
NOTICE NUMBER:	06-2014
TITLE:	INTERPRETATION BULLETINS AND INDUSTRY COMMUNICATIONS
DATE:	September 2014

BACKGROUND

The Superintendent of Insurance (Superintendent) is responsible for monitoring the insurance industry in Alberta to ensure that compliance with the *Insurance Act (Act)*, regulations and guidelines are maintained. Pursuant to section 792.1 of the *Act*, the Superintendent may issue guidelines and interpretation bulletins respecting the interpretation or application of the *Act* or any one or more regulations under the *Act*.

In 2013, the Superintendent issued guidelines and interpretation bulletins to provincially regulated insurance entities to increase transparency of our prudential supervision expectations and requirements with respect to the application of the *Act* and regulations. In 2014, the Superintendent plans to expand on this practice and initiate an increased level of industry communication with respect to market conduct supervision.

WHY WAS A STRATEGY DEVELOPED?

The Superintendent places value on improving the transparency of expectations for both prudential and market conduct supervision, to ensure that proactive information is provided to industry. This strategy informs industry of the Superintendent's intention with respect to communication and the provision of guidance and interpretation on the application of legislation, including specific areas that may be misinterpreted and lead to non-compliance. This will ensure that the Superintendent's expectations and clarification on what is considered a contravention of the *Act* are clear and transparent, in order to have a competitive market place with a level playing field for all insurers.

Non-compliance with the provisions of the *Act* or the applicable regulations is taken very seriously by the Superintendent and each instance that comes to our attention is investigated. Regulatory action, including either a prosecution or an administrative penalty of up to \$25,000 for each violation, may be taken against insurers found not to be compliant with the legislation.

PLANS TO INCREASE COMMUNICATION

Shortly, the Superintendent will release the first in a series of interpretation bulletins, which will provide specific examples to clarify situations that have led to administrative penalties in the past. The first bulletin will clarify adverse contractual actions taken in respect of operator's license status.

The Superintendent will continue to meet with industry and may from time to time arrange webinars or information sessions to provide information and clarification, as well as provide an opportunity for industry to ask questions with respect to the application of the legislation and complex areas.

In addition, the Superintendent is pleased to offer a [subscription service](#) for our website, providing email updates when our website is modified. This will ensure that industry has the latest information relating to legislative requirements, interpretation bulletins, financial reporting, and many other items. Furthermore, the Superintendent's office is reviewing its website and welcomes any feedback or ideas to improve this resource; comments can be emailed to tbf-insurance.webfeedback@gov.ab.ca.

Should you have any questions or suggestions for topics of future interpretive bulletins, webinars, or in person meetings, please contact our office by telephone at 780-427-8322 or by e-mail to TBF.insurance@gov.ab.ca.

[ORIGINAL SIGNED]

Mark Prefontaine
Superintendent of Insurance

Superintendent of Insurance

402 Terrace Building
9515 – 107 Street
Edmonton, AB T5K 2C3
Telephone: 780-427-8322
Facsimile: 780-420-0752
www.finance.alberta.ca