

**LEGISLATIVE ASSEMBLY OF THE  
NORTHWEST TERRITORIES  
6<sup>TH</sup> COUNCIL, 39<sup>TH</sup> SESSION**

**RECOMMENDATION TO COUNCIL  
NO. 1-39**

**TABLED ON JUNE 16, 1969**

Recommendation to Council 1-39  
Tabled on June 16, 1969  
May 15, 1969



RECOMMENDATION TO COUNCIL No. 1

PROVINCIAL INSURANCE COMPANIES WISHING TO CONDUCT BUSINESS  
IN THE NORTHWEST TERRITORIES

DISPOSITION

Tabled	To Committee	Accepted as Read	Accepted as Amended	Deferred (to Session)	Rejected	Noted not Considered
16-6-69	16-6-69	16-6-69				

PROVINCIAL INSURANCE COMPANIES WISHING TO CONDUCT BUSINESS  
IN THE NORTHWEST TERRITORIES

The present Insurance Ordinance defines an "Insurer", as "a company registered under the Canadian and British Companies Act or the Foreign Insurance Companies Act." This means that only Insurance Companies registered with the Federal Department of Insurance are authorized to conduct business or deal through agents in the Northwest Territories. The Federal Department of Insurance provides on behalf of the Government of the Northwest Territories the Control and Policing functions necessary to the operation of Insurance Companies.

A proposal has been received from insurers in a province who are not registered under the above noted Legislation but rather are registered under provincial jurisdiction. Provincial authorities provide the necessary control, audit and policing of these companies. Contingent upon registration in provincial jurisdictions are a number of conditions regarding investment of funds, profit and other monies generated in the conduct of business. These generally restrict investment to activities carried on within the province. Under the present Insurance Ordinance of the Northwest Territories conditions of this nature cannot be imposed.

In considering legislation to license provincially based companies to conduct business in the Northwest Territories consideration must be given to the problems of policing, auditing and control. These activities require insurance administrations in all provinces, which the Government of the Northwest Territories is not in a position to establish. Reciprocal legislation, which would allow provincial companies to conduct business in the Northwest Territories would be a further requirements. One province has already agreed to incorporate legislation to allow policing on behalf of the Government of the Northwest Territories by provincial authorities as a condition to approval of provincial companies authorized to insure in the Northwest Territories.

RECOMMENDATION

The Commissioner, therefore, recommends that legislation be prepared and placed before Council at the second Session, 1970, which would authorize Insurance Companies, licensed in a province in Canada, to conduct business in the Northwest Territories. This legislation must be contingent upon agreement with the province and reciprocal provincial legislation. It should outline terms and conditions designed to make optimum use within the Northwest Territories of funds generated in the conduct of business. The legislation must also be contingent upon agreement of the province to provide audit, control and policing facilities on behalf of the Government of the Northwest Territories.