

## Legislative Assembly of Alberta

**Title:** Monday, April 15, 1996 8:00 p.m.  
**Date:** 96/04/15

**head:** Government Bills and Orders  
**head:** Committee of the Whole

[Mr. Tannas in the Chair]

THE CHAIRMAN: Good evening. I'll call the committee to order.

### Bill 14 Health Foundations Act

THE CHAIRMAN: We have before us for our consideration amendment A2 as proposed by the hon. Member for Edmonton-Glenora. Are there any further comments on this amendment?

The hon. Member for Fort McMurray on the amendment.

MR. GERMAIN: Yes. Thank you very much, Mr. Chairman. I'm focusing my attention this evening solely on the amendment. This amendment is one which Members of this Legislative Assembly have seen before. Indeed some Members of the Legislative Assembly have debated this amendment before, and indeed some Members of the Legislative Assembly have actually understood the debate that they've heard on this amendment before. I hope tonight, before we vote on this amendment, to get the debate on the amendment, agreement on the amendment, and an understanding of the amendment all flowing together in one gigantic lava flow through this Legislative Assembly, resulting in a positive – yes indeed, positive – vote on this particular amendment.

I conversed very briefly with the Government House Leader prior to your calling the session to order, Mr. Chairman, and I found with some considerable dismay that he was obliged to report to me in a trembling voice that the first amendment to Bill 14 had failed to obtain the approval of this Legislative Assembly. He was almost embarrassed to have to report that to me. We want to do better with this particular second amendment.

MR. LUND: Well, stop talking.

MR. GERMAIN: The minister of the environment, when he was asked questions this afternoon, couldn't find any words, but now from the comfort of his chair he has lots of words in favour, I'm sure, of this particular amendment.

Mr. Chairman, it is important that we recognize that there is a standing committee of this Legislative Assembly on law and regulations. I have said it before; I will say it again. It is chaired by an extremely competent Member of this Legislative Assembly, himself a Queen's Counsel, and a member who has not yet in the three and a half years that he's been here been obliged to roll up his sleeves, call this committee to action, and do some work.

Why is that, Mr. Chairman? Because no regulation passed by this government has been referred to this committee, and simply I say it. It's the first day following spring break, but I pick up with the same theme as on the last day before the spring break, and that is that that is simply wrong. In my respectful estimation and in my submission to you and to all Members of the Legislative Assembly, it is not proper for us, it is simply not right for Members of this Legislative Assembly to sit, to be prepared to serve on a committee, and have the committee emasculated by never being called to order and never being asked to function.

Albertans want open, transparent government. Indeed the government believes that Albertans want that, because the government often goes traveling around. In fact, the Premier was in Fort McMurray last weekend indicating how open and transparent the government was, trying to convince those disbelievers in the community of Fort McMurray, Alberta. I want to say, Mr. Chairman, that you can't just keep paying lip service to these types of concepts. You can't just keep saying so because saying so doesn't make it so in this particular legislative arena. These amendments, this package, this standard amendment, approved as it has been by Parliamentary Counsel, reviewed by some of the best legal minds in the province of Alberta, is a fair and reasonable and practical amendment to breathe life into a committee of this Legislative Assembly, and that committee is the committee that studies law and regulations.

I ask hypothetically all members of the government and all government-supporting members: what is the downside of approving this amendment? What is the downside? What is the negativity? What is the reluctance to approve this type of amendment? This is the type of amendment that brings about good government. It provides an opportunity for regulations to be reviewed, to be studied for fairness, to be determined if they are efficient and consistent with the legislation, and it forwards them to a committee in which government members have the majority. What could be fairer than that? There is absolutely nothing that could be more fair than that, Mr. Chairman. The hon. minister of intergovernmental affairs knows that to be true, the hon. minister of agriculture knows that to be true, and indeed the minister of the environment knows that to be true. There is absolutely no downside to this type of provision making its way into the lawmaking of this province.

Mr. Chairman, let me take you and the members back on a historical travelogue through time on the evolution of legislation in the common Parliament, as we've come to recognize it. Historically the laws were very simple. There was very little detail required. It was sufficient for the lawmakers to put each and every provision and law that they wanted to in one single piece of legislation. It could be a complete code and a complete guide. There is, for example, today one piece of legislation of the federal government that comes very close to that, and that is the Criminal Code, where there is heavy emphasis on a complete code and less emphasis on regulation.

Now, with the evolution of time and the complexity of legislation and laws, it was considered important for legislators to determine policy only and to enact policy. Therefore, instead of having 25 different speeding codes in a bylaw or legislation to control how fast you would drive a horse-drawn carriage and then later a horseless carriage through a community, depending on the type of residential mix or commercial mix, it was appropriate for them to change the law to say that speed will be set by regulation and controlled in urban communities. Then you would have to go to the regulation to find out what type of community would generate what type of speed limit.

Let's suppose that is the type of law we are looking at today. In this particular case, we're looking at an element of health, but let us suppose that we were looking at any basic, fundamental law-and-order section. There is no downside whatsoever to the Legislative Assembly referring the regulations that they make pursuant to the Act to one of their own committees. There is not a single reason that this particular amendment fails in the Legislative Assembly time after time after time. It's bad politics that it fails. I want to suggest, with no disrespect intended, Mr.

Chairman, that it's partisanship politics that causes it to fail most times, and it is a slap in the face. Every time this particular amendment fails in any piece of legislation, it is a slap in the face to the hon. Member for Calgary-Shaw, himself a government-supporting member. I mean, this man is a man of deep sensitivity and deep integrity. Why would we slap him in the face like this time after time after time, every time this amendment or one like it is defeated? And on top of that, if we were talking about raw, crass politics – you know, the Premier up in Fort McMurray on Friday had some people interested when he said that there might be an election soon. Then he went on to say: or later. But, you know, just if we look at it from the point of view of crass politics, when the hon. Member for Bow Valley, Alberta, is knocking on the doors in the constituency, someone says to him, “Why don't you refer regulations to the Standing Committee on Law and Regulations, chaired by one of your own eminently qualified members and controlled by a majority of government-supporting members . . .”

DR. TAYLOR: He never wants to call a meeting.

MR. GERMAIN: Indeed, the hon. Member for Cypress-Medicine Hat may even be on that committee.

DR. TAYLOR: But my chairman will never call a meeting.

MR. GERMAIN: There now. You see? Mr. Chairman, by failing to pass these kinds of amendments, I even get Conservatives squabbling amongst themselves.

So I want to urge all Members of this Legislative Assembly in a moment to turn the page and start a brand-new era in co-operative politics in the province of Alberta, to defer to the opinion of the hon. Government House Leader, who finds nothing wrong with this particular amendment, nothing wrong with this amendment. Then, Mr. Chairman, when the hon. Member for Cypress-Medicine Hat is knocking on the doors in his constituency, he will say, “Yes, I voted to ensure that regulations passed by this government met the fine test and standards imposed on them by the hon. Member for Calgary-Shaw, and I voted to ensure that we would refer regulations to a standing committee of this Legislative Assembly.”

This allows me, Mr. Chairman, to say one more time in *Hansard*, one more time for posterity in *Hansard*, that the members from the Official Opposition of this province that have been appointed to sit on this very important committee, that is never called and that never sits, nevertheless have renounced, repudiated, waived, and are prepared to turn their backs on all committee fees flowing from the meeting of this particular committee. That is a cost-saving, low-cost deal that cannot be beat. You could travel up and down looking for a deal that would beat that. There is none, because you have confident, qualified, honourable professional men and women prepared to work for what? Prepared to work for the love of their province. Not for money but for the love of their province. All that the Members of this Legislative Assembly have to do once and for all is vote yes to this amendment.

Thank you, Mr. Chairman.

[Motion on amendment A2 lost]

[The clauses of Bill 14 agreed to]

[Title and preamble agreed to]

THE CHAIRMAN: Shall Bill 14 be reported? All those agreed?

SOME HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed?

SOME HON. MEMBERS: No.

THE CHAIRMAN: Carried.

**8:10**

**Bill 15  
Hospitals Amendment Act, 1996**

THE CHAIRMAN: The hon. Member for Medicine Hat.

MR. RENNER: Thank you, Mr. Chairman. It's a pleasure for me to rise to participate and begin the debate on Bill 15 at committee stage. I look forward to a number of discussions on this Bill. I understand that the opposition has prepared an amendment to this Bill, and I will discuss the amendment when I have occasion to see it. In the meantime, I would like to address some of the questions that arose as a result of the debate at second reading of the Bill.

First of all, I have to reiterate and remind all members that this Bill is an amendment to Bill 46, and Bill 46 was a Bill that allowed the government, allowed the Department of Health to recover all costs related to third-party liability claims, not specifically to automobile accidents but all third-party liability claims. I think I made the point very clear at second reading that if an individual causes injury to another individual, that individual should indeed be responsible for all of the costs. Presently, the only costs they're responsible for are the direct hospital costs. Bill 46 made them responsible for all health costs.

