



STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE

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**STANDING COMMITTEE ON INTERGOVERNMENTAL
AFFAIRS AND JUSTICE**

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Regina Qu'Appelle Valley

Mr. Doyle Vermette, Deputy Chair
Cumberland

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Mr. D.F. (Yogi) Huyghebaert
Wood River

Mr. Paul Merriman
Saskatoon Sutherland

Mr. Warren Michelson
Moose Jaw North

Mr. Warren Steinley
Regina Walsh Acres

[The committee met at 15:00.]

The Chair: — Good afternoon, everyone, and welcome to the Standing Committee on Intergovernmental Affairs and Justice meeting, May 5th, 2015.

I'd like to welcome Minister Wyant and his officials. And today we have, substituting in is John Nilson for Doyle Vermette. Thank you very much, John. In attendance we have Yogi Huyghebaert, we have Warren Steinley, Warren Michelson, and Paul Merriman.

Bill No. 177 — *The Insurance Act*

The Chair: — So if everyone is in agreement, we will proceed with the agenda as planned. The committee will begin with Bill No. 177, *The Insurance Act*. We will now consider clause 1, short title. Minister, if you have any opening remarks, you may proceed.

Clause 1-1

Hon. Mr. Wyant: — Thank you, Madam Chair. With me today to my right, Darcy McGovern, Q.C. [Queen's Counsel], director of legislative services; to my left, Jim Hall, legislative services; and behind me, Jane Chapco from legislative services and Janette Seibel from Financial and Consumer Affairs Authority.

Madam Chair, *The Saskatchewan Insurance Act* was first passed in 1913 and, despite certain amendments, over those years has remained largely unchanged. *The Saskatchewan Insurance Act* will now be replaced with a new Act to modernize the regulation of the insurance industry in accordance with regulatory frameworks in place in other Canadian jurisdictions, primarily Alberta.

Bill 177 is the result of an extensive review project that has involved ongoing consultation with the insurance industry and other jurisdictions over several years. We will be continuing to work with the industry closely in the development of the regulations necessary for the implementation of the Act.

With this new Act, the insurance sector will enjoy the flexibility it needs to expand and evolve in a rapidly changing environment, and it will ensure that the superintendent has a full suite of governance powers to ensure compliance with the Act.

Most importantly, Madam Chair, this Act will also ensure that consumer protection through fair practice in the insurance sector remains the singular operating priority for all stakeholders. I would also note that we will be introducing a series of technical House amendments today that stem from further consultations since the introduction of the bill last fall. Those amendments have been shared with the opposition.

We have listened carefully to the industry and those . . . and that the changes that we feel can be made to improve the focus of the bill while maintaining essential consumer protection measures.

So with that, Madam Chair, we'd be pleased to answer any questions from the committee members with respect to Bill 177.

The Chair: — Thank you very much, Minister. Are there any questions? Yes, Mr. Nilson.

Mr. Nilson: — Thank you, Madam Chair, and welcome to the minister and officials. I appreciate the extensive second reading speech that you gave on December the 8th. And you set out quite a good review of the legislation and, as we can all see, it's a big bill. Are there any changes since December 8th that you might want to talk about as it relates to that overview, that have taken place over the last number of months?

Mr. McGovern: — Thank you, Madam Chair. Darcy McGovern. The minister had mentioned a series of House amendments that are being considered as a result of the consultations that have occurred. After the introduction of the bill, FCAA [Financial and Consumer Affairs Authority of Saskatchewan] invited comments from the stakeholders, primarily the industry, a number of industry players to take a look at the legislation.

And the changes that are being entertained and that we'll be looking at today are primarily technical amendments to deal with specific wording that would create either greater consistency with the legislation in the province of Alberta . . . One of the guiding principles in terms of the development of this legislation was greater uniformity between provinces, appreciating that the insurance industry operates in a number of provinces and that Alberta, having a new, modern Act that they had coordinated with BC [British Columbia], that it was appropriate to use that as a guiding light with respect to those types of changes.

And so there's a number of changes that are being considered to, for example, bring more specificity in the language so that it's closer to what's being done in Alberta rather than in, than was presented . . . [inaudible] . . . So in that regard, it's not so much a change in policy as a very specific focusing of the language so that we can have wording that will be more consistent with the other provinces and, as I said, in particular Manitoba.

One, I think the policy change, if I can describe it that way, that we would highlight is with respect to a proposed amendment to section 7-16 of the bill and this is with respect to trading in life insurance policies. The Bill 177 proposed a prohibition on the trading in certain types of life policies. That would be consistent with the prohibition that exists in a number of other provinces.

The member will be aware that we received, and I believe that the member received as well, representations suggesting that the ability to trade in life insurance policies — and this is what's referred to as viaticals — it's often compared to being able to buy back a portion of your own mortgage or to . . . The circumstance that it's described as is where you have an individual who has a policy and it's an arrangement for someone to sell their life insurance policy to someone in exchange for a particular cash amount, and it's referred to as a life settlement.

The argument that was on both sides of the issues that we heard, one was that this is a practice that we have to be very careful about, that you may have senior citizens who are being asked to

surrender the policies without perhaps knowing the consequences, maybe in a position where they couldn't buy subsequent insurance, those sorts of arguments.

The counter-argument is of course that this is, for a fully informed consumer of these products, that this would be a good way to access funds out of a lifetime investment that they may not be able to access otherwise.

The change in the Act that's being considered or that's being proposed, I should say, to 7-16 would be to provide that the trading in life policies, unless it's specifically authorized in the regulations to do that, it wouldn't be permissible. So what we want to be able to do is to hear further from the stakeholders, both sides of the issue, as to what would be an appropriate regulatory scheme or framework for these types of transactions to occur. And by changing the Act that way, rather than . . . And previously we had the ability in the regulations to pick this up. But we want to send the message specifically in this section that unless you're authorized to do so, you're not in a position to trade policies. But the regulations and the consultation in that regard would need to occur to have that happen.

