



Province of Alberta

INSURANCE ACT

INSURANCE AGENTS AND ADJUSTERS REGULATION

Alberta Regulation 122/2001

With amendments up to and including Alberta Regulation 199/2012

Office Consolidation

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(Consolidated up to 199/2012)

ALBERTA REGULATION 122/2001

Insurance Act

**INSURANCE AGENTS AND
ADJUSTERS REGULATION**

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Interpretation

1(1) In this Regulation,

- (a) repealed AR 199/2012 s2;
- (b) “Act” means the *Insurance Act*;
- (c) “business” means a body corporate, partnership or sole proprietorship, but does not include an insurer;
- (c.1) “certificate of authority” means an accident and sickness agent’s certificate of authority, a general insurance agent’s certificate of authority, an adjuster’s certificate of authority or a life insurance agent’s certificate of authority, as the case may be;
- (d) “conflict of interest position” means a situation where an insurance agent or an adjuster has an incentive to act other than in the best interest of the client;
- (e) “former Insurance Act” means the *Insurance Act* (RSA 1980 cI-5);
- (f) “freight forwarding company” means a corporation that carries on business offering freight forwarding services, including services related to the carriage, consolidation, storage, handling, packing or distribution of transported goods;
- (g) “general insurance” means any class of property and casualty insurance, other than accident and sickness insurance;
- (h) “general insurance agent” means an insurance agent for general insurance;
- (i) repealed AR 199/2012 s2;
- (j) “individual” does not include an individual who is the sole proprietor of a sole proprietorship;

- (k) repealed AR 199/2012 s2;
 - (l) “personal information” means information about an identifiable individual but does not include the name, title, business address or business telephone number of the individual;
 - (m) “property and casualty insurance” means any class of insurance other than life insurance;
 - (n) “restricted certificate” means a restricted insurance agent’s certificate of authority issued under section 454 of the Act;
 - (o) “sales finance company” means a corporation, other than a financial institution, that provides consumer loans, and, for the purposes of this Regulation, a corporation that provides or arranges to provide credit;
 - (p) repealed AR 144/2011 s4.
- (2)** In subsections (3) and (5),
- (a) “creditor’s group insurance” means insurance effected by a creditor whereby the lives or well-being or the lives and well-being of a number of its debtors are insured severally under a single contract;
 - (b) “group travel insurance” means travel insurance effected by an entity named pursuant to section 454 of the Act.
- (3)** The following are prescribed contracts of group insurance for the purposes of the definition of insurance agent under section 1(bb)(v) of the Act:
- (a) creditor’s group insurance;
 - (b) group travel insurance.
- (4)** Without limiting the generality of section 5(1)(f) or (2)(d), an individual is deemed to be in a position to use coercion or undue influence in order to control, direct or secure insurance business if the individual is an officer, employee or independent contractor of a deposit-taking institution other than a special purpose trust company within the meaning of the *Loan and Trust Corporations Act* or sales finance company, unless the individual is acting under a restricted certificate.
- (5)** In sections 14 and 15, “credit-related insurance” means
- (a) creditor’s group insurance, or

(b) insurance effected by a creditor against the risk of default by a debtor due to involuntary loss of employment.

(6) In Part 2, a reference to an Associate or Fellow of the Insurance Institute of Canada, includes a Chartered Insurance Professional or a Fellow Chartered Insurance Professional, as the case may be.

(7) Repealed AR 94/2006 s2.

AR 122/2001 s1;196/2005;94/2006;144/2011;199/2012

Part 1 Insurance Agents

Classes and Levels of Certificates of Authority

Classes of certificate

2(1) The following classes of insurance agent's certificates of authority are established for individuals and businesses:

- (a) life insurance;
- (b) accident and sickness insurance;
- (c) general insurance.

(1.1) Repealed AR 199/2012 s3.

(1.2) The following levels within the general insurance class of insurance agent's certificates of authority are established for individuals:

- (a) probationary;
- (b) level 1;
- (c) level 2;
- (d) level 3.

(2) Repealed AR 199/2012 s3.

(3) A holder of an insurance agent's certificate of authority must comply with the limits, restrictions, terms and conditions imposed on the class or level of certificate of authority and may act as an insurance agent only for the class of insurance authorized by the certificate.

(4) No individual may hold more than one level of insurance agent's certificate of authority in each class.

(5) A general insurance agent's certificate of authority authorizes an insurance agent to sell travel insurance.

AR 122/2001 s2;9/2003;94/2006;199/2012

2.1 Repealed AR 199/2012 s4.

2.2 Repealed AR 122/2001 s2.2.

3 Repealed AR 199/2012 s4.

Ministerial restrictions

4 The Minister may, as a condition of an insurance agent's certificate of authority, limit the holder to the sale of a class of insurance and specified policies.

AR 122/2001 s4;94/2006

Certificates for individuals

5(1) In addition to the requirements of the Act, the requirements to be met by an individual in respect of a new insurance agent's certificate of authority are as follows:

- (a) the individual must, with respect to the class and level of certificate of authority being applied for, have passed an examination approved by the Minister and must apply for the certificate within 12 months following the passing of that examination with respect to the class and level of certificate of authority being applied for;
- (b) the individual must be mentally competent;
- (c) the individual must be trustworthy;
- (d) the individual must not have been convicted of any offence the nature of which, in the opinion of the Minister, would render the individual unfit to receive a certificate of authority;
- (e) the individual must not have the status of a conditionally discharged or undischarged bankrupt;
- (f) the individual must not be in a position to use coercion or undue influence in order to control, direct or secure insurance business;

- (g) the individual must not be engaged in another occupation or business that would place the individual in a conflict of interest position when acting as an insurance agent.