Bill 15 is, in effect, an amendment to Bill 46. Bill 46 created the ability for the government to recover health care costs in all third-party liability claims. In Bill 15 we address specifically one particular portion of those claims, that being the portion that relates to automobile accidents. We recognize that there are a substantial number of automobile accidents throughout the year, and statistically that's a given. We know that there are going to be a certain number of automobile accidents and that in those automobile accidents there is going to be someone who is responsible and can be found to be liable for injuries to others. If they're dealt with on an individual, one-by-one basis, there is a good deal of administration not only on the part of the government but, more importantly, on the part of the insurance companies. What Bill 15 does is streamline the process, arrive at an annual assessment that the insurance companies would accept as their responsibility to compensate the individuals, their clients, their policyholders for harm and injury caused and, therefore, expense caused as a result of accidents their clients had in which there was liability that accrued.

There were a number of members opposite who made the point that Bill 15 is going to result in an increase in the cost of insurance to automobile owners in the province of Alberta. Nothing could be further from the truth, Mr. Chairman. I won't deny that by increasing the amount of liability or expense that an individual automobile driver is liable for, that was passed in this Legislature in Bill 46, could – and I emphasize “could” – increase the cost of liability insurance.

Bill 15 really brings about a streamlined process for collecting this increased liability and in fact will mitigate any increase that insurance companies feel they need to pass on to their policyhold-

ers because it will allow them to work in a streamlined manner. They won't have to deal with every individual claim on a claim-by-claim basis. They will arrive at one lump sum figure that will apply to all of their policyholders based on statistical analysis, past history, and those kinds of numbers can be calculated using some empirical analysis.

So I have to emphasize that Bill 15, the Hospitals Amendment Act, 1996, will not – I emphasize “will not” – cause automobile insurance rates to rise. In fact, Bill 15 will mitigate any increase that would result from the implementation of Bill 46, which was passed some two years ago.

There were also concerns raised by the opposition that the insurance companies would now have some ability to be involved in the decision-making on the treatment that individual Albertans will receive in the health care system. Again this is not true. The health care system is administered through the Minister of Health through the regional health authorities. Insurance companies do not now and will not in the future have any say on what treatment individuals should receive. All they are doing, on behalf of their policyholders, is paying for the costs that their policyholders have incurred as a result of their negligent actions.

One other point I want to raise, because there were a number of points that were raised by the opposition and I think probably in good faith but not entirely understanding the purpose of this Bill. There were some individuals in the opposition who indicated at second reading that they felt the government was creating a broad new system and a new category of wrongdoers. Mr. Chairman, as a result of Bill 15 costs under Bill 46 will simply be aggregated on an annual basis by the minister and paid by the insurers in the province. Once the aggregate amount is established, it will be adjusted yearly by such factors as Alberta Health, noncapital expenditures, third party liability, autobody and injury losses per vehicle, the number of insured motor vehicles written up, and the change in the population growth. The result of this adjustment may be a reduction in the aggregate amount payable. There's no ability in this Bill to create a new category of wrongdoers.

8:20

Finally, I want to address another issue that was raised. There was a question asked: how can we tell if this Bill is effective or not? The main purpose of Bill 15 is to streamline the way the Alberta government recovers health care costs incurred as a result of the negligence of a third party in automobile accidents. This will be accomplished by, firstly, exempting cases where personal injuries were caused as a result of a wrongdoer's use or operation of a motor vehicle when the wrongdoer was insured under the motor vehicle liability policy and, secondly, implementing a direct payment system to replace the case-by-case recovery of insured auto accidents.

There were some questions that came up regarding the clause in the Act that says that the government will – and I want to read this because it's important. It's section (4), and it reads:

Notwithstanding this Division, the Crown does not have a right to recover the Crown's cost of health services provided to a beneficiary if

- (a) the beneficiary's personal injuries are caused by an act or omission of a wrongdoer in the use or operation of an automobile, and
- (b) the wrongdoer is, when the injuries are caused, insured under a motor vehicle liability policy.

One of the members of the opposition indicated that they didn't understand the reason for this.

This clause is really the gist of this entire Bill. This clause is saying that the province, the Crown, gives up its right to deal with all of these injuries on a case-by-case basis and rolls them all into a total aggregate for the year. That aggregate is composed of two parts, one part being a consolidation of existing claims from injuries that were caused in previous years plus an estimation of the cost of liability that would arise out of wrongdoers' actions in the current year. So the government, the Crown, gives up its right to sue on a case-by-case basis. The individual insurance companies and their policyholders, then, recognize that statistically there are going to be an number of occasions throughout the year where these cases would come forward. Rather than pursuing them on a case-by-case basis, we establish what the aggregate is, and the insurance companies pay their share on a prorated basis.

As I say, I understand that there is an amendment coming forward. I look forward to addressing that amendment, but at this point I would encourage any members who would like to discuss the main part of the Bill, and we can deal with the amendment at a later time.

Thank you, Mr. Chairman.

THE CHAIRMAN: The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you very much, Mr. Chairman. I did not realize when the debate started here at 8 o'clock this evening that I would be so quickly called upon to stand up again and speak out for the rights of ordinary Albertans, to speak out against health care premium increases.

I want to say here on the record and I want to say it in as clear a way as it can be said: this is indirectly a health care premium increase. That is what this Bill is. The hon. member can describe it however he wants. He can stand up in this Legislative Assembly and say that it will not cause insurance premiums to go up, but he has nothing but his assurance to give us. He hasn't stood up and said that he'll resign if that happens. He hasn't even stood up and said that he's had that tested. He's presented no empirical data to support that proposition. It is impossible for insurance premiums not to go up on an individual, case-by-case basis by virtue of this particular provision, because in the province of Alberta less than 10 percent, or thereabouts, of all policyholders have an accident in any given year. But now in this particular hon. member's position we are going to have a hundred percent of all policy owners who are going to pay for health care costs on a streamlined basis.

This Bill, Mr. Chairman, when it's touted as being streamlining, means that your grandmother and my grandmother are going to pay more for insurance because the government is no longer going to go to the individual wrongdoers and make their insurance companies pay so that they in turn have to raise their particular rates. That's the first reason that insurance policies are going to go up, because in any given year for insurance to work there must be way less people involved in the proceeds than pay premiums. Now in this Bill everybody is going to pay. Everybody pays.

Now, what's the other concern about this Bill? In the old days, Mr. Chairman, it was only the actual hospitalization costs that were recovered by the government for motor vehicle accidents. Now it is going to be every single health care service. Here's the way it works. I'm involved in a little motor vehicle accident, and as a result of it, I have a sore back, but at the same time I want to tell you that I have a fungus, ingrown toe that's been bothering me for awhile and I haven't seen fit to seek medical attention for

it because that would trivialize the medical system. So here I am as a thinking Albertan. I now go and get my back fixed because of the motor vehicle accident, but at the same time I'm there I say to the hon. member that lives in Brooks and practises medicine: "Oh, by the way, Doc, while you're looking at tweaking my back, arising out of this motor vehicle accident, I've got this black-looking toenail with kind of a funny fungus growing out of it. So why don't we do something about that? Why don't you give me some toe drops for that ailment?"

DR. TAYLOR: He'd just amputate.

MR. GERMAIN: The hon. Member for Cypress-Medicine Hat says to amputate my toe, while other Members in this Legislative Assembly would prefer to see another part of his anatomy amputated. What comes around goes around, Mr. Chairman. I know, talk to Bill 15. I'm there.

Now, the interesting thing about that is that there is no way for us to sort out the multiple service charges of a health care provider. If you go to physiotherapy because you've been in a motor vehicle accident or you might also have a sore knee because you've had a jogging accident or you've run too hard the day before in your phys ed program, all of those are going to be bundled up and confused, and in the interests of streamlining and simplification those are now all going to be considered charges on the insurance system. So what happens is that you have a certain group of individuals, those who drive and who have insurance policies, first of all, paying for a segment of the health care system of the province of Alberta, and you simplify it at the expense of your mother and my mother and every other person in the province of Alberta who has not been any cause to the system.

Now, I add one more twist to this. Some people drive every year without having proper insurance, Mr. Chairman, and of course they're insured through the unsatisfied judgment fund, a division of the government of Alberta. Those particular health care costs are not recovered because of the public policy relating to that fund. They're paid out of general revenues of the province of Alberta, and the province of Alberta tries to go after the person driving without insurance. Now what's going to happen is that all of these costs have the potentiality to be blended and passed on to the – and they may not start that way, but in fact every cost from every accident can be put into this funding formula because it is going to be a gross formula, not an individual driver formula. So you have the potentiality of having all the lumping together of motor vehicle accident type health care costs passed on to insurers which do not represent 100 percent of the taxpaying population of the province of Alberta.