I think that's probably, as I say, the main change of substance, though I'll ask Jim if there's any other points he'd like to make. Jim Hall of course was superintendent of insurance for the province of Saskatchewan for over 20 years and has been our lead on this file.

Mr. Hall: — Another one of the significant changes was in section 7 there was a definition of complaint, and representations were made to us that there should be more consultation before we actually come up with a definition of complaint, to align better with a national database that tracks complaints. Insurers are required to file information with respect to complaints, so it would track better with that definition, also with the definitions that are in play by two ombudservices, the General Insurance OmbudService and the OmbudService for Life and Health industry. And we also spoke to Alberta, and we can work with them to coordinate with these other bodies to come up with a definition that'll work for everyone. We felt that our definition was appropriate, but we received representations that there are some other considerations.

So the definition of complaint will be deleted, but in the regulations, after consultation with other interested stakeholders, we can come to a consensus on how to describe a complaint, and then from there regulations with respect to the obligations for an insurer to deal with that complaint, to put policies and procedures in place, protocols put on their website, information with respect to how a complaint is resolved, and what their standards are.

So there's a whole series of things that we want to implement through the regulations to give consumers the best information they can about if they've got a dispute, here's how it can be resolved. Here's the people that you can go to. Here's what it entails, and here's a result, you know, a range of results that may flow from that complaint.

Mr. Nilson: — Thank you very much for highlighting those two changes. And then practically I would refer people, if

they're looking to try to figure out how this Act works, to the minister's comments on December 8th because it provides that overview.

I have a couple of other questions. Can you describe the kind of consultation that was done with consumers as opposed to insurance companies?

Mr. Hall: — We didn't receive any direct comments from, for instance, the Consumers' Association. I believe, and this is my recollection, that I sent something to the Consumers' Association, but we didn't get any response back. That's the Consumers' Association of Canada. But we were dealing with the insurance councils who represent consumers in the sense that if there's a complaint against an agent, then they attempt to resolve it. And we also had some conversations with the general insurance ombudsman who deals with complaints.

But principally our consultations were with 29 entities or organizations that represented insurance agents, insurance brokers, managing general agents, insurers, reciprocals, fraternal, you know, those kinds of things. And then we had some additional responses from individuals. We spoke with a couple of law firms, an accounting firm, and then some individuals particularly around the life settlement issue.

Mr. Nilson: — Okay. Well I thank you for that information. Is there anything in this legislation, given that we're reviewing it sort of after 100 years of it being the same, is there anything in this legislation that will deal with the inclusion of Group Medical Services, GMS, and Saskatchewan Blue Cross and SGI Canada, given that in some ways they're the main insurance companies that people in Saskatchewan deal with on a regular basis? And my understanding is that right now it's not included in this legislation, so is there any place where there, that exemption could be removed at some point?

Hon. Mr. Wyant: — As you know, Mr. Nilson, MSI [Medical Services Inc.] and GMS are established by private Acts of the legislature. They will not be . . . They'll retain their current exemptions. However I can tell you that we will be considering amendments to their Acts to request further and additional reporting because we were quite . . . We're concerned a little bit about the consumer protection side when it comes to both GMS and MSI. So we'll be working on some amendments to that legislation to ensure that the consumer protection piece is covered off in that legislation.

But in answer to your question, they're exempted from this Act.

Mr. Nilson: — Okay. Well thank you, and appreciate that response. And I assume then that many of the provisions that are in this legislation would then be brought into their legislation so that the same kind of protections are there for consumers.

Hon. Mr. Wyant: — We're concerned about consumer protection. What provisions or how they will be worded is still certainly a question, but we'll be considering that in due course.

[15:15]

Mr. Nilson: — Thank you. Now it's my understanding that

there were also some questions about the legislation as it related to the organizations that are responsible for insurance brokers and how they're regulated. And I think that there have clearly been many, many discussions to try to deal with those issues. But are there any issues that are still outstanding that you might describe in a way that . . . You know, I mean I'm assuming that you'd have some regulatory power to deal with some of these outstanding issues, and I'm thinking especially of maybe the burden or the . . . of red tape around some of the organization of some of the organizations.

Mr. Hall: — We've had numerous discussions with the Insurance Brokers' Association of Saskatchewan both in person, by email, and by telephone. And one of their concerns was the fact that the bill envisioned requiring all intermediaries plus insurance companies to have an attorney for service, and they pointed out that this would just be too burdensome for everyone to put in place that provision. So what we did was proposed a House amendment that would require the attorney for service only for insurers, and that's directly in line with Alberta. And the present way of getting service on this individual or these individuals, which will continue, is through an address for service, and that's a much simpler process that can be done just through the licensing process.

Another issue was with respect to MGAs, managing general agents, and third party administrators. These are two entities right now. In the case of the third party administrators, they're not licensed or regulated in any manner, but they're really an intermediary between employers or employer groups and insurance companies. And they, in some degrees, you know, they can be very simple to very complex. In the most complex situation, they're handling large sums of money as a pass-through, you know, a payment from the insurer to the group insured to the employee, and there's no kind of regulatory structure around them.

So we worked very closely with them for them to feel comfortable with this kind of initiative. And with the organization, the third party administrators of Canada, they expressed that they felt more comfortable with the direction that we're going in and look forward to working with us.

On the managing general agents side, they're licensed right now by the insurance councils on both the life and the general side, but they're not licensed in a category that describes what they do. They're licensed as agents as opposed to large intermediaries that can take risk, can sign the contract for the insurer. So they can stand in the place of the insurer, but they're regulated as agents which, in the view of the insurance council, was totally inappropriate. It just didn't give them the ability to regulate them for the function that they were actually carrying out.

So we've worked with the insurance council to put in place a structure for managing general agents. And with a number of managing general agent organizations that we met with, they were quite . . . I can't say happy to be regulated, but they accepted the fact that regulation would be a benefit because it would describe, it would give them some status under the Act in terms of what they actually do.

Mr. Nilson: — Okay. Well thank you for that description. Does

this legislation deal with the . . . I don't know if we call them the conglomerateurs or the people that buy insurance on behalf of large groups. Or is that what you're talking about is an MGA, or a managing general agent?