(2) In addition to the requirements of the Act, the requirements to be met by an individual to retain an insurance agent's certificate of authority or for a certificate of authority that is being renewed or reinstated are as follows:

- (a) the individual must have met the continuing education requirements set out in section 30;
- (b) the individual must be mentally competent;
- (c) the individual must not have the status of an undischarged bankrupt or, if the individual has the status of an undischarged bankrupt, the Minister is satisfied that the bankruptcy is not related to the individual's activities as an insurance agent, as a registrant under the *Securities Act*, or as a mortgage broker with the meaning of the *Real Estate Act*;
- (d) the individual must not be in a position to use coercion or undue influence in order to control, direct or secure insurance business;
- (e) the individual must not have been convicted of any offence the nature of which, in the opinion of the Minister, would render the individual unfit to receive a certificate of authority;
- (f) the individual must not be engaged in another occupation or business that would place the individual in a conflict of interest position when acting as an insurance agent.

AR 122/2001 s5;199/2012

Certificates for businesses

6(1) In addition to the requirements of the Act, the requirements to be met by a business in respect of a new insurance agent's certificate of authority are as follows:

- (a) the business must satisfy the Minister that the business is registered under the *Business Corporations Act* or under the *Partnership Act*, if applicable;
- (b) the business must not have been convicted of any offence the nature of which, in the opinion of the Minister, would render the applicant unfit to receive the certificate of authority;

- (c) repealed AR 196/2005 s3;
- (d) if the business is formed or incorporated in another province or territory it must provide evidence that it is licensed in that province or territory by the appropriate licensing authority as an insurance agent.

(2) In addition to the requirements of the Act, the requirements to be met by a business to retain an insurance agent's certificate of authority or for a certificate of authority that is being renewed or reinstated are as follows:

- (a) the business must not have been convicted of any offence the nature of which, in the opinion of the Minister, would render the applicant unfit to receive the certificate of authority.
- (b) repealed AR 196/2005 s3.

AR 122/2001 s6;196/2005

Licence from outside Alberta

7 If an individual or business from another jurisdiction obtains an insurance agent's certificate of authority in Alberta, and the licence issued by the appropriate licensing authority in that jurisdiction is subject to terms and conditions, the Minister may impose the same terms and conditions on the certificate of authority issued in Alberta.

Educational qualifications for life and accident and sickness insurance agents

8(1) An individual is not eligible to apply for a life insurance agent's certificate of authority unless within the previous 12 months the individual has met the educational requirements and passed an examination both of which have been approved by the Minister.

(2) Repealed AR 9/2003 s5.

(3) An individual is not eligible to apply for an accident and sickness certificate of authority unless within the previous 12 months the individual has met the educational requirements approved by the Minister and has passed an examination approved by the Minister.

(4) An individual who fails the examination referred to in subsection (1) or (3) is allowed to rewrite that examination more than once, but a 3rd or subsequent rewriting within a 3-year period is not allowed unless a period of at least 6 months has elapsed since the date of the previous rewriting.

(5) Despite subsections (1) and (3), an individual is not required to pass an examination referred to in those subsections if

- (a) the individual is not a resident of Alberta and is licensed to act as an insurance agent in the individual's home jurisdiction for the class of insurance being applied for and provides evidence from the appropriate licensing authority of the home jurisdiction certifying that the individual has satisfactorily completed courses in life insurance or accident and sickness insurance, as the case may be, and passed an examination that is equivalent to the examination referred to in subsection (1) or (3), as the case may be, and the Minister is of the opinion that the courses and examinations are equivalent,
- (b) the individual held a certificate of authority for the same class as is being applied for in the 2-year period before the receipt by the Minister of the application for a certificate of authority, or
- (c) the individual was licensed in another jurisdiction within the previous 12 months as an insurance agent in a class equivalent to that being applied for, is resident in Alberta, and provides evidence from the appropriate licensing authority of that jurisdiction certifying that the individual meets the course or examination requirements of clause (a).

(6) The Minister may issue an insurance agent's certificate of authority referred to in this section, subject to any terms and conditions the Minister may impose, covering a period not exceeding 180 days to an applicant who has not written an examination referred to in subsection (1) or (3) if the applicant is

- (a) the surviving spouse or surviving adult interdependent partner, next of kin or personal representative of a deceased agent who at the time of the agent's death held a subsisting certificate of authority, or
- (b) the spouse or adult interdependent partner, relative, employee, legal guardian or trustee of an insurance agent who, at the time of becoming disabled through sickness, incapacity, injury or other similar circumstances, held a subsisting certificate of authority.

