

8:35 a.m.

[Ms Graham in the chair]

THE CHAIRMAN: Good morning, everyone. I'd like to call this meeting of the Standing Committee on Private Bills to order. We are a little late in starting. We're just determining whether all of the petitioners are present this morning for the two hearings that we're about to have.

At this time all of you should have your agenda for today's meeting in front of you. Unless there are any changes to the agenda, I would entertain a motion to approve the form of the agenda.

MR. THURBER: So moved.

THE CHAIRMAN: All right. Mr. Thurber moved the adoption of the agenda. All in favour, say aye.

HON. MEMBERS: Aye.

THE CHAIRMAN: All against, say no. Carried.

Moving on, then, to number 3 on the agenda, that being the approval of committee meeting minutes. You should have the minutes from our meeting on May 13, 1997, in front of you. These were circulated yesterday, I believe.

Yes, Mrs. Sloan.

MRS. SLOAN: Madam Chairman, do you have extra copies of the minutes? I did not receive a copy.

MS MARSTON: I'm sorry.

MRS. SLOAN: Do you have extra copies?

MS MARSTON: Yes, I do.

THE CHAIRMAN: All right. You'll be given a copy.

In the meantime, is anyone prepared to move that the minutes of the meeting of May 13, 1997, be approved?

MRS. PAUL: I so move, Madam Chairman.

THE CHAIRMAN: Mrs. Paul has so moved. All in favour, say aye.

HON. MEMBERS: Aye.

THE CHAIRMAN: All against, say no. The minutes of the May 13, 1997, meeting are approved.

All right. Today we have two hearings, a hearing on Bill Pr. 6, the Canadian Union College Amendment Act, 1997, and Bill Pr. 7, the Altasure Insurance Company Act. I've been advised that all parties are now here, so we'll be able to proceed.

Before proceeding, are there any matters that anyone would like to raise before we call in the parties on the first matter? I would just like to make a couple of comments before we call in the parties.

As a result of last week's hearing, some members of the committee did approach me about the nature of the role of the committee in these hearings and the types of questions that are appropriate in these hearings. I would say this: all of the questions, of course, should be relevant to the issue at hand. We have to be mindful that the petitioners that come before us have a right to petition the Legislature for whatever relief they are seeking. While we certainly have an obligation to investigate the nature of the Bill being sought and the reasons for it, I think we have to keep in mind that the

people have a right to be here, that this is not an interrogation, and that all petitioners should be treated in a respectful way. I know that's a very broad guideline. I'm not suggesting that it is the chair's intention to stifle questions, but I think we have to be mindful of what the object of the Bill is and keep our questions focused on that.

Just for the committee's information, it is my intention henceforth prior to any hearing proceeding to advise the petitioners that they have the right to request that the committee go in camera should there be any sensitive information that may arise to avoid the situation that happened last week. Any questions or comments?

All right. We will call in the parties, then, on Bill Pr. 6.

[Mr. Fitch and Ms Burt were sworn in]

THE CHAIRMAN: Good morning, everyone. I'd like to welcome you to this regular meeting of the Standing Committee on Private Bills. We have with us this morning as well the sponsor of this Bill, Mrs. Judy Gordon, MLA for Lacombe-Stettler. Thanks for coming.

I am your chairman. My name is Marlene Graham. I'm the MLA for Calgary-Lougheed. Before we proceed any further, I'd like to introduce the various members of the committee to you. I'm going to ask each committee member to rise and introduce themselves by name and constituency.

MR. MacDONALD: Good morning. Hugh MacDonald, Edmonton-Gold Bar.

MR. BONNER: Bill Bonner, Edmonton-Glengarry.

MRS. PAUL: Pamela Paul, Edmonton-Castle Downs. Good morning.

MRS. SLOAN: Linda Sloan, Edmonton-Riverview. Good morning.

MRS. SOETAERT: Colleen Soetaert, Spruce Grove-Sturgeon-St. Albert. Welcome.

MRS. FRITZ: Hello. Yvonne Fritz, Calgary-Cross.

MRS. BURGNER: Jocelyn Burgener, Calgary-Currie.

MR. CARDINAL: Mike Cardinal, Athabasca-Wabasca.

MR. McFARLAND: Good morning. Barry McFarland, Little Bow.

MR. THURBER: I'm Tom Thurber from Drayton Valley-Calmar.

MR. LANGEVIN: I'm Paul Langevin, Lac La Biche-St. Paul.

MR. PHAM: Hung Pham, Calgary-Montrose.

MR. MARZ: Richard Marz, Olds-Didsbury-Three Hills.

MR. CAO: Wayne Cao, Calgary-Fort.

MR. HERARD: Denis Herard, Calgary-Egmont. Welcome.

MR. STRANG: Ivan Strang, West Yellowhead. Good morning.

MRS. TARCHUK: Good morning. Janis Tarchuk, Banff-Cochrane.

THE CHAIRMAN: All right. Assisting us this morning, we have as our Table officers Parliamentary Counsel Mr. Rob Reynolds and Ms Shannon Dean and our administrative assistant Ms Florence

Marston.

Just briefly, before getting into the merits of the matter, I will describe to you the process that is followed here. This is an all-party committee. You've both been sworn in, so that indicates that all submissions that are made here in the form of evidence are given under oath. After hearing your submission, members of the committee may have questions of you dealing with the nature of your Bill and the reasons that you are seeking the Bill. As well, Parliamentary Counsel may have some questions.