Mr. Hall: — Yes.

Mr. Nilson: — Okay. So I know that that practice of going, I've got 12,000 customers and what kind of bids can you offer me, is something that's happening more often, and with the use of the Internet and other places, that can happen very quickly. And so is that what you're talking about?

Mr. Hall: — Yes, that's correct. Yes.

Mr. Nilson: — Okay. Well I think it's an interesting world, and I wish our successors, both yours and mine, Mr. Hall, lots of luck as they sort out the next 10 or 20 years on *The Insurance Act* there.

The legislation is related to Saskatchewan and it also relates to companies that are resident in Saskatchewan, if I can put it that way. Is there a scheme across the country whereby all the various insurance Acts of provinces and territories work together to provide I guess regulation for national . . . [inaudible] . . . insurance companies across the country? How does that work?

Hon. Mr. Wyant: — Perhaps I'll start the answer to that question and then Mr. Hall can answer to finish it. You may know that Alberta had added harmonization, a project with British Columbia with respect to their legislation. So as a result of our . . . And driven a little bit I guess by our involvement with the New West Partnership, we're harmonizing to a very large extent with Alberta. So that's the regulation at least in Western Canada. I'll let Mr. Hall speak to the rest of the country.

Mr. Hall: — There are two organizations that try to facilitate co-operation between the jurisdictions. The principal one is the Canadian Council of Insurance Regulators, and every jurisdiction in Canada, including the federal government, is a member of this organization.

It's been in place for 75 or 80 years, and it meets biannually, and then it has quarterly meetings with respect to issues that arise. Industry groups are invited to make presentations to the superintendent at those biannual meetings or at least one of the annual meetings and, you know, half a day is set aside for organizations to appear and make representations about things they'd like to see changed.

Then committees are struck within the organization to deal with issues of significant importance, you know, that would cross more than one boundary. And there may be position papers that are developed or studies that are taken, you know, with respect to particular issues, and those then can be adopted by individual jurisdictions. The superintendent organization itself, the council doesn't have any regulatory power or any power over individual jurisdictions, but it tries to come together and have an agreement on a particular initiative. And some of them may take, you know, several years to put into place.

The other organization is with respect to the insurance councils, and that's called the Canadian insurance self-regulatory organizations. CISRO [Canadian Insurance Services Regulatory Organizations] is the acronym. And that's an organization of BC, Alberta, Saskatchewan, Manitoba, Ontario, Quebec. Then on the Maritimes side, it would be the superintendents who would sit in that because there's not insurance councils in some of those Maritime jurisdictions.

They do the same kind of thing. They come together and try to come up with harmonized licence application forms and those kinds of initiatives. So you've got the superintendents that look at the policy issues, and then you've got the insurance councils come together on a regular basis to look at the mechanical issues, issuing licences and reciprocity and that kind of thing.

Mr. Nilson: — Well thank you because I think it helps a bit to put this Act in context, you know, as to where some of the different clauses come from and which discussions arise.

I think I have just one more general question — and we'll see if others arise as we go through some of the amendments — and that relates to the law as it relates to insurance law. Are there any changes to insurance law in this legislation such that you'd want to give a warning to the Saskatchewan lawyers, or are there some fixes to some problems that have arisen? And there may be some or they be very minor, but I'm just curious.

Mr. Hall: — I think it was a Supreme Court decision a number of years ago that looked . . . And I can't recall if it was BC, Alberta law. But in our current Act, there's a part dealing with fire insurance, and there was a similar part in one of the other Western provinces, and the Supreme Court had some difficulty in just dealing with the concept. If you've got a comprehensive all-risk policy that covers more than fire insurance, how do you read the statutory conditions such that someone can have a claim other than just fire, you know, for liability or for some other?

As a result of that, there was an initiative to draft a new section that would address the Supreme Court's concerns about just the narrowness of the fire part. And that's what we've done with this Act. We don't have a fire part. It's a comprehensive property part that would cover your house, your car, your cottage, the contents, whether it was destroyed by wind or fire or earthquake or, you know, some other event.

Mr. McGovern: — I think the other point that we would make is that, you know, the education process on this for the community, it is going to be part of the rollout. The member is well aware that we're . . . Of course when this receives Royal Assent, it won't come into force. It's an Act that will come into force on proclamation, and the minister has mentioned that we'll be consulting on the regulations. When the Act does come into force, there'll have to be a specific education function to help us with that as well.

Mr. Nilson: — Is there a timeline for implementation right now?

Mr. McGovern: — We're looking at . . . I mean there is a fair amount of regulations, so it's more likely that we're into 2017 than 2016 in terms of, to be fair, in terms of saying when it

would come into force.

Mr. Nilson: — Okay, so then here in the committee we can encourage people to get hold of you at Saskatchewan Justice if they have ideas around some of the regulations or certain questions. And it may be that two years down the road there'll be another 38 amendments coming forward, but that's okay because when you have a big piece of legislation like this, it takes a while to catch all the different things.

Madam Chair, I don't have any more questions right now, and thank you for explanations in those areas. We'll have some time now to go through all the sections, and if other questions arise, I'll let you know.

The Chair: — Thank you very much. Are there any more questions or comments from any of the other committee members? Seeing none, prior to clause-by-clause consideration of the bill, I would like to take this opportunity to remind members of the well-established parliamentary procedure of clause-by-clause consideration. Members, if you refer to Beauchesne's, 6th Edition, paragraph 690; Erskine May, 24th Edition on page 589; O'Brien and Bosc, page 761; and our rules, they provide guidance on the order that clauses are called.

We will first consider the clauses and then the new clauses. Given the committee will be considering a number of amendments, I would like to remind members that our *Rules and Procedures* state, pursuant to rule 63(2):

- 63(2)** A motion to amend a question may be proposed to:
- (a) omit certain words;
 - (b) omit certain words in order to insert or add others; or
 - (c) insert or add words.