AR 122/2001 s8;9/2003;93/2003;109/2003;
94/2006;199/2012

**Probationary general insurance agent's
certificate of authority**

8.1(1) The holder of a probationary general insurance agent's certificate of authority

- (a) must be supervised by an individual who holds a level 2 general insurance agent's certificate authority or who is a designated representative referred to in section 10, in accordance with standards established by the designated representative under section 10(4), and
- (b) must ensure that any document relating to the application for a policy of general insurance or for any changes to a policy of insurance is countersigned by a person who holds a level 2 general insurance agent's certificate authority or who is a designated representative referred to in section 10.

(2) A probationary general insurance agent's certificate of authority expires on the earlier of

- (a) 90 days after it is issued, and
- (b) the issuance of a level 1 general insurance agent's certificate of authority.

(3) A probationary insurance agent's certificate of authority may not be renewed.

(4) An individual is eligible to be issued a probationary general insurance agent's certificate of authority only once.

AR 199/2012 s8

Qualifications for general insurance agents

9(1) An individual is not eligible to apply for a level 1 general insurance agent's certificate of authority for any class of insurance unless within the previous 12 months the individual has passed the level 1 general insurance examination approved by the Minister.

(2) The holder of a level 1 general insurance agent's certificate of authority must be supervised by an individual who holds a level 2 general insurance agent's certificate of authority or who is a designated representative referred to in section 10, in accordance with standards established by the designated representative under section 10(4),

(3) An individual is not eligible to apply for a level 2 general insurance agent's certificate of authority unless, within the previous 12 months,

- (a) in the case of an individual who does not hold a level 1 general insurance agent's certificate of authority, the individual has passed the level 1 general insurance examination referred to in subsection (1) and the level 2 general insurance examination approved by the Minister, and
 - (b) in the case of an individual who holds a level 1 general insurance agent's certificate of authority, the individual has passed the level 2 general insurance examination referred to in clause (a).
- (4)** An individual is not eligible to apply for a level 3 general insurance agent's certificate of authority unless,
- (a) within the previous 36 months, the individual has held a level 2 general insurance agent's certificate of authority for a period of at least 24 months and has, within the previous 12 months, passed the level 3 general insurance examination approved by the Minister, and
 - (b) the individual has responsibility for the management and supervision of the business that holds a general insurance agent's certificate of authority.
- (5)** An individual who fails an examination referred to in subsection (1), (3) or (4) is allowed to rewrite that examination more than once, but a 3rd or subsequent rewriting within a 3-year period is not allowed unless a period of at least 6 months has elapsed since the date of the previous rewriting.
- (6)** Despite subsection (1), (3) or (4), an individual is not required to pass an examination referred to in those subsections
- (a) if
 - (i) the individual is not a resident of Alberta and is licensed to act as a general insurance agent in the individual's home jurisdiction,
 - (ii) provides evidence from the appropriate licensing authority of that jurisdiction certifying that the individual has passed examinations that are equivalent to the examination referred to in subsection (1), (3) or (4), as the case may be, and
 - (iii) the Minister is of the opinion that the examinations referred to in subclause (ii) are equivalent,
 - (b) if the applicant held a certificate of authority in the same class and level as is being applied for in the 2 year period

before the receipt by the Minister of the application for a certificate of authority,

- (c) if the individual intends to carry on business as an insurance agent only for hail insurance or livestock insurance, or
- (d) if the individual was licensed in another jurisdiction within the previous 12 months as an insurance agent in a class and level equivalent to those being applied for, is resident in Alberta, and provides evidence from the appropriate licensing authority of that jurisdiction certifying that the individual meets the examination requirement of clause (a).

(7) The Minister may issue a general insurance agent's certificate of authority, subject to any terms and conditions the Minister may impose, covering a period not exceeding 180 days to an applicant who has not written an examination referred to in subsection (1), (3) or (4), if the applicant is

- (a) the surviving spouse or surviving adult interdependent partner, next of kin or personal representative of a deceased agent who at the time of the agent's death held a subsisting general insurance agent's certificate of authority, or
- (b) the spouse or adult interdependent partner, relative, employee, legal guardian or trustee of an insurance agent, or the representative of a committee of insurers of an insurance agent, who at the time of becoming disabled through sickness, incapacity, injury or other similar circumstances, held a subsisting general insurance agent's certificate of authority.

AR 122/2001 s9;293/2002;109/2003;376/2003;
94/2006;144/2011;199/2012

Designated representative

10(1) This section establishes the requirements to be met by a designated representative of a business that holds an insurance agent's certificate of authority.

(2) A designated representative of a business must

- (a) be an individual,
- (b) subject to subsection (3), hold an insurance agent's certificate of authority that is of the same class as the insurance agent's certificate of authority held by the business, and

- (c) have responsibility for the management and supervision of the business.
- (3) The designated representative of a business that holds a general insurance agent's certificate of authority must
- (a) hold a level 3 general insurance agent's certificate of authority, or
- (b) have established eligibility for a level 3 general insurance agent's certificate of authority within the previous 12 months before being designated as a designated representative.
- (4) A designated representative of a business that holds a general insurance agent's certificate of authority must establish appropriate standards relating to the supervision of persons who hold a probationary or level 1 general insurance agent's certificate of authority.
- (5) In determining standards relating to the supervision of certificate holders referred to in subsection (4), the designated representative must take into account the levels of qualification, education and experience of the certificate holder, the nature of the insurance business being conducted, the requirements of the *Insurance Act* and any applicable regulations under the Act.
- (6) A person who on the coming into force of this subsection is, or within the previous 24 months was, a designated representative of a business that holds a general insurance agent's certificate of authority is eligible to apply for a level 3 general insurance agent's certificate of authority without having to write the examinations referred to in section 9(4)(a).

