

# ANNUAL REPORT **2024**



Alberta  
Insurance  
Council

CELEBRATING  
**35 YEARS**  
OF INSURANCE  
REGULATION



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# 1

## ABOUT THE ALBERTA INSURANCE COUNCIL

### Who we are

Established in 1989, the Alberta Insurance Council (AIC) is the industry-funded regulator that licenses and oversees insurance agents, brokers, and independent adjusters across Alberta. For over 35 years, the AIC has protected Albertans by ensuring they can trust in the expertise and integrity of their insurance advisors and claims adjusters.

The AIC is legislated by the *Insurance Act* and has delegated regulatory authority from the President of Treasury Board and Minister of Finance. As part of a regulated industry, insurance professionals must meet and fulfill strict license requirements to conduct insurance business to Albertans.

#### Mission

To protect the Alberta insurance consumer through the professional qualification, licensing, and regulation of insurance agents, brokers, and independent insurance adjusters.

#### Vision

We are the respected and trusted regulator of the insurance profession in Alberta.

#### Values

**Respectful:** We value all people and treat them with dignity.

**Objective:** We apply and enforce legislation independently and objectively.

**Responsible:** We work to protect Albertans in an effective, fiscally responsible manner.

#### Strategic Priorities (2022–2025 Strategic Plan)

1. Professionalism in the industry
2. Governance renewal
3. Improved management of AIC resources
4. Knowledge foundation supporting evidence-based decision making



## What we do

The AIC protects Alberta consumers by ensuring they are served by industry professionals who meet the standards of competency, conduct, and continued professional development required of agents, brokers, and independent adjusters.

### ► The AIC fulfills its mandate by:

- issuing and renewing certificates of authority;
- responding to inquiries, investigating consumer complaints, and conducting compliance audits;
- supporting the Industry Councils in their adjudicative role;
- developing and delivering licensing examinations;
- accrediting Continuing Education courses and delivery providers; and
- collaborating and working with industry and regulatory partners across Alberta and Canada.

## CHAIR'S REPORT 2024



The past 12 months were a continuation of the Alberta Insurance Council's evolutionary journey. It also was a time for celebration as the AIC marked 35 years of being Alberta's insurance regulator, and we ushered in the next period of AIC's transformation and development with a new CEO.

The first quarter of the year was spent working with the Search Committee to identify and hire AIC's new CEO, following the retirement of former long-standing CEO, Joanne Abram, in August 2023. Thank you to interim CEO, Darlene Hyde, who served from August 2023 to April 2024, providing stability and leadership to the AIC during a time of immense change.

We were pleased to welcome AIC CEO, Amina Deiab, in April 2024. Amina's previous experience leading organizational modernization focused on risk- and outcomes-based processes and solutions has been extremely valuable as the AIC modernizes and incorporates new agile and risk-based regulatory approaches in its operations.

In 2024, the Board of Directors worked with Treasury Board and Finance to enter into the Consolidated Liquidity Solution (CLS) and participated in their consultation activities regarding the implementation of a Care-First auto insurance system, facilitating an opportunity for the Insurance Adjusters' Council and adjuster representatives across Alberta to provide their feedback on the system.

We also continued to work with the Government of Alberta (GoA) on key policy items, including the new restricted licensing process for auto dealerships

and equipment dealers wanting to sell motor vehicle dealership loyalty programs, vehicle protection products, and certain motor vehicle warranty products. We were pleased to collaborate with the Office of the Superintendent of Insurance to develop aligned and informative resources to support the implementation of the new restricted licensing process for impacted stakeholders.

Another highlight of 2024 is AIC's increased partnerships with national partners and its agility in responding to industry needs. In September 2024, following a number of natural disasters across Canada, a coalition of property and casualty insurance industry associations issued an open letter to the Canadian Insurance Services Regulatory Organizations (CISRO) and the Canadian Council of Insurance Regulators (CCIR). That letter recognized the AIC for the implementation of its expedited adjusters protocol that facilitated non-resident adjusters in getting their Alberta license to help Albertans affected by this summer's natural disasters. It particularly lauded AIC's process of issuing the expedited licenses as full-term licenses that are valid until June 30, 2025, citing it as a "new standard" that acknowledges the challenges in managing large volumes of catastrophe claims.

In 2024, the AIC made great strides in enhancing communications to improve consumer awareness of AIC services and how it protects consumers. In addition to launching its first-ever consumer awareness campaign, the AIC also brought attention to current fraud issues and trends impacting consumers, such as the increase in ghost brokers in Alberta. By highlighting red flags to watch out for and encouraging consumers to use AIC resources, such as its agent lookup tool to verify they are working with a licensed agent, the AIC enhanced consumer protection and increased fraud prevention awareness.

The AIC Board also continued its focus on effective governance, developing and approving a Board Charter in 2024. Not only will the Board Charter ensure clarity and alignment for current Board members, it will serve as a cornerstone and foundation for future incoming Board members. The Board is committed to establishing strong and effective board governance processes to ensure that the AIC is well positioned for future success.

Thank you to the members of the Councils and appeal panels for their dedication, diligence, and service to the industry and AIC in 2024. I'd particularly like to thank outgoing Life Insurance Council members Dr. Wilma Slenders and C.J. Omoth; outgoing General Insurance Council members Ashley Ziprick, Elizabeth Hak, and Janice Sabourin (also an outgoing AIC Board member); and outgoing Insurance Adjusters' Council members Lisa Evren and Robert Millis. I acknowledge the incredible dedication and contributions of these outgoing members to their respective Industry Council during their terms.

I'd also like to acknowledge the passing of AIC's former CEO, Joanne Abram, in 2024. Joanne was AIC's first permanent CEO and led the AIC for 34 years. Thank you, Joanne, for the incredible foundation you built and for the long-standing legacy you have left.

The AIC Board of Directors looks forward to continuing to work to advance AIC's strategic priorities and protect Alberta insurance consumers.

Sincerely,

**Michael Ilnycky**, MBA, FCIP  
Vice-Chair, Alberta Insurance Council

## CHIEF EXECUTIVE OFFICER'S REPORT 2024



It is my pleasure to present the Annual Report of the AIC for the year ended December 31, 2024.

It was my honour to take on the role of AIC CEO in April 2024. It is an exciting experience to take the helm of an organization the same year it celebrates 35 proud years of protecting Alberta insurance consumers.

As the second permanent CEO in AIC's history, I am humbled by the incredible dedication and hard work of AIC staff and colleagues to make the AIC the organization it is today. The AIC oversees the second largest insurance jurisdiction in Canada, supporting more than 42,000 licensees and issuing over 80,000 licenses each year. This work is done by a small team of very committed and skilled professionals, whose work is essential to protecting Alberta insurance consumers. A big thank you goes to AIC staff for their immense contributions.

Work in 2024 continued to advance AIC's mission of protecting Alberta insurance consumers through the professional qualification, licensing, and regulation of insurance agents, brokers, and independent adjusters. Our work continues to be led by a focus on modernization: improving AIC's systems and processes to achieve operational and regulatory efficiency and excellence. It is essential that the AIC continue evolving to meet the needs of Albertans and industry; this will ensure we keep pace as the insurance sector shifts and changes and that we are best situated to effectively and efficiently regulate.

Effective regulation also requires strong partnerships and collaborations with stakeholders in the insurance sector. One of my main priorities as CEO is to shift AIC's focus more externally and work more closely with our regulatory, government, and industry partners. Throughout the year, I met with several industry stakeholders to identify opportunities for collaboration, streamline regulatory processes, and implement risk-based regulatory practices.

**Key achievements in 2024 supported five enterprise-wide objectives:**

1. Work toward regulatory excellence by modernizing systems and processes; achieve operational quality and effectiveness by moving towards more contemporary approaches and keeping pace with changes in the insurance industry
2. Build awareness of AIC's role and the services it provides to better serve the public, licensees, government, and other stakeholders
3. Drive a people-centred culture, information system integrity, and financial sustainability throughout the organization
4. Support the AIC and its subcommittees to improve its governance framework
5. Become a thought leader and knowledge hub by continuing to work with other regulators in the Canadian insurance regulation space

You can find information about these achievements—and the many other ways the AIC regulated the industry and protected Alberta consumers—in the pages of the 2024 Annual Report. Some specific highlights include:

- Continuing work on a Customer Relationship Management (CRM) system that is anticipated to launch in 2025. This new system will not only modernize and streamline internal processes, it will offer more efficient and improved functionality to license holders when applying for or renewing licenses.

- Implementing expedited adjuster licenses to prioritize the processing and issuance of non-resident adjuster licenses; this allowed adjusters from other jurisdictions to quickly enter and begin working in the province to assist and start claims processes for Albertans after catastrophic weather events.
- Collaborating with industry partners such as the Insurance Brokers Association of Alberta and the Alberta Motor Vehicle Industry Council to publish AIC articles featuring compliance tips based on AIC audit findings.
- Providing Errors & Omissions (E&O) insurance presentations to Alberta agencies to build awareness of legislative E&O requirements.
- Launching a new AIC website with faster load times, improved navigation, and a searchable registry of all Alberta insurance licence holders.
- Hosting the Compliance Summit, a conference that brought together insurance regulators and regulatory legal professionals from across the country for three days of learning and information sharing on compliance and regulation issues.

