that interest in favour of a person not in the class of preferred beneficiaries.”

18. The said Act is further amended as to section 224 thereof by striking out the words “the next following section”, where the same occur in subsection (1) thereof, and by substituting therefor the words “section 225”.

19. The said Act is further amended by inserting therein, immediately after section 224 thereof, the following new section:

“**224a.** For the purposes of this Part, an adopted child and its adopting parent shall from the date of the adoption be deemed to bear towards one another the relationship of preferred beneficiaries, and an adopted child and its natural

parents shall from the date of the adoption be deemed to bear towards one another the relationship of ordinary beneficiaries, and in either case this provision shall apply in respect of insurance effected both before and after the date of adoption."

20. The said Act is further amended as to section 225 thereof,—

(a) by striking out subsection (1) thereof and by substituting therefor the following new subsections:

"225.—(1) Subject to subsection (4) the contract may provide or the insured may at any time direct by declaration that if a preferred beneficiary shall die before the maturity of the contract, the insurance money or any part thereof appointed to the preferred beneficiary shall be payable to the insured, to his estate, or to any other person, whether that person is within the class of preferred beneficiaries or not.

"(2) Where the contract provides or the insured by a declaration directs that insurance money shall go to a preferred beneficiary and in the event of the death of the preferred beneficiary to some other person in the class of preferred beneficiaries, and the first-named beneficiary dies, the insured may before the maturity of the contract exercise only the powers referred to in section 223.

"(3) In case of the death of a preferred beneficiary before the maturity of the contract and in the absence of any provision in the contract or a declaration by which some other person in the class of preferred beneficiaries is to become entitled to the insurance money or any part thereof appointed to the deceased beneficiary in the event of his death or upon the happening of any other event, the insured may deal under section 219 with the insurance money or part thereof in the same manner and to the same extent as if the deceased beneficiary had not been a preferred beneficiary.";

(b) as to subsection (2) thereof,—

- (i) by renumbering the same as subsection (4);
- (ii) by striking out the words "Subject to subsection (1) and to any provision in the policy or a declaration", where the same occur therein, and by substituting therefor the words "Subject to the provisions of this section"; and
- (iii) by adding at the end of paragraph (a) thereof the words "such issue taking by representation".

21. The said Act is further amended as to section 226 thereof by striking out the words "receives notice in writing", where the same occur in subsection (3) thereof, and by substituting therefor the words "receives at its head or principal office in Canada notice in writing".

22. The said Act is further amended as to section 229 thereof by striking out the same and by substituting therefor the following:

“229.—(1) Notwithstanding the designation of a preferred beneficiary, any person who effects a participating contract may, during his lifetime receive for his own benefit the surplus or profits declared on the contract or may direct the insurer to apply them in payment or reduction of premiums, or in the purchase of paid up additions to the sum insured, or to hold them to his credit for accumulation, or to deal otherwise with such surplus or profits as the contract may provide. Upon the maturity of the contract all surplus or profits so held to the credit of the insured, or being due and unpaid, shall, subject to the contract and to any direction by the insured to the contrary, be added to the insurance money and the share of any beneficiary shall be increased accordingly.

“(2) The insurer may apply for the purpose of keeping the contract in force any surplus or profits declared on the contract and held by the insurer to the credit of the contract or of the insured, or held for accumulation, and not otherwise applied or dealt with under subsection (1).

“(3) The insurer shall not be obliged to pay or apply any surplus or profits in a manner contrary to the terms of the contract or of any subsequent agreement.”

23. The said Act is further amended as to section 230 thereof by adding thereto the following new subsections:

“(3) Where insurance money is made payable to a minor or other person under disability or to a trustee on behalf of a minor or person under disability, and where the insurance money or a part thereof is required for the maintenance or education of the minor or person under disability, the Court may, upon the application of the insured, upon at least ten days’ notice to the insurer, make an order, on such terms as it may deem just, permitting the insured to surrender the contract to the insurer, or to borrow from the insurer on the security thereof and payment by the insurer in accordance with such order shall discharge it from liability in respect of such payment.

“(4) Where a contract has been assigned as security for any loan or debt the rights of any beneficiary, whether ordinary or preferred, under such contract shall be affected only to the extent necessary to give effect to the rights of the assignee, and when the loan or debt is discharged the assignee shall furnish a certificate in writing to that effect and that the assignee has no further right, title or interest in the contract.”

24. The said Act is further amended as to section 231 thereof by striking out the words “Where by a contract”, where the same occur therein, and by substituting therefor the words “Where by a contract or any instrument in writing”.

25. The said Act is further amended as to section 232 thereof by striking out the words “a subsequent instrument”, where the same occur in subsection (1) thereof, and by substituting therefor the words “an instrument”.