At the end of the hearing this morning we have another matter to hear as well, so we will not be deliberating on the merits of this hearing until our next meeting on June 3, a week hence, at which time we will consider the Bill. Then the committee as a whole will make one of three recommendations to the Legislature, that being either to recommend the Bill in the form that it stands or, secondly, to recommend the Bill perhaps with an amendment or, thirdly, to recommend that the Bill not proceed. Depending on our recommendation, of course, that will determine whether or not the Bill proceeds to Committee of the Whole, third reading, and eventually Royal Assent. The petitioners and all parties will be informed of the status of the matter at any point and will of course be informed once the Bill receives Royal Assent, if it in fact does so.

All right. Unless there are any questions, we'll proceed, then, with the hearing on Bill Pr. 6. Mr. Cardinal.

MR. CARDINAL: Just a quick comment, Marlene. I notice, going through the documentation, that the department responsible for universities and colleges, the Department of Advanced Education and Career Development, has confirmed that they don't have any objections to this Bill as it's laid out. I think it's important for the members to know that the department has no objections, so the process could go a little faster.

8:45

THE CHAIRMAN: Thank you for pointing that out. In case committee members haven't had a chance to review their material, section 4 of the Universities Act does require that for an educational institution to use the word "university" in its name, it must have the approval of the Minister of Advanced Education and Career Development, and that has been obtained in this case. Of course, the purpose of this Bill, as I understand it, is to change the name of the Canadian Union College to the Canadian University College by way of amending the existing Act known as the Canadian Union College Act, which dates back to 1940, I believe.

You should have supporting material with respect to this hearing, being the letter from the hon. Jack Ady, Minister of Advanced Education and Career Development, dated March 17, 1997, approving the new name, and that has been confirmed by our current Minister of Advanced Education and Career Development, Mr. Dunford, also to the same effect.

You should have copies of the resolution of the board of trustees for Canadian Union College from their meeting of February 23, 1997, proposing this name change as well as what was circulated to you this morning, the letter dated May 26, 1997, from Ms McCaffrey of Milner Fenerty confirming that as a result of the Trade-marks Act search there are no registrations for trademarks or trade names that would conflict with the proposed new name of Canadian University College.

Having said that, then I'll now call on the petitioners. Is it your intention, Ms Burt, to make the submission on behalf of the petitioner?

MS BURT: No. He's going to speak.

THE CHAIRMAN: Mr. Fitch, you're going to speak; are you? Please proceed then.

MR. FITCH: Do you remain seated or do you stand?

THE CHAIRMAN: You can remain seated.

MR. FITCH: Thank you. Perhaps I'll give just a brief history on our institution. Before doing that, however, I would like to thank our MLA for representing us. We appreciate very much the support that she gives to our institution. So I do want to say thanks and also to Milner Fenerty.

Our institution began in 1907 just outside of Leduc. It was known at that time as Alberta Industrial Academy. Two years later, in 1909, it moved to its present site just out of Lacombe. In 1919 there was a name change to Canadian Junior College. It began actually as a high school, added two years of college work, and then in 1946-47 was authorized to offer degrees in theology and so was then changed to Canadian Union College. In 1991 we received approval to offer three three-year bachelor of arts degrees upon the recommendation of the Private Colleges Accreditation Board to the minister of advanced education. Since that time, we now have nine three-year bachelor of arts degrees. We have two three-year bachelor of science degrees. We have five bachelor of arts and one bachelor of science four-year degrees.

The new name is given to better reflect what we are now able to do, and that is to offer approved degrees in our own right as approved by Alberta. So in line with the other three private colleges we are now asking that the name be changed to Canadian University College to reflect the status with which we now are able to operate. For those reasons we are requesting the amendment.

THE CHAIRMAN: All right. Thank you then.

Would there be any questions from members of the committee at this stage? Mrs. Soetaert.

MRS. SOETAERT: Thank you, Madam Chairman. To Mr. Fitch: that means all your courses, then, are transferable to any university in Alberta?

MR. FITCH: We have a significant number listed in the Alberta transfer guide. We are working on expanding that number. Those which are not are considered on a case-by-case basis. So in a general sense, yes, they are.

MRS. SOETAERT: So students can transfer, then, from your college to the university with one or two years?

MR. FITCH: Yes. They're also admitted to universities in law, medicine, history, English, and a variety of programs upon receiving a degree with us to begin graduate studies.

MRS. SOETAERT: Okay. So they're recognized degrees in the province.

MR. FITCH: Yes, that is correct.

MRS. SOETAERT: Thank you.

MR. PHAM: Mr. Fitch, how many students do you have now, and how many of them are nonresidents of Canada?

MR. FITCH: We have approximately 320 students. I should have brought the exact figures. I would guess that in the area of 10 to 15 percent would not be residents of Canada.

MR. PHAM: Thank you.

THE CHAIRMAN: Yes, Mrs. Sloan.

MRS. SLOAN: Thank you. Also to Mr. Fitch. The utilization of the two terms “university” and “college” in the context of one organization is interesting. Generally, it does not seem that we have a practice of using those. There's a different connotation with college, and the same could be said for university. Can you elaborate on the rationale of combining those two and also elaborate on the rationale of why now? Why 1997? It's my understanding in reading the background material that the name of the college has been since 1947 the Canadian Union College. What has prompted the change at this time?