Congratulations and thanks goes to Carolyn Janz, the AIC's former Chief Financial Officer and VP Administration, who retired in June 2024 after more than 22 years of service. Carolyn's financial expertise and knowledge were valuable assets and contributions to AIC's success throughout the years, and she established a solid foundation of financial processes and procedures that the AIC continues to build upon.

Looking ahead to 2025, the AIC remains committed to continuing to provide efficient and effective regulatory services to all stakeholders.

Sincerely,

**Amina Deiab**, MPP, ICD.D  
CEO, Alberta Insurance Council

# MEMBERS OF THE COUNCILS 2024

## ► Alberta Insurance Council

NAME	POSITION	REPRESENTING
Vacant	Chair	Public
Michael Ilnycky	Vice-Chair	Insurance Adjusters' Council
Andrew Freeman	Member	Life Insurance Council
Amanda Sawatzky	Member	General Insurance Council
Vacant	Member	Public
Janice Sabourin (term expired)	Member	General Insurance Council

## ► Life Insurance Council

NAME	POSITION	REPRESENTING
Andrew Freeman	Chair	Life Companies
Usman Mahmood	Vice-Chair	Public
Tammy Hynes	Member	Life Companies
Kenneth Doll	Member	Life Agents
Vishal Zaveri	Member	Life Agents
Vacant	Member	Public
Dr. Wilma Slenders (term expired)	Member	Public
C.J. Omoth (term expired)	Member	Life Agents

### ► General Insurance Council

NAME	POSITION	REPRESENTING
Amanda Sawatzky	Chair	Direct Writers
Ross Bucsis	Member	Insurance Brokers
Arla Hillis	Member	Insurance Brokers
David Maurice	Member	Insurance Brokers
Destiny Timmerman	Member	General Insurers
Dwayne Johnston	Member	Direct Writers
Vacant	Member	Public
Vacant	Member	Public
Ashley Ziprick (term expired)	Vice-Chair	Insurance Brokers
Janice Sabourin (term expired)	Chair	Direct Writers
Elizabeth Hak (term expired)	Member	Public

### ► Insurance Adjusters' Council

NAME	POSITION	REPRESENTING
Michael Ilnycky	Chair	General Insurers
Vince Marino	Vice-Chair	Adjusters
Katie Camp	Member	Adjusters
Vacant	Member	Public
Lisa Evren (term expired)	Vice-Chair	Public
Robert Millis (term expired)	Member	Adjusters

# MEMBERS OF THE STANDING COMMITTEES 2024

## Finance & Audit Committee

**Andrew Freeman**  
Chair

**Michael Ilnycky**  
Acting Ex-Officio

**Kenneth Doll**  
Member

**Vince Marino**  
Member

**Vacant**  
Member

**Lisa Evren (term expired)**  
Member

**Ashley Ziprick (term expired)**  
Member

## Governance & Human Resources Committee\*

**Janice Sabourin**  
Chair

**Michael Ilnycky**  
Acting Ex-Officio

**Usman Mahmood**  
Member

**Dr. Wilma Slenders**  
Member

**Ashley Ziprick**  
Member

**Kenneth Doll (resigned)**  
Member

\*Committee dissolved in 2024

## Government Relations Committee\*

**Michael Ilnycky**  
Chair

**Ross Bucsis**  
Member

**Kenneth Doll**  
Member

**Robert Millis**  
Member

\*Committee dissolved in 2024

# AIC **SENIOR LEADERSHIP** TEAM

## Team Members

**Amina Deiab, MPP, ICD.D**

Chief Executive Officer

**Brent Rathgeber, KC**

General Counsel, Corporate Secretary, VP for Legal and Corporate Affairs – Edmonton

**Tarun Walia**

Chief Information Officer and VP Business Innovation – Calgary

**Melanie Therrien**

Head of Licensing – Edmonton

**Zabeda Yaqoob, KC**

Director of Legal and Regulatory Affairs – Calgary

**Sam Park**

Director of Finance – Edmonton

**Laura Ly**

Director of Communications – Edmonton

2024 **AT A GLANCE**

## AIC highlights



ISSUED **80,851** LICENSES  
by verifying applicants have the  
requirements needed to be a licensed  
insurance professional.



Administered **18,926**  
LICENSE EXAMINATIONS  
across Alberta to ensure that  
prospective license holders have  
the knowledge required to hold an  
insurance license.



Conducted **894**  
INVESTIGATIONS AND INQUIRIES  
across the Industry Councils to ensure  
Alberta consumers were protected against  
misconduct and unlicensed activity.



Worked with **87**  
CORPORATIONS  
to bring them into compliance  
with E&O requirements.



SUPPORTED **Six** current and future  
INSURANCE PROFESSIONALS  
through AIC scholarships and grants; this includes  
**two** post-secondary students and **four** students  
pursuing their CIP, ACIP, or FCIP designation.

8

## 35 YEARS OF PROTECTING ALBERTANS (1989–2024)

### The numbers

#### BEHIND 35 YEARS OF PROTECTING THE PUBLIC

Visionary industry and public leaders who have helped regulate the industry with integrity and expertise:



**159** UNIQUE COUNCIL MEMBERS

Certifying insurance agents have the education and knowledge they need to provide reliable services to clients:



**301K+** EXAMS ADMINISTERED

Actively addressing potential industry issues and upholding the professional standards expected of agents:



**22K+** INQUIRIES HANDLED

Developing a community of skilled professionals who service the needs of Albertans:



**1.34M+** UNIQUE LICENSES ISSUED

Ensuring credibility and trust that license holders have fulfilled their licensing requirements:



**57K+** AUDITS CONDUCTED

# 35 YEARS

## OF AIC MILESTONES



1989

### Received delegated authority

The Superintendent of Insurance delegates all authority needed for the Councils to function, establishing the AIC as Alberta's regulator of insurance intermediaries.



1997

### First Council elections held

Increased industry representation, as more than 50% of each Council is now elected or appointed by its own industry body.



2001

### Enhanced Continuing Education

The Accreditation Committee is appointed, and Continuing Education requirements become mandatory the year after.



2006

### Online renewals introduced

The option of renewing licenses online made the renewal process more convenient and efficient.

#### DID YOU KNOW?

10% of licensees completed online renewals that first year!  
**NOW, RENEWALS ARE 100% ONLINE.**



2009

### Supporting future leaders

Scholarships are established at MacEwan University and the University of Calgary; these scholarships are awarded to students in Insurance and Risk Management programs who intend to enter the insurance profession after graduating.



2013

#### **Publishing Council Decisions**

Council Decisions were made publicly available on the AIC website, promoting greater transparency and trust within the industry.



2014

#### **Common license expiry date**

Issued licenses now expire on the same date, simplifying renewal processes for license holders.



2022

#### **The AIC provides informative resources**

To help insurance professionals stay on top of important industry updates, the AIC introduces “Notices to the Profession and Public” on its website.



2023

#### **Investing in learning**

The AIC commits \$250,000 to the Insurance Institute of Canada to create AIC Grants for insurance professionals pursuing their CIP, ACIP, or FCIP designation.



2024

#### **A MILESTONE CELEBRATION**

The AIC celebrates 35 years of protecting Alberta consumers!

## 2024 IN REVIEW

### STRATEGIC PRIORITY 1: Professionalism in the industry

The AIC is committed to increasing and promoting professionalism in the insurance industry. This helps ensure that Alberta insurance consumers obtain skilled, high-quality services from their insurance agents, brokers, and independent adjusters and that the insurance profession is trusted by consumers.



AIC Board member Amanda Sawatzky awards the AIC Grant to Ahsan Javed at the Insurance Institute of Northern Alberta Convocation in Edmonton on November 29, 2024.

#### ► Supporting future insurance professionals

In 2024, the AIC Grant was provided to four recipients pursuing either their Chartered Insurance Professional (CIP), Advanced Chartered Insurance Professional (ACIP), or Fellow Chartered Insurance Professional (FCIP) designation. The AIC Grant is a partnership with the Insurance Institute of Canada to support insurance professionals pursuing advanced careers in insurance. The grants strengthen collaborations with our provincial and national insurance institute partners and further AIC's work to protect the public by ensuring consumers are served by knowledgeable and skilled professionals.

The AIC also supports post-secondary students through the AIC Leadership Award. These awards are provided annually to a business student at either MacEwan University or the University of Calgary who intends to pursue a career in insurance after they graduate.

One of the 2024 recipients of the AIC Leadership Award stated that AIC's support reinforced his goal of embarking on a fulfilling career as an insurance professional after graduating. "I am committed to

paying it forward by making a positive difference in the insurance industry and community,” says Clairewin Cagulada, recipient of the 2024 AIC Leadership Award at MacEwan University.

Also in 2024, a classroom on MacEwan University’s downtown campus was named in honour of AIC’s support and contributions for MacEwan students. The AIC is honoured to be recognized with a room naming and proud to support future insurance professionals in collaboration with post-secondary partners.