AR 122/2001 s10;9/2003;199/2012

Incompetence

11 If the Minister is satisfied that a holder of an insurance agent's certificate of authority has demonstrated incompetence to act as an insurance agent, one of the conditions that the Minister may impose under section 480(1) of the Act is that the certificate of authority will not be renewed or reinstated unless the individual who holds the certificate of authority takes a written examination, or courses, approved by the Minister and achieves a mark specified by the Minister.

Restricted Certificates

Information provided by consumer

12(1) The holder of a restricted certificate

- (a) may not use personal information given by a person buying insurance unless it is used for the purpose for which it is given and the person signs a consent that meets the requirements of subsection (2), and
- (b) may not release the information described in clause (a) to someone who is not an employee of the holder unless the person signs a consent that meets the requirements of subsection (3).

(2) The consent referred to in subsection (1)(a) must be identified as a consent to the person who is the subject of the information and specifically identify the purpose for which the information may be used by the restricted certificate holder.

(3) The consent referred to in subsection (1)(b) must be identified as a consent to the person who is the subject of the information and specifically identify the information to be released, to whom the information is to be released and the purpose for which the released information may be used.

(4) Subsection (1)(b) does not apply if the personal information

- (a) is released to another person as required by law, or
- (b) is released to the insurer on behalf of which the holder of the restricted certificate is marketing insurance.

Information from non-insurance transaction

13(1) If a holder of a restricted certificate receives, for the purposes of a non-insurance transaction, personal information pertaining to a person's insurance coverage, the holder may not

- (a) release the information to another person except for the purposes of the non-insurance transaction or a similar subsequent transaction, or
- (b) use the information for a purpose except for the purpose of the non-insurance transaction or a similar subsequent transaction.

(2) Subsection (1) does not apply if the release or use of the information pertaining to the person's insurance coverage is required by law.

Insurance application

14(1) When a holder of a restricted certificate negotiates or enters into a transaction with a person for credit-related insurance at the same time as a credit arrangement is being negotiated or entered

into with the person, the holder must provide the person with a separate application for the insurance coverage.

(2) A holder of a restricted certificate must, on request, provide a person making an application for insurance with a copy of the completed insurance application.

Disclosure

15(1) A holder of a restricted certificate, at the time the person applies for insurance coverage, must

- (a) provide to a person buying insurance
 - (i) a summary of the terms, including limitations and restrictions, of the insurance offered, and
 - (ii) a summary of the circumstances under which the insurance commences or terminates and the procedures to follow in making a claim,

and

- (b) notify a person buying insurance that the policy will be sent to the person, or in the case of a contract of group insurance, a certificate will be sent to the person.

(2) A holder of a restricted certificate who is marketing credit-related insurance, at the time of application for insurance coverage

- (a) must provide to a person buying insurance
 - (i) a statement that sets out the right to rescind the insurance contract and obtain a full refund of the premium pursuant to section 18, and
 - (ii) a statement that the duration of the insurance is less than the term of the amortization period of any related loan, or that the amount of the insurance is less than the indebtedness, if that is the case,

and

- (b) must inform a person buying insurance that the person may contact the insurer for further information or clarification, the name of the insurer that is providing the insurance and how that insurer may be contacted.

(3) The insurer on behalf of which the holder of the restricted certificate is marketing insurance must ensure that procedures are in place to effect the requirements of this section.

(4) Where a holder of a restricted certificate receives any compensation, inducement or benefit from an insurer, directly or indirectly, for selling insurance, the holder of a restricted certificate must disclose that fact to any person who is considering buying insurance from that holder.

Loan offers

16(1) A holder of a restricted certificate may not, when offering to make a loan to, or arrange a loan for, a person, inform the person that the person must, or require the person to, purchase insurance before the loan can be made.

(2) Despite subsection (1), a holder of a restricted certificate may, when offering to make a loan to, or arrange a loan for, a person, inform the person that the person must, or require the person to, purchase insurance if the insurance is to protect the lender against default of the borrower and the insurance is from an insurer licensed to do business in Alberta.

(3) For the purpose of subsection (2), a holder of a restricted certificate may not inform the person that the person must, or require the person to, purchase insurance from the holder or an insurer or insurance agent, specified by the holder.

Information certificate

17 A holder of a restricted certificate must

- (a) ensure that purchasers or potential purchasers of insurance are informed that they are contracting or considering contracting with an insurer and not with the holder, and
- (b) ensure that written documentation is provided to the purchaser of insurance evidencing the insurance and setting out the information required to be disclosed by clause (a) and section 15(1)(b) within 30 days of the insurance coming into force.

Right of rescission

18(1) A person who buys life insurance or accident and sickness insurance through the holder of a restricted certificate has 10 days, or any longer period specified in the policy or certificate, after receiving the written documentation referred to in section 17 to rescind the insurance.

(2) A person who rescinds insurance in accordance with subsection (1) is entitled to receive from the insurer a refund of the whole premium that has been paid.