MR. FITCH: Okay. Your first question had to do with using university and college. We, of course, would prefer just to use university but cannot do so. The minister has given the right to use university college. It is not that common. However, there are five university colleges in British Columbia. Perhaps our situation could be somewhat similar to theirs in that those university colleges have university programs but they also have college programs, which may be technical, vocational types of programs. So in some senses university college can describe quite accurately what an institution does, because it does have university transfer programs and degree programs, but it also has programs which are not of that nature. So I think from that point of view it does reflect it quite well.

The reason for the name change – and actually we've studied it for a number of years – is that with degree-granting capability of our own and with the permission to use university college together, we are offering university programs. So we are getting in step with the other three private colleges, all of which have university college as part of their name, if that answers it satisfactorily or if you have something further.

MRS. SLOAN: And why 1997 in terms of the timing of the name change?

MR. FITCH: It's a difficult process to change a name and to try and get people to buy into it. It has just taken us that long. That's basically the only answer I could give. I know that Concordia University College changed their name just within the last year. They received degree granting before we did. It's just a matter of the time and effort you must go through as you try to change a name, in getting consensus from your alumni, your constituency, et cetera. We finally arrived at that this year.

THE CHAIRMAN: Mrs. Sloan.

MRS. SLOAN: Thank you. Just another question that's come to mind. Does the college currently receive grants or funding from the government of Alberta?

MR. FITCH: Yes, we do and have for a number of years.

8:55

MRS. SLOAN: Will this incorporate any changes to that funding? Will it in fact have any impact with respect to the eligibility of the college for funding, either more or less?

MR. FITCH: No, it will not, in my opinion. After receiving degree granting, we're phased in with an increase. We are now at the maximum which is approved, and I don't see any further change that will result from this name change.

THE CHAIRMAN: It appearing that there are no further questions and if there are no questions from Parliamentary Counsel, then we will conclude this portion of the hearing.

I thank you, Mr. Fitch, Ms Burt, and Mrs. Gordon, for your attendance here this morning and for your submission, Mr. Fitch. We will now excuse you. You will be notified in due course of the recommendation of the committee.

MR. FITCH: I want to thank you very much.

THE CHAIRMAN: All right. Very good.

Prior to calling in the parties on Bill Pr. 7, which is the Altasure Insurance Company Act sponsored by Ms Karen Kryczka, MLA, perhaps we should just go over the status of the application at this point. As you can see from your materials, the petitioners are Mr. Dwight Bliss, Mr. Gerald Chipeur, and Mr. John Mackay, all of whom are barristers and solicitors.

The stated purpose of Bill Pr. 7 is to incorporate an insurance company to sell insurance to individuals with the head office of the company in Calgary. The Bill as it reads right now indicates that this company would be restricted from engaging in the sale of life insurance. However, as you can probably see, thinking back to the hearings that were held with respect to previous insurance companies, some of the same issues I expect will arise with respect to sections 3, 4, and 5. I don't know if any of you have had an opportunity to look at the actual Bill, but I just bring this to your attention, that we will probably need to go through the same sorts of proposed changes as were raised with respect to the last two insurance companies that we dealt with.

All right. At this point, then, we'll bring in the parties, including the petitioners.

[Messrs Mackay, Hylton, and Rodrigues were sworn in]

THE CHAIRMAN: Good morning, gentlemen. My name is Marlene Graham, and I'm the chairman of this committee. I'd like to welcome you here to this meeting. I expect that you were in the anteroom when we commenced the previous hearing, so I won't go into a description of our committee and the procedure that we follow, nor will I have the various members introduce themselves unless you would prefer that.

Before asking you to proceed with the submission, I would bring to your attention that you do have the ability, should you feel it necessary, to request that the committee go in camera should there be any material of a sensitive nature that you feel should not be public knowledge. So I just bring that to your attention.

Also before proceeding, I'll put on the record the fact that committee member Mr. Donald Tannas, MLA for Highwood, has absented himself from this hearing on the basis that he feels he may have a potential conflict in terms of a potential pecuniary interest.

All right. Please proceed then, Mr. Mackay.

MR. MACKAY: Madam Chairman, by way of introduction, my name is John Mackay. I'm a barrister and solicitor with the law firm of McCarthy Tetrault. On my left today is Mr. Chris Hylton of C.G. Hylton & Associates. My objective today is to provide this committee with certain amendments with respect to Bill Pr. 7, Altasure Insurance Company Act, and to answer any questions which the committee may have with respect thereto in order that Altasure Insurance Company may be incorporated under this Bill.

As I'm sure the committee is aware, in order for the company to carry on the business of insurance in the province of Alberta, the legislation provides for a two-step process. The first is to comply with the insurance legislation which provides that no person may be incorporated as an insurance company other than by special Act of

the Legislature.

The second and perhaps more substantive step is for the special Act company, once incorporated, to apply for a licence to carry on the business of insurance, which is accomplished by providing the superintendent of insurance with such information and documentation as is required by the applicable insurance legislation in order that he is satisfied that a licence should be granted for it to carry on the business of insurance. It is this second step which may perhaps be called the licensing step, whereby the superintendent will review the five-year business plan of Altasure to determine its soundness regarding marketing and financial assumptions, the experience and competency of the management, its financial position, the suitability and qualifications of the directors, and other information and documentation which the superintendent of insurance feels necessary or relevant in order to determine whether or not a license can be granted.