### ► Enhancing protection for the public

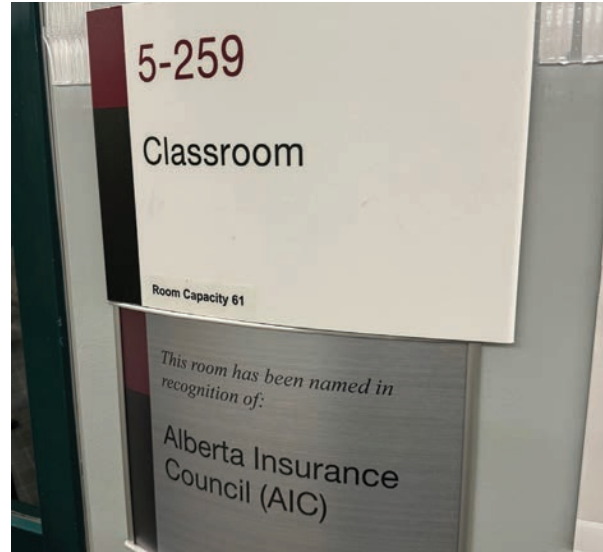
In fall 2024, the AIC launched its first-ever consumer awareness campaign on social media. Over the course of five weeks, each post in the campaign focused on a different way the AIC protects the public—for example, its agent lookup tool that consumers can use to verify they are working with licensed professionals and the make a complaint process that consumers can use to make a complaint against an agent, broker, or independent adjuster.

In March, in collaboration with other regulators across the country, the AIC promoted Fraud Prevention Month. Using an infographic and through social media posts throughout the month, the AIC highlighted three tips consumers can follow to prevent insurance fraud, including only purchasing policies through licensed agents and brokers and being alert against requests for alternative payment methods.

Throughout the year, the AIC also brought attention to current fraud schemes and trends affecting Albertans, such as the increase in ghost brokers in the province. The AIC shared tips on what to watch out for and how consumers can protect themselves, as well as encouraged licensed insurance professionals to also help raise fraud awareness with their clients.

### ► Increasing regulatory knowledge in the industry

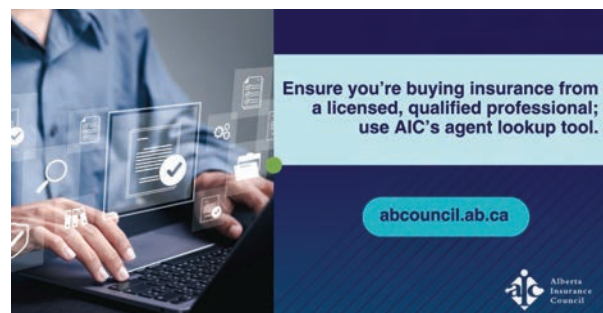
In 2024, the AIC started contributing articles to the Insurance Brokers Association of Alberta’s magazine, *Alberta Broker*. These articles featured AIC staff sharing their insights to help brokers stay informed about ongoing industry trends and regulatory requirements.



A wall plaque outside Room 5-259 on campus at MacEwan University recognizes the contributions and support that the Alberta Insurance Council provides MacEwan business students.

#### 2024 HIGHLIGHT

### AIC launched its **first-ever** CONSUMER AWARENESS CAMPAIGN.



This social media campaign resulted in a

**132%** increase in visits to  
AIC’s **agent lookup tool** and a

**14%** increase in visits to  
its **Make a Complaint webpage**.

Two articles were published in 2024 that focused on how brokers could avoid the top four consumer complaints against brokers and recent compliance trends, such as improper advertising, E&O insurance gaps, and continuing education requirements. These articles help increase professionalism in the industry by ensuring brokers understand their requirements as licensed professionals.

The AIC also contributed an article to the Alberta Motor Vehicle Industry Council's Impact newsletter. The article highlighted the requirement that

automobile dealerships licensed as insurance agents must have their insurance products underwritten by a licensed insurance company.

Throughout the year, the AIC also presented to industry associations such as the Advocis Banff School and the Society of Fellows in Calgary. These presentations highlighted common issues in the application process, AIC's new approaches to regulatory issues, AIC's Voluntary Undertaking Agreement process, and how license holders can collaborate and work with the AIC moving forward.

### ► Continued collaborations with partners in the profession

In May 2024, the AIC hosted the Compliance Summit in Banff. This conference brought together insurance regulators from across Canada for three days of learning, networking, and information sharing. Topics included regulatory best practices, oversight measures, multi-level marketing, relevant regulatory court cases of 2023, and much more. The Compliance Summit was an opportunity for regulators to share knowledge and practices to ensure that regulatory functions are strengthened across the country.

Throughout 2024, the AIC CEO continued strengthening relationships with partners across the province and the country, meeting with a number of organizations. Those stakeholders included the Insurance Brokers Association of Alberta; the Insurance Bureau of Canada; the Financial Planning Association of Canada; the Canadian Association of Financial Institutions in Insurance; the Canadian Life and Health Insurance Association; Canada Life; the Canadian Association of Direct Relationship Insurers; and many others.



Compliance Summit attendees included representatives from nine regulators across the country, including the Financial Services Regulatory Authority of Ontario (FSRA), Registered Insurance Brokers of Ontario (RIBO), Chambre de la sécurité financière, the Insurance Council of BC, Autorité des marchés financiers (Québec), and the Office of the Superintendent of Insurance.

## ► National jurisdictional information and knowledge sharing

AIC staff serve on a number of national CISRO (Canadian Insurance Services Regulatory Organizations) committees, including the Cybersecurity Working Group, LLQP Governance Committee, Consumer Awareness Working Group, Strategic Planning Committee, and the CISRO-CCIR Segregated Funds Working Group. These committee collaborations enable the AIC to stay up to date on the regulatory landscape, discuss trends impacting regulators and industry, and share best practices for regulation.

The AIC was pleased to attend two in-person CISRO meetings in 2024. These meetings were valuable opportunities for CISRO members to discuss regulatory best practices, issues impacting insurance regulation, and share information on upcoming initiatives.



Attendees at the October CISRO fall meeting in Edmonton heard updates from all the CISRO working groups and received jurisdictional updates from each of the provincial regulators.

## 2024 HIGHLIGHT



### A MILESTONE celebration!

The AIC celebrates 35 years of protecting Alberta consumers.



AIC Vice-Chair Mike Ilnycky (left) and AIC CEO Amina Deiab honour AIC's 35 years of protecting Alberta consumers, while standing in front of a poster listing the names of all the Board and Industry Council members who have provided visionary leadership throughout the years.

## ► Promoting the profession

The AIC was proud to help promote National Insurance Awareness Day (NIAD) on June 28, 2024. This annual day of awareness started in 2023 and is a CISRO initiative to encourage Canadians to review their insurance policies and contact their broker for insurance expertise.

The second annual NIAD focused on natural disasters and provided a checklist of questions to prompt a conversation between consumers and their licensed insurance professional about natural disaster coverage. The checklist was intended to highlight the importance of home and property protection in the event of a natural disaster and the role of licensed insurance professionals in helping reduce risks.

## ► Celebrating 35 years of AIC

In honour of AIC's 35th anniversary, the AIC hosted a celebration event for stakeholders in the fall. This event brought together government and regulatory partners, colleagues from industry associations, and AIC staff and council members for an afternoon of conversation and information sharing.



## STRATEGIC PRIORITY 2: Governance renewal

The AIC is committed to strengthening board best practices, providing strong orientation and onboarding for new board members, and ensuring the size, membership, and structure of the board and its committees are sufficient for effective governance of the insurance industry.

### ► Developing stronger board best practices

The AIC Board approved and implemented a Board Charter in 2024. In addition to ensuring clarity and alignment about roles and responsibilities for current Board members, the Board Charter provides guiding principles and clear expectations for future incoming Board members.

The AIC and the Board also developed an AIC Board competency and skills matrix to assess current board strengths, identify skill gaps, and guide board recruitment and development.

In early 2024, The Regulator's Practice delivered a session on Regulatory Governance Fundamentals to AIC senior leadership and Board and Industry Council members. The session outlined practices for good regulatory governance, the national regulatory context, and how effective regulatory governance can align and reinforce a regulator's mandate to protect the public.



## STRATEGIC PRIORITY 3: Improved management of AIC resources

The AIC is committed to modernizing systems and processes and to improving the management of resources to ensure it is keeping pace with industry changes.

### ► Modernizing systems and processes

The AIC continued its development of a new enterprise-wide Customer Relationship Management (CRM) system, which is anticipated to launch in 2025. The new CRM will modernize and streamline all regulatory processes, increase cybersecurity capabilities, and provide further data protection against cyber attacks. For license holders, the CRM will provide a more intuitive interface and new functionality for updating their information, applying for licenses, registering for exams, reporting their CE, and renewing their licenses each year.

The AIC also continued to collaborate and communicate with regulatory partners regarding the decommissioning of the current Canadian Insurance Participant Registry (CIPR) platform. The AIC shared its knowledge and expertise to support regulatory partners leading the creation of the second phase of the CIPR platform, which is anticipated to launch in 2025.