So you're going to have, again, a group paying increased premiums. Why, Mr. Chairman? Frankly, because the Premier of this province did not want to go ahead with health care premium increases this year. It's always been my assessment that if you're not prepared to do something directly, you shouldn't be prepared to do it indirectly, which is exactly what this piece of legislation does.

Now, there's one other interesting problem in this particular piece of legislation, Mr. Chairman, and that is this. Every year a certain recognized percentage of motor vehicle accidents in the province of Alberta are caused and occasioned by nonresidents, by people who come here driving on a policy of insurance that has been issued in the state of New York or in the state of Texas or in the province of Prince Edward Island. Indeed, in the community that I live in, it is common for us to see, particularly in the

summer months, many people bearing licence plates from the province of Newfoundland coming to visit their relatives in the community of Fort McMurray. How are those individuals going to be paid their part and their contribution to the health care costs of motor vehicle accident victims? Are we going to have a separate system for those particular automobile insurance policies? Are we going to have that? Quite the contrary.

8:30

The general waiver of the right to collect indicates that there will be no collection for somebody – the minister specifically gives up his right to collect arising out of the operation of a motor vehicle, not arising out of the operation of a motor vehicle bearing a policy of insurance issued in the province of Alberta but arising out of a motor vehicle accident.

So, Mr. Chairman, what this Legislative Assembly is about to do, what the hon. Minister of Education is about to do, I presume, and what the hon. Member for Calgary-Currie is about to do is this: make Albertans now pay for the aberrant driving practices of nonresidents who come to the province of Alberta and who take part in an accident. We're going to give them immunity. Your relatives, your sons and daughters, your family members, as the case may be, are going to pay even if they've been properly driver-trained and even if they don't have an accident. They're going to pay because somebody driving here with licence plates from the state of New York in the United States is involved in a motor vehicle accident and runs up \$10,000 or \$20,000 or \$30,000 or even a million dollars of health care and health costs in a serious accident. You're going to pay. I'm going to pay. The hon. members for Calgary-Buffalo and Edmonton-Whitemud are going to pay. Why? Because this government wants to raise health care premiums and won't add them on to the medicare bill, wants to add it on to a captive group of insurance carriers in the province of Alberta.

Mr. Chairman, this is simply wrong. This is health care premiums in disguise, and all Members of this Legislative Assembly must remember well that when they vote for this Bill, they are voting to increase the insurance premiums of your loved ones so that others can get a free ride in the province of Alberta. Is that the type of legislation that we want in this province? I want to suggest it is not.

I think each and every Member of this Legislative Assembly should do what they were elected to do, and that is to protect their constituents. Most of your constituents do not cause motor vehicle accidents, and most of your constituents will pay higher premiums because of this, higher premiums because in the so-called simplification it tars everybody with the same brush of an equal cost of insurance and higher premiums because more of the Alberta health care burden is passed on to the drivers of automobiles, automobiles registered and insured in the province of Alberta.

That can't be right. Mr. Chairman, if you wanted any final proof of the pudding that this is not right, you'll remember that in my last debate – some will have remembered it – I spoke about open and transparent government. I want to focus on that. [interjection] The hon. Member for Lethbridge-West seems to think that that's important.

MR. DUNFORD: It was, and as a matter of fact I circulated it to all of my constituents.

MR. GERMAIN: He says that it is important, that he relayed it to all of his constituents, open and accountable government.

MR. DUNFORD: That's what I got elected on.

MR. GERMAIN: That's good. In that case let's try for two. Let's see how it goes the next time you try to explain this provision, hon. member, to those constituents at your door who ask, "If you believe in open and accountable government, why did you vote for this?" "No amount that is required to be paid to the Crown [under this Act] . . . shall be shown as a separate amount" on any application or bill for insurance. How is that open and accountable government? Not only do we gang up on the drivers and motorists of this province with a hidden health care premium; we don't even have the courage to tell them how much it is.

The hon. Member for Pincher Creek, I've got his attention. I haven't got his attention. He shakes his head. He thinks, Mr. Chairman, that he can explain at the door how open and accountable means no insurer shall disclose the amount they pay for this health care coverage. That is simply wrong, and I urge all Members of this Legislative Assembly not to allow this particular Bill to pass in the form that it is.

I know that there are others that now want to speak, Mr. Chairman. So with that I will take my place and listen with interest to the debate, particularly to the debate from the sponsor of this Bill and have him explain how it is that out-of-state motorists are going to pay their fair share and how it is that we are going to control insurance costs by failing to disclose these items and how it is that simplification should cause premium increases for all the safe, conscientious drivers in the province of Alberta and how it is that anybody could support this Bill if they care about the constituency that elected them.

THE CHAIRMAN: The hon. Member for Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Thank you, Mr. Chairman. I rise to speak to Bill 15. This Bill in my mind certainly should not be supported. In fact I would go as far as saying that this is socialism. There's no doubt in my mind that what they're doing through this Bill is a very backhanded way of levying yet another kind of health tax in the form of increased auto insurance premiums. They're laying the blame at everyone's doorstep. There's nothing fair about that. In fact, what you end up doing in essence is condoning people with poor driving practices, passing on a cost to everyone within the province of Alberta. If that's not the case, then I would certainly like to see this government and the Member for Medicine Hat show me how that is not the case.

It is a way, once again, of this government passing on to every Albertan an increased health care cost. Now, no one – no one – would disagree that if you've caused an accident, indeed you pay for that health care cost through your insurance, but this Bill goes a way beyond that. That is what's so wrong about this Bill. In other words, Mr. Chairman, Albertans will be paying three times for health care: once through your income tax, a second time through your health care tax, and a third time through your increased insurance premium. That's taxation. You know, we keep hearing this government saying they pride themselves that they've got the lowest form of taxation, but this is just tax by another name. There's nothing fair about it.

There are so many questions that have to be asked. Why indeed if you're a responsible member of society should you be absorbing that extra cost? It certainly doesn't fit in with my philosophy, and I'm absolutely appalled that it appears to fit in

with the philosophy of this government. What we're seeing is an increased involvement of insurance companies in the administration of our health care system. The single-payer, publicly administered insurance health care system we've always had is indeed further threatened through this Bill.

You know, it's going to be interesting when someone wants to appeal the fact that they're having to pick up this health care cost if, for example, someone is in an accident and they believe the accident was caused because the driver had a heart attack. Who should be paying that cost? Are we going to hold that driver responsible because suddenly he was in the wrong place at the wrong time when his health deteriorated to the point he had a heart attack or had a cerebral? There are so many possibilities, and there are so many questions that are often asked. Why did an accident happen? Now, the way this Bill is set out and the appeal process – for somebody who's been involved in those circumstances to even go through the appeal process when they could be lying in hospital or recuperating, not through any fault of their own, it's going to be impossible. Yet they're going to be found responsible. I'll go a step further. If you the driver have a heart attack and you are fully responsible and the breadwinner for that family, who's going to pay the costs for that responsibility, particularly if it involves not only your own health care costs but other parties and you have a young family and a wife and you've lost your earning capacity? Once again I see a Bill that clearly shows there's no compassion within this Legislature. There's no compassion within this legislation, and I wonder if that's even been thought of as a possibility when we're looking at accidents.

#### 8:40

I often hear a question when there's been a fatality. Why did the accident happen? Was the driver indeed dead before the accident actually happened? What's going to happen in those circumstances? Who's the onus going to be on: the medical examiner or the party who indeed caused the accident that now is deceased? Is it their estate? I'd like to know the answer to that. What are you doing to families in this province that have enough of a burden without having to go through that type of legal battle where the Provincial Treasurer is all powerful inasmuch as it's a member of his staff that's going to have to make a decision in assessing whether indeed the appeal is valid or not? As my colleague for Fort McMurray said, what you're doing is you're creating a whole class of wrongdoers. You're pointing the finger.

I think of myself when I came to live in the province of Alberta, the challenge it was to drive on winter roads when you suddenly had black ice hit you and you were trying to get home. How are we going to determine whether that accident was avoidable when it was climatic conditions that in essence created the accident? I can think of when we had many, many rural roads that were gravel, and people who weren't experienced were driving in gravel and losing control. It just leaves a bad taste in my mouth that we're going this route in the province of Alberta.

I think of our seniors. I would say to the Member for Bow Valley that when physicians are relicensing our seniors, they had better be absolutely sure that they're ensuring that that senior is capable of driving when it comes to their vision, their hearing. I know there are many, many physicians who don't want to take away the right of our seniors to drive because sometimes it's taking their independence away. Now, if I were a senior and something happened behind the wheel when I was driving or I had blurred vision, I might turn around and say, "Well, the doctor said my health was such that I could get a driver's licence." Now, who should be held responsible then? The doctor for

allowing that individual to drive? I think it's wide open when we look at this whole Bill 15.