Today, however, I am appearing before you to deal with the first part of the process, that being the incorporation of Altasure Insurance Company, and to seek your support to recommend to the Legislative Assembly that this Bill receive approval with the following amendments, which I believe accurately reflect the results of my discussion with the superintendent of insurance and Parliamentary Counsel.

I believe you all have a copy of the Bill in front of you. The first amendment is with respect to section 3(2) of the Bill, which we propose would be deleted in its entirety. This section only provides the procedure to be followed prior to calling the first meeting of shareholders. Removal of this section does not in any way affect the capitalization of the company. In order for Altasure to be licensed to carry on the business of insurance in this province, the superintendent of insurance will require that the company meet the capital requirements set forth in the Insurance Act. You will also note that in section 3(1) there is language to that effect that will remain in the Act. I have discussed the removal of this section with the superintendent of insurance, and he has confirmed that he is comfortable with this change.

9:05

The second amendment which we request is to insert where we remove section 3(2) the following language: section 136(8) of the Insurance Act shall not apply to this company. Section 136(8) of the Insurance Act provides for the shares of capital stock in an insurance company to be subscribed for over a period of time. The first installment may not be greater than 25 percent of the capital, and each successive installment may not be greater than 10 percent. The successive 10 percent installments may not occur within 30 days of each other. So to exempt the company from this section would only mean that the capital may be subscribed for in one lump sum. Once again, I've spoken with the superintendent of insurance, and he's advised me that he's comfortable with this amendment and that in fact the Insurance Act is in the process of being amended to remove section 136(8).

The third amendment which I would like to speak about is: I requested from the superintendent of insurance that section 4 of the Bill be deleted in its entirety. As a result of that revision, section 5(1) will require a change to remove the language in the first sentence beginning "subject to section 4." All subsequent sections will then, as a result, need to be renumbered to reflect the removal of section 4.

The penultimate revision is minor in nature. In what was section 5(3) before the removal of section 4, at the end of the first line, the words "until the amount" are duplicated on the second line and as a result should be deleted in one of those places.

Finally, the last amendment, if we go back to section 1, is very

minor in nature. My surname is spelled in fact with a lowercase "k" rather than an uppercase "K."

I'd like to take this opportunity to thank the superintendent of insurance and Parliamentary Counsel for their comments, co-operation, and assistance in bringing this Bill forward, and I would like to thank Ms Karen Kryczka for introducing the Bill to the Legislative Assembly.

Thank you.

THE CHAIRMAN: All right. Mr. Hylton, will you be making a presentation?

MR. HYLTON: No, not formally.

THE CHAIRMAN: All right. And your involvement in this matter, if you could just . . .

MR. HYLTON: Certainly. I'm a benefits and pension consultant in independent practice for the past 15 years in Alberta. I have been retained by the insurance company to assist them with respect to the marketing and development of their service and product outline.

THE CHAIRMAN: Very good. Thank you.

Mr. Rodrigues, would you like to address the committee?

MR. RODRIGUES: Thank you, Madam Chairman. Just a couple of comments. One, Mr. Mackay is correct in that he did consult me on some of the amendments that have been made today. We're not opposed to those amendments.

Just one clarification. Mr. Mackay said that the Insurance Act is being amended to delete section 136(8). That is not entirely correct. The Act is not being amended. We are proposing that the section be deleted, but the Act right now is not being amended. It's just a proposal that we're putting forward. So just to put it in the right context, there is no Bill before the House this session to amend the Insurance Act. It is just a proposal we are making.

THE CHAIRMAN: Thank you for that. In all other respects, then, you as the superintendent of insurance are content with the form of the Bill as amended, with the proposed amendments.

MR. RODRIGUES: That's correct.

THE CHAIRMAN: All right. Thank you then.

Mrs. Fritz.

MRS. FRITZ: Thank you, Madam Chairman. I say this with the greatest of respect, but I don't have the amendments before me. Other members of the committee may have them but . . .

THE CHAIRMAN: They haven't been distributed to you. They're being proposed for the first time to the committee here this morning by Mr. Mackay.

MRS. FRITZ: Do you have copies, Mr. Mackay, for the committee?

MR. MACKAY: No, I don't. I'm sorry.

MRS. FRITZ: Well, I don't have them all written down.

THE CHAIRMAN: Okay. Well, maybe the simple answer to that would be to just have Mr. Mackay quickly review them. There weren't that many, and if you have reference to the initial draft of the Bill, I think the proposed amendments will become quite clear to

you.

MRS. FRITZ: Actually, I did, Madam Chairman. I reviewed the Bill as he was reading the amendments, and quite frankly I'd like to see them. I don't know if that's possible, to copy them and circulate them, but if we're commenting on the amendments . . . I mean, unless we can write them down as you go.

THE CHAIRMAN: I do believe, Mrs. Fritz, that before we have our meeting to deliberate on this Bill, we will have a redrafted Bill with the proposed amendments. As I understand it, that isn't available today, but we will have the ability to look at that Act with the information we've been provided with today and compare the proposed amendments with the actual form of the Bill.

MRS. FRITZ: So the questioning today isn't really related to the amendments.