## ► Improving AIC resources and information for stakeholders

In 2024, the AIC launched a brand-new website. In addition to a fresh look, more intuitive navigation, improved search functionality, and significantly faster load times, the new website was designed to ensure that information was easily accessible for all audiences and when viewed on any device. As well, license requirements are now separated by license class and type to ensure that applicants can easily find the specific information that is relevant to them. The new website received positive feedback, particularly on how modern it was and intuitive to navigate.

## ► Enhancing risk management

The AIC Senior Leadership Team reformulated AIC's Enterprise Risk Management (ERM) to ensure the organization is aware of and develops mitigation plans for risks that could impact AIC operations. Throughout the year, risks continue to be added as they are identified, and the AIC will review the ERM on an annual basis to ensure it is up to date.

### 2024 HIGHLIGHT



## AIC launched a **brand-new** WEBSITE

with improved search functionality,  
faster load times, and more intuitive  
navigation so visitors can easily  
find the information they require.



New functionality on AIC's website includes a resource directory for consumer and licensee resources. As the AIC continues developing more information and resources to serve both license holders and consumers, the resource directory will be a one-stop shop for stakeholders to find the key information they need.



## STRATEGIC PRIORITY 4: Knowledge foundation supporting evidence-based decision making

The AIC is committed to building and strengthening its knowledge foundation in order to support making evidence-based decisions. This will ensure that decisions and initiatives are grounded in best practices and effective reasoning, which will help strengthen regulatory practices for the industry.

### ► Learning Right-Touch regulation

In January, the AIC hosted a learning session for AIC senior leadership and the AIC Board focused on Right-Touch regulation. Harry Cayton, an internationally recognised advisor on professional

regulation and governance, outlined Right-Touch approaches and discussed how it could be applied to help the AIC increase its capacity and effectiveness as an outcomes-focused regulator.

## ► AIC in the media

In May 2024, AIC CEO Amina Deiab was interviewed by *Insurance Business Magazine* and discussed her key priorities for the AIC and the organization's future plans, including: building successful relationships and good corporate culture; modernizing business and regulatory practices; and risk-based regulation.

The AIC CEO was also interviewed by Advisor.ca in 2024 regarding Managing General Agent (MGA) regulation in Alberta. In the interview, Amina discussed AIC's compliance audits and AIC's role in bringing forward issues specific to consumer protection to the government and in providing recommendations on regulatory amendments.

## ► Building and supporting a positive culture

Staff are the heart of the AIC and are vital to ensuring integrity of oversight in the insurance sector. In Q4, the AIC hired a Head of Licensing to lead the modernization of AIC's licensing activities. This modernization will enhance AIC's services to stakeholders and continue AIC's work to build regulatory effectiveness and excellence.

In 2024, the AIC also continued to focus on building a positive work environment and supporting employee engagement by enhancing its internal communication efforts. Highlights included hosting an in-person get together in Red Deer to allow staff to get to know one another in an informal setting; implementing quarterly Town Halls in which staff can hear updates from colleagues in other departments and become more informed about what they're working on; launching a staff engagement survey in August; and listening sessions, led by HR and the CEO, that allowed staff to share the behaviours and actions they believe contribute to a positive, collaborative culture.

The AIC also hosted coaching and team development workshops in April for staff. These sessions enabled staff to enhance their coaching skills, which helps foster a positive team culture and increases staff productivity when working with one another and stakeholders.

## ► Adaptability in action

In August 2024, as a result of extreme weather events in Alberta during the summer, the AIC temporarily implemented its expedited non-resident adjuster licensing protocol to support non-resident adjusters in getting their Alberta license to help affected Albertans. In addition to prioritizing adjuster applications for non-residents, the AIC temporarily deferred the criminal check requirement at the application stage; instead, the AIC allowed license holders to fulfill the criminal check requirement within 60 days of the license being issued.

AIC's expedited adjuster licensing protocol was later recognized by a coalition of property and casualty insurance industry associations in their open letter to CISRO and the Canadian Council of Insurance Regulators (CCIR). The AIC was particularly acknowledged for its practice of issuing expedited licenses as full-term licenses with an expiry date on the upcoming June 30; this long period was cited as "most welcome by the industry and should set a new standard that acknowledges the challenges inherent in managing a large volume of CAT-related claims."

### 2024 HIGHLIGHT



Recognized for setting a  
**"new standard"**  
in the industry.

A coalition of property and casualty  
insurance industry associations  
recognized the AIC for its expedited  
adjuster licensing protocol.

## 2024 HIGHLIGHT



### **STRONG collaborations AND ENGAGEMENT**

with the Government of Alberta and the  
Office of the Superintendent of Insurance.



## ► **Feedback on auto reform and new restricted license process**

In 2024, the AIC continued to work closely with the Government of Alberta (GoA), providing feedback on the Care-First auto insurance system and collaborating on communications related to the new restricted business licensing process.

In the fall, the AIC met with the Treasury Board and Finance policy team to exchange information on regulatory and legislative amendments and upcoming auto reform consultation and implementation. Following that meeting, the AIC provided feedback during the GoA's consultation activities regarding the Care-First auto insurance system and facilitated an opportunity for the Insurance Adjusters' Council and adjuster representatives across Alberta to provide their input on the new system.

The AIC and the General Insurance Council also provided input on the Superintendent of Insurance's interpretation bulletin on motor vehicle dealership loyalty programs, ancillary motor vehicle protection products, and certain motor vehicle warranty products. To ensure that stakeholders were informed about the new requirements to have these products underwritten by licensed insurance companies and sold by licensed businesses, the AIC worked closely with the Office of the Superintendent of Insurance to develop information bulletins to support the implementation of the new restricted licensing process for auto dealerships and equipment dealers.

Applications for the new AIC restricted business license type for dealership loyalty programs and motor vehicle protection products were made available in January 2025.

# EXAMINATION STATISTICS

## ► Life and Accident & Sickness Insurance

ETHICS AND PROFESSIONAL PRACTICE			
Given	4,091		
Passed	3,195	78%	
Failed	896	22%	
ETHICS AND PROFESSIONAL PRACTICE – QUEBEC			
Given	37		
Passed	28	76%	
Failed	9	24%	
LIFE INSURANCE			
Given	3,843		
Passed	2,742	71%	
Failed	1,101	29%	
ACCIDENT AND SICKNESS INSURANCE			
Given	4,085		
Passed	3,106	76%	
Failed	979	24%	
SEGREGATED FUNDS AND ANNUITIES			
Given	4,032		
Passed	2,726	68%	
Failed	1,306	32%	
Total Life Council Examinations		16,088	

## ► General Insurance

LEVEL 1	Given	1,839	
	Passed	1,086	59%
	Failed	753	41%
LEVEL 2	Given	851	
	Passed	651	76%
	Failed	200	24%
LEVEL 3	Given	26	
	Passed	11	42%
	Failed	15	58%
Total General Council Examinations		2,716	

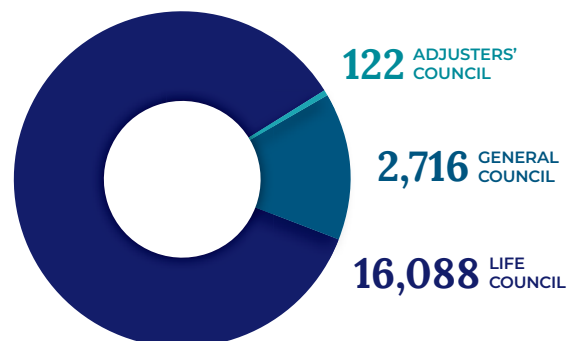
## ► Insurance Adjusters'

LEVEL 1	Given	122	
	Passed	60	49%
	Failed	62	51%
Total Adjusters' Council Examinations		122	

# 18,926

## TOTAL MODULES/EXAMINATIONS

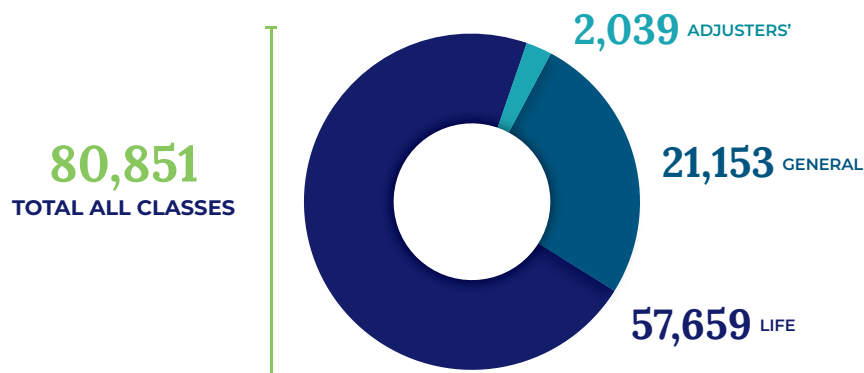
(January 1 – December 31, 2024)



