

Bill No. 61 of 1939.

A BILL TO EMPOWER THE GOVERNMENT OF THE
PROVINCE OF ALBERTA TO ENGAGE IN
THE BUSINESS OF INSURANCE.

NOTE.

This Bill empowers the Government of the Province to engage in the business of fire insurance in the Province (Section 3), and constitutes as a branch of the Public Service a branch with the title of "The Alberta Government Insurance Office" presided over by the Provincial Secretary. (Section 4.)

The Lieutenant Governor in Council is empowered to appoint a manager and assistant manager of the Insurance Office, and other necessary officers and employees and to prescribe their remuneration. (Section 5.)

The manager is created a corporation sole with the title of "The Manager of The Alberta Government Insurance Office." (Section 7.)

The manager, and in his absence the assistant manager, is declared to be the executive officer of the Insurance Office.

With the approval of the Minister the manager is empowered to appoint agents and adjusters (not being persons appointed pursuant to section 5) and to prescribe their remuneration, terms of employment and duties.

Section 10 makes provision as to the manner of execution of policies and other documents by the manager and assistant manager respectively.

Section 11 declares that the manager in his official style and as the representative of the Government may sue and be sued in relation to the business carried on pursuant to this Act.

Section 12 prohibits the bringing of actions in respect of claims against the Government in connection with the business carried on pursuant to this Act against any person other than the manager and limits the time for bringing actions for claims for loss or damage under insurance policies to six months after the occurrence of such loss or damage.

Section 13 imposes upon every Department of the Government and every municipality and their respective

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officers the duty of furnishing the Minister or manager or assistant manager information required with respect to insurance risks.

Section 14 makes applicable to the business of insurance conducted pursuant to this Act the provisions of Parts IV and V of *The Alberta Insurance Act*, but permits the making of a policy which provides for the payment of any claim thereunder in any manner which may be agreed upon.

Section 15 provides for the deposit of all money received by the Insurance Office in such institution or institutions as may be designated by Order in Council, and for the manner in which payments are to be made.

Section 16 authorizes advances from the General Revenue Fund of such sums as are from time to time required for financing the said business.

Section 17 provides for an annual audit by the Provincial Treasurer of the financial business of the Insurance Office and a report by him thereon, and the submission of the report to the Legislative Assembly.

Section 18 provides for the transfer to the General Revenue Fund of cash surpluses not required for the financing of such business.

Section 19 empowers the Lieutenant Governor in Council to make certain regulations as to the mode of carrying on the said business.

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. 61 of 1939.

An Act to empower the Government of the Province of Alberta to engage in the business of Insurance.

(Assented to _____, 1939.)

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 Government of Alberta Insurance Act.*"

2. The Provincial Secretary (hereinafter referred to as "the Minister"), shall have charge of the administration of this Act.

3. The Government of Alberta is hereby empowered to engage in and carry on the business of fire insurance and reinsurance in all its branches in the Province, that is to say, the business of insuring and reinsuring against loss or damage by fire insurable property of all kinds situate in the Province and incidentally to any contract of fire insurance issued in the course of such business the business of insuring and reinsuring any property to which such contract relates against all or any loss or damage caused by or arising from any defect in or injury to sprinkling or other fire extinguishing apparatus or caused by or arising from tornadoes or windstorms or caused by lightning or explosion, and to do all acts and things which are requisite for the purpose of engaging in or carrying on any such business or are incidental thereto.

4. There is hereby constituted as a branch of the Public Service a branch with the title of "The Alberta Government Insurance Office" (hereinafter referred to as "the Insurance Office"), which shall be presided over by the Minister.

5. The Lieutenant Governor in Council may from time to time, appoint a Manager of the Insurance Office, an Assistant Manager of the Insurance Office, and may appoint such actuaries, adjusters, inspectors and other officers, agents, employees and servants as may be required for the proper conduct of the business of the Insurance Office, and may prescribe their remuneration, and may, subject to the provisions of this Act, prescribe their duties; and persons so appointed shall be under the control and subject to the direction of the Minister.

6. The Manager is hereby constituted a corporation sole under the style of "The Manager of The Alberta Government Insurance Office" with perpetual succession and a seal of office.

7. The Manager of the Insurance Office, and in his absence, the Assistant Manager, shall be the Executive Officer thereof, and shall sign all contracts and other documents relating to the business of the Insurance Office, and shall, subject to the direction of the Minister, have the immediate control and management of the business and concerns of the office.

8. With the approval of the Minister, the Manager may appoint such agents and adjusters (not being persons appointed pursuant to section 5) on such terms as to salary, commission or other remuneration, as he deems proper, and may prescribe their duties.

9. It shall be the duty of the Insurance Office to carry on under the direction and supervision of the Minister the business of fire insurance and reinsurance which the Government of Alberta is empowered to carry on by section 3 as the agent of the Government.

10. With respect to all deeds, policies, contracts, agreements, instruments and documents of any kind relating or incidental to the business of the Insurance Office or the purposes of this Act, the following provisions shall apply:

(a) The Manager shall be described therein by his corporate style.

(b) Such of them as are to be signed by the Manager shall be signed in his personal name with the addition of his corporate style.

(c) Such of them as are to be signed by the Assistant Manager shall be signed by him as follows: "For the Manager of The Alberta Government Insurance Office.

