

## Insurance Act RSA 200 Chapter I - 3

### Certificates of Authority

#### *Financial guarantee*

**465(1)** Every business and individual that holds a certificate of authority must meet the requirements respecting financial guarantees set out in the regulations.

**(2)** This section does not apply in respect of

- (a) a certificate of authority issued to an employee of a licensed insurer, or
- (b) a certificate of authority for a prescribed class or type of insurance or for a prescribed class or type of certificate holder.

1999 cI-5.1 s465

(NOTE: Section 465 comes into force on Proclamation.)

## Insurance Agents and Adjusters Regulation

### Financial Guarantee

#### Errors and omissions insurance

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

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

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

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

**(5)** The insurer must provide 30 days' advance notice to the Minister by certified mail of the cancellation or non-renewal of the policy or any change whereby the policy does not meet the form and contents required under subsection (2).

**Extracts from the:  
Insurance Act and ;  
The Insurance Agents and Adjusters Regulation A.R. 122/2001**

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**Existing insurance**

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

**Amount of insurance**

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

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

**(3)** Repealed AR 94/2006 s15.

AR 122/2001 s35;293/2002;196/2005;94/20

**Exception to financial guarantee requirements**

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

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