11

# ACTIVE LICENSES

AS OF DECEMBER 31, 2024



## ► Insurance Adjusters' Council

LICENSE CLASS	TOTAL ISSUED
Adjusting Firm	84
Adjuster – Level 1	874
Adjuster – Level 2	160
Adjuster – Level 3	313
Adjuster – Level 3 Designated Representative (DR)	84
Restricted Hail Adjusting Firm	2
Restricted Hail Adjuster	96
Restricted Hail Adjuster – DR	2
Restricted Equipment Warranty Adjuster Firm	14
Restricted Equipment Warranty Adjuster – DR	14
Restricted Equipment Warranty Adjuster	63
Restricted Travel Adjuster Firm	15
Restricted Travel Adjuster – DR	15
Restricted Travel Adjuster	303
<b>Total issued licenses</b>	<b>2,039</b>

### ► General Insurance Council

LICENSE CLASS	TOTAL ISSUED
Auto Dealership (Equipment Warranty)	694
Freight Forwarder (Cargo)	2
Equipment Dealer (Equipment Warranty)	216
Auto Dealership (GAP)	470
Equipment Dealer (GAP)	93
Vehicle Rental Agency (Personal Effects Coverage)	5
General Insurance Agency	1,037
General Insurance – Level 1	1,430
General Insurance – Level 2	355
General Insurance – Level 1 Agency	7,624
General Insurance – Level 2 Agency	7,983
General Insurance – Level 3 Designated Representative	1,037
General Insurance – Probationary	56
Hail – Agency	20
Hail Insurance – Agent	91
Hail Insurance – Designated Representative	20
Livestock – Agency	2
Livestock Insurance – Agent	16
Livestock Insurance – Designated Representative	2
<b>Total issued licenses</b>	<b>21,153</b>

### ► Life Insurance Council

LICENSE CLASS	TOTAL ISSUED
Accident & Sickness Agency	2,879
Vehicle Rental Agency (Personal Accident Insurance)	5
Automobile Dealership (Credit Related)	512
Deposit-Taking Institution (Credit Related)	43
Sales Finance Company (Credit Related)	205
Deposit-Taking Institution (Personal Accident)	4
Equipment Dealer (Credit Related)	190
Accident & Sickness	22,183
Accident & Sickness – Designated Representative	2,879
Life Insurance Agency	2,898
Funeral Services Business (Funeral Services)	74
Life – Agent	22,414
Life – Designated Representative	2,898
Deposit-Taking Institution (Group Travel)	9
Travel Agency (Travel)	466
<b>Total issued licenses</b>	<b>57,659</b>

## STATISTICS FOR ALL COUNCILS

### ► Licensing Decisions by Councils

ACTION	GENERAL	LIFE	ADJUSTERS'
Licenses issued or retained	1	10	0
Licenses refused	2	64	0
Issued with undertakings	11	258	0
<b>Total</b>	<b>14</b>	<b>332</b>	<b>0</b>

### ► Compliance Files

	GENERAL	LIFE	ADJUSTERS'	TOTAL
Number of case files carried forward from 2023	60	63	1	124
Number of case files opened in 2024	482	394	8	884
Total number of files	542	456	9	1,007
Number of case files closed in 2024	472	416	6	894
Number of case files carried forward to 2025 (investigation)	61	38	3	102
Number of case files carried forward to 2025 (inquiry)	9	2	0	11
<b>Total carry forward to 2025</b>	<b>70</b>	<b>40</b>	<b>3</b>	<b>113</b>

## ► Inquiries

	GENERAL	LIFE	ADJUSTERS'	TOTAL
Inquiries	373	314	5	692
Carried forward to 2025	9	2	0	11
<b>Total</b>	<b>382</b>	<b>316</b>	<b>5</b>	<b>703</b>

## ► Disciplinary action taken by Council\*

ACTION	GENERAL	LIFE	ADJUSTERS'
Guilty – no sanction imposed	1	0	0
Guilty – additional education	0	0	0
Civil Penalty	3	11	0
Suspension & Civil Penalty	2	0	0
Revocation & Civil Penalty	1	0	0
<b>Total</b>	<b>7</b>	<b>11</b>	<b>0</b>

\*Some penalty information includes 2023 numbers as the AIC received the cases after 2023 year-end reporting was submitted



# LIFE INSURANCE COUNCIL (LIC) INVESTIGATIONS AND INQUIRIES

## ► Life Insurance Council Investigations and Inquiries

<b>CONDUCT/MISCONDUCT</b>		<b>407</b>
Administrative Caution		36
Fine by Industry Council		9
Information Request		210
Insufficient		35
Not Substantiated		49
Outside Jurisdiction		68
<b>NON-DISCLOSURE</b>		<b>1</b>
Administrative Caution	1	
<b>OTHER</b>		<b>4</b>
Information Request	3	
Insufficient	1	
<b>HOLDING OUT</b>		<b>1</b>
Fine by Industry Council		1
<b>UNLICENSED ACTIVITY</b>		<b>3</b>
Fine by Industry Council		1
Outside Jurisdiction		2
<b>Total LIC Investigations and Inquiries</b>		<b>416</b>
<b>Total amount of fines levied by the LIC in 2024</b>		<b>\$242,250</b>

### DEFINITIONS

**Administrative Caution:** Administrative cautions are non-disciplinary tools for prevention, intervention, and education. Used for minor or technical misconduct, an administrative caution contains a description of the breach, the reasons why an administrative caution was issued, a warning related to future non-compliance, and when relevant, references to material related to the misconduct.

**Not Substantiated:** These are complaints that do not lead to disciplinary action, either due to insufficient evidence or a determination that a breach did not occur.

**Outside Jurisdiction:** These are legitimate complaints that do not pertain to a violation of the Act and/or its Regulations as it relates to AIC's jurisdiction regulating insurance intermediaries (e.g. complaints regarding insurance companies, claim disputes, etc.).

**Information Requests:** Requests typically submitted by industry professionals regarding compliance with specific sections of the Act. The requests concern a wide range of topics (e.g. advertising, referral fees, rebating, E&O, CE, etc.).

**Insufficient:** These are related to withdrawn complaints, lack of provided evidence, no breach indicated, etc.

# GENERAL INSURANCE COUNCIL (GIC) **CLOSED FILES**

## ► General Insurance Council Closed Files

<b>CONDUCT/MISCONDUCT</b>		<b>464</b>
Administrative Caution		28
Fine by Industry Council		2
Guilty – no penalty by Industry Council		1
Information Request		71
Insufficient		80
Not Substantiated		55
Outside Jurisdiction		224
Suspension and Fine by Industry Council		2
Revocation & Fine by Industry Council		1
<b>HOLDING OUT</b>		<b>3</b>
Administrative Caution	1	
Outside Jurisdiction	2	
<b>ONLINE EXAMINATION</b>		<b>1</b>
Administrative Caution	1	
<b>OTHER</b>		<b>3</b>
Administrative Caution	1	
Outside Jurisdiction	2	
<b>UNLICENSED ACTIVITY</b>		<b>1</b>
Fine by Industry Council	1	
<b>Total GIC Closed Files</b>		<b>472</b>
<b>Total amount of fines levied by the GIC in 2024</b>		<b>\$102,000</b>

## DEFINITIONS

**Administrative Caution:** Administrative cautions are non-disciplinary tools for prevention, intervention, and education. Used for minor or technical misconduct, an administrative caution contains a description of the breach, the reasons why an administrative caution was issued, a warning related to future non-compliance, and when relevant, references to material related to the misconduct.

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**Information Requests:** Requests typically submitted by industry professionals regarding compliance with specific sections of the Act. The requests concern a wide range of topics (e.g. advertising, referral fees, rebating, E&O, CE, etc.).

**Insufficient:** These are related to withdrawn complaints, lack of provided evidence, no breach indicated, etc.

# INSURANCE ADJUSTERS' COUNCIL (IAC) INVESTIGATIONS AND INQUIRIES

## ► Insurance Adjusters' Council Investigations and Inquiries

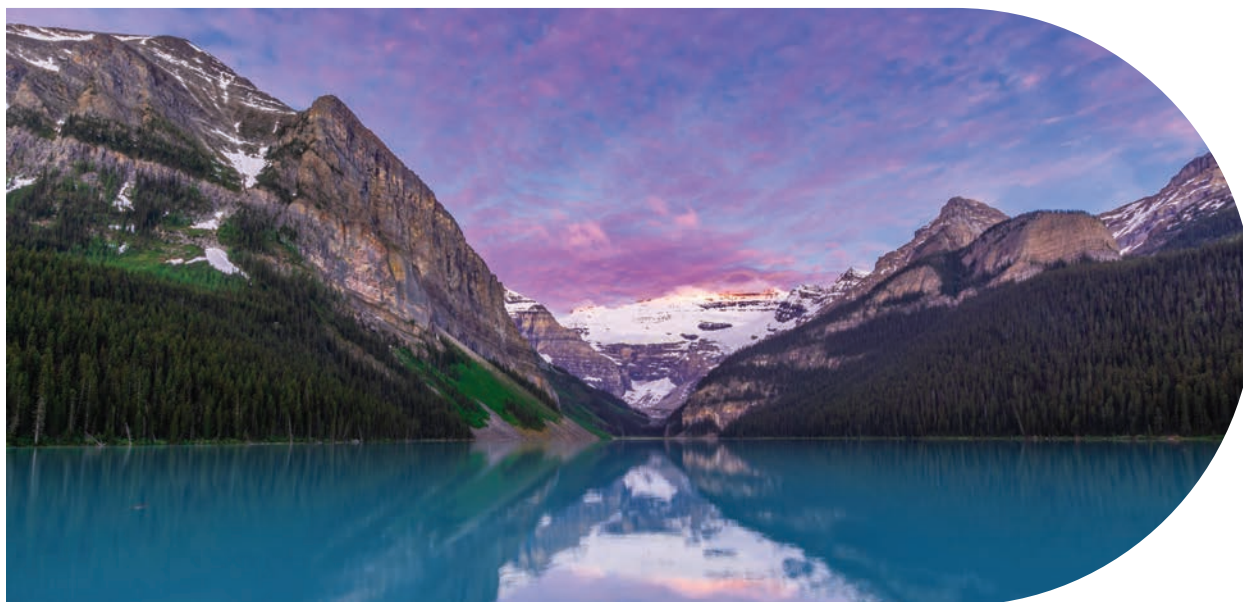
CONDUCT/MISCONDUCT	6
Information Request	1
Not Substantiated	1
Outside Jurisdiction	4
<b>Total IAC Investigations and Inquiries</b>	<b>6</b>

### DEFINITIONS

**Not Substantiated:** These are complaints that do not lead to disciplinary action, either due to insufficient evidence or a determination that a breach did not occur.