This bill has over 700 clauses. I will be asking leave of the committee to review parts II, III, IV, VI, and IX by parts and divisions. Part I, V, VII, VIII, and X have a number of amendments, including new clauses; and part XI includes coming into force. Therefore the committee will review these parts clause by clause. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Are there any questions? Seeing none, we will proceed to vote on the clauses. Well here we go. Part I, preliminary matters, division 1, short title and interpretation, clause 1-1 short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1-1 agreed to.]

Clause 1-2

The Chair: — Clause 1-2. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment:

Amend clause 1-2 of the printed bill:

(a) in subsection (1):

(i) by striking out the definition of “group insurance”; and

(ii) by striking out the definition of “life company” and substituting the following:

“life company” means an insurer that is permitted to insure only those risks falling within the class of:

- (a) life insurance;
- (b) accident and sickness insurance; or
- (c) other prescribed insurance”; and

(b) in subsection (4) by adding the following clause after clause (f):

“(g) any other prescribed person”.

I so move.

[15:30]

The Chair: — Mr. Merriman has moved an amendment to clause 1-2. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 1-2 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1-2 as amended agreed to.]

[Clauses 1-3 to 4-20 inclusive agreed to.]

Clause 5-1

The Chair: — Part V, insurance intermediaries and insurance councils, division 1, preliminary matters, clause 5-1. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment for clause 5-1:

Amend clause 5-1 of the printed bill in the definition of “business” by striking out “except in sections 5-46, 5-56 and 5-69 to 5-72” and substituting “unless the context requires otherwise”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 5-1. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 5-1 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 5-1 as amended agreed to.]

[Clauses 5-2 to 5-18 inclusive agreed to.]

Clause 5-19

The Chair: — Clause 5-19. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment:

Amend clause 5-19 of the printed bill by striking out subsections (2) and (3) and substituting the following:

“(2) Every individual who applies for or holds an insurance agent’s licence for property and casualty insurance must:

(a) be an employee or independent contractor of a business that holds an insurance agent’s licence for the class of insurance for which the individual is applying; and

(b) be recommended by the designated representative of the business for the class of insurance for which the individual is applying.

“(3) The designated representative of the business shall certify in writing that the applicant or insurance agent is:

(a) of good character;

(b) qualified to act as an insurance agent; and

(c) knowledgeable about the class of insurance for which the designated representative is recommending that the applicant or insurance agent be licensed”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 5-19. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 5-19 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 5-19 as amended agreed to.]

[Clauses 5-20 to 5-28 inclusive agreed to.]

[15:45]

Clause 5-29

The Chair: — Clause 5-29. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment:

Amend clause 5-29 of the printed bill by striking out subsection (1) and substituting the following:

“(1) The Superintendent may reinstate a suspended insurance intermediary’s licence if, in the opinion of the Superintendent, the insurance intermediary is suitable to be licensed and the reinstatement is not for any reason objectionable.”

I so move.

The Chair: — Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 5-29 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 5-29 as amended agreed to.]

[Clauses 5-30 to 5-43 inclusive agreed to.]

Clause 5-44

The Chair: — Clause 5-44, is that agreed?

Some Hon. Members: — No.

The Chair: — Clause 5-44 is not agreed. The clause is defeated.

[Clause 5-44 not agreed to.]

Clause 5-45

The Chair: — Okay, clause 5-45, is that agreed?

Some Hon. Members: — No.

The Chair: — Clause 5-45 is not agreed. The clause is defeated.

[Clause 5-45 not agreed to.]

The Chair: — Okay, clause 5-46, is that agreed? Oh sorry.

Mr. McGovern: — [Inaudible] ... the move for the amendment for the new clauses 5-44 and 5-45.

The Chair: — The new clauses will be added at the end of the bill.

Mr. McGovern: — If the Chair is indicating that the new clauses will be voted at the end of the bill under the new procedure for committee, then that’s acceptable. Thank you.

Clause 5-46

The Chair: — That’s exactly what I was going to tell you. Okay, we’re going to start here at clause 5-46, is that agreed?

Some Hon. Members: — No.

The Chair: — Clause 5-46 is not agreed. The clause is defeated.

[Clause 5-46 not agreed to.]

[Clauses 5-47 to 5-51 inclusive agreed to.]

Clause 5-52

The Chair: — Clause 5-52, is that agreed?

Some Hon. Members: — No.

The Chair: — Clause 5-52 is not agreed. The clause is defeated.

[Clause 5-52 not agreed to.]

[Clauses 5-53 to 5-69 inclusive agreed to.]

Clause 5-70

The Chair: — Clause 5-70. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following motion to amend clause 5-70 of the printed bill:

Amend clause (1)(g) of clause 5-70 of the printed bill by striking out “an agency contract” and substituting “a contract”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 5-70. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 5-70 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 5-70 as amended agreed to.]

[Clauses 5-71 to 6-21 inclusive agreed to.]

Clause 7-1

The Chair: — Clause 7-1. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment of clause 7-1:

Amend clause 7-1 of the printed bill by striking out the definition of “**complaint**”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 7-1. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 7-1 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 7-1 as amended agreed to.]

[Clauses 7-2 to 7-15 inclusive agreed to.]

Clause 7-16

The Chair: — Clause 7-16, is that agreed?

Some Hon. Members: — No.

The Chair: — Clause 7-16 is not agreed. The clause is defeated.

[Clause 7-16 not agreed to.]

[Clauses 7-17 to 7-22 inclusive agreed to.]

Clause 7-23

The Chair: — Clause 7-23. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment to amend clause 7-23 of the printed bill:

(a) in subsection (1) in clause (b) of the definition of “**claimant**” by adding “, a group person insured” after “group life insured”; and

(b) in subsection (2) by striking out “at the time the insurer first receives notice of a claim and” in the portion preceding clause (a).

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 7-23. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 7-23 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 7-23 as amended agreed to.]

[Clauses 7-24 to 7-26 inclusive agreed to.]

Clause 7-27

The Chair: — Clause 7-27. I recognize Mr. Merriman.