THE CHAIRMAN: Well, yes, it is.

MRS. FRITZ: All right. Then I would like to see . . .

MR. MACKAY: And the Act generally, I believe. If I may be of assistance. Of the revisions that we're requesting, I think the majority are deletions, so it should be quite easy for me to walk through them with you, if you request.

MRS. FRITZ: Well, when I heard you read 3(2) you said "delete," and then you added a clause.

MR. MACKAY: Right. There are about seven or eight words that were added.

THE CHAIRMAN: Well, just to finish off, Mrs. Fritz, I mean, before we deliberate on this Bill, we will have the redrafted Bill.  
Mr. Pham.

MR. PHAM: Thank you, Madam Chairman. I would like to ask Mr. Rodrigues a question about the process. Is it normal for insurance companies to go through this route, to apply to the Legislature to form a company?

THE CHAIRMAN: Mr. Pham, sorry. I didn't hear that question. If you could just repeat that.

MR. PHAM: Okay. Is it normal procedure for people who want to set up insurance companies to go through the Legislature and apply for permission to do so?

MR. RODRIGUES: Yes, all insurance companies incorporated in the province of Alberta must be incorporated by a special Act of the Legislature, and that's a requirement of the Insurance Act.

Now, as part of the proposals that I spoke about earlier, we are proposing to change this process to what we refer to as the letters patent process, but for the time being, under the current legislation this is the process, the only way you can incorporate an insurance company in the province of Alberta.

MR. PHAM: Then you say that you are proposing to change the procedure so that they don't have to come to us and do this anymore.

MR. RODRIGUES: That's correct.

MR. PHAM: Okay. Thank you.

MRS. SOETAERT: As I understand, one of the amendments, to Mr. Mackay, if I may, is eliminating section 4 totally. Is that correct?

MR. MACKAY: That's correct. That was at the request of the superintendent of insurance.

MRS. SOETAERT: Okay. Why wouldn't we want them to follow the Insurance Act?

MR. MACKAY: The company is bound by the law of Alberta to follow the Insurance Act. This language in the Act doesn't supplement or derogate from that obligation. The company is bound to meet all the requirements of the insurance legislation and any other legislation involving a business in which it is involved.

MRS. SOETAERT: So naturally by law it falls under that, so this would be redundant. That's why it's taken out.

MR. MACKAY: That's correct.

THE CHAIRMAN: You might recall, Mrs. Soetaert, that when we dealt with Bills Pr. 3 and Pr. 4, very similar amendments and actually the deletion of section 4 was also part of those amendments.  
Mr. Herard.

MR. HERARD: Thank you, Madam Chairman. I just want to follow up on Mr. Pham's question, because I'm not sure if I understood the answer completely. You did talk about a proposal to delete section 138. Are you also proposing to amend the process whereby we would not have to hear these types of applications, where in fact companies could apply through the normal process that is being used in other provinces? Is that part of your proposal as well? I'm not sure I understood that.

9:15

MR. RODRIGUES: That's part of the proposal. Actually, what we are doing right now is we are rewriting the entire Insurance Act to bring it up to date and to bring it to sort of uniformity with the more contemporary legislation. For example, the federal legislation was amended in 1992, so we are rewriting the Insurance Act in its entirety, and we are hoping to have a proposal early next year. That would be done in two stages.

Two things we are doing of importance. One is to change the process of incorporating an insurance company; that is, it would no longer be a requirement, if the legislation is passed, to apply to the Legislature to have an insurance company incorporated. It will be like the federal model whereby you are incorporated by letters patent. So you still make an application to the government, but it will have to be approved by the Lieutenant Governor in Council as opposed to being approved by the Legislature.

MR. HERARD: My second question. There is a practice in legal circles with respect to numbered companies where sometimes legal firms will have a number of them available for clients, and as I don't see any other people named here except barristers and solicitors, is this what we're dealing with here? Are there really, behind all of this – and I don't need to know any of the commercial details – some people that want to incorporate an insurance company here, or is this a case where there would be an incorporation that would be handy for anyone who might want to incorporate an insurance company?

MR. MACKAY: I can answer that by saying that it is customary and in fact the Insurance Act does provide for the use of provisional directors to begin this process. In this case we're going through this

process specifically for certain clients who are currently investigating market opportunities that may exist in this province with respect to the business of insurance.

MR. HERARD: Thank you.

THE CHAIRMAN: Mrs. Sloan.

MRS. SLOAN: Thank you, Madam Chairman. I would just like to reinforce the request in the future for amendments in writing to the committee. That's with all due respect to the parties. That has not been a requirement that has been established, but I think it assists us in making informed questions, to have those amendments before us, so I would hope that that would be the practice in the future.

Specifically with respect to the Act itself, we have had somewhat of a precedent in this sitting with previous applicants of this nature to receive some background information with respect to the applicants themselves, their interests, their CV, publications, et cetera. I'm wondering whether or not that will be provided with respect to this application. It will give us, I guess, a greater understanding of the type of service and market that you're hoping to become established in.

MR. MACKAY: We were not requested to provide that. However, I believe you have Mr. Chipeur's CV on record, and I would be happy to provide you with a copy of mine, if it's of any assistance to the committee.

MRS. SLOAN: Okay. Thank you.

THE CHAIRMAN: Does that answer your question, Mrs. Sloan?