**Outside Jurisdiction:** These are legitimate complaints that do not pertain to a violation of the Act and/or its Regulations as it relates to AIC's jurisdiction regulating insurance intermediaries (e.g. complaints regarding insurance companies, claim disputes, etc.).

**Information Requests:** Requests typically submitted by industry professionals regarding compliance with specific sections of the Act. The requests concern a wide range of topics (e.g. advertising, referral fees, rebating, E&O, CE, etc.).



## AIC AUDITS

The AIC launches annual thematic audits focused on key compliance areas. In 2023, 150 Errors and Omissions (E&O) policy audits were conducted on corporations. Of the 150 audits, with the exception of one entity, all corporations held E&O policies.

**Key audit findings included:**

- A 42% compliance rate of all regulatory and legislative requirements.
- 58% of corporations were missing one or more components of the *Insurance Act* requirements.

**Of those 58% of corporations, the following key themes emerged from the audits:**

1. Corporate policies lacked required coverage for employees and contractors.
2. Misinterpretation of legislative requirements.
3. Other provincial regulatory E&O requirements used in policy wordings were not applicable to Alberta requirements.
4. E&O policies were not updated to reflect applicable business owner changes.

A risk analysis determined that while E&O policy claims were infrequent, the potential impact was significant. Most audited license holders had some level of E&O coverage, but a majority of policies did not fully meet Alberta's legislative requirements.

As a result of the audit, in 2024, the AIC worked with 87 corporations, including insurers and Managing General Agents (MGAs), to bring the companies into compliance with E&O requirements.

**The AIC also supplemented compliance efforts with targeted industry-wide education, training, and communications focused on E&O requirements, such as:**

- Publishing an industry bulletin outlining the E&O legislative requirements in Alberta, including checklists and FAQs.
- Developing and launching accredited webinars for licensees who purchase E&O insurance and for those who also sell E&O insurance.
- Collaborating with industry by engaging MGAs, insurers, and associations, and encouraging them to refine their policies and improve oversight on protection.
- Enforcing compliance actions; this includes issuing 10 Administrative Cautions and referring one case to the Life Insurance Council for decision.

By prioritizing licensee education and risk-based audits, the AIC aims to strengthen industry compliance to Alberta's E&O requirements and enhance consumer protection.

**2024 HIGHLIGHT**

**AIC worked with 87  
CORPORATIONS**  
to bring them into compliance  
with E&O requirements.

## APPEALS

### TO THE INSURANCE COUNCILS APPEAL BOARD AND THE COURT OF KING'S BENCH OF ALBERTA

## Actions before the Insurance Councils Appeal Board of Alberta

In 2024, 10 Notices of Appeal were put before the Superintendent of Insurance. The Insurance Councils Appeal Board of Alberta convened, and the disposition of those matters are as follows:

### ► Appeals

NUMBER OF APPEALS	DECISION
5	Council Decision upheld
2	Council Decision varied
1	Council Decision overturned
0	Appeal discontinued
2	Carried forward
0	Rejected
0	Abandoned

### ► Subject matter overview

NUMBER OF APPEALS	OVERVIEW
1	Appeals of General Insurance Council Decisions with respect to the issuance, retention, or the renewal of an insurance Certificate of Authority
6	Appeals of Life Insurance Council Decisions with respect to the issuance, retention, or the renewal of an insurance Certificate of Authority
2	Appeals of General Insurance Council Decisions in relation to disciplinary matters
1	Carried forward from 2024 to 2025. Yet to be heard by the Insurance Councils Appeal Board as of December 31, 2024

### DEFINITIONS

**Upheld:** The Insurance Councils Appeal Board agreed with the Council Decision.

**Varied:** New evidence was presented to the Insurance Councils Appeal Board that resulted in the variance of the Council Decision.

**Overturned:** Council Decision was reversed, and a new Decision was rendered by the Insurance Councils Appeal Board.

**Discontinued:** The appeal was withdrawn by the appellant.

**Rejected:** Notice of Appeal was rejected by the Superintendent of Insurance.

**Abandoned:** The appeal was abandoned by the appellant.

## Voluntary Undertaking Agreements

Voluntary Undertaking Agreements (VUAs) address secondary occupations within the industry while ensuring public protection. In 2024, 387 applications were reviewed for eligibility to be offered a VUA. The disposition of these agreements are as follows:

### ► Voluntary Undertaking Agreements

NUMBER OF APPLICATIONS	OUTCOME
272	Agreements entered into
4	Applications sent to Council
8	Applicants resigned
53	Applications closed for non-response
6	Applications withdrawn
1	Applications approved with no agreement
43	Applications carried over to 2025

### DEFINITIONS

**Entered:** Applicants entered into a Voluntary Undertaking Agreement with the Alberta Insurance Council.

**Sent to Council:** The application was not eligible for a Voluntary Undertaking Agreement and was sent to the respective Industry Council for adjudication.

**Resigned:** The applicant resigned from the occupation at issue on their application(s).

**Non-response:** The application was closed as the applicant failed to respond by a deadline provided by the Alberta Insurance Council.

**Withdrawn:** The applicant withdrew their application(s) for the certificate(s) of authority.

**Approved:** The applicant was issued their certificate(s) of authority without a Voluntary Undertaking Agreement.

**Carried over:** The applicant is awaiting a meeting with the AIC, required to provide additional information, or in the process of signing the Voluntary Undertaking Agreement.

## Actions before the Court of King’s Bench of Alberta

ACTION	OVERVIEW
Action 1	Filed in 2022 with the Court of King’s Bench of Alberta. Matter completed in Q1 2024.

# FINANCIAL STATEMENTS

Financial Statements of

## ALBERTA INSURANCE COUNCIL

Year ended December 31, 2024



**KPMG LLP**  
2200, 10175-101 Street  
Edmonton, Alberta T5J 0H3  
Canada  
Telephone (780) 429 7300  
Fax (780) 429 7379

## INDEPENDENT AUDITOR'S REPORT

To the Members of Alberta Insurance Council

### ***Opinion***

We have audited the financial statements of Alberta Insurance Council (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
  - the statement of operations for the year then ended
  - the statement of changes in net assets for the year then ended
  - the statement of cash flows for the year then ended
  - and notes to the financial statements, including a summary of significant accounting policies
- (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024 and its results of operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



### ***Responsibilities of Management and Those Charged With Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.  
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

Chartered Professional Accountants

Edmonton, Canada

April 15, 2025

# ALBERTA INSURANCE COUNCIL

## Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (note 2)	\$ 11,902,600	\$ 5,926,932
Accounts receivable (notes 2 and 3)	141,901	442,261
Investments (note 3)	263,850	6,500,000
Prepaid expenses	258,710	275,852
	12,567,061	13,145,045
Long-term investments (note 3)	2,371,950	2,500,000
Capital and intangible assets (note 4)	1,926,658	1,654,399
Other assets (note 5)	99,501	92,544
	\$ 16,965,170	\$ 17,391,988

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 790,006	\$ 1,088,293
Deferred revenue (notes 1 and 6)	71,056	3,670,841
Current portion of deferred rent and tenant inducements (note 8)	130,654	130,654
	991,716	4,889,788
Asset retirement obligation (note 7)	156,419	148,301
Deferred rent and tenant inducements (note 8)	1,194,672	1,325,326
	2,342,807	6,363,415
Net assets:		
Investment in capital assets (note 9)	1,073,630	704,855
Unrestricted	13,548,733	10,323,718
	14,622,363	11,028,573
	\$ 16,965,170	\$ 17,391,988

Commitments and contingencies (note 10)

See accompanying notes to financial statements.