AR 122/2001 s18;145/2011

Part 2 Adjusters

Levels of Certificates of Authority

Classes of certificates

19(1) The Minister may issue an adjuster's certificate of authority to a business for the purpose of section 460(1) of the Act.

(2) The following levels of adjusters' certificates of authority are established for individuals for the purposes of section 460(2) of the Act:

- (a) level 1 adjuster;
- (b) level 2 adjuster;
- (c) level 3 adjuster.

(3) It is a condition of each adjuster's certificate of authority that the holder comply with the limits, restrictions, terms and conditions imposed on the adjuster's certificate of authority.

(4) The Minister may issue an adjuster's certificate of authority limited to adjusting losses in respect of hail insurance, travel insurance or equipment warranty insurance.

(5) In this section, "travel insurance" means insurance against loss, damage, injury or expense caused by

- (a) accident, injury, sickness, property loss or theft arising during or in connection with travel, or
- (b) cancellation, delay or interruption of travel or intended travel.

AR 122/2001 s19:94/2006

Holding one level

20 No individual may hold more than one level of adjuster's certificate of authority.

Requirements

Eligibility for certificate

21(1) In addition to the requirements of the Act, the requirements to be met by an individual in respect of a new adjuster's certificate of authority are as follows:

- (a) the individual must have the educational qualifications set out by this Regulation with respect to the level of certificate of authority being applied for;
- (b) the individual must be mentally competent;
- (c) the individual must be trustworthy;
- (d) the individual must not have been convicted of any offence the nature of which, in the opinion of the Minister, would render the individual unfit to receive the certificate of authority;
- (e) the individual must not be engaged in another occupation or business that would place the individual in a conflict of interest position when acting as an adjuster.

(2) In addition to the requirements of the Act, the requirements to be met by an individual to retain an adjuster's certificate of authority or for a certificate of authority that is being renewed or reinstated are as follows:

- (a) the individual must not be engaged in another occupation or business that would place the individual in a conflict of interest position when acting as an adjuster;
- (b) the individual must be mentally competent;
- (c) the individual must not have been convicted of any offence the nature of which, in the opinion of the Minister, would render the individual unfit to receive a certificate of authority;
- (d) the individual must have met the continuing education requirements set out in section 30.

(3) In addition to the requirements of the Act, the requirements to be met by a business in respect of a new adjuster's certificate of authority, renewal of an adjuster's certificate of authority or reinstatement of an adjuster's certificate of authority and for retaining an adjuster's certificate of authority are as follows:

- (a) the business must not have been convicted of any offence the nature of which, in the opinion of the Minister, would render the business unfit to receive the certificate of authority;
- (b) the business must not be engaged in another business activity that would place the business in a conflict of interest position when acting as an adjuster;

- (c) the business must satisfy the Minister that the business is registered under the *Business Corporations Act* or under the *Partnership Act*, if applicable.

**Educational qualifications and restrictions
for insurance adjusters**

22(1) An individual is not eligible to apply for a level 1 adjuster's certificate of authority unless, within the previous 12 months, the individual has passed an examination approved by the Minister.

(2) An individual who fails the examination referred to in subsection (1) is allowed to rewrite that examination 2 further times at any time, but a 3rd or subsequent rewriting is not allowed unless a period of at least 6 months has elapsed since the date of the previous rewriting.

(3) An individual is not eligible to apply for a level 2 adjuster's certificate of authority unless the individual

(a) has successfully completed

- (i) 6 courses of the Insurance Institute of Canada for a designation as an Associate of the Insurance Institute of Canada, of which one course must be C 15 (Loss Adjustment and Claims Settlements), C 17 (Claims 1) or C 110 (Essentials of Loss Adjusting), or
- (ii) courses that in the opinion of the Minister are equivalent to the courses referred to in subclause (i),

and

(b) has acted as an adjuster for at least 24 consecutive months.

(4) It is a condition of a level 1 and level 2 adjuster's certificate of authority that the holder be subject to the direct supervision of a holder of a level 3 adjuster's certificate of authority and that all reports in relation to the adjustment of claims by the holder of the level 1 or level 2 adjuster's certificate of authority be approved and countersigned by that holder of a level 3 adjuster's certificate of authority.

(5) An individual is not eligible to apply for a level 3 adjuster's certificate of authority unless the individual has successfully met the level 2 requirements and

(a) is an Associate or Fellow of the Insurance Institute of Canada,

- (b) has completed
 - (i) the C 32 (Bodily Injury Claims) course of the Insurance Institute of Canada and one of the following courses of the Insurance Institute of Canada:
 - (A) the C 46 (Claims 2);
 - (B) C 41 (Property Loss Adjustment);
 - (C) C 111 (Advanced Loss Adjusting),
 - or
 - (ii) courses that in the opinion of the Minister are equivalent to the courses referred to in subclause (i),
- and
- (c) has acted as an adjuster for at least 60 months within the 10-year period immediately preceding the date of application.

(6) Despite subsection (1), an applicant is not required to pass an examination referred to in that subsection if the applicant held an adjuster's certificate of authority in the 2-year period before the receipt by the Minister of the application for an adjuster's certificate of authority.