26. The said Act is further amended as to section 233 thereof by striking out the same and by substituting therefor the following:

"233. Subject to the provisions of this Part relating to preferred beneficiaries, where it is so expressly provided in the contract or by an agreement in writing with the insurer or by a declaration, the insurer may hold the insurance money or any part thereof after maturity of the contract subject to the order of the beneficiary, or upon such trusts or other agreements for the benefit of the beneficiary as may be provided in the contract, agreement or declaration, allowing and paying for the term during which the insurer retains such insurance money or any part thereof, interest thereon at a rate not less than that specified in the contract, agreement or declaration, or, if no rate be agreed upon, at the rate declared from time to time by the insurer in respect to insurance money so held by it: "Provided that the insurer shall not be bound to carry out the terms of any declaration to which it has not agreed in writing."

27. The said Act is further amended as to section 234 thereof by striking out the words "receives notice in writing", where the same occur in subsection (1) thereof, and by substituting therefor the words "receives at its head or principal office in Canada notice in writing".

28. The said Act is further amended by inserting therein, immediately after section 234 thereof, the following new section:

"234a. The insurer shall not incur any liability for any default, error or omission in giving or withholding information as to any notice or instrument in writing affecting the insurance money which the insurer has received."

29. The said Act is further amended as to section 235 thereof by striking out subsection (2) thereof and by substituting therefor the following:

"(2) Where the insurance money or part thereof is payable to or for the benefit of a beneficiary, the insurer shall be entitled to reasonably sufficient proof of the name and age of the beneficiary."

30. The said Act is further amended as to section 236 thereof by striking out subsection (2) thereof and by substituting therefor the following new subsections:

"(2) Insurance money shall be payable in the Province in which the insured is domiciled at the time of death, or in which he is domiciled when it becomes payable otherwise than by reason of death; or, if he was not or is not then domiciled in Canada and the contract does not otherwise provide, shall be payable at the head or principal office of the insurer in Canada.

"(3) Every amount to be paid to or by an insurer under a contract shall be payable in lawful money of Canada, unless the contract expressly provides for payment in another currency.

"(4) In every contract, whether the contract by its terms provides for payment in Canada or elsewhere,

amounts expressed in dollars shall mean lawful dollars of Canadian currency, unless some other currency is specifically provided for in the contract.”

31. The said Act is further amended by inserting therein, immediately after section 236 thereof, the following new section:

“**236a.** Where insurance money is payable in respect of a policy on the life of a person who is at the date of his death domiciled elsewhere than in Canada to another person domiciled elsewhere than in Canada, and there is no person in Canada entitled to receive it, the insurer may pay it to the person to whom it is so payable, or to any other person entitled to receive it on his behalf by the law of the domicile of the payee.”

32. The said Act is further amended as to section 237 thereof by striking out subsections (1), (2) and (3) thereof and by substituting therefor the following:

“**237.**—(1) Where the insurer admits the validity of the contract but does not admit the sufficiency of the proof furnished by the claimant of the maturity of the contract, or of the age of the person whose life is insured, or of the right of the claimant to receive payment of the insurance money, and where there is no other question in issue, except a question under subsection (2), the insurer or the claimant may, before or after action brought, upon at least thirty days’ notice apply to the Court for a declaration as to the sufficiency of the proof furnished, and the Court may direct what further proof shall be furnished, or, in special circumstances, may dispense with further proof.

“(2) Where the claimant alleges that the person whose life is insured is presumed to be dead by reason of his not having been heard of for seven years, and where there is no other question in issue except a question under subsection (1), the insurer or the claimant may, before or after action brought, upon at least thirty days’ notice, apply to the Court for a declaration as to the presumption of death.

“(3) If the Court finds that the proof of the maturity of the contract or of the age of the person whose life is insured or of the right of the claimant to receive payment is sufficient or that a presumption of death has been established, or makes an order directing what further proof shall be furnished or in special circumstances dispensing with further proof, the finding or order of the Court shall, subject to appeal, be conclusive and binding upon the applicant and all parties notified of the application and the Court may make such order as to the payment of the insurance money and as to the costs as to it may seem just.”

33. The said Act is further amended as to section 239 thereof,—

- (a) by adding at the end of subsection (3) thereof the words “whichever period shall first expire, but not afterwards”;
- (b) by striking out the words “within the prescribed period or”, where the same occur in subsection (4) thereof.

34. The said Act is further amended as to section 241 thereof by striking out subsection (1) thereof and by substituting therefor the following:

"241.—(1) Where no trustee is appointed to receive the share to which a minor or other person under disability is entitled, or where a trustee is named but refuses or neglects to act or dies or otherwise becomes incapable of acting, the share of the minor or other person under disability may be paid to a guardian or tutor or trustee of the minor or to a curator, committee or trustee of such other person under disability duly appointed under the law of this Province."