Mr. Merriman: — Thank you very much, Madam Chair. I move the following amendment:

Clause 7-27 of the printed bill

Strike out clause (1)(m) of clause 7-27 of the printed bill and substitute the following:

“(m) respecting the receiving, handling and resolution of complaints against insurers, insurance intermediaries and adjusters, including regulations:

(i) governing the procedures to be followed or otherwise used by insurers, insurance intermediaries and adjusters in receiving complaints, including procedures for acknowledging receipt of complaints;

(ii) governing the procedures to be followed or otherwise used by insurers, insurance intermediaries and adjusters in handling complaints, including establishing a system of recording complaints;

(iii) governing the procedures to be followed or otherwise used by insurers, insurance intermediaries and adjusters in resolving complaints, including the remedies available to resolve complaints;

(iv) requiring insurers, insurance intermediaries and adjusters to appoint an officer in charge of the insurers’, insurance intermediaries’ and adjusters’ complaint procedures and prescribing the functions and duties of that officer;

(v) requiring insurers, insurance intermediaries and adjusters to file annual reports with the Superintendent with respect to complaints received by them, including the number and nature of the complaints received according to categories and prescribing categories for that purpose;

(vi) requiring an insurer, insurance intermediary or adjuster to be a member of a prescribed organization for the purpose of dealing with complaints;

(vii) governing the duties, functions and powers of the Superintendent, if any, with respect to the receiving, handling and resolution of complaints”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 7-27. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 7-27 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 7-27 as amended agreed to.]

[Clauses 8-1 to 8-27 inclusive agreed to.]

Clause 8-28

The Chair: — Clause 8-28. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following:

Amend clause 8-28 of the printed bill by adding the following subsection after subsection (3):

“(4) Statutory Conditions 1 and 6 to 13 apply only to, and need only be printed on, contracts that include insurance against loss or damage to property”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 8-28. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 8-28 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 8-28 as amended agreed to.]

[Clause 8-29 agreed to.]

Clause 8-30

The Chair: — Clause 8-30. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment on clause 8-30:

Strike out subsection (2) of clause 8-30 of the printed bill and substitute the following:

“(2) If a contract of insurance is evidenced by a policy that contains a liability clause, the contract must contain a prescribed notice in the prescribed form”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 8-30. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 8-30 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 8-30 as amended agreed to.]

[Clauses 8-31 and 8-32 agreed to.]

Clause 8-33

The Chair: — Clause 8-33. I recognize Mr. Merriman.

[16:00]

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment for clause 8-33 of the printed bill:

Amend clause 8-33 of the printed bill by adding the following subsections after subsection (2):

“(3) If the interest of an insured in any recovery is limited to the amount provided under a clause in the contract to which subsections 8-65(2) and (3) apply, the insurer is entitled to have control of the action.

“(4) Either the insured or the insurer may apply to the court to determine any of the matters set out in clause (b) if:

(a) the interest of an insured in any recovery exceeds that mentioned in subsection (3); and

(b) the insured and the insurer cannot agree as to:

(i) the lawyers to be instructed to bring the action in the name of the insured;

(ii) the conduct and carriage of the action or any matters related to the action;

(iii) any offer of settlement or the apportionment of an offer of settlement, whether an action has been commenced or not;

(iv) the acceptance of any money paid into court or the apportionment of money paid into court;

(v) the apportionment of costs; or

(vi) the commencement or prosecution of an appeal.

“(5) On an application pursuant to subsection (4), the court may make any order that it considers reasonable having regard to the interests of the insured and the insurer in any recovery in the action or proposed action or in any offer of settlement.

“(6) On an application pursuant to subsection (4), only the insurer and the insured are entitled to notice and to be

heard on the application, and no material or evidence used or taken on the application is admissible in the trial of an action brought by or against the insured or the insurer.

“(7) A settlement or release given before or after an action is brought does not bar the rights of the insured or the insurer as the case may be, unless they have concurred in the settlement or release”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 8-33. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 8-33 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 8-33 as amended agreed to.]

[Clauses 8-34 to 8-64 inclusive agreed to.]

Clause 8-65

The Chair: — Clause 8-65. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment for clause 8-65 of the printed bill:

Strike out subsection (3) of clause 8-65 of the printed bill and substitute the following:

“(3) If a clause is included in accordance with subsection (2), the policy must include a prescribed notice in the prescribed form”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 8-65. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 8-65 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 8-65 as amended agreed to.]

[Clauses 8-66 to 8-82 inclusive agreed to.]

Clause 8-83

The Chair: — Clause 8-83. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I propose an amendment for clause 8-83 of the printed bill.

Strike out subsections (2) and (3) of clause 8-83 of the printed bill and substitute the following:

“(2) If a disagreement occurs regarding payment of a claim or loss or if an insurer denies an insured’s claim, the insurer shall, within two business days after the disagreement arose or after the denial of the claim, give written notice to the insured of the following options available to the insured:

(a) make a complaint against the insurer to any of the following:

(i) the Superintendent;

(ii) a complaint body approved by the Superintendent;

(b) enter into the dispute resolution process described in Statutory Condition 15 set out in section 8-95;

(c) accept the insurer’s offer of settlement, if the insurer has made an offer; or

(d) commence an action against the insurer within the limitation period as established by *The Limitations Act*.

“(3) A written notice mentioned in subsections (1) and (2) must include a copy of this section and Statutory Condition 15 set out in section 8-95”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 8-83. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 8-83 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 8-83 as amended agreed to.]

[Clauses 8-84 to 8-88 inclusive agreed to.]

Clause 8-89

The Chair: — Clause 8-89. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment for clause 8-89 of the printed bill:

Strike out subsection (2) of clause 8-89 of the printed bill and substitute the following:

“(2) If the policy contains the clause mentioned in subsection (1), the policy must include a prescribed notice

in the prescribed form”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 8-89. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 8-89 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 8-89 as amended agreed to.]

[Clauses 8-90 to 8-97 inclusive agreed to.]

