



April 17, 2026

Alec Silenzi
General Counsel and Corporate Secretary
Alberta Insurance Council
Suite 2621, 308 4th Avenue S.W.
Calgary, AB, T2P 0H7
asilenzi@abcouncil.ab.ca

Dear Alec Silenzi,

Alberta Municipalities (ABmunis) represents municipalities across Alberta – including summer villages, villages, towns, cities, and specialized municipalities. ABmunis is committed to fostering resilient, thriving communities, in part through advocacy related to provincial legislation and regulations.

Recently, ABmunis became aware of a regulatory interpretation by the Life Insurance Council (Council) requiring democratically elected local officials to choose between retaining their insurance licenses or maintaining their elected positions. ABmunis recognizes that the Council operates under the authority delegated by the *Insurance Act* and the President of Treasury Board and Minister of Finance. The Council's mission, through the Alberta Insurance Council, to safeguard Albertans through regulation of insurance professionals is appreciated. Nevertheless, recent decisions compelling elected municipal officials to choose between their insurance licenses—which provide essential income—and their community service roles present significant concerns regarding legislative overreach, fairness, and financial impacts for both officials and municipalities.

ABmunis is actively advocating for reconsideration by both the Council and the Office of the Superintendent of Insurance.


Legislative Framework

According to a recent decision obtained by ABmunis, the Council has referenced section 5(2)(d) and (f) of the *Insurance Agents and Adjusters Regulation* as justification for its decision affecting several councillors within Alberta. We understand these sections stipulate that individuals retain their certificate of authority if they are not positioned to use coercion or undue influence to secure insurance business, nor engage in occupations that would create a conflict of interest when acting as insurance agents.

ABmunis wishes to highlight additional legislative provisions directly impacting the Council's determination. Section 170-172.2 of the *Municipal Government Act* (MGA) addresses pecuniary and conflict of interest situations; specifying required steps for elected officials to take should such circumstances arise. Section 174 outlines disqualification parameters, including loss of eligibility under the *Local Authorities Election Act* (LAEA), contravention of section 172 of the MGA, or using council-acquired information for pecuniary gain.

Furthermore, the LAEA provides statutory authority for municipal elections, with sections 21 and 22 detailing candidate qualifications and ineligibility criteria.

ABmunis maintains that the Council's actions apply a narrow interpretation of a single regulation while failing to acknowledge other provincial statutes designed to uphold integrity and accountability within municipal governance.



While the Council is obligated to interpret the *Insurance Agents and Adjusters Regulation*, it is equally important to consider statutes governing municipal electoral processes and accountability mechanisms. Based on available information, ABmunis asserts that the Council's interpretation exceeds its statutory authority and potentially undermines other provincial legislation.

Additionally, although the cited regulations are professional standards, they do not empower the Council to determine eligibility for participation in democratic processes established by provincial law.

The Council's determination implies a presumption of likely contravention of professional regulations, despite not having concrete examples of a contravention taking place. In a recent decision obtained by ABmunis, the Council specifically notes the following:

The position of Councillor is one that provides services as an elected official to members of the public, as part of the municipal governance regime. Under the Municipal Government Act, a municipal council and its members are responsible for developing and evaluating municipal policies and programs and for carrying out powers, duties, and functions conferred under this legislation or any other enactment. In this role, a Councillor occupies a position of public authority and influence with respect to residents, businesses, and stakeholders within the municipality, participating in decisions affecting municipal policies, programs, services, and resource allocation. In the role of Councillor the Applicant can also sit on multiple municipal committees that touch on various aspects of life in the City, including areas such as infrastructure, development, and economic activity, and the breadth of these responsibilities increases the likelihood that matters arising in the municipal capacity could intersect with matters arising in one's professional capacity as an insurance agent.


Further, the Council's decision goes on to note the following:

Whilst the Council acknowledges that the Applicant may be able to separate the two roles they hold, the Council was not convinced that members of the public may be able to do the same, due to the position of power, authority, and trust the Applicant holds as a Councillor... This creates an inherent risk that the Applicant could, intentionally or unintentionally, use their position, access to personal and confidential information, or perceived authority to exert undue influence or coercion to obtain insurance business. The Council notes that this determination is not based on any finding of misconduct by the Applicant, but rather on the need to ensure public confidence in the integrity and independence of licensed insurance professionals.