MRS. SLOAN: Yes.

THE CHAIRMAN: Okay. On the undertaking of Mr. Mackay, then, we'll look forward to receiving your CV.

MR. CAO: I guess, looking at this prospectus here, your application for setting up an insurance company, I believe – right? – you have some proposed amendments to your application. First of all, I would like to be certain that based on the business free market, when you set up the insurance company and then have amendments coming in, is it still assured that there's fair competition of business? Also, looking at the previous companies, do those things that you propose still, you know, give them fair competition down the road?

THE CHAIRMAN: Mr. Cao, I don't understand your question. Could you maybe be a bit more specific?

MR. CAO: Well, based on the amendments and the proposal of this, I want to look into the aspect of free market spirit and fair competition of business. If we approve or agree with some amendment, would that still be fair to the previous ones, you know, the ones already approved and established?

MR. MACKAY: I'm not sure I'm entirely familiar with all the Bills that have been before this committee with respect to the incorporation of insurance companies, but I think I can say – and I would hope the superintendent of insurance will be able to confirm this – that any of the amendments that we're proposing do not give any advantage, nor will they cause this company to suffer any detriment as compared to any other insurance companies in this province.

THE CHAIRMAN: All right then. It appearing that there are no further questions from committee members, I would just like to call on Mr. Reynolds, Parliamentary Counsel, to address the issue of the conditional waiver that we as a committee granted at our first organizational meeting with respect to the advertising for this particular Bill.

MR. REYNOLDS: Thanks very much, Madam Chairman. I'd also like to touch on just a couple other points at this time.

THE CHAIRMAN: Please feel free to do so.

MR. REYNOLDS: Thank you. I just wanted to alert committee members that there was a reference made to section 136(8) of the Insurance Act. There are excerpts from the Insurance Act that may not be in your binders under Pr. 7, but they may be under Pr. 3. There were numerous sections of the Insurance Act that we photocopied for last week, and in the interests of not sending you an even heavier package, we didn't reproduce them two other times. So the excerpts from the Insurance Act should be in your binders under Pr. 3, and one of the excerpts is from 136(8), which is what Mr. Mackay indicated they'd be seeking an exemption from.

With respect to the advertising, I'd just like to point out that at its May 6 meeting the committee recommended a waiver for Pr. 7 on the condition that they finish their advertising. I just wanted to advise the committee that we have received original statutory declarations indicating that advertising occurred in the *Calgary Sun* on May 2, I believe, and May 10, 1997, which is two consecutive weeks. It's not exactly one week apart, but it is advertising that occurred in two successive weeks.

I believe those are my points, Madam Chairman, unless the committee had any matters for clarification.

THE CHAIRMAN: Any questions on those points? Just for the information of the committee, if you have reference to I believe it's Standing Order 89, the requirement for advertising is once per week in two successive weeks. So I would suggest to you that this advertising does comply with the Standing Orders.

All right. There being no further questions then, I'd like to thank you, gentlemen, for your presentation today and for your attendance. We will deliberate on this Bill next week at our meeting on June 3, and we'll advise you in due course of our recommendation.

MR. REYNOLDS: Excuse me, Madam Chairman. If I could make just one more point.

9:25

THE CHAIRMAN: Yes. Go ahead.

MR. REYNOLDS: Perhaps, Mr. Mackay and Mr. Rodrigues, we could be in contact with respect to the wording of the amendments. Your office can contact ours after this meeting, if that would be agreeable to you.

MR. MACKAY: I'll forward that language up when I forward my CV in the next day or so.

MR. REYNOLDS: Thank you.

THE CHAIRMAN: All right. Very good then. We'll excuse you.

Is there any other business, any new business that committee members would like to raise? Mrs. Fritz.

MRS. FRITZ: Thank you, Madam Chairman. It's a question just

following the hearing. When was Parliamentary Counsel or yourself as chairman made aware of the amendments that were put forward to this Bill? Were they just put to the members now by the presenters? I'm just looking for process.

THE CHAIRMAN: I can only speak for myself. I know I spoke with Mr. Reynolds yesterday and became aware of the likely proposal of these amendments. Having reviewed the materials, I could see that, you know, we would likely request these amendments if they weren't forthcoming from the petitioners.

MRS. FRITZ: That's my question, Madam Chairman, just for process. At the time when Parliamentary Counsel or yourself is made aware – and I think there were five amendments to this Bill – is it at that time that petitioners are requested, if there are amendments to come forward, to bring them to the committee?

THE CHAIRMAN: Well, I think that's only reasonable. I think that with respect to the past applications that were done, and I'm not really certain why it wasn't done in this case. Maybe I'll ask Mr. Reynolds to further add to that, if he's able. If you could return to your chair.

MR. MACKAY: Madam Chairman, if it assists, I'd be happy to go through those amendments for Mrs. Fritz.

MRS. FRITZ: No. That's fine. Thank you, Mr. Mackay. I listened very carefully as you were putting them forward. I hadn't written them down because I thought they were being circulated. This is just for the future. I understood the hearing was complete, so it's just for the future process, to assist other presenters in having material submitted in the correct fashion.