35. The said Act is further amended as to section 242 thereof by striking out subsection (1) thereof and by substituting therefor the following:

"242.—(1) Where the insurer admits liability for the insurance money or any part thereof, and it appears to the insurer that,—

"(a) there are adverse claimants; or

"(b) the place of abode of a person entitled is unknown; or

"(c) there is no person capable of giving or authorized to give a valid discharge;

"the insurer may, at any time after the expiration of one month from the maturity of the contract, apply to the Court for an order for payment of the money into Court, and the Court may upon such notice (if any) as it thinks necessary make an order accordingly, and such application shall in the first instance be made *ex parte*."

36. The said Act is further amended as to section 249 thereof by adding thereto the following new subsections:

"(2) No rating bureau and no insurer authorized to transact the business of insurance within the Province shall fix or make any rate or schedule of rates or charge a rate for automobile insurance to any group of persons by reason of such group being engaged in any trade, calling, profession or occupation, or by reason of membership in any guild, union, society, club or association or by reason of common employment or by reason of common occupancy of the same building or group of buildings or for any other reason which would result in a lower cost to an individual in such group than such individual would have had to pay if insured individually; and every insurer or other person who violates the provisions of this section shall be guilty of an offence.

"(3) Nothing in this section contained shall be deemed to prohibit the fixing or charging of a special rate for the insurance of two or more motor vehicles owned by and registered in the name of the same person."

37. The said Act is further amended as to section 251 thereof,—

(a) by striking out the words "this section", where the same occur in paragraph (a) of subsection (1) thereof, and by substituting therefor the word and letter "Schedule D";

- (b) by striking out the figures and letter "259j", where the same occur in subsection (1) thereof, and by substituting therefor the figures and letter "259i".

38. The said Act is further amended by inserting therein, immediately after section 447 thereof, the following new section:

"**447a.** Notwithstanding any other provision of this Act, any company which is a railway company or which is a public carrier licensed to carry passengers and express freight pursuant to *The Public Vehicles Act* may, upon application to the Superintendent and upon the payment of a fee of twenty-five dollars, be granted a certificate of authority authorizing that company by its employees in the Province to act as the agent of any licensed insurer in selling insurance against death or injury occasioned by accident to a person who is carried as a passenger by the company or loss or injury to the baggage of such person or loss or injury to any express freight carried by the company; and every such certificate of authority shall expire on the fifteenth day of February of the year following the year in which the same was granted unless it is sooner suspended or revoked."

39. The said Act is further amended as to section 457 thereof by inserting therein, immediately after subsection (3) thereof, the following new subsections:

"(3a) No insurer, and no officer, employee or agent thereof, and no broker, shall, directly or indirectly, make or attempt to make any agreement as to the premium to be paid for a policy other than as set forth in the policy, or pay, allow or give, or offer or agree to pay, allow or give any rebate of the whole or part of the premium stipulated by the policy, or any other consideration or thing of value intended to be in the nature of a rebate of premium, to any person insured or applying for insurance in respect of life, person or property in the Province; and every insurer or other person who violates the provisions of this section shall be guilty of an offence.

"(3b) Nothing in this section shall affect any payment by way of dividend, bonus, profit or savings which is provided for by the policy, or be construed so as to prevent an insurer compensating a *bona fide* salaried employee of its head or branch office in respect of insurance issued by the employing insurer upon the life of such employee or so as to require that such employee shall be licensed as an agent for life insurance under this Act to effect such insurance."

40. The said Act is further amended by inserting therein, immediately after section 457 thereof, the following new section:

"**457a.** Any person licensed as an agent for life insurance under this Act who induces, directly or indirectly, an insured to lapse, forfeit or surrender for cash, or for paid up or extended insurance, or for other valuable consideration, his contract of life insurance with one insurer in order to effect a contract of life insurance with another insurer,

or makes any false or misleading statement or representation in the solicitation or negotiation of insurance, or coerces or proposes, directly or indirectly, to coerce a prospective buyer of life insurance through the influence of a business or a professional relationship or otherwise, to give a preference in respect to the placing of life insurance which would not be otherwise given in the effecting of a life insurance contract, shall be guilty of an offence.

41. This Act, or such part or parts thereof as may be designated in any Proclamation of the Lieutenant Governor in Council, shall come into force upon such day or days as may be from time to time fixed by Proclamation of the Lieutenant Governor in Council.

No. 16.

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BILL

An Act to amend The Alberta
Insurance Act, 1926.

Received and read the

First time

Second time.....

Third time.....

HON. MR. MANNING.

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