A question that I thought of after looking at it from a consumer's perspective was the visibility of the cost of a lump sum payment. It will not be included as a separate line item on insurance policies. So there's no visibility. What is that lump sum going to be? There is no visibility vis-à-vis what we pay for health care and how we will know how much we pay and who pays for what. In other words, who's going to pay what portion of the cost and how are we going to arrive at that? We certainly need public accountability, and we need to monitor the Bill and its consequences. We need to know what the performance measurements are and how we determine what health care costs are going to be charged. We certainly, I would say, need a separate line item when we're looking at those performance measures on every one of the policies to implement what this Bill is suggesting we do before we know whether the Bill is actually meeting the objects or the so-called philosophy behind this Bill, which seems to be nonexistent within this piece of legislation.

You know, the Minister of Health is always advocating that we need to have increased visibility when it comes to health care costs to Albertans so that we know what health care is really costing. Now, what costs are going to be hidden through Bill 15 that we're not going to be able to determine? That's not going to be disclosed, the way I understand it. So how are we going to arrive at what health care is really costing us in the province of Alberta?

This certainly is going to create an extra premium. There's no doubt in my mind. Call it by any name. That's what the bottom line is, and I object to having to pay for that. If you're going to do that, then I would suggest that you look at every other area in society where something that you're doing adversely affects your health. Should I have to absorb part of that cost? These are the types of questions we have to start asking, because you're asking me, if I've got a clean driving record, to absorb some of this cost. Now, if we're going to do that in Bill 15, why don't we just fully support our publicly funded system and look after people's health care costs irrespective of whether you smoke or you drink and do harm or if you overeat or don't have a healthy diet? I could go on and on and on. Who should be paying those costs? We're suddenly focusing in on driving here. Should we be saying people who ride a horse? Should we be saying hockey players? You know, where's the cutoff? In essence, that's what we're doing the way Bill 15 has been written, and I don't think I personally believe that this is the way to go. I certainly have no difficulty with the way our car insurance industry has been handled in the province of Alberta to this point in time, but I personally think this is taking us down the wrong road.

Once again, the whole question of privacy. You know, we've sat in this House and heard: oh, never fear about anything ever being released about your health care or your private business in the province of Alberta. Nothing could be further from the truth. You know, it was pooh-poohed when we said: is that confidentiality? Is our health care information secure? Well, we as Albertans now know that that's not the case. It's not secure if you can go in and buy a hard-drive information system and find a long-term care facility's full information on the residents of that facility. And you're trying to tell me that under Bill 15 my medical records are going to be protected? I don't buy it one bit, and when we get into smart cards, it's probably going to be even worse.

You know, when you can't manage, you can't manage. That's

what this government has proven time and time again, whether it was the present one or the government under the premiership of Don Getty. They were poor managers, and we're seeing that once again when you can go and find confidential information out there in the marketplace. It's gratifying to know that when this information did fall into an individual's hands, that individual had integrity and did not abuse the privilege that he suddenly found himself in. And it was privilege, because they had all this private information.

Yeah. He's pointing at Bill 15, the Member for Medicine Hat. What's privacy got to do with it? It's got a lot to do with it, because through Bill 15 we've got another agency that suddenly is going to have more and more of our health care information. That's what it's got to do with privacy. I want the Crown to ensure that medical records of third parties are not shared with anyone without their consent or knowledge. If that information's going to be shared, that person should be signing on the dotted line to release that information, and I'm not so sure that that would happen.

It's going to be interesting to see, Mr. Chairman, getting back to privacy. When I always got the Rutherford awards and had the students' names there, guess what was next to them? Their SIN. You know, years ago the SIN, it was always maintained, was going to be the most confidential thing going and no one could access your SIN. Yet here, Members of the Legislative Assembly, when it came to the Rutherford awards, what was next to the students' names? Their SIN. Now, I'm appalled, quite frankly.

So I'm saying to the Member for Medicine Hat: you assure this Assembly that no other party is going to have access to that health care information without the authority being given by that party, and if that party is not available to give that authorization, then the estate should be able to do it, but it should not be freely shared. I think that would be very wrong.

#### 8:50

I believe all Albertans should know what kind of information is going to be shared with insurance companies. I stood in this House and made the comment and noted that when the banking institutions were wanting to get into the insurance business and I put to the national banks the concern about sharing and access of information between the insurance component and the financial component, the bankers said categorically that there'd be no sharing of information from the insurance side of their institutions with the lending or the saving institutions. But guess what happened in Britain? People's health care information was shared from the insurance side of the bank to the lending. Guess what happened to that individual? They didn't get the money that they were seeking.

So here we are once again with another piece of legislation that seems to be very permissive, allowing government and other parties to have the possibility of having your health care information being shared. I want to see how that's being protected, and I don't want lip service. I want to see something that is substantive, that will ensure that there truly will be privacy through this Bill 15, because I have no faith that this government will accept an amendment to try and improve this Bill or indeed that the government will bring forward amendments to ensure that we improve this Bill.

The member said that the impact on auto insurance to consumers would be minimal, that some impact on auto rates would be obvious but that it would be up to each insurance company whether costs would be passed onto the consumers. We're hearing once again that the Member for Medicine Hat is categori-

cally stating that there's not going to be any increase to insurance premiums. Well, I hope he's right, and I hope that myself and my colleagues are proven wrong. Quite frankly, I don't see how that's possible, but I'll be the first to say that if that doesn't happen, then I'll gladly accept that I was wrong and the Member for Medicine Hat was indeed correct. I hope that in essence does happen.

What kind of assurance does this give Alberta drivers in terms of whether or not and how much the auto insurance premiums would be increased when this Bill 15 comes into force? Once again, it's the same as the attitude of this government: it's buyer beware. The consumers are left on their own, and they're going to have to fend for themselves in this marketplace that's become more and more sophisticated. I personally don't think that serves Albertans well at all.

When you look at what the ability is of people to pursue medical and legal remedies beyond what is negotiated between the government and insurance companies, once again it's the big guy who has the dollars who's going to be able to be better looked after. They're the ones that are going to be able to challenge a Provincial Treasurer where the appeal process is one of the Provincial Treasurer's staff. We know that, you know, you don't bite off the hand that feeds you, yet here in this piece of legislation that's the appeal process. Now, if you're going to take on the Provincial Treasurer and the government of Alberta, you'd better have the dollars to hire legal counsel to be able to do that. Joe Blow average Albertan isn't going to have the ability to do that, and I think that is tragic. Once again it's favouring the people who have the greatest ability to pay and leaves the little guy, I would suggest, vulnerable in this situation.

The other question is: is there going to be any difficulty in accessing health care here? If you're saying that the person's going to be liable to pay for their health care costs and you're in an accident, are you going to think twice about seeking certain levels of health care because you're suddenly going to be liable?

Thank you, Mr. Chairman.

THE CHAIRMAN: Before we proceed further, I wonder if we could have unanimous consent to revert to a brief Introduction of Guests?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

The hon. Member for Edmonton-Avonmore.

head: **Introduction of Guests**

MR. ZWOZDESKY: Thank you, Mr. Speaker, and thank you to all Members of the Assembly for allowing me this opportunity to introduce to you a keen observer of things political, a great Canadian in his own right, and a gentleman with whom I had the great pleasure of helping organize the Ukrainian centennial across Canada here about five years ago. He's seated in the public members' gallery. His name is Orest Andre, and I would ask him to rise and receive the very warm welcome of all members here. Welcome, Orest.

**Bill 15**  
**Hospitals Amendment Act, 1996**  
*(continued)*

THE CHAIRMAN: The hon. Member for Medicine Hat.

MR. RENNER: Thank you, Mr. Chairman. I would like to take an opportunity just to address the points raised by the members opposite. First of all, I'll start with the Member for Clover Bar-Fort Saskatchewan.

Mr. Chairman, with deepest respect, I find it hard to believe that the member actually read the Bill from the comments she made. She talked about the poor little guy unable to pay for a lawyer to appeal. All of the procedures in this Bill deal with the process of the insurance companies. The individual is not going to be dealing in any appeals with the Provincial Treasurer. The Provincial Treasurer is going to be working with the insurance companies and collecting the aggregate from the insurance company based upon their percentage of market share. Those are where the appeals are going to come; they're going to be coming at the insurance company level. I certainly hope that the member opposite isn't suggesting that the insurance companies in Alberta can't afford to hire a solicitor when they need one. Otherwise, we are all in deep trouble in this province, and they're not quite as solvent as I've been led to believe.

The member also talked about privacy in this Bill, and I have to remind the member that the whole purpose of this Bill is to remove the case-by-case analysis out of the third party liabilities in the case of automobile accidents. The aggregate is calculated using statistical analysis, using a factor that would reflect an increase in population in the province, a factor that would reflect an increase or very possibly a decrease in the rate of accidents that are occurring in this province, a factor that would take into account the increase, positively or negatively, of the number of insurance policies. So there never is an occasion where anyone is going to be looking at an individual's health record and using an individual's health record in calculating what this aggregate is going to be.