Clause 8-98

The Chair: — Subdivision 5, life insurance, subdivision 1, preliminary matters, clause 8-98. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment for clause 8-98 of the printed bill:

Amend clause 8-98 of the printed bill:

(a) by adding the following definition in alphabetical order:

“‘**group insurance**’ means insurance, other than creditor’s group insurance and family insurance, under which the lives of a number of persons are insured severally under a single contract between an insurer and an employer or other person”; and

(b) by striking out the definition of “**group life insured**” and substituting the following:

“‘**group life insured**’ means a person (the ‘primary person’) whose life is insured under a contract of group insurance, but does not include a person whose life is insured under the contract as a person dependent on or related to the primary person”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 8-98. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 8-98 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 8-98 as amended agreed to.]

Clause 8-99

The Chair: — Clause 8-99. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment for clause 8-99 of the printed bill:

Amend clause 8-99 of the printed bill by striking out “Sections 8-8 and 8-14” and substituting “Sections 8-14 and 8-19”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 8-99. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 8-99 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 8-99 as amended agreed to.]

[Clauses 8-100 to 8-103 inclusive agreed to.]

Clause 8-104

The Chair: — Clause 8-104. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment for 8-104 of the printed bill:

Clause 8-104 of the printed bill

Amend clause 8-104 of the printed bill by striking out subsection (3) and substituting the following:

“(3) If a policy contains a provision removing or restricting the right of the insured to designate persons to whom or for whose benefit insurance money is to be payable, the policy must include a prescribed notice in the prescribed form”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 8-104. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 8-104 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 8-104 as amended agreed to.]

[Clause 8-105 agreed to.]

Clause 8-106

The Chair: — Clause 8-106. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment for clause 8-106 of the printed bill:

Amend clause 8-106 of the printed bill by striking out subclause (1)(d)(ii) and substituting the following:

“(ii) a prescribed notice in the prescribed form”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 8-106. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 8-106 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 8-106 as amended agreed to.]

Clause 8-107

The Chair: — I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment for clause 8-107 of the printed bill:

Amend clause 8-107 of the printed bill by striking out subsection (2) and substituting the following:

“(2) A contract is not void for lack of insurable interest:

(a) if it is a contract of group insurance; or

(b) if the person whose life is insured has consented to the writing of the insurance being placed on his or her life”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 8-107. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 8-107 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 8-107 as amended agreed to.]

[Clauses 8-108 to 8-113 inclusive agreed to.]

The Chair: — Clause 8-144. I recognize Mr. Merriman.

Mr. Merriman: — 114.

Clause 8-114

The Chair: — Oh, 114. Sorry. I do apologize.

Mr. Merriman: — Thank you, Madam Chair. I feel your pain.

Amend clause 8-114 of the printed bill by striking out clause (3)(b) and substituting the following:

“(b) if the failure to disclose or misrepresentation relates to evidence of insurability specifically requested by the insurer at the time of application for an addition, increase or change mentioned in subsection 8-113(3) with respect to the person, the addition, increase or change with respect to that person is voidable by the insurer”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 8-114. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 8-114 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 8-114 as amended agreed to.]

[Clauses 8-115 to 8-146 inclusive agreed to.]

[16:15]

Clause 8-147

The Chair: — Clause 8-147. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment for clause 8-147 of the printed bill:

Amend clause (2)(b) of clause 8-147 of the printed bill by striking out “at a rate not exceeding” and substituting “at a rate not less than”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 8-147. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 8-147 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 8-147 as amended agreed to.]

[Clauses 8-148 to 8-154 inclusive agreed to.]

Clause 8-155

The Chair: — Division 6, accident and sickness insurance, subdivision 1, preliminary matters, clause 8-155. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment for clause 8-155 of the printed bill:

Amend clause 8-155 of the printed bill by striking out the definition of “**group person insured**” and substituting the following:

“‘**group person insured**’ means a person (the ‘primary person’) whose life or well-being, or both, are insured under a contract of group insurance, but does not include a person whose life or well-being, or both, are insured under the contract as a person dependent on or related to the primary person”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 8-155. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 8-155 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 8-155 as amended agreed to.]

Clause 8-156

The Chair: — Clause 8-156. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment:

Amend clause 8-156 of the printed bill by striking out “Sections 8-8 and 8-14” and substituting “Sections 8-14 and 8-19”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 8-156. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 8-156 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 8-156 as amended agreed to.]

[Clauses 8-157 to 8-159 inclusive agreed to.]

Clause 8-160

The Chair: — Clause 8-160. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment:

Amend clause 8-160 of the printed bill by striking out subsection (3) and substituting the following:

“(3) If a policy contains a provision removing or restricting the right of the insured to designate persons to whom or for whose benefit insurance money is to be payable, the policy must include a prescribed notice in the prescribed form”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 8-160. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 8-160 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 8-160 as amended agreed to.]

[Clauses 8-161 to 8-163 inclusive agreed to.]

Clause 8-164

The Chair: — Clause 8-164. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment:

Amend clause 8-164 of the printed bill by striking out subclause (1)(d)(ii) and substituting the following:

“(ii) a prescribed notice in the prescribed form”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 8-164. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 8-164 as amended agreed?

(a) in clause (a) by striking out “or well-being or both”; and

Some Hon. Members: — Agreed.

(b) in clause (b) by striking out “contract of insurance” and substituting “contract of life insurance”.

The Chair: — Carried.

[Clause 8-164 as amended agreed to.]

I so move.

[Clause 8-165 agreed to.]

The Chair: — Mr. Merriman has moved an amendment to clause 8-178. Do committee members agree with the amendment as read?

Clause 8-166

The Chair: — Clause 8-166. I recognize Mr. Merriman

Some Hon. Members: — Agreed.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment:

The Chair: — Carried. Is clause 8-178 as amended agreed?

Amend clause 8-166 of the printed bill by striking out subsection (2) of statutory condition 1.

Some Hon. Members: — Agreed.

I so move.

The Chair: — Carried.

The Chair: — Mr. Merriman has moved an amendment to clause 8-166. Do committee members agree with the amendment as read?

[Clause 8-178 as amended agreed to.]

[Clauses 8-179 to 8-192 inclusive agreed to.]

Some Hon. Members: — Agreed.

