



November 2, 2015

Sent by email: wayne.maday@gov.ab.ca

Mr. Wayne Maday
Insurance Policy Manager
Financial Sector Regulation and Policy
Alberta Treasury Board and Finance Department
9515 – 107 Street, 402 Terrace Building
Edmonton, Alberta
T5K 2C3

Dear Mr. Maday:

Thank you for the invitation for the Canadian Association of Direct Relationship Insurers (CADRI) to provide feedback to the Government of Alberta's Stakeholder Dialogue on Insurance Councils Regulation, Insurance Agents and Adjusters Regulation, and Certificate Expiry, Penalties and Fees Regulation.

CADRI values the opportunity that the Alberta Treasury Board and Finance Department and the Alberta Insurance Council continue to provide for the Association to have an ongoing dialogue with the Government of Alberta. Maintaining strong relationships with insurance regulators is an important aspect of CADRI's efforts to provide products that meet the needs of consumers.

In terms of the specific regulations at hand, CADRI would like to outline our concerns about two specific matters and propose alternatives to the current proposed regulatory amendments:

1. Currently, the holder of a probationary General Insurance Certificate of Authority must be supervised by a Level 2, and any document relating to the application for a policy needs to be countersigned by a Level 2. However, with modern communications and information technology, the capacity for supervision at a distance is more and more a reality. CADRI would like to see Alberta clarify its regulations to reflect that reality.
2. For out of province applicants, there is currently an obligation to provide "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". CADRI questions whether it is still necessary to provide evidence from the licensing authority, given that information on licensed agents is now available online. Alternatively, for example, proof of licensing could be provided in the form of a copy of the applicant's license along with the information available online.

The stakeholder consultation document for this matter also invited interested parties to provide feedback on how the Government of Alberta can improve insurance regulation generally. In that light, CADRI would like to take this opportunity to highlight the following concerns:

1. CADRI would appreciate greater latitude on the regulations governing obtaining Level 3 licenses. Specifically, removing the requirement that an individual must have responsibility for the management and supervision of the business that holds the Certificate of Authority to be eligible for a Level 3 would be beneficial. That would allow companies to have a pipeline of candidates at the ready to move into the designated representative position, thus providing greater operational flexibility. Moreover, making that regulatory amendment would bring Alberta's regulations in line with those of Manitoba and Saskatchewan.
2. CADRI would like to see the removal of the rule requiring a mandatory criminal record check for applicants that are already licensed in another jurisdiction. The Government of British Columbia recently eliminated a similar rule in its jurisdiction. CADRI finds the rule to be superfluous, as the applicant would already have undergone a criminal record check in the province in which they were first licensed.

Thank you for considering CADRI's input on this and other files. CADRI is eager to partner with the Government of Alberta to create a competitive and flexible insurance sector that benefits all consumers.

We look forward to discussing these and any other issues that may arise on our conference call, this coming Friday, November 5th, at 5 PM.

Please let us know if you have any questions.

Kind regards,

A handwritten signature in black ink that reads "Moira Gill". The signature is written in a cursive style and is positioned above a thin horizontal line.

Moira Gill
Chair, Licensing Task Force