Andrew Freeman  
Chair, Finance & Audit Committee

Michael Ilnycky  
Vice Chair, Alberta Insurance Council

# ALBERTA INSURANCE COUNCIL

## Statement of Operations

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget	2024	2023
Revenue:			
License, assessment, examination and continuing education fees (note 11)	\$ 9,192,000	\$ 9,269,951	\$ 8,850,096
Interest and other	405,000	407,674	575,780
	9,597,000	9,677,625	9,425,876
Expenses:			
Manpower	5,466,000	4,257,641	4,895,978
Software and computer	1,899,000	1,956,719	981,442
Occupancy and premises	1,132,000	1,088,727	955,783
Merchant and proctor fees	524,000	490,059	398,364
Professional fees	389,000	442,664	644,893
Councils, boards and committees (note 12)	564,000	409,919	378,497
Amortization	331,000	380,161	316,958
Office and administration	380,000	337,546	230,074
Communications	292,000	192,548	198,675
Travel	252,000	139,325	119,958
Loss on disposal of capital assets	-	6,556	1,152
Scholarships	-	-	500,000
	11,229,000	9,701,865	9,621,774
Deficiency of revenue over expenses	\$ (1,632,000)	\$ (24,240)	\$ (195,898)

See accompanying notes to financial statements.

# ALBERTA INSURANCE COUNCIL

## Statement of Changes in Net Assets

Year ended December 31, 2024, with comparative information for 2023

	Invested in capital assets	Unrestricted	2024
Net assets, beginning of year	\$ 704,855	\$ 10,323,718	\$ 11,028,573
Adoption of PSAS 3400	-	3,618,030	3,618,030
Restated net assets, beginning of year	704,855	13,941,748	14,646,603
Deficiency of revenue over expenses	-	(24,240)	(24,240)
Net change in invested in capital assets (note 9)	368,775	(368,775)	-
Net assets, end of year	\$ 1,073,630	\$ 13,548,733	\$ 14,622,363

	Invested in capital assets	Unrestricted	2023
Net assets, beginning of year	\$ 536,876	\$ 10,687,595	\$ 11,224,471
Deficiency of revenue over expenses	-	(195,898)	(195,898)
Net change in invested in capital assets (note 9)	167,979	(167,979)	-
Net assets, end of year	\$ 704,855	\$ 10,323,718	\$ 11,028,573

See accompanying notes to financial statements.

# ALBERTA INSURANCE COUNCIL

## Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	\$ (24,240)	\$ (195,898)
Items not involving cash:		
Accretion of asset retirement obligation	8,118	6,943
Amortization of deferred tenant inducements	(104,634)	(97,699)
Recognition of deferred rent	(26,020)	(398)
Remeasurement of asset retirement obligation	-	29,200
Amortization	380,161	316,958
Loss on disposal of capital assets	6,556	1,152
Net change in non-cash working capital items:		
Accounts receivable	300,360	(232,062)
Prepaid expenses	17,142	(60,297)
Accounts payable and accrued liabilities	(298,287)	353,372
Other assets	(6,957)	1,804
Deferred revenue	18,245	132,393
	270,444	255,468
Investing activities:		
Purchase of investments	(23,935,800)	(13,550,000)
Maturity on investments	30,300,000	13,300,000
Purchase of capital assets	(662,281)	(475,591)
Proceeds on sale of capital assets	3,305	2,244
Asset retirement obligation	-	(29,200)
	5,705,224	(752,547)
Increase (decrease) in cash and cash equivalents	5,975,668	(497,079)
Cash and cash equivalents, beginning of year	5,926,932	6,424,011
Cash and cash equivalents, end of year	\$ 11,902,600	\$ 5,926,932
Non-cash transactions		
Adoption of PSAS 3400 on deferred revenue (note 1)	\$ 3,618,030	\$ -

See accompanying notes to financial statements.

# ALBERTA INSURANCE COUNCIL

## Notes to Financial Statements

Year ended December 31, 2024

### Authority and purpose:

The Alberta Insurance Council (the "Council") operates under the authority of the Insurance Act, Chapter 1-3, Revised Statutes of Alberta 2000, as amended. As a not-for-profit organization under the Income Tax Act, the Council is not subject to either federal or provincial income taxes.

The Council provides administration services to the Life Insurance, General Insurance and Insurance Adjusters Councils (collectively, the "Councils"). These Councils are responsible for enforcing the provisions of the Insurance Act and Regulations for their segments of the insurance industry.

### 1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS), including the 4200 standards which apply to government not-for-profit organizations.

#### *Change in accounting policies note:*

On January 1, 2024, the Council adopted PSAS standard *PS 3400 Revenue*. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. The new standard was adopted using the prospective transitional provisions, which results in a cumulative catch-up adjustment being recognized in the opening net assets as of January 1, 2024:

	Invested in capital assets	Unrestricted	2024
Net assets, beginning of year	\$ 704,855	\$ 10,323,718	\$ 11,028,573
Effect of implementation of PSAS 3400	-	3,618,030	3,618,030
Restated Net assets, beginning of year	704,855	13,941,748	14,646,603

The Council's significant accounting policies are consistent with those used in the preparation of the financial statements for the year ended December 31, 2023, except for the changes resulting from implementation of PSAS 3400.

#### (a) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits, which are highly liquid with original maturities of less than three months from the date of acquisition. These financial assets are convertible to cash at the request of the Council.

# ALBERTA INSURANCE COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 1. Significant accounting policies (continued):

### (b) Revenue recognition:

Revenue from all activities is recognized when the Entity has the ability to claim or retain an inflow of economic resources and a past transaction or event giving rise to the asset has occurred.

License and assessment fees are recognized as revenue at a point in time when licenses and assessments are approved and issued. Examination fees are recognized at a point in time when the related exam is held. Continuing Education (CE) course approval fees are recognized at a point in time upon submission to the Accreditation Committee. CE provider fees are recognized on a calendar year basis. License, assessment, examination and continuing education fees received but not yet recognized as revenue are recorded as deferred revenue.

### (c) Examination development costs:

Costs of development of examination questions are expensed as incurred.

### (d) Capital and intangible assets:

Capital and intangible assets are recorded at cost, less accumulated amortization. Amortization is provided using the straight-line method over their estimated useful lives as follows:

Asset	Rate
Leasehold improvements	Term of lease
Furniture and office equipment	3 – 10 years
Computer equipment	3 – 7 years
Computer software	3 – 7 years
Telephone equipment	3 – 5 years

Intangible assets consist of computer software where the Council owns and controls the software.

The Council tests its capital and intangible assets when a significant change in circumstances indicates the carrying amount of an asset may exceed its fair value. An impairment loss is measured as the amount by which the asset's carrying value exceeds its fair value. Impairment in the carrying value of capital assets is charged as an expense in the year the impairment is determined.

# ALBERTA INSURANCE COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 1. Significant accounting policies (continued):

### (e) Asset retirement obligation (continued):

Asset retirement obligations are legal obligations associated with the retirement of capital assets. Asset retirement activities include all activities relating to asset retirement obligations. These may include, but are not limited to:

- decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed;
- remediation of contamination of a tangible capital asset created by its normal use;
- post-retirement activities such as monitoring; and
- constructing other capital assets to perform post-retirement activities.

A liability for an asset retirement obligation is recognized when, as at the financial statement reporting date, all the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

When a liability for asset retirement obligation is recognized, asset retirement costs related to the recognized capital assets in productive use are capitalized by increasing the carrying amount of the related asset and are amortized over the estimated useful life of the underlying capital asset. Asset retirement costs related to unrecognized capital assets and those not in productive use are expensed.

When the present value technique is used to measure a liability, the liability is adjusted for the passage of time and is recognized as accretion expense in the statement of operations. When a present value technique is not used, the asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability. The Council measures all asset retirement obligations at their current estimated cost to settle as the estimated settlement date of these obligations is indeterminable.

# ALBERTA INSURANCE COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 1. Significant accounting policies (continued):

### (f) Leases:

The Council accounts for leases as either operating or capital. Assets acquired under capital lease are amortized over the lease term, or if the lease contains terms that allow ownership to pass to the Council for a bargain purchase option, assets are amortized over their useful lives. Obligations under capital lease are measured at the lower of the present value of future minimum lease payments and fair value. Leases not meeting the capital lease criteria are treated as operating leases with lease payments recorded as an expense on a straight-line basis over the lease term.

### (g) Tenant inducements, deferred rent and asset retirement obligation:

Tenant inducements associated with leased premises are amortized on a straight-line basis over the term of the related lease and recognized as a reduction of rent recorded in occupancy and premises expenses.

Rent expense is recognized on a straight-line basis over the lease term. Deferred rent comprises the aggregate difference in the rental expense incurred on a straight-line basis over the lease term and the actual rent charged.

The asset retirement obligation associated with leased premises is recorded at its discounted value and is amortized over the term of the related lease. The associated accretion expense is included with occupancy and premises expenses.

### (h) Cloud computing arrangements:

The Council has elected to expense all costs related to the capitalization of cloud computing arrangements in accordance with *Accounting Guideline AcG-20, Customer's Accounting for Cloud Computing Arrangements*. This guideline provides specific guidance on how to account for expenditures related to cloud computing arrangements and identify any related software intangible assets. The guideline came into effect for fiscal years beginning on or after January 1, 2024 and has been early adopted by the Council.

### (i) Internally restricted net assets:

From time to time the Council's Board of Directors may choose to internally restrict net assets to fund certain procurements or costs.