Clause 8-193

The Chair: — Clause 8-193, is that agreed?

The Chair: — Carried. Is clause 8-166 as amended agreed?

Some Hon. Members: — No.

Some Hon. Members: — Agreed.

The Chair: — Clause 8-193 is not agreed. The clause is defeated.

The Chair: — Carried.

[Clause 8-193 not agreed to.]

[Clause 8-166 as amended agreed to.]

[Clauses 8-194 to 10-24 inclusive agreed to.]

[Clause 8-167 agreed to.]

Clause 8-168

Clause 10-25

The Chair: — Clause 8-168, is that agreed?

The Chair: — Clause 10-25, is that agreed?

Some Hon. Members: — No.

Some Hon. Members: — No.

The Chair: — Clause 8-168 is not agreed. The clause is defeated.

The Chair: — Clause 10-25 is not agreed. The clause is defeated.

[Clause 8-168 not agreed to.]

[Clause 10-25 not agreed to.]

[Clauses 8-169 to 8-177 inclusive agreed to.]

Clause 8-178

Clause 10-26

The Chair: — Clause 10-26. I recognize Mr. Merriman.

The Chair: — Subdivision 4, beneficiaries, clause 8-178. I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move the following amendment to clause 10-26 of the printed bill:

Mr. Merriman: — Thank you, Madam Chair. I move the following:

Amend clause 10-26 of the printed bill:

Amend clause 8-178 of the printed bill

(a) in subsection (1) by striking out “, adjuster or insurance intermediary” in the portion preceding clause (a); and

Amend subsection (7) of clause 8-178 of the printed bill:

(b) in subsection (2) by striking out “, adjuster’s or insurance intermediary’s”.

I so move.

The Chair: — Mr. Merriman has moved an amendment to clause 10-26. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 10-26 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 10-26 as amended agreed to.]

Clause 10-27

The Chair: — Clause 10-27, is that agreed?

Some Hon. Members: — No.

The Chair: — Clause 10-27 is not agreed. The clause is defeated.

[Clause 10-27 not agreed to.]

[Clause 10-28 agreed to.]

Clause 10-29

The Chair: — Clause 10-29, is that agreed?

Some Hon. Members: — No.

The Chair: — Clause 10-29 is not agreed. The clause is defeated.

[Clause 10-29 not agreed to.]

[Clauses 10-30 to 11-15 inclusive agreed to.]

[16:30]

Clause 5-44

The Chair: — I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. The new clause 5-44 of the printed bill:

Add the following clause after clause 5-43 of the printed bill:

“Recommendation for adjuster’s licence

5-44(1) Every individual who applies for or holds an adjuster’s licence must:

(a) be an employee or independent contractor of a business or partner of a partnership that holds an adjuster’s licence; and

(b) be recommended by the designated representative

of the business that holds a valid adjuster’s licence for the class of insurance for which the individual is applying.

(2) The designated representative shall certify in writing that the applicant is:

(a) of good character;

(b) qualified to act as an adjuster; and

(c) knowledgeable about the class of insurance for which the designated representative is recommending that the applicant be licensed.

(3) Subsection (1) does not apply to the designated representative of a business.

(4) Every business that applies for or holds an adjuster’s licence must be recommended by:

(a) an insurer that is licensed to undertake the class of insurance for which the business is applying; or

(b) a managing general agent of a licensed insurer mentioned in clause (a).

(5) The licensed insurer or managing general agent shall certify in writing that the applicant or business is:

(a) of good character;

(b) qualified to act as an adjuster; and

(c) knowledgeable about the class of insurance for which the insurer is recommending that the applicant or business be licensed”.

I so move.

The Chair: — Mr. Merriman has moved new clause 5-44. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is new clause 5-44 agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 5-44 agreed to.]

Clause 5-45

The Chair: — I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I propose a new clause 5-45 of the printed bill. New clause 5-45 of the printed bill.

Add the following clause after clause 5-44 of the printed bill:

“Screening procedures - adjusters

5-45 (1) Every insurer or managing general agent that recommends that a business be issued an adjuster’s licence shall:

- (a) establish reasonable screening procedures to determine whether the business is suitable to act as an adjuster; and
- (b) use those procedures to screen the business before making a recommendation.

(2) Every business for which a designated representative recommends that an individual be issued an adjuster’s license shall:

- (a) establish reasonable screening procedures to determine whether the individual is suitable to act as an adjuster; and
- (b) use those procedures to screen an individual before making a recommendation”.

I so move.

The Chair: — Mr. Merriman has moved new clause 5-45. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is new clause 5-45 agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 5-45 agreed to.]

Clause 5-46

The Chair: — I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I propose the amendment for new clause 5-46 of the printed bill:

Add the following clause after clause 5-45 of the printed bill:

“Ongoing monitoring

5-46 Every insurer or managing general agent that recommends that a business be licensed or business for which a designated representative recommends that an individual be licensed shall:

- (a) establish reasonable procedures to ensure that those licensees are knowledgeable about the business of adjusting; and
- (b) ensure that those procedures established pursuant to clause (a) are being used”.

I so move.

The Chair: — Mr. Merriman has moved new clause 5-46. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is new clause 5-46 agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 5-46 agreed to.]

Clause 5-52

The Chair: — I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move that new clause 5-52 of the printed bill:

Add the following clause after clause 5-51 of the printed bill:

“Categories of adjuster’s licences

5-52 The following categories of licences may be issued to adjusters:

- (a) crop hail insurance;
- (b) one or more classes of property and casualty insurance”.

I so move.

The Chair: — Mr. Merriman has moved new clause 5-52. Do committee members agree with the amendments as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is new clause 5-52 agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 5-52 agreed to.]

Clause 7-16

The Chair: — I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move new clause 7-16 of the printed bill:

Add the following clause after clause 7-15 of the printed bill:

“Trading in life insurance policies

7-16 Unless specifically authorized in the regulations to do so, no person other than a life company shall:

- (a) advertise or hold himself, herself or itself out as a purchaser of life insurance policies or of benefits

under life insurance policies; or

(b) traffic or trade in life insurance policies for the purpose of procuring the sale, surrender, transfer, assignment, pledge or hypothecation of life insurance policies to himself, herself or itself or any other person”.