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Signature of Assistant Manager,

(d) Policies and endorsements thereon need not be executed under seal and may, with any other document which is not required to be under seal, be signed in the name and on behalf of the Manager by the Assistant Manager or by any other person authorized by the Manager for that purpose.

11. The Manager in his official style and capacity and as the representative of the Government, may sue and be sued in all actions and proceedings arising out of any act, matter or thing done or suffered to be done in relation to the business engaged in or carried on in pursuance of this Act.

12.—(1) No action or other proceedings shall be for the purpose of enforcing any claim, or right against the Government by reason of anything done in relation to any of the business of insurance carried on by the authority of this Act against any person other than the Manager of the Alberta Government Insurance Office.

(2) Every action or other proceeding taken against the Manager shall be instituted and carried on against him in his corporate style and capacity only.

(3) Every action or other proceeding taken by the Manager shall be instituted by the Manager in his corporate style and capacity only.

(4) In any action or other proceeding taken against the Manager, the Manager shall plead thereto and defend and counterclaim in his corporate style and capacity only.

(5) No action or other proceeding shall be against the Manager in respect of any claim for loss or damage under any policy of insurance unless such action or other proceeding is commenced within six months after the occurrence of the loss or damage.

13. For the purpose of minimizing as far as possible the risk of insurance under this Act, it shall be the duty of every Department of the Government, and of every city, town, village and municipal district and every officer thereof at all times to furnish all such information and reports to the Minister or to the Manager or to the Assistant Manager as they or any of them may from time to time require.

14. The following provisions of *The Alberta Insurance Act, 1926*, and no others shall apply to the business of insurance conducted pursuant to this Act and to contracts of insurance entered into in the course of such business, namely—Part IV and Part V.

Provided always that notwithstanding any provision of the said Act, it shall be lawful for any policy issued under this Act to provide for the payment of any claim payable thereunder in any manner which may be agreed upon.

15. All sums of money received by the Insurance Office on account of the business carried on thereby shall be deposited with such institution or institutions as may be from time to time designated for that purpose by the Lieutenant Governor in Council in the name of The Alberta Government Insurance Office, and all payments out of and withdrawals from such account shall be made by means of such instruments signed by such officers as may be designated from time to time by the Lieutenant Governor in Council for that purpose.

16. For the purpose of financing the business of insurance for the time being carried on pursuant to this Act,

the Provincial Treasurer is hereby authorized with the approval of the Lieutenant Governor in Council to make advances out of the General Revenue Fund of such sums as are from time to time required for the purpose of the establishment, organization and operation of the Insurance Office and for the purpose of defraying any expenditure or liability incurred in respect of such business.

17.—(1) As soon as possible after the thirty-first day of December in each year, the Provincial Auditor shall make or cause to be made an audit of all financial transactions for the previous year, a financial statement setting out as at the thirty-first day of December of the previous year with respect to each class of business transacted pursuant to this Act, showing the amount of the money and other assets then on hand and the amount of the liabilities then outstanding and the Provincial Auditor shall make a report thereon with such recommendations as he may think proper and shall deliver any report so made together with the financial statement to which it refers to the Lieutenant Governor in Council.

(2) Every report made by the Provincial Auditor pursuant to this section together with the financial statement to which it relates shall be submitted to the Legislative Assembly at the first session thereof held after the delivery of the same to the Lieutenant Governor in Council, not later than the tenth day after the opening of such session.

18. If at any time it appears to the Lieutenant Governor in Council that as a result of the operation of all the business carried on pursuant to this Act there is a cash surplus as at the thirty-first day of December of any year which is not required for the financing of such business, the Lieutenant Governor in Council may order that the same be paid into and form part of the General Revenue Fund.

19. The Lieutenant Governor in Council may from time to time make regulations with respect to any business carried on by the authority of this Act as to all or any of the following matters:

- (a) the conduct of any such business;
- (b) the functions and duties of the persons who are engaged in any capacity in the conduct of any such business;
- (c) the disposition of all money received in respect of any such business, the institutions in which the same shall be deposited, the manner in which the accounts for such deposits shall be kept and managed and the manner in which withdrawals shall be made from any such accounts;
- (d) the accounts to be kept of the financial transactions of any such business and the nature and form thereof;

- (e) the establishment of one or more reserve funds, and the control, management, investment and disposition of any such funds and the purposes for which payments may be made out of any such fund;
- (f) the mode of determination of the premium rates in respect of any risk undertaken by the authority of this Act, and the matters to be taken into consideration in determining the rates of premium either generally or in respect of any specified class of risk or any specified risk or risks;
- (g) the maximum amount for which contract of insurance may be issued under this Act either generally or in respect of any specified class of risk or any specified risk;
- (h) the reinsurance of any risks in respect of which any contract of insurance has been entered into pursuant to this Act;
- (i) the forms of policies or contracts to be used in insuring any risk pursuant to this Act;
- (j) such other matters and things as may appear to be requisite or proper for the regulation of any such business.

20. This Act shall come into force on a day to be fixed by proclamation of the Lieutenant Governor in Council.

EIGHTH SESSION
EIGHTH LEGISLATURE
3 GEORGE VI
1939

BILL

An Act to empower the Government
of the Province of Alberta to
engage in the business of
Insurance.

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. MANNING.

EDMONTON:
A. Shnitka, King's Printer
1939