In addition, the role of calculating what the aggregate is is outlined very clearly in the Bill, and that role is the Minister of Health's. The Minister of Health calculates what the aggregate is going to be, passes it on to the Provincial Treasurer, and the Provincial Treasurer goes about the business of collecting the aggregate. So it doesn't involve the individuals at any point in the process.

The member also talked about: how is a family going to be able to collect costs, in the case of a third party liability, beyond health care costs? This Bill does not affect the ability of someone to sue on an individual basis. This Bill only deals with the ability of the Crown. The Crown does not have the right to recover costs. It doesn't say anything about the individual. There are obviously still going to be cases where litigation goes on in a court where an individual is suing another individual for costs, and there are admittedly a lot of costs involved in some of these liability cases above and beyond health care costs. This Bill only deals with the health care costs. If someone is attempting to recover lost income from a wrongdoer or attempting to recover for damages to property from a wrongdoer, those cases are absolutely and totally unaffected. All that is affected by this Bill is the ability of the Crown to recover health care costs.

**9:00**

Now, the Member for Fort McMurray talked at quite some length about the fact that this was going to be a hindrance and was not going to be recovering costs from out-of-province wrongdoers. Obviously he didn't take the time to read the Bill either, because it says very clearly in the definition section that

"motor vehicle liability policy" means a motor vehicle liability policy as defined in the Insurance Act evidencing a contract of

insurance that has been made or renewed in Alberta or that is deemed under the Insurance Act to have been made or renewed in Alberta.

What that says very clearly, Mr. Chairman, is that if an individual from out of province comes into this province, has an automobile accident, they are not included in the provisions that would remove the right of the Crown to collect. The Crown would then collect from that individual or that individual's insurance company in exactly the same way as it will collect in every other third party liability. The Crown will revert to the provisions in Bill 46, and I have to remind everyone that this Bill is an amendment to Bill 46, which has not yet been proclaimed.

[Mr. Clegg in the Chair]

I want to correct the record. I did not say that there absolutely will not be an increase in insurance. I said that there will be no increase in insurance as a result of Bill 15. Anyone in this room would have to be honest and say: if you're going to increase the amount of claim that the province is going to collect, then there could – and I emphasize “could” – be an increase, and that increase would be as a result of Bill 46, which was passed in this House. Bill 15 in and of itself does not cause an increase in insurance premiums. In fact, it mitigates any increase, and I said that in my opening comments. It mitigates any increase by streamlining the process for both the insurance company and the government.

With that, Mr. Chairman, I will take my seat. I encourage any further comment or questions. In fact, better than that, I'd like to call the question.

THE DEPUTY CHAIRMAN: The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you. Mr. Chairman, it was a mean and cruel and particularly savage and vicious attack on me when the hon. member suggested that I hadn't read Bill 15. I want to go on record as clearly saying that the members at least on this side of the Legislative Assembly do know how to read and do read the legislation that is brought before this House.

Now, what was my anxiety about those out-of-state drivers? The hon. member that sponsors the Bill forgot one section of his own Bill, and that is this section where if a policy is deemed to be a policy in Alberta, you've given up collection. Right? You've given up collection in those cases where “the wrongdoer is, when the injuries are caused, insured under a motor vehicle liability policy.” If you go, hon. member, to the definition of motor vehicle liability policy, you see that the end of that says, “or that is deemed under the Insurance Act to have been made or renewed in Alberta.” So if the policy is deemed to have been made in Alberta but you do not collect the front-end fee from the policy in Alberta, then you have waived your right of recovery, but you still do not get the money from the insurance company. That's the problem. You have to go to the Insurance Act.

Since we are talking about who can read and who can't read – and the hon. member hurt me deeply by suggesting, Mr. Chairman, that I couldn't read – let's do some more reading in the Insurance Act. Section 202(1) of the Insurance Act – and I know you'll want to run this back to the government researchers – says:

Every contract insuring a person domiciled or resident in Alberta at the date thereof, or the subject matter of which is property within Alberta, shall be deemed to be made in Alberta and shall be construed accordingly.

Now, does that apply to motor vehicle policies of insurance? Let's read on. Section 201 of that Insurance Act says:

Except where otherwise provided and where not inconsistent with any other provision of this Act, the provisions of this Part apply to every contract of insurance.

So we can have a policy of insurance deemed to be made in Alberta that still has not had the health care front-end tariff collected from it, and the example will be exactly that when people are driving in the province of Alberta on out-of-state insurance, because if that insurance policy, hon. member, was not deemed to be made in Alberta, then it could be effectively said that they were driving without insurance, and that would be criminal activity in the province of Alberta. So their automobile policies are automatically deemed to be made in this province, and as a result you have a whole vast group of policies for which the premium has not been collected.

I want to urge you to go back, and between now and final reading you may want to add after that section in the definition the very simple clarifying words that say: and where the premium contemplated by this part has been collected and paid. That way you've covered them all. If they haven't paid into this blended scheme, they don't get the protection of the blended scheme. Any other drafting or wording or draftsmanship puts the government at risk.

Could the hon. Member for Fort McMurray be wrong in his interpretation? Certainly. But could the hon. member also be right? I can tell you that having practised law for many years in this province, there is only the imagination of the legal profession that diminishes interpretations of legislation. So when in doubt, the best approach is to clear it up, if that's what you intend to do. If not, take the criticism that those people who cause motor vehicle accidents on insured vehicles but insured outside of this jurisdiction will escape through the net. That's the suggestion I have for you.

Now, with that, Mr. Chairman, since I've already spoken once on this Bill and since this dealt with only a side issue, I will take my place and await the rest of the exciting debate on Bill 15. Thank you.

THE DEPUTY CHAIRMAN: The hon. Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Chairman. I'm pleased to enter the debate in Committee of the Whole on Bill 15, the Hospitals Amendment Act, 1996. After having read the Bill – I want to just point that out right away to the Member for Medicine Hat, that in fact I have read the Bill, and I have written notes in here and there. As I read through the Bill, it seemed to me that even the title of this is probably inaccurate. It seemed to me that perhaps a more descriptive title for this Bill would be the automobile insurance tax Act, because that certainly seems to be a little more accurate as to what it is that it would do.

Mr. Chairman, some of my colleagues have spoken to other issues. I want to perhaps raise a couple that are a little different than have been raised by some of those colleagues. If you look at page 2 at section 92.1(1) and 92.1(2), it talks about the idea that

a beneficiary shall co-operate fully with the Minister and the Director and their agents and legal counsel in establishing and proving the Crown's right of recovery in respect of the beneficiary.

Then it says in the next section that if the Crown can't recover its money because the beneficiary hasn't fully co-operated, then of



course "the Crown has the right to recover from the beneficiary the amount" that has been paid.

Well, the obvious question that must be asked of this is: how will that full co-operation be determined? Is it going to be at the minister's whim? Is it going to be some objective measure that will be used in deciding whether or not full co-operation has occurred, or will it be as a result of a legal action that will be pursued by the government, by the Crown, in terms of reviewing this whole issue? But it seems that there is no clarification under this section 92.1(2) that indeed there will be any objective measure. It simply says that if the Crown can't get their money, they can go after the beneficiary. There is no justification; there is no rationalization. There is no objective measure as to how that will occur.

### 9:10

Mr. Chairman, further on that same page, page 2, that I'm looking at, section 99.1(1) says:

The Minister shall establish, in accordance with the regulations, for each calendar year an aggregate assessment payable by automobile insurers.

Now, it seems to me that the Provincial Treasurer should be very concerned about that. I know the Provincial Treasurer wants to get out of the business of being in business, but this section says that the minister is going to get in the business of directing where businesses are going to be involved and how much businesses are going to be paying in a new tax.

They call it an "aggregate assessment" in this section, but let's call a spade a spade. This is a new form of taxation that is going to be added on to automobile insurers, that, as you well know, Mr. Chairman, is going to be passed on. You and I and all members of this House, I'm sure, that have an automobile pay for the insurance to maintain that vehicle in a safe manner and in a responsible fashion in the unfortunate eventuality that some of us at some point may have an automobile accident. Well, we're going to see that amount go up because when this Bill is passed, it is going to add on the ability for the minister to calculate an aggregate assessment.

Now, the interesting thing in this particular Bill, of course, Mr. Chairman, is the fact that the aggregate assessment is going to be arrived at somehow. When you ask yourself the obvious question, "Well, how is that going to be arrived at?" one needs only look at the very next page, and it talks about "the Minister's estimate." The minister's estimate is mentioned, in fact, in two places on page 3, in sections 99.1(2)(a) and (b), that talk about "the Minister's estimate of the Crown's cost of health services for personal injuries" and "the Crown's cost of insured services as defined in section 53(i) for personal injuries."