I so move.

The Chair: — Mr. Merriman has moved new clause 7-16. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is new clause 7-16 agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 7-16 agreed to.]

Clause 8-168

The Chair: — I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I think we're getting there. New clause 8-168 of the printed bill:

Add the following clause after clause 8-167 of the printed bill:

“Notice of Statutory Conditions

8-168 In the case of a policy of a non-renewable type issued for a term of six months or less or in relation to a ticket of travel, the Statutory Conditions need not be printed on or attached to the policy if the policy contains a prescribed notice in the prescribed form”.

I gladly move.

The Chair: — Mr. Merriman has moved new clause 8-168. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is new clause 8-168 agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 8-168 agreed to.]

Clause 8-193

The Chair: — I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I'd like to move an amendment. New clause 8-193 of the printed bill:

Add the following clause after clause 8-192 of the printed

bill:

“Proof of claim

8-193 An insurer shall, within 60 days after receiving sufficient evidence of the matters mentioned in Statutory Conditions 5(1)(b) and (c) set out in section 8-166, pay the insurance money to the person entitled to it”.

I so move.

The Chair: — Mr. Merriman has moved the new clause 8-193. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is new clause 8-193 agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 8-193 agreed to.]

Clause 10-25

The Chair: — I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I propose an amendment. New clause 10-25 of the printed bill:

Add the following clause after clause 10-24 of the printed bill:

“Attorney for service

10-25(1) Every licensed insurer shall appoint an attorney for service who is a resident of Saskatchewan.

(2) Service of any notice or document in a legal action or proceeding on a licensed insurer may be effected by:

(a) leaving a copy of the notice or document with the attorney for service;

(b) leaving a copy of the notice or document with an individual at the address of its attorney for service; or

(c) sending the notice or document by registered mail to the address mentioned in clause (b).

(3) A notice or document served in accordance with clause (2)(c) is deemed to have been received on the fifth business day following the date of its mailing, unless the attorney for service establishes that, through no fault of the attorney for service, the attorney for service did not receive the notice or document or received it at a later date.

(4) Every licensed insurer shall ensure that its attorney for service's office is open during normal business hours”.

I so move.

The Chair: — Mr. Merriman has moved new clause 10-25. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is new clause 10-25 agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 10-25 agreed to.]

Clause 10-27

The Chair: — I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. I move new clause 10-27 of the printed bill:

Add the following clause after clause 10-26 of the printed bill:

“Service on attorney is binding

10-27 Service of notices or documents on the licensed insurer’s attorney for service is binding on the licensed insurer”.

I so move.

The Chair: — Mr. Merriman has moved new clause 10-27. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is new clause 10-27 agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 10-27 agreed to.]

Clause 10-29

The Chair: — I recognize Mr. Merriman.

Mr. Merriman: — Thank you, Madam Chair. This is the last one. New clause 10-29 of the printed bill:

Add the following clause after clause 10-28 of the printed bill:

“Change in attorney for service

10-29(1) If the attorney for service of a licensed insurer dies or resigns or if an insurer revokes the appointment of its attorney for service, the insurer shall, within five business days, file with the Superintendent:

(a) the appointment of its new attorney for service; and

(b) the consent of the individual to act as the attorney

for service.

(2) An attorney for service of a licensed insurer who intends to resign shall:

(a) give not less than 60 days’ notice to the insurer; and

(b) send a copy of the notice to the Superintendent”.

I so move.

The Chair: — Mr. Merriman has moved new clause 10-29. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is new clause 10-29 agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 10-29 agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Insurance Act*.

I would ask Mr. Merriman to move that we report Bill No. 177, *The Insurance Act* with amendments.

Mr. Merriman: — I so move, Madam Chair.

The Chair: — Thank you very much. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Minister, do you have any final comments?

Hon. Mr. Wyant: — Thank you, Madam Chair. Well first I’d like to thank the committee for their patience and their diligence in getting the bill through committee. I’d like to thank Mr. Nilson for his comments; the officials that are here today — Mr. McGovern, Mr. Hall, Ms. Chapco, and Ms. Seibel; and I’d also like to thank Hansard for their participation here as well today. So thank you.

The Chair: — Okay. Mr. Nilson.

[16:45]

Mr. Nilson: — Thank you, Madam Chair. I’d like to say thank you to the minister and all the officials and the committee and staff for taking a large task and putting it into a form that we all could understand. Now we have a new insurance Act, although we heard a little earlier it might take about a year and a half before we actually see it in use. But that’s understandable after all of the work that we’ve done this afternoon.

Thank you very much for all of the hard work, and I think a special thank you to Mr. Jim Hall because he’s been working on

this project for at least 20 years, maybe 30 years, and this seems like a short period of time for him, even though we've spent quite a bit of time. But thank you very much, Jim.

The Chair: — Thank you very much, Mr. Nilson. I know the minister has one comment, but I have a comment too. I don't really believe "ombudservice" is a real word. I think you guys made that up. I just wanted to kind of add that in. Minister Wyant, do you have something you would like to also add?

Hon. Mr. Wyant: — We make lots of stuff up.

I just want to echo the comments that Mr. Nilson made. Mr. Hall has done a tremendous amount of work. His job is not done. We have all the regulations that we have to work through and the additional consultation. He really deserves credit for the product that's here today. So I wanted to thank him personally again, and thank Mr. Nilson for recognizing that.

The Chair: — Excellent. Thank you very much, Minister. I'd also like to thank all the committee members, especially Mr. Merriman for, as one would like to say, the heavy lifting in some of this. But thank you to all the officials who have worked so diligently to bring forward a fairly hefty piece of legislation. And so I would like to ask a member . . .

Mr. Steinley: — I so move.

The Chair: — Okay. To adjourn, Member Steinley has made the motion to adjourn, and the committee stands adjourned until the call of the Chair. So thank you very much, everyone. Good night.

[The committee adjourned at 16:47.]