### (j) Contributed services:

The work of the Council is dependent on the voluntary services of members. The value of donated services is not recognized in these financial statements.

# ALBERTA INSURANCE COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 1. Significant accounting policies (continued):

### (k) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are subsequently reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations. As the Council does not have any unrealized changes in fair value, a statement of remeasurement gains and losses has not been presented.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

### (l) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include:

- allowance for doubtful accounts;
- assessment of whether there are triggering events that would require the testing of capital assets and intangible assets for impairment, and
- asset retirement obligations.

Actual results could differ from those estimates.

# ALBERTA INSURANCE COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 1. Significant accounting policies (continued):

(m) Future accounting standard pronouncements:

Effective January 1, 2027, the Conceptual Framework for Financial Reporting and PS 1202 Financial Statement Presentation will be adopted by the Council. The Council is currently evaluating the impact to its financial statements.

## 2. Cash and cash equivalents:

Included in cash and cash equivalents is \$10,844,348 (2023 - \$nil) in the Consolidated Liquidity Solution (CLS) which is an interest-bearing account which is managed by the Government of Alberta. In order to access the cash, the Council transfers the required amount to their other bank accounts and then uses these funds as needed. The interest rates during the year ended December 31, 2024 ranged from 3.29% to 4.06%.

Included in accounts receivable is accrued interest of \$33,324 (2023 - \$nil).

## 3. Investments and long-term investments:

Short Term Investments consist of one Guaranteed Investment Certificate with a fixed annual interest rate of 5.54% (2023 - 4.95% to 5.55%) with a maturity date of March 31, 2025.

Long Term Investments consist of Guaranteed Investment Certificates with fixed annual interest rate of 5.42% (2023 - 5.42% to 5.54%) and maturity dates between March 31, 2026, and June 30, 2026.

Included in accounts receivable is accrued interest of \$67,862 (2023 - \$308,823).

# ALBERTA INSURANCE COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 4. Capital assets and intangible assets:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Leasehold improvements	\$ 1,563,825	\$ 481,785	\$ 1,082,040	\$ 952,599
Furniture and office equipment	838,511	405,253	433,258	469,634
Computer equipment	718,062	563,129	154,933	106,035
Computer software	1,109,119	874,728	234,391	118,533
Telephone equipment	41,667	19,631	22,036	7,598
	\$ 4,271,184	\$ 2,344,526	\$ 1,926,658	\$ 1,654,399

## 5. Other assets:

Included in other assets are security deposits on leased premises. The balance of these deposits is \$94,095 (2023 - \$91,295).

## 6. Deferred revenue:

	2024	2023
License fees (note 1)	\$ 65,206	\$ 3,584,591
Assessment fees	-	77,250
Examination and continuing education fees	5,850	9,000
	\$ 71,056	\$ 3,670,841

# ALBERTA INSURANCE COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 7. Asset retirement obligation :

	Edmonton		Calgary		2024		2023	
	Manulife Place		Jamieson Place		Total		Total	
Beginning of year	\$	80,672	\$	67,629	\$	148,301	\$	112,158
Remeasured		-		-		-		29,200
Accretion		4,311		3,807		8,118		6,943
	\$	84,983	\$	71,436	\$	156,419	\$	148,301

Under the terms of its leases for premises leases, the Council is required to remove certain leasehold improvements, upon termination of the leases. The premises leases in Manulife and Jamieson Place will terminate in 2031 and 2033, respectively.

As at December 31, 2024, the Council estimated its total undiscounted expenditures for the removal of leasehold improvements to be \$217,274 (2023 - \$217,274). The present value of the asset retirement obligations has been calculated using a discount rate of 4.5% (2023 - 4.5%). The Council assessed the impact of change in discount rate to be immaterial and therefore, did not recognize the impact in its financial statements.

## 8. Deferred rent and tenant inducements:

			2024		2023	
	Deferred rent	Tenant inducement	Total	Total		
Beginning of year	\$	654,737	\$	801,243	\$	1,455,980
Increase in tenant inducement					\$	1,475,265
Amortization of deferred rent and tenant inducements	(26,020)	(104,634)	(130,654)	(97,301)		78,016
Deferred rent and tenant inducements	628,717	696,609	1,325,326	1,455,980		
Less: current portion of deferred rent and tenant inducements	(26,020)	(104,634)	(130,654)	(130,654)		
	\$	602,697	\$	591,975	\$	1,194,672
					\$	1,325,326

# ALBERTA INSURANCE COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 9. Invested in capital assets:

(a) Invested in capital assets consists of the following:

	2024	2023
Capital assets	\$ 1,926,658	\$ 1,654,399
Asset retirement obligation	(156,419)	(148,301)
Deferred tenant inducements	(696,609)	(801,243)
	\$ 1,073,630	\$ 704,855

(b) Change in net assets invested in capital assets is calculated as follows:

	2024	2023
Net change in investment in capital assets:		
Amortization of capital assets	\$ (380,161)	\$ (316,958)
Purchase of capital assets	662,281	504,792
Tenant inducement received for additional space	-	(78,015)
Amortization of deferred tenant inducements	104,634	97,699
Accretion and remeasurement of asset retirement obligation	(8,118)	(36,143)
Proceeds on sale of capital assets	(3,305)	(2,244)
Loss from disposal of capital assets	(6,556)	(1,152)
	\$ 368,775	\$ 167,979

## 10. Commitments and contingencies:

The Council is committed to annual lease payments and software licensing agreements as follows:

2025	\$ 624,118
2026	551,211
2027	552,705
2028	571,807
2029	571,807
Thereafter	1,373,882
	\$ 4,245,530

# ALBERTA INSURANCE COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 10. Commitments and contingencies (continued):

In addition to the commitments outlined above, the Council is also responsible for operating costs related to leases for office premises. These costs are not fixed within the lease and change yearly.

The Council has been named as a defendant in a legal action. The Council has adequate insurance to cover these legal proceedings and a provision of \$25,000 (2023 - \$60,000) has been included in these financial statements to cover costs including the insurance deductibles related to these actions. Consequently, any settlements reached are not expected to have a material adverse effect on the financial position of the Council.

## 11. License, assessment, examination and continuing education fees:

Revenue from license, assessment, examination and continuing education fees consists of the following:

	2024	2023
License fees	\$ 7,994,205	\$ 7,596,496
Assessment fees	157,125	156,000
Examination fees	812,921	799,250
Continuing education fees	305,700	298,350
	<b>\$ 9,269,951</b>	<b>\$ 8,850,096</b>

## 12. Council, boards and committees:

(a) The following amounts are included in Councils, boards and committees expenses:

	2024	2023
Councils and Council Committees	\$ 286,418	\$ 250,087
Appeal Boards	33,989	37,360
Accreditation Committee	89,512	91,050
	<b>\$ 409,919</b>	<b>\$ 378,497</b>

The Minister of Finance, responsible for the Insurance Act, has appointed the members of the Alberta Accreditation Committee (AAC), provided for in Section 29 of the Insurance Agents and Adjusters Regulation. The Council funds the operations of and provides administrative services to the AAC.

# ALBERTA INSURANCE COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 12. Council, boards and committees (continued):

(b) Per-diem payments of Council Members:

The following amounts are included in Councils, Boards and Committees expenses:

	Number of members	2024 <sup>(ii)</sup>	Number of members	2023 <sup>(ii)</sup>
Councils <sup>(i)</sup>				
Chairs	14	93,991	15	108,655
Members	37	152,764	45	181,164
Total	51	246,755	60	289,819

(i) These amounts include the following:

- the Life Insurance Council, the General Insurance Council, the Insurance Adjusters Council,
- the Alberta Insurance Council (AIC), and the AIC's standing committees, the Finance and Audit Committee, the Governance and Human Resources Committee,
- the AIC Chair annual stipend,
- the Appeal Boards, and
- the Alberta Accreditation Committee.

(ii) All per diem payments made to members of Councils, Committees and Boards are paid by the Council out of fees received from insurance licenses, examinations, and continuing education course accreditation fees. This includes public members appointed by the Lieutenant Governor in Council, as well as Alberta Accreditation Committee members appointed by the Minister of Finance pursuant to the Government Organization Act.

## 13. Financial risks and concentration of credit risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Council is exposed to credit risk with respect to its accounts receivable.

The Council assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Council at December 31, 2024 is the carrying value of these assets. Included in accounts receivables is an allowance for bad debts of \$nil (2023 - \$nil).

There have been no significant changes to the credit risk exposure from 2023.

# ALBERTA INSURANCE COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 13. Financial risks and concentration of credit risk (continued):

### (b) Liquidity risk:

Liquidity risk is the risk that the Council will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Council manages its liquidity risk by monitoring its operating requirements and maintaining sufficient cash and investment reserves to fund any cash flow shortages. The Council prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There have been no significant changes to the liquidity risk exposure from 2023.

### (c) Interest rate risk:

The interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

Financial assets and financial liabilities with variable interest rates expose the Council to cash flow interest rate risk. The Council is exposed to this risk through certain short-term fixed rate investments. Details of these investments are included in notes 2 and 3.

There have been no significant changes to the interest rate risk exposure from 2023.



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