So all we have here is that the minister is going to provide some kind of an estimate. Now, how is that estimate going to be obtained? How is the calculation going to be achieved? Is the minister going to pluck a figure out of the air and say: "This sounds nice. Let's call it - oh, I don't know. Let's call it \$100 million. Let's call it \$50 million." Where's the rationalization? Where is the explanation?

MR. GERMAIN: Whatever the government needs to make it work.

MR. BRUSEKER: Whatever the government needs, whatever the Provincial Treasurer comes along - maybe the price of oil drops next year, and the Provincial Treasurer says: "Gee, we can't get enough revenue from oil, so we're going to have to get it from

automobile insurers. So we're going to jack up the estimate because, son-of-a-gun, we're going to be a little short in general revenue, and we need to have some more cash." Well, all that has to happen is we just say: "Well, the estimate's gone up. The cost of health care's gone up. Got to raise that estimate. Got to raise the - what's the term? - aggregate assessment." Sure sounds like a tax. If it smells like a tax, looks like a tax, and costs you like a tax, Mr. Chairman, it probably is a tax. This is a tax.

Now, again this is one of those things - you know, we see that common phrase, that lovely little phrase that says: in accordance with the regulations. Well, we see that in a number of places in this particular Bill. It says: in accordance with the regulations the minister can do this and the minister can do that. The end result, of course, is that the minister can set up the aggregate assessment - i.e., the automobile insurance tax - at any level that we want.

Do we see the regulations tabled in the House today before us? No. Are they included in the Bill? No. So we have to assume in good faith that the minister responsible for the Hospitals Amendment Act, 1996, also more appropriately known as the automobile insurance tax Act, that those calculations and that aggregate assessment are going to be arrived at logically.

Well, we have no reason to believe that that will be the case, and we have no indication of what it will be under the regulations. Even if we provide the regulations today, Mr. Chairman, of course, you know very well that regulations can change tomorrow and can change the day after that. So the obvious question is: why should we believe that this is a fair approach to automobile insurance? [interjection]

MR. GERMAIN: He hasn't had an accident in 20 years.

MR. BRUSEKER: Unbelievable. Unbelievable.

This is government getting involved in business again. We have government ministers regularly standing up and saying: business should be over here, government over on the other side; they should never meet together. Well, I'll tell you, this Bill gets government diving in, head and shoulders into the automobile insurance industry.

Now, the interesting thing: the assessment factor. If you look at page 4, Mr. Chairman, section 99.4 says:

After the Provincial Treasurer receives notice of the aggregate assessment . . . the Provincial Treasurer shall . . . provide a notice of the assessment factor to each automobile insurer.

Well, this is going to be on an annual basis. So the automobile insurers are suddenly going to be behind the eight ball - well, insurance agencies generally.

Some of the insurance agencies are saying that with the cost of claims going up, with the cost of health care going up, with the cost of repairs to automobiles going up, of course the cost of premiums has to rise. The obvious question is that if this aggregate assessment occurs in arrear, if you will, or at the end of the calendar year, rather than at the beginning of the calendar year, it's going to be that much more difficult for insurance companies to be able to accurately set their fee, their premium costs, to you and I the consumer, Mr. Chairman. The end result of course that may well be the case is that by imposing - and I use that word precisely: imposing - this new tax on the automobile insurance agency, in fact it may well jeopardize the financial stability of some of those insurance companies within the province of Alberta.

Now, Mr. Chairman, of course a good number of those

insurance companies are megacorporations that have head offices in other parts of the country or perhaps even in other countries, for that matter, but there are a number of good, local, small, Alberta-based insurance agents and companies that might find themselves in considerable difficulty as a result of this initiative. I think that should be a concern for all government members, in particular the Minister of Economic Development and Tourism.

MS LEIBOVICI: Point of order.

THE DEPUTY CHAIRMAN: A point of order, the hon. Member for Edmonton-Meadowlark.

#### Point of Order Decorum

MS LEIBOVICI: Under *Beauchesne* 336. I'm having an incredibly difficult time listening to the hon. Member for Calgary-North West. His points are being very well made, but unfortunately I can't hear it above the din in the Assembly. So I would appreciate it if the Chairman could remind the members of that particular point of order.

Thank you.

THE DEPUTY CHAIRMAN: Well, it's ironic that you'd bring up the point, because I was just going to call you to order. The hon. Member for Clover Bar-Fort Saskatchewan, yourself, and the hon. Member for Cypress-Medicine Hat were making more noise than anybody.

Anyway, hon. member, I see your point. Would people just be a little bit quieter so we can hear the hon. Member for Calgary-North West.

#### Debate Continued

MR. BRUSEKER: Thank you for that intervention, Mr. Chairman. I certainly do appreciate that, and thank you to the Member for Edmonton-Meadowlark.

Mr. Chairman, the section at the top of page 5, section 99.7, again a reference to "with the regulations": "shall pay interest to the Crown in accordance with the regulations." Another one of those situations: a reference to regulations; we don't have them tabled with the Bill. I suppose we're supposed to go out and hunt them out or divine them in some mysterious fashion. They're not here with the Bill today, and that makes it certainly more difficult for members to consider the full impact of a section of a piece of legislation such as the one we have before us today when in fact we don't have the companion piece, if you will, that being the regulations.

Mr. Chairman, the interesting thing of course on that page is again that the Provincial Treasurer acts with a heavy hand in this particular section. That says that "the Provincial Treasurer may by notice direct an automobile insurer to provide any information or document." So in fact what happens is that the Provincial Treasurer can walk into - figuratively speaking or perhaps literally speaking - an automobile insurance office and say, "I want this information, that information; how many insured clients you have, how much premium they have, total miles that they drive, et cetera, et cetera." All of those things would have to be provided under this section of the legislation. Why? Again, so that the minister can levy a new tax, this assessment factor, on automobile insurance.

9:20

Mr. Chairman, the interesting thing, again, farther down on that

same page, page 5, 99.9(1)(b) says that

the Provincial Treasurer may, using the Provincial Treasurer's estimate of premiums for third party liability insurance written by the automobile insurer in that calendar year, establish an amount that the automobile insurer is required to pay in respect of that calendar year.

Again, in one calendar year.

So we could see a wild fluctuation of insurance premium costs being passed on to you and I, the consumer, as a result of the vagaries of our economy, Mr. Chairman, that might result in the Provincial Treasurer requiring additional revenues and simply saying to the automobile insurance industry, "Well, it's your turn to cough up some extra bucks, and this is what we're going to do." That, I think, makes it difficult for automobile insurance companies. It makes it difficult for the clientele of automobile insurance companies to get some kind of a handle as to what it is they're going to be paying on an annual or in some cases semi-annual basis for their automobile insurance.

Mr. Chairman, again we see the same kind of reference. In section 99.92(1) again it requires "the officers, employees and agents of the automobile insurer" to provide all of the information, "books and records [and so on] that the auditor requires."

The interesting thing, Mr. Chairman - and those that are schooled in the law might find this particularly interesting. As I look on page 7, section 99.93 puts forward some interesting statements that I would have to say I would feel uncomfortable were I to find myself in a court of law debating some of these issues. What it says in 99.93(2) is that a certificate that is produced by the Provincial Treasurer "is conclusive proof of the amount that the automobile insurer is required to pay." Then the next section says that

a certificate is admissible in evidence without proof of the signature, authority or office of the person purporting to have signed the certificate.

So, in other words, as I read that section, somebody could produce a certificate that says you have to pay X dollars, whatever that X may be, and there is no mechanism, there is no vehicle to challenge that. In fact, this particular section says that that certificate is unchallengeable, that indeed one must simply blindly accept whatever certificate is produced, that one may not challenge the veracity of that certificate, the figure on that certificate in terms of what the amount is being paid, the signature, et cetera, et cetera.

So it seems to me that in this particular section, what ends up happening is that we have a decision being imposed upon the court without any opportunity for that decision to be challenged, Mr. Chairman. I think it should be a concern to all Albertans that what may end up happening is that assessments are going to be passed on to insurance agencies and automobile insurers that they will simply have to accept without any debate, without any amendment, without any input, simply on the basis that they have been forced to provide information to the Treasurer or his auditor designate. Automobile insurers are forced to pay an assessment - i.e., a tax - and if they don't pay that tax, then they can be charged interest, and indeed on top of that they can't even challenge that in any kind of appeal mechanism because the certificate is deemed to be unappealable.

Mr. Chairman, I think that is unacceptable, and for those reasons alone individuals should vote against this particular piece of legislation, notwithstanding the fact even, as I pointed out, that in my opinion even the title of this Bill is inappropriate in that it doesn't really describe what it is this particular piece of legislation proposes to do.

