

LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
6TH COUNCIL, 38TH SESSION

REFERENCE FOR ADVICE
NO. 2-38

TABLED ON JANUARY 13, 1969



January 10, 1969
CONFIDENTIAL-
Not for release before
1st reading during the
38th Session of Council

*Tabled on January 13, 1969
Reference for Advice 2-38*

REFERENCE FOR ADVICE NO. 2-38
(First Session, 1969)

PROVINCIAL INSURANCE COMPANIES WISHING TO DO BUSINESS IN THE
NORTHWEST TERRITORIES

DISPOSITION

Tabled	To Committee	Accepted as Read	Accepted as Amended	Deferred (to Session)	Rejected	Noted not Considered

January 10, 1969

PROVINCIAL INSURANCE COMPANIES WISHING TO DO BUSINESS IN THE
NORTHWEST TERRITORIES

At present the *Insurance Ordinance* permits only national and international insurance companies licenced under the *Federal Insurance Act* to write life insurance in the Northwest Territories. The reason for this is because we are relying on the federal Insurance Department officials to check these companies from the point of view of solvency, because we do not have the administrative machinery in the Territorial Government to do these checks on our own. This is a basic necessity in order to protect the policy holders from possible insolvencies. The effect that this has however, is that large amounts of premium dollars leave the Northwest Territories yearly and go to these national and international insurance companies. Because these companies are headquartered either in Europe or Eastern Canada, and because these companies do not lend back these premium dollars by way of mortgage money in the Northwest Territories, we are exporting these dollars out of the Northwest Territories for investment elsewhere.

Probably the single greatest drawback to business expansion in the Northwest Territories is the lack of mortgage money. Except for a few chartered banks, C.M.H.C. and I.D.B., no one will lend money for business expansion in the Northwest Territories.

Discussions with the Honourable Mr. A. Holowach, the Provincial Secretary of the Province of Alberta, Mr. P.B. Howard, the Deputy Provincial Secretary and Mr. J.A. MacPhee, the Superintendent of Insurance have been held. They have displayed a favourable interest in the possibility of having their provincial insurance companies doing business in the Northwest Territories. It is suggested that, provided no unforeseen difficulties are encountered, arrangements at the executive level could be made whereby the solvency examinations of insurance companies who wish to do business in the Territories could be conducted by the Alberta Superintendent of Insurance. These arrangements would likely require enabling legislation by the province in which the insurance company is incorporated in order to be empowered to do business in the Territories. The Northwest Territories would also be required to amend its Ordinance to widen the qualifications to include provincial insurance companies that comply with the conditions laid down under arrangements with Alberta authorities.

The Commissioner requests the advice of Council on whether to proceed with the preparation of legislation for the second session of this year and to conduct further negotiations with the Alberta Government officials.