(7) Despite subsections (1), (3) and (5), an individual is not required to complete a course, program or pass an examination referred to in those subsections if

- (a) in the case of
 - (i) an individual who is not a resident of Alberta, the individual is licensed as an insurance adjuster in the individual's home jurisdiction and provides evidence from the appropriate licensing authority of that jurisdiction certifying that the applicant has satisfactorily passed insurance courses, programs and examinations that are equivalent to the courses, and program and examination referred to in subsections (1), (3) and (5) and the Minister is of the opinion that the courses, programs and examinations are equivalent;
 - (ii) an individual who is a resident of Alberta, the individual has satisfactorily passed insurance courses, programs and examinations that are equivalent to the courses, and program and

examination referred to in subsections (1), (3) and (5) and the Minister is of the opinion that the courses, programs and examinations are equivalent;

- (b) the individual is applying for an adjuster's certificate of authority limited to adjusting losses in respect of hail insurance, travel insurance or equipment warranty insurance only;
- (c) the individual had at least 10 years of claims adjusting experience prior to January 1, 1990 and passed both an examination approved by the Minister under subsection (1) and an oral examination approved by the Insurance Adjusters' Council.

(8) In this section, "travel insurance" means insurance against loss, damage, injury or expense caused by

- (a) accident, injury, sickness, property loss or theft arising during or in connection with travel, or
- (b) cancellation, delay or interruption of travel or intended travel.

AR 122/2001 s22;293/2002;128/2004;94/2006;
199/2012

Operating from more than one office

23 A business that acts or offers to act as an adjuster and operates from more than one office must have in each office at least one adjuster who holds a level 2 adjuster's certificate of authority.

Designated representative

24(1) This section establishes the requirements to be met by a designated representative of a business and a sole proprietorship who holds an adjuster's certificate of authority.

- (2)** A designated representative of a business must
- (a) be an individual,
 - (b) be an Associate or Fellow of the Insurance Institute of Canada,
 - (c) hold a level 3 adjuster's certificate of authority, and
 - (d) have responsibility for the management and supervision of the business.

(3) In order for a sole proprietor to hold an adjuster's certificate of authority, the sole proprietor must meet the requirements of subsection (2).

(4) Subsection (2)(b) and (c) do not apply to a designated representative of a business who is issued an adjuster's certificate of authority under section 19(4).

Condition

25 If the Minister is satisfied that the holder of an adjuster's certificate of authority has demonstrated incompetence to act as an adjuster, one of the conditions that the Minister may impose under section 480(1) of the Act is that the adjuster's certificate of authority will not be renewed or reinstated unless the individual who held the adjuster's certificate of authority takes an examination or courses approved by the Minister and achieves a mark specified by the Minister.

Part 3 General

Cancellation, Revocation, Expiry and Suspension

Restriction on renewal and reinstatement

25.1 A certificate of authority may not be renewed or reinstated if

- (a) the certificate of authority has been cancelled or revoked,
- (b) the Minister refused to renew the certificate of authority and it has expired, or
- (c) the holder of the certificate of authority failed to renew it before it expired.

AR 94/2006 s11

Suspension

25.2(1) If a certificate of authority that is suspended for a specified period is renewed, the balance of the suspension period applies to the renewed certificate of authority.

(2) If a certificate of authority that is suspended for an unspecified period is renewed, the suspension applies to the renewed certificate of authority until the holder's application for reinstatement under section 472 of the Act is approved.

AR 94/2006 s11

Prescribed Matters

Prescribed amounts

26(1) The prescribed amount for the purpose of section 460 of the Act is \$15 000 in the case of contracts covering damage to property including automobiles.

(2) The prescribed amount for the purpose of section 65 of the Act is \$10 000.

Prescribed enterprises

27 The following are prescribed enterprises under section 454 of the Act:

- (a) sales finance companies;
- (b) customs brokers licensed under the *Customs Act* (Canada);
- (c) freight-forwarding companies;
- (d) equipment dealers;
- (e) real estate brokerages;
- (f) funeral services businesses.

AR 122/2001 s27;293/2002;36/2010

Special Broker

Condition

28(1) It is a condition of a special broker's licence that the special broker must disclose to the prospective insured before the insurance transaction is entered into that the insurer underwriting the insurance is not licensed in Alberta.

(2) It is a condition of a special broker's licence that, in the case of surety insurance, the special broker must disclose if the insurance is to be provided by an unlicensed insurer

- (a) to the principal, before the surety insurance is issued, and
- (b) to the obligee, within 7 days of the surety insurance being issued.

Continuing Education

Continuing education program

29(1) The Accreditation Committee for the purposes of this Part is the Accreditation Committee appointed by the Minister pursuant to section 7 of the *Government Organization Act*.

(2) The Minister may, on the recommendation of the Accreditation Committee, approve a continuing education provider for the purposes of this subsection, and on the Minister's doing so, that provider is authorized to accredit its own continuing education courses for certificates of authority and the hours of each such course.

(2.1) The Minister may, after taking into consideration any recommendations made by the Accreditation Committee, approve, in respect of a certificate of authority,

- (a) continuing education providers for the purposes of this subsection,
- (b) the continuing education courses that those providers are authorized to provide, and
- (c) the hours of each such course.

(2.2) An approval given under subsection (2) or (2.1) is subject to such terms and conditions as the Minister imposes on the provider.

