

IB-2025-01: NEW AIC RESTRICTED CERTIFICATE OF AUTHORITY TYPES FOR SALES FINANCE COMPANIES

PURPOSE

This Information Bulletin provides important licensing information about new restricted certificate of authority types for sales finance companies looking to sell GAP (Guaranteed Asset Protection), equipment warranty, or motor vehicle dealership loyalty programs and ancillary motor vehicle protection products.

BACKGROUND

As per the *Insurance Act*, GAP, equipment warranty products, motor vehicle dealership loyalty programs, ancillary motor vehicle protection products, and certain motor vehicle warranty products are insurance products that must be underwritten by licensed insurance companies and sold by licensed agents and/or businesses with restricted certificates of authority.

Previously, these [restricted license types from AIC](#) were only available to automobile or equipment dealers. Recognizing that sales finance companies may seek to sell motor vehicle dealership loyalty programs and ancillary motor vehicle protection products, as well as GAP and equipment warranty products, the Alberta Insurance Council (AIC) has created three new types of sales finance licenses:

1. Sales Finance (GAP)
2. Sales Finance (Equipment Warranty)
3. Sales Finance (Motor vehicle dealership loyalty programs and ancillary motor vehicle protection products)

SALES FINANCE RESTRICTED INSURANCE TYPES

To ensure compliance under the *Insurance Act*, any sales finance company wishing to sell GAP, equipment warranty, and/or motor vehicle dealership loyalty programs and ancillary motor vehicle protection products will be required to:

1. Ensure those products are underwritten by licensed insurers; and
2. Hold the associated type of Restricted Certificate of Authority with the AIC that authorizes the sale of those products.

Applications for new restricted license

Applications can be submitted by logging into the [AIC Portal](#). Applications will be reviewed in the order they are received, and AIC's standard processing time is 15 business days.

Application process

Sales finance companies applying for the new insurance type of Restricted Certificate of Authority must meet all application requirements to receive a license. They will be asked to provide:

- A Designated Individual
- Alberta Corporate Access Number
- Valid Errors & Omissions insurance policy
- Sponsorship from an insurance company
- Payment of the license fees

If a sales finance company intends to sell multiple insurance products, they will be required to complete separate applications for each type of insurance that the business aims to sell.

CONTACT INFORMATION

If you have any questions regarding this Information Bulletin or the process for applying for the new insurance type of Restricted Certificate of Authority, please contact AIC Licensing at licensing@abcouncil.ab.ca.