MR. REYNOLDS: Well, Mrs. Fritz, I became aware of the amendments yesterday in a conversation with Mr. Mackay, so I didn't have a lot of advance notice about the amendments. Partially its dependent upon what the petitioners decide to bring forward. I believe when I discussed it with Mr. Mackay yesterday, there was still some uncertainty as to the nature of the amendments that they may be bringing forward. So I didn't know the extent or the exact nature of the amendments till this morning.

MRS. FRITZ: I guess what I'm asking is: at the time when presenters do indicate that they're changing their Bill through amendments, are they requested, then, to give them to Parliamentary Counsel or to the chair for distribution to the committee? Is that part of the process?

MR. REYNOLDS: Well, it hasn't necessarily been, but it's certainly a very good idea, and subject to what the chair thinks, it would be something to pursue.

MRS. FRITZ: To assist the presenters to know when they come forward.

MR. REYNOLDS: Yes.

MRS. FRITZ: Thank you, Madam Chairman. That helps explain.

THE CHAIRMAN: Thank you for that suggestion.  
Mrs. Burgener.

MRS. BURGNER: Yeah, a similar line of questioning to Parliamentary Counsel. My understanding in this hearing is that we receive documentation and we review it. When these

recommendations go forward to the full Assembly, then we operate under the usual rules of the Legislature. The question I have is: any amendment that comes forward has to be signed by Parliamentary Counsel before it's approved, before it can be considered as part of the legislation; is that correct?

MR. REYNOLDS: Well, if I may, Madam Chairman. Actually, what would happen if there are amendments, for instance – we discussed some amendments today – is they'd be written up. Because of the nature of private Bills, it's obviously a little different than other legislation. We pretty much have to speak to the petitioners because there isn't much point in having an amendment they don't agree with, considering it's their Bill. So as I indicated, we'll be working with the petitioners and the superintendent in this case to come out with a written form of amendment. Then next week, when the committee deliberates, there may be amendments that you wish to consider. At that time the committee will, as the chair pointed out, exercise one of three options: to recommend the Bill, to recommend the Bill with some amendments, or not recommend the Bill. So the committee would recommend the Bill, let's say, with some amendments. At that time it would go to the House for second reading, and the amendments would actually be made like any other legislation in Committee of the Whole.

MRS. BURGNER: Okay. Under the usual process of the Legislative Assembly, amendments can't come forward and be approved by Parliamentary Counsel if they significantly alter the intent of the Bill, and there's a signature that comes with that that says they are appropriate to the spirit of the legislation that's proposed. The clarification I want here is: in this hearing process of this committee there is no obligation for any amendment to be approved by Parliamentary Counsel before it's brought forward to the committee? That's a yes or no answer. They can bring forward anything they want.

MRS. FRITZ: Provide courtesy too.

MRS. BURGNER: Yeah, the courtesy issue of being able to circulate – that we're going to deal with that. But I'm just trying to understand if in a hearing an amendment can be recommended that does not require the review and the signature of Parliamentary Counsel before it's tabled as an item for discussion and further consideration. Yes or no? The reason I'm asking the question is: in four years there's never been an amendment brought to the floor of this Assembly that doesn't have the signature and approval of Parliamentary Counsel. Would you answer me the question: yes or no? Is the hearing process different . . .

THE CHAIRMAN: Mrs. Burgener, I think Mr. Reynolds can answer the question as he's able to answer it, and I don't think he should be limited to a yes or no.

MRS. BURGNER: Excuse me. I don't think Parliamentary Counsel understood my question. Is the process for hearing different from the Legislative Assembly? That's what I want you to . . .

MR. REYNOLDS: Yes.

MRS. BURGNER: Thank you. I appreciate the answer.

MR. REYNOLDS: Yes, it is.

MRS. BURGNER: Okay.

MR. REYNOLDS: Perhaps if you want, we could discuss this later.

MRS. BURGNER: I just needed to know that. Thank you.

MR. THURBER: Madam Chairman, I think what's happened here is that the superintendent of insurance was privy to some conversation that took place here the last time we dealt with an insurance company, probably enlightened these folks as to what the discussion was, and they thought: well, we'll preclude this a little bit and go ahead with some amendments to meet what's going to happen anyway.

THE CHAIRMAN: It might very well be.

MR. THURBER: I think that's just as simple as it is, and I don't think they're out of line. I agree that we probably should have them in writing or some kind of approval beforehand so that we can have a look at them, but certainly they fit in with our discussion that we had last week or the week before.

THE CHAIRMAN: There's nothing new.

MR. THURBER: No, there's nothing new.

THE CHAIRMAN: I agree with you.

Yes, Mrs. Tarchuk.

MRS. TARCHUK: I'd just like to make the comment that we've spent more time talking about this than it would have taken to stop and actually photocopy. I think it's reasonable, if people have presented some amendments and members request that they be in front of them so they can look at them in order to pose questions or whatever – it really would have taken very little time, I think, to stop and copy the amendments that were presented.

THE CHAIRMAN: And who are you suggesting ought to have done that?

MRS. TARCHUK: I'm just saying for future reference maybe we should have just stopped and said: if it's a request and the committee agrees to it, let's just stop and take the minute it would take to copy.

MR. STRANG: It's only one page.

THE CHAIRMAN: All right; thank you. Duly noted.