(2.3) The Minister may, after taking into consideration any recommendations made by the Accreditation Committee, revoke the approval of a continuing education provider made under subsection (2) if, in the Minister's opinion, the provider is not complying with any terms and conditions imposed on the provider under subsection (2.2).

(3) The Minister must maintain a list of courses approved under subsection (2.1) as continuing education courses for a certificate of authority and a list of persons approved as continuing education providers and may require information from the continuing education providers that is necessary for the purposes of this Part.

AR 122/2001 s29;293/2002;376/2003;94/2006;
199/2012

Continuing education requirements

30(1) An individual or a sole proprietor who holds

- (a) a life insurance agent's certificate of authority,

- (b) an accident and sickness insurance agent's certificate of authority,
- (c) a general insurance agent's certificate of authority, or
- (d) an adjuster's certificate of authority

must complete in each certificate term at least 15 hours of the continuing education courses approved under section 29 with respect to the certificate of authority.

(1.1) Notwithstanding subsection (1), an individual or sole proprietor that holds a general insurance agents certificate of authority must, for the period beginning November 1, 2013 and ending June 30, 2014, complete at least 10 hours of the continuing education courses approved under section 29 with respect to the certificate of authority.

(2) Subsection (1)(c) does not apply to an individual or sole proprietor who holds a general insurance agent's certificate of authority limited to hail insurance or contracts covering livestock only.

(2.1) Subsection (1)(d) does not apply to an individual or sole proprietor who holds an adjuster's certificate of authority limited to hail insurance, travel insurance or equipment warranty insurance.

(3) to (7) Repealed AR 94/2006 s13.

(7.1) If a person misses a deadline imposed by any of the clauses in subsection (1), then, notwithstanding that provision, the person may complete the 15-hour requirement of that provision after that deadline but, notwithstanding section 32 and anything else in this Regulation to the contrary, the hours so spent in completing that requirement may not be counted toward completing any requirement of any other provision of this Regulation.

(8) Subsection (1) does not apply to a non-resident individual or sole proprietor who holds a certificate of authority to operate in Alberta if the individual or sole proprietor is a resident of and is registered in another jurisdiction that has a continuing education requirement satisfactory to the Minister.

(9) Notwithstanding anything in this section, where an individual or sole proprietor applies for and obtains a new certificate of authority

- (a) in the 3 months preceding the expiry date for that certificate, the individual or sole proprietor need not complete the continuing education required under this section for the certificate term, or

- (b) when there is more than 3 months remaining before the expiry date for that certificate, the individual or sole proprietor must complete the number of hours of continuing education calculated in accordance with the following formula:

$$\frac{A \times C}{B}$$

where

A is the number of months remaining in the certificate term;

B is 12 months;

C is 15 hours.

(10) Repealed AR 94/2006 s13.

(11) A person who completes excess hours of continuing education courses in one certificate term may apply the excess hours to satisfy up to 7.5 hours of continuing education required under this section in the certificate term following that certificate term.

(12) Where a certificate of authority for an individual or sole proprietor expires, or is cancelled or revoked within 3 months of the expiry date of the certificate, and the holder of that certificate applies for a new certificate of authority for the same class of certificate as the former certificate within 6 months of the expiry, cancellation or revocation, as the case may be, the applicant must have complied with the continuing education requirements applicable to the former certificate before the new certificate may be issued.

(13) Subject to subsections (14) and (15), in this section, “certificate term” means

- (a) in respect of a life insurance agent’s certificate of authority, the period beginning on February 16 and ending on the next February 15,
- (b) in respect of an accident and sickness insurance agent’s certificate of authority, the period beginning on February 16 and ending on the next February 15,
- (c) in respect of a general insurance agent’s certificate of authority, except a probationary certificate of authority, the period beginning on November 1 and ending on the next October 31, and

- (d) in respect of an adjuster's certificate of authority, the period beginning on June 1 and ending on the next May 31.

(14) In this section, "certificate term" means

- (a) in respect of a life insurance agent's certificate of authority issued or renewed on or after December 16, 2012 but before June 30, 2014, the period from February 16, 2013 and ending June 30, 2014,
- (b) in respect of an accident and sickness insurance certificate of authority issued or renewed on or after December 16, 2012 but before June 30, 2014, the period from February 16, 2013 and ending June 30, 2014,
- (c) in respect of a general insurance agent's certificate of authority issued or renewed on or after September 1, 2013 but before June 30, 2014, the period from November 1, 2013 and ending June 30, 2014, and
- (d) in respect of an adjuster's agent's certificate of authority issued or renewed on or after April 1, 2013 but before June 30, 2014, the period from June 1, 2013 and ending June 30, 2014

(15) Effective July 1, 2014, in this section, "certificate term" means,

- (a) in respect of a life insurance agent's certificate of authority, the period beginning on July 1 and ending on the next June 30,
- (b) in respect of an accident and sickness insurance agent's certificate of authority, the period beginning on July 1 and ending on the next June 30,
- (c) subject to section 8.1(2)(a), in respect of a general insurance agent's certificate of authority, the period beginning on July 1 and ending on the next June 30, and
- (d) in respect of an adjuster's certificate of authority, the period beginning on July 1 and ending on the next June 30.

AR 122/2001 s30;293/2002;376/2003;94/2006;
88/2011;144/2011;199/2012

Records

31(1) An individual who holds a certificate of authority must keep a record issued by a continuing education provider respecting the

continuing education courses completed by the individual during that certificate term.