Mr. Chairman, the very last section of the Bill, 312.1, refers to the fact that whatever amount is collected by the Crown is just going to be thrown into this vast amorphous pool presumably known as the general revenue fund, but there will be no requirement to be split out in terms of a variety of categories. In fact, section 312.1 says that you won't split it out on the basis of "an application for automobile insurance," that you won't split it out on "a motor vehicle liability policy," or that you won't split it out in "a certificate referred to in section 297(5)." So there is no identification of where the money has come from or where it is going. Mr. Chairman, I think that's unacceptable. I think that individuals and automobile insurers should have some idea of where the money is going if they're being levied an additional amount over and above business taxes, over and above property taxes, over and above income taxes, over and above employment taxes. They're now going to have this other unique tax and have no idea of where it is going.

I think that is inappropriate, and because I feel strongly about that, on behalf of the Member for Edmonton-Glenora I would like to introduce an amendment to section 312.1. I have 83 copies for all the members.

MR. DUNFORD: So is this the new strategy? You separate people to talk and then you submit the amendment? Is this what we can expect for the rest of the session?

MR. BRUSEKER: I don't think it's a new strategy. It's one we've used before.

THE DEPUTY CHAIRMAN: The pages have distributed them or will have in a minute, hon. member.

MR. BRUSEKER: Certainly, Mr. Chairman. Shall I proceed?

THE DEPUTY CHAIRMAN: I think so, hon. member.

MR. BRUSEKER: Okay. Now, this is probably one of the shorter amendments that we've introduced in the Legislature, Mr. Chairman. Indeed it proposes to strike out the word "No" and replace it with the word "An" in section 312.1. Really, when you come right down to it, it's really changing an "O" for an "A" and putting it in front instead of behind. Anyway, what it simply suggests is that an amount that is going to be paid into this fund should be identified as to where it is going. This deals with the whole issue of accountability. This deals with the issue of openness of government. This deals with the issue of being able to track where dollars are going. So it is a nice, short little amendment.

We know that the Provincial Treasurer is keen on recording all sources of income and recording all sources of expenditure. We have an Auditor General with a department well equipped with the latest in electronic computers, software and hardware both, so they could track income and expenditures under this particular piece of legislation. Indeed, Mr. Chairman, what this would do is give some measure of accountability back to the insurance industry, that is going to be levied this additional tax.

Let's be clear on that. This is an additional tax. What this amendment that I'm moving on behalf of the Member for Edmonton-Glenora proposes to do is make that crystal clear in terms of where the dollars are going. Is there going to be a surplus? Is there something that's going to collect over time, perhaps an increasing fund that is going to be allocated specifically for automobile insurance?

The other reason for introducing this amendment, Mr. Chair-

man, is that it says that if you're going to collect from an industry some money earmarked specifically to deal with issues arising from that industry, then the dollars should be clearly defined as going to that particular area. So this says that if money is going to be spent on a motor vehicle liability policy, then it should be very clearly earmarked. It should be very clearly identified as to where it has been collected, where it is going out, rather than simply disappearing into the general revenue fund and being unidentifiable. If indeed the assessment values are too high in one year or over a sequence of years, then perhaps the Provincial Treasurer could reduce his assessment, his extra levy in future years. That's what the purpose of this amendment would be, Mr. Chairman: to make sure that the dollars that are collected from the insurance industry go back out to pay the insurance industry, where it's going to happen. It simply says that if we're going to levy a new tax, as the government is proposing to do here, then let's be clear as to where the tax is coming, where it is going, and what's happening to those dollars.

Thank you, Mr. Chairman.

9:30

THE DEPUTY CHAIRMAN: Are you ready for the question on the amendment?

MR. BRUSEKER: We have three speakers over there.

THE DEPUTY CHAIRMAN: Well, hon. members, I can't tell whether you want - hon. Member for Medicine Hat, please take a seat if you're not going to be speaking to it.

MR. RENNER: I'm speaking.

THE DEPUTY CHAIRMAN: Okay. The hon. Member for Medicine Hat.

MR. RENNER: Thank you. I'm speaking against the amendment. Mr. Chairman, I want to express that frankly I don't see any rationale behind this amendment. What the member is saying is that when an individual buys liability insurance on an insurance policy, which is what we're talking about, there would be a separate line item to cover health insurance but not a separate line item to cover the liability for damage to property, not a separate line item for liability to an individual for loss of income, not a separate item for liability in case an individual is asked to pay for physical harm to an individual. No, no. The member's saying that all of those things can all be lumped together just as they are now, but for health, just this one item, we want it separated out. Well, it makes no sense.

Frankly, Mr. Chairman, the insurance companies, when they are dealing in a competitive market, are not in a position where they want to have these numbers compared back and forth because it will make it uncompetitive for them. An insurance company could very easily say: "Well, we're going to give you a deal. You know that thing that the government passed last year. We're going to give you a deal on it. We're not going to charge anything. So on our separate line item we're going to show zero. We're not charging you anything." But then they just build it into the rest of the price. How is that going to inform the consumer one little bit? I contend that that misleads the consumer and does the consumer absolutely no good.

When you buy insurance for liability, you buy liability insurance to cover a myriad of different cases where you might be found liable for your own wrongdoing to compensate another

individual for something that you did, and to try and identify one specific part of this huge ambit of liability that an individual might become responsible for I think is irresponsible on the part of the opposition.

I encourage all members to vote no.

MR. GERMAIN: Mr. Chairman, there was some suggestion earlier today that members of this Official Opposition said that insurance costs would go up. This is an uncontrolled and unbridled way to increase health care recovery on the backs of motor vehicle insurance payers. That affects people who are getting their very first policy of insurance and who are very strapped for cash. It also affects people such as yourself, I'm sure, Mr. Chairman, who have not had an accident for 10 or 15 or maybe even 20 years. You will pay more. Your children will pay more. Your constituents will pay more. Why? Because we are seeking to recover health care costs of this province on the backs of motor vehicle insured parties who do not deserve to contribute to them because they do not cause or aggravate the risk. So we've lost that argument, presumably. There seems to be some collective enthusiasm on the part of the government to bring forward this Bill. At least in fairness it is appropriate that these costs be passed on.

One of the things I noticed while campaigning in rural Alberta – and you'll remember this as a rural member, Mr. Chairman. How many times have you been speaking at a conference or to a constituency group and someone stands up and says, "I remember when Alberta health care used to send me a bill on how much every item, how much each hanging toenail cost, how much each tonsillectomy cost, how much my health care burden on the government was, and I think that was useful." The official policy and the official reason that was discontinued was because of the cost of producing and presenting that information. You will remember that in rural Alberta. I know the hon. minister of agriculture will remember it too. Many people remember that and raise that as a positive issue as a way of curbing health care costs.

Now we have a situation where the government says that we are going to collect a bulk fee and it's going to be positively set; next year it may change, and the year after, if risk is good, it may go down. But there is absolutely no reason to prevent an insurance company, to order – this is not just saying you don't have to disclose it. This is ordering an insurance company not to tell its members. Because everybody who buys a policy of insurance has contributed to that company. This prohibits people from disclosing and publicizing their costs.

Mr. Chairman, this section has been so poorly thought out that it's not required to be shown on the certificate; it's not required to be shown on the application. Of course, if you wanted to, you could get the annual financial statement of the insurance company and see what the total they paid to the provincial government was, in any event, and then you could divide the amount up by the number of policyholders they claim they have and you could get a pretty accurate calculation. But why should the public have to do that?

Have you ever looked at your power bill lately, Mr. Chairman? If you look at your power bill, you'll notice that they have everything. They have the amount of the rebate that the provincial government took away from the power companies. They have the amount of the federal government tax rebate that the federal government, until recently, gave to the power companies. They have how much your utility use is, how much it costs per unit of measurement. What we are doing in this particular

amendment is prohibiting an insurance company from disclosing how much they have to pay to the government. That, my friends, is simply wrong, and we should all vote against this amendment.

Earlier this evening the hon. Member for Lethbridge-West made a great statement indicating that he was in favour of open and accountable government. He alleged that he campaigned on that basis, and he led us to believe that he got elected on that basis. Now we have a piece of legislation that prohibits an insurance industry from disclosing to their customers how their premium is made up. That is simply wrong. If you're going to charge and you're going to go forth and levy the tax, then at least you should have the courage of indicating how much the tax is going to be. This is hidden, secretive taxation.

This is what was wrong with the manufacturers sales tax, remember. Many people complained about the old manufacturers sales tax because it was buried and hidden. That is what is wrong with so many of our consumption taxes: they're buried and hidden. Let's not go back. Let's not retrograde the accountability and the financial disclosure. There is no reason for this section to be in this Act. In fact, it is a lightning rod to attract discontent. It prohibits companies from bona fide disclosing their costs, and that is simply wrong. So I urge all members to vote in favour of this amendment and implicitly against this section of the Bill that creates hidden, secret taxation.

Those are my comments, Mr. Chairman, on this amendment.