This stance conveys distrust toward elected officials' capacity to fulfill their responsibilities both as insurance providers and community servants. This is an inappropriate characterization of those who strive to balance professional obligations with public service. The statement also fails to recognize that the MGA would strictly prohibit the type of behaviour being alluded to, including being reasons for disqualification.

It is also notable that the Council requested a PDF of the employer's code of conduct. It was noted in the submission obtained by ABmunis that Bill 50, tabled in spring 2025, removed the ability for municipalities to establish codes of conduct through bylaw. However, it is critical to raise for your awareness that Bill 28—the *Municipal Affairs and Housing Statutes Amendment Act*—proposes a Councillor Accountability Framework that is intended to address conduct of elected officials in a manner that applies equally to all municipal elected officials across the province.

Elected officials frequently undertake diverse roles fulfilling municipal duties, yet it has been suggested that this prevents them from acting independently and ethically. The MGA exists to manage behaviors



that may jeopardize impartiality or ethical standards, particularly through frameworks for pecuniary interest and disqualification.

Fairness

Beyond issues of limited legislative interpretation, the Council's decision lacks fairness and transparency. There is insufficient publicly accessible information to enable insurance professionals to make informed choices before seeking municipal office.

Decisions are reportedly made on a case-by-case basis, considering unique circumstances at the time of review. While occupations in municipal government are listed on the regulator's website as potentially problematic for certification, no clear criteria exist for determining regulatory contraventions.

The applied interpretation raises equity concerns for those wishing to pursue municipal office. The LAEA establishes uniform rules for candidates, and neither the LAEA nor the MGA mention professional designations as grounds for ineligibility or disqualification. Disparate interpretations among officials foster inequity and set questionable precedent for other regulated professions. This restricts access to public office based solely on a singular regulatory interpretation rather than legislative mandate.

ABmunis is also looking into the potential impact of this decision on councillors' rights under the Charter of Rights and Freedoms, specifically sections 2 and 3.

Financial Implications

The Council's decision financially affects municipalities and individuals.

Firstly, absent clear decision factors, candidates may risk running for council only to face forced decisions between community service and personal livelihood as insurance professionals, which often constitute their main source of income.

Notably, elected officials in smaller or mid-sized communities receive compensation far below that provided at provincial or federal levels; most rely on supplemental income. Thus, the decision is not equitable as municipal officials must often balance these roles.

Beyond personal financial repercussions, municipalities face substantial costs associated with by-elections when officials vacate their seats, sometimes amounting to hundreds of thousands of dollars per event.

Additionally, the ability to attract and retain elected officials may be compromised. Without a clear mechanism from the Council outlining eligibility considerations, prospective candidates may be discouraged from running. It is worth noting, Alberta Municipal Affairs has Municipal Indicators that are used as a proactive warning tool that measures municipal health. One indicator used is interest in municipal office. It is concerning that a regulatory body's decision could negatively impact these metrics due to subjective criteria accessible only to the Council.

Conclusion

ABmunis welcomes the opportunity to meet with the Council to further discuss this issue, aiming to understand the rationale behind the regulatory application and to identify solutions that preserve both the right to hold office and maintain professional insurance credentials.

In the meantime, ABmunis strongly recommends pausing any future decisions impacting individuals' rights to serve on municipal councils. Such a pause would respect existing legislative frameworks and allow stakeholders to thoughtfully explore practical steps towards greater clarity and accountability on this issue.



Sincerely,

Dylan Bressey
President, Alberta Municipalities

CC: Honourable Dan Williams, Minister of Municipal Affairs, ECA
Honourable Nate Horner, President of Treasury Board and Minister of Finance, ECA
Rebecca Bligh, President, Federation of Canadian Municipalities
Kara Westerlund, President, Rural Municipalities of Alberta