(2) The records must be kept for a period of 3 years following the expiry of the certificate term and must be provided to the Minister upon request.

(3) If the individual does not provide the records within 30 days after receiving a request from the Minister, the certificate of authority is suspended until the demand is complied with.

(4) In this section, “certificate term” has the same meaning as in section 30(13).

AR 122/2001 s31;376/2003;94/2006;19/2009

Course credit

32 If an individual holds more than one certificate of authority, any of the completed continuing education courses approved under section 29 for a certificate of authority completed by the individual may be applied to the continuing education requirements of the certificates of authority that person holds, if the courses are approved for those certificates of authority.

AR 122/2001 s32;293/2002

Financial Guarantee

Errors and omissions insurance

33(1) The financial guarantee required by the Act is a policy of insurance against errors and omissions that meets the requirements of this section.

(2) The policy must be issued by a licensed insurer and be in a form and contain the terms, conditions, definitions and exclusions approved by the Minister including the period after the term of the policy in which claims may be made.

(3) The policy must provide coverage for errors and omissions for which a claim is made during the term of the policy.

(4) If a claimant has a claim resulting from a judgment or from an agreement between the insurer and the claimant against the insured for an error or omission, the insurer must pay the proceeds from the policy directly to the claimant and may recover any amount equating to the deductible from the insured under a reimbursement agreement between the insurer and the insured.

(5) The insurer must provide 30 days’ advance notice to the Minister by certified mail of the cancellation or non-renewal of the

policy or any change whereby the policy does not meet the form and contents required under subsection (2).

AR 122/2001 s33;9/2003

Existing insurance

34 If an insurance agent offers financial services other than insurance and has errors and omissions insurance in respect of the other financial services, the policy of errors and omissions insurance required by section 33 in respect of the insurance agent must be separate and distinct from the errors and omissions insurance in respect of the other financial services, but may be provided within one policy of insurance.

Amount of insurance

35(1) The errors and omissions insurance required in respect of a business that holds a certificate of authority, other than a restricted certificate, must provide coverage of at least \$500 000 per claim with a maximum policy payout for all claims of \$2 000 000 in a policy year, and the policy must be issued in the name of the business and the insurance must provide coverage for the employees and independent contractors of the business who hold certificates of authority.

(2) The errors and omissions insurance required in respect of a business that holds a restricted certificate must provide coverage of at least \$500 000 per claim, with a maximum policy payout for all claims in a policy year determined by multiplying \$500 000 by the number of employees of the business who act or offer to act as insurance agents, to a maximum of \$2 000 000.

(3) Repealed AR 94/2006 s15.

AR 122/2001 s35;293/2002;196/2005;94/2006

Exception to financial guarantee requirements

36 Section 465 of the Act does not apply to a business that

- (a) holds a restricted certificate, and
- (b) is a deposit-taking institution.

Part 4 Transitional Provisions, Repeals, Expiry and Coming into Force

Transitional

37(1) Despite section 22(1), (3) and (5) and subject to this section, on the coming into force of this Regulation, an adjuster's certificate

of authority under Part 16 of the former *Insurance Act* that is a level 5 certificate of authority is continued as a level 3 adjuster's certificate of authority and the holder is deemed to be a designated representative until May 31, 2002 and is deemed to meet the requirements of section 24(2)(b) as long as the holder is the designated representative of the business that employs the holder when this Regulation comes into force.

(2) An adjuster who held a certificate of authority within the one-year period immediately before the coming into force of this Regulation may apply for a new certificate of authority at any time within one year of the date on which the certificate of authority was no longer in force and may be issued a new certificate of authority at the level specified in subsection (1) as if the adjuster held a certificate of authority on the date this Regulation comes into force, provided that the adjuster meets the requirements of section 21(2).

AR 122/2001 s37;199/2012

Transitional

38(1) On the coming into force of this Regulation, a recommendation under section 511 of the former *Insurance Act* is deemed to be a recommendation under section 458 of the *Insurance Act*, in the case of life insurance or under section 459(1), (2), (3)(b) or (4) of the *Insurance Act*, in the case of property and casualty insurance.

(2) On the coming into force of this Regulation, an individual who holds a certificate of authority that requires a recommendation of a designated representative under section 459(3)(a) or 464 of the *Act* is deemed to be recommended by the designated representative of the business that the individual represents.

(3) On the coming into force of this Regulation, an individual who is designated under section 508(3) of the former *Insurance Act* is deemed to be the designated representative of the business under section 456 of the *Insurance Act*.

AR 122/2001 s38;94/2006

Repeal


39 The *Insurance Agents and Adjusters Regulation* (AR 32/89) is repealed.

Expiry

40 For the purpose of ensuring that this Regulation is reviewed for ongoing relevancy and necessity, with the option that it may be repassed in its present or an amended form following a review, this Regulation expires on April 30, 2020.

AR 122/2001 s40;94/2006;199/2012



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Coming into force

41(1) This Regulation, except for sections 33 to 36, comes into force on the coming into force of any section of the *Insurance Act*.

(2) Sections 33 to 36 come into force on the coming into force of section 465 of the *Insurance Act*.

AR 122/2001 s41;94/2006



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