THE DEPUTY CHAIRMAN: All those in favour of the amendment as proposed by the hon. Member for Calgary-North West that section 2 is amended in proposed subsection 2.1(b) by striking out "No" and substituting "An," please say aye.

SOME HON. MEMBERS: Aye.

THE DEPUTY CHAIRMAN: Opposed, if any.

SOME HON. MEMBERS: No.

THE DEPUTY CHAIRMAN: The amendment is defeated.

[Several members rose calling for a division. The division bell was rung at 9:40 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Bracko	Henry	Van Binsbergen
Bruseker	Leibovici	Zariwny
Carlson	Nicol	Zwozdesky
Germain	Percy	

Against the motion:

Beniuk	Forsyth	Paszkowski
Brassard	Fritz	Pham
Burgener	Gordon	Renner
Calahasen	Herard	Rostad
Coutts	Hierath	Severtson
Day	Hlady	Shariff
Dinning	Jonson	Stelmach
Doerksen	Laing	Tannas
Dunford	McFarland	Taylor
Evans	Oberg	Yankowsky
Fischer		

Totals: For – 11

Against – 31

[Motion on amendment lost]

[The clauses of Bill 15 agreed to]

[Title and preamble agreed to]

THE DEPUTY CHAIRMAN: Shall the Bill be reported? Are you agreed?

SOME HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed, if any?

SOME HON. MEMBERS: No.

THE DEPUTY CHAIRMAN: Carried.

**Bill 16**  
**Economic Development and Tourism**  
**Statutes Repeal Act**

THE DEPUTY CHAIRMAN: The hon. Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Chairman. Just briefly. At second reading stage, when this was introduced by the Member for Peace River on behalf of the Member for Pincher Creek-Macleod, which was on March 26 of this year, I raised a number of questions that I was hoping we would see some member from the government addressing today, whether it was the mover who was supposed to move it or the person who moved it on his behalf. I do want to reiterate those questions today.

I reflect back upon when we debated the Bill in the first place, and when I say the Bill in the first place, Mr. Chairman, I'm going all the way back to when we introduced the Bill to privatize AGT, which was of course a Bill we had in this Legislative Assembly a number of years ago. This Bill 16 before us today proposes to repeal that Act, the Alberta Government Telephones Reorganization Act. It also proposes to repeal the Tourism Education Council Act. Now, I did make some comments with respect to the second one, the Tourism Education Council Act. I must say that I have no major concerns with that. The industry has moved in, has stepped in and proposed to take over that particular function.

Mr. Chairman, I did want to raise the issue of the Alberta Government Telephones Reorganization Act. The issue is that when the government introduced this Bill – initially I believe it was in 1990 – that we are now proposing to repeal, the arguments that were made at the time are now subsequently in effect being thrown out the window from the standpoint that we will repeal this Act, the Alberta Government Telephones Reorganization Act, once Bill 16 is passed. The arguments that were made at the time the Bill was introduced are now being contradicted subsequently when we are trying to repeal that particular piece of legislation.

At the time I raised some questions with respect to share ownership. One of the concerns that I raised with the Member for Pincher Creek-Macleod dealt with the issue of share ownership. Is there going to be any kind of control mechanism? I'm wondering if he would look into that to see if indeed there is any control, because it seems that there are a number of Albertans who are a little concerned that we could potentially lose complete control over a corporation that once all Albertans did own and in fact now is privatized and belongs to those in the private sector

who have taken the opportunity to invest their dollars in this corporation that is now a private corporation.

The other issue that I raised at the time deals with the issue of the continuance of the name Alberta Government Telephones. AGT is the acronym that is now being used and most of the literature and stationery, et cetera, simply carries the acronym AGT, but I think a good number of Albertans still associate that with the former name, which is Alberta Government Telephones. Is there now going to be a move to change the name of that corporation once we completely remove all involvement by the government, including of course under one section the ability of the Lieutenant Governor in Council to appoint four directors of the corporation. That's under section 3(4) of the Alberta Government Telephones Reorganization Act.

Finally, Mr. Chairman, I also raised some questions that deal with the issue of share ownership. One is a maximum of 10 percent ownership outside of the province. I'm wondering if the member who is proposing the Bill has any answer to that question regarding the possibility, I guess, that we might lose complete ownership of this corporation.

The other aspect with respect to share ownership deals with the issue that under the Alberta Government Telephones Reorganization Act there was a restriction that no one individual or corporation or entity could own any more than 5 percent of the corporation in a single holding. I'm wondering: if we repeal this Act, is there going to be anything to protect Albertans from that particular change and repealing that?

I'm seeing that the member has now heard my questions and is going to examine them thoroughly, I'm sure, Mr. Chairman, as well as my comments from March 26, 1996, in second reading stage, and I look forward to his profound answers when we get to the third reading stage of Bill 16.

Thank you, Mr. Chairman.

THE DEPUTY CHAIRMAN: The hon. Member for Pincher Creek-Macleod.

MR. COUTTS: Thank you very much, Mr. Chairman. It gives me great pleasure to rise and respond to that. I will be as brief as possible because a number of the questions that came from a number of the members across way dealt with a couple of the issues that the hon. member just apprised me of here in Committee of the Whole.

I'd like to just explain first of all that the purpose of the original AGT Reorganization Act was to put in place a corporate structure to allow for the privatization of Alberta Government Telephones. Therefore, what the Act did was it actually spoke to the creation of the classes of shares and the ownership restrictions, the appointment of directors and that type of thing. The Act did not and was never intended to speak to the operational issues such as the provision of services or the quality of service of AGT. Those particular identities or those particular matters have been the responsibility of the CRTC. That's the Canadian radio-television corporation since the privatization in 1990.

**10:00**

The second issue that relates to the parent company of Telus, which operates AGT, is the basic view on why this legislation should be repealed, and the hon. member brought that up. All that we are really looking at repealing here is the company's ability to be treated just like any other publicly traded business or corporation. They will still be bound by other Alberta laws or regulations of business; for example, the Alberta Business

Corporations Act. Furthermore, as a Canadian telecommunications company they remain subject to the federal Telecommunications Act and the regulatory jurisdictions of the CRTC.

So, Mr. Chairman, we get into the situation of foreign ownership. If we repeal the Act, will there will be restriction with respect to foreign ownership? Foreign ownership comes under the federal Telecommunications Act and is valid in law under this area in federal legislation. It restricts total foreign ownership to a maximum of 20 percent in an operational company like AGT and to 33 and a third percent of a parent holding company like Telus. Therefore, you have the foreign ownership component being covered by the federal regulation.

Individual ownership. We believe that at the time of the privatization, the government wanted to ensure that a large number of Albertans were able to purchase Telus shares, and that's exactly what happened. Over 70,000 Albertans are Telus shareholders, and having said that, we believe that it is the shareholders and not the government who should set any limits on individual holdings beyond that of the foreign ownership restriction under the federal Telecommunications Act. In private-sector or publicly traded corporations it is unusual and, we believe, inappropriate for this government, which has no ownership in Telus, to decide where the head office should be or who to appoint as directors or to determine in advance how many shares an individual should be entitled to hold.

Another question that many of the members opposite gave us was the safeguard for rural Alberta, to make sure that rural Alberta received telephone service. Under the reorganization Act it contained no provisions with respect to providing service to any area of Alberta, but the federal Telecommunications Act imposes the responsibility for the administration of delivery service and, again, under the auspices of the CRTC.

So, Mr. Chairman, those are the safeguards that are put in place by federal regulation, and therefore there is absolutely no reason for our government to be involved in any point.

One last area, and I think it's very important. Many of the members opposite were concerned about the possibility of the head office moving from Edmonton. Telus and AGT have a tremendous investment in this city. It has been made very public, not only to the present mayor of the city of Edmonton but to the former mayor of the city of Edmonton, that Telus or AGT will not be moving from the city of Edmonton. They have a tremendous investment, and the CEO has a good home here. They are prepared to remain in Edmonton as their head office.

With that, Mr. Chairman, it solves some of the questions as far as Telus is concerned, and therefore I move that we call the question.

[The clauses of Bill 16 agreed to]

[Title and preamble agreed to]

THE DEPUTY CHAIRMAN: Shall the Bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed, if any? Carried.

MR. DAY: Mr. Chairman, I move that the committee rise and report.

[Motion carried]

[The Deputy Speaker in the Chair]

THE DEPUTY SPEAKER: Hon. Member for Dunvegan.

MR. CLEGG: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration certain Bills. The committee reports the following Bills: 13, 14, 15, and 16. I wish to table copies of all amendments considered by the Committee of the Whole on this day for the official records of the Assembly.

THE DEPUTY SPEAKER: Does the Assembly concur in this report?

SOME HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed?

SOME HON. MEMBERS: No.

THE DEPUTY SPEAKER: So ordered.

[At 10:07 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]