MR. PHAM: My understanding is that at the time they presented the amendment, I don't think they had the wording exactly figured out yet. Right? That is my understanding. They were still trying to come up with the right amendment, and I think despite how we feel about it, the thing is that it is their right to make the amendment at any point they want. If they want to take the risk, you know, of presenting the amendment without us having a copy in front of us, then that's how we will deal with it. I don't think we can force them to present their amendment at a certain time. I think that beating up on the chairman or beating up on Parliamentary Counsel . . .

MRS. FRITZ: No. But courtesy, Hung – they could be told. When they say that they're going to be bringing forward amendments, it's just courtesy. They could be told to bring them and to copy them for the committee.

THE CHAIRMAN: I think the point has been made, and thanks for the suggestion, Mrs. Fritz. You know, this isn't a perfect world, and

we are under some time constraints. We will do our best, and I'm sure Parliamentary Counsel, who is our liaison with the petitioners, will be mindful of your suggestion. We'll do our best. But you know, I don't see anything improper in what happened today. We'll just do our best to try and deal with it next week when we have our meeting to deliberate.

Mr. McFarland, you had a comment; did you?

9:35

MR. McFARLAND: Would you like a motion to adjourn?

THE CHAIRMAN: I think we're ready if you're so moving. All in favour, say aye.

MRS. SLOAN: Madam Chairman, excuse me. I believe I had my hand up.

THE CHAIRMAN: Oh, I'm very sorry. I didn't see that. We'll hear from Mrs. Sloan.

MRS. SLOAN: Thank you, Madam Chairman. It's not related to the topic of the amendments.

I would like to go on record expressing a concern with respect to the comments by Mr. Rodrigues with respect to the proposed changes to the Insurance Act in this province. In this session we've seen three insurance company Bills proposed to this committee, all being sponsored by Mr. Chipeur, and when I look at his CV and his legislative drafting work . . .

MR. McFARLAND: Point of order.

MRS. SLOAN: . . . with respect to the incorporation of health insurance corporation pursuant . . .

MR. McFARLAND: Point of order.

THE CHAIRMAN: Mr. McFarland.

MRS. SLOAN: If I may clarify . . .

THE CHAIRMAN: Mrs. Sloan, if you would just hold off for a moment.

MR. McFARLAND: Madam Chairman, what in the world does a person's CV have to do with the petition before this body in the Legislative Assembly?

MRS. SOETAERT: Citation?

MR. McFARLAND: I don't need a citation. I'm asking a point of order on relevance with respect to a person's personal CV appearing as a petitioner on behalf of different people. It has nothing at all to do with the Liberal agenda to discredit based on privatization of health care services.

MRS. SLOAN: May I respond, Madam Chairman?

THE CHAIRMAN: I think we're getting offtrack here. Mrs. Sloan, you were going to put on the record a remark you had about what Mr. Rodrigues stated. I don't know, Mr. McFarland, that your point of order relates to that.

MR. McFARLAND: Mr. Chipeur's CV, which she brought up.

MRS. SLOAN: If I may. My concern is that Mr. Chipeur has on record advised the Legislature with respect to the incorporation of health insurance pursuant to the Insurance Act. Mr. Rodrigues this morning said that changes are now being proposed to the Insurance Act. They are not before us. We are, though, considering three Bills for insurance companies that are all sponsored by Mr. Chipeur, and I'm concerned that there may be potential conflict of interest. I want to ensure that Mr. Chipeur, because of his association with the government in relation to these previous corporation amendments, legislation drafting, has not been privy to information that is putting him in a position to propose Bills at a time prior to the Insurance Act being amended. That is all my . . .

THE CHAIRMAN: Well, that's noted on the record, but I think it's public information now. If you're suggesting there's any particular advantage from the knowledge that the superintendent of insurance is proposing that there be changes to the Act, I think it's, you know, for the world to know now. But it's on the record in any event.

Mr. Herard.

MR. HERARD: Yeah. I'm trying to understand that, because as we know, we have many, many Acts in this province that are constantly being considered for changes. The fact of the matter is that the law today is the way the Act reads today. Those are the things that guide the superintendent of insurance with respect to due diligence and everything else he has to do. So I'm not sure that any contemplated changes with respect to the Insurance Act that may come up in the future are relevant in any of our deliberations, because all those things are hypothetical. We don't know that they will ever be brought before this Chamber, and if they are, they will be duly debated and passed if they have merit. So I don't think this is relevant at all to our deliberations.

THE CHAIRMAN: Well, thank you, Mr. Herard. However, we are being asked in each of these three Bills to grant an exemption, so I guess it is relevant to that extent.

MR. CAO: I just want to emphasize the point that this kind of hearing – I like to look at the fairness in competition of business and to protect the public interest. When we look at establishing insurance companies, I like to focus on those things rather than, as we talked about, the future stuff or the hypothetical stuff that we want to bring in. These people come here. It's our duty to listen to them and then ask questions about the business fairness in competition and to protect the public interest. I think that's our role. The others, I feel, are more details.

THE CHAIRMAN: Yes, and we'll be able to go into those details next week when we deliberate on June 3. In that regard, I might suggest that committee members review the transcripts from the hearings and the various other materials we have in our big, fat binders, and we'll look forward to seeing you next week.

Mr. McFarland, are you renewing your motion to adjourn? All in favour, say aye.

HON. MEMBERS: Aye.

THE CHAIRMAN: All against, say no. Carried. We're adjourned.

[The committee adjourned at 9:43 a.m.]

