

Three's company: Alberta formalizes position on third-party risks for captives

December 20, 2024

On December 12, 2024, Alberta's Superintendent of Insurance released [Bulletin 08-2024: Captives reinsuring third-party risks](#), which formalizes what some of us deeply involved in the Alberta captive insurance company ecosystem have understood for some time.

The bulletin provides that an Alberta captive insurance company (an **Alberta Captive**) may assume third-party risks where all the following criteria are satisfied:

1. There is an existing relationship between the Alberta Captive's owner(s) and the third-party(ies).
2. The third-party risks are insured directly by an insurer licensed in the jurisdiction in which the risk originates. This "fronting insurer" then reinsures (or cedes) the risk to the Alberta Captive.
3. The Alberta Captive assumes at least one policy (either written directly or reinsured) that insures an eligible insured under section 27 of the Captive Insurance Companies Act (Alberta). Section 27 provides the persons Alberta originally intended for Alberta Captives to ensure, such as their parent and their parent's affiliates in the case of a pure Alberta Captive.

The significance of this development to the evolution of Alberta's captive insurance market cannot be overstated, and it is exciting for those of us who structure Alberta Captive ownership and distribution models of varying complexity to meet clients' business needs.

Permitting Alberta Captives to assume eligible third-party risks now provides many more options for Alberta Captive owners. For example, assuming the Alberta Captive is structured properly, a pure (single parent) Alberta Captive owned by a real estate developer may be permitted to assume certain risks of their tenants. There are so many possibilities for Alberta Captive owners to now consider.

This latest development in Alberta's captive insurance market represents a major step towards Alberta continuing to become a domicile of choice for captive owners - both for new captives and those looking to relocate their existing captives to Alberta.

By

[Rick Da Costa](#)

Expertise

[Financial Services](#), [Insurance](#)

BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 800 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

blg.com

BLG Offices

Calgary

Centennial Place, East Tower
520 3rd Avenue S.W.
Calgary, AB, Canada
T2P 0R3

T 403.232.9500
F 403.266.1395

Ottawa

World Exchange Plaza
100 Queen Street
Ottawa, ON, Canada
K1P 1J9

T 613.237.5160
F 613.230.8842

Vancouver

1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, Canada
V7X 1T2

T 604.687.5744
F 604.687.1415

Montréal

1000 De La Gauchetière Street West
Suite 900
Montréal, QC, Canada
H3B 5H4

T 514.954.2555
F 514.879.9015

Toronto

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada
M5H 4E3

T 416.367.6000
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing unsubscribe@blg.com or manage your subscription preferences at blg.com/MyPreferences. If you feel you have received this message in error please contact communications@blg.com. BLG's privacy policy for publications may be found at blg.com/en/privacy.

© 2026 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.