Insurance Council
BRITISH COLUMBIA

NOTICE

ICN 22-003| Guidelines for Supervision of General Insurance Level 1 Salespersons

May 11, 2022

The Insurance Council of British Columbia ("Insurance Council") is updating and expanding its guidance for the supervision of general insurance level 1 salespersons ("salespersons"). The *Guidelines for Supervision of General Insurance Level 1 Salespersons* clarify the Insurance Council's expectations for agencies, nominees and agents with supervisory duties ("delegates") in meeting their supervision requirements. The Guidelines also address expectations for nominees and/or delegates in providing oversight to salespersons working offsite or remotely, reflecting the removal of the location restriction permanently in Insurance Council Rule 6(1)(b).

Background

In March 2020, the Insurance Council requested and obtained the Minister of Finance's approval of an urgent temporary rule change to suspend the location restriction requiring salespersons to work onsite at their agency's premises. The rule change permits salespersons to work from home in order to limit the spread of COVID-19 while enabling continued public access to insurance services. This temporary rule will expire on June 14, 2022, and will be replaced with a permanent change to Council Rule 6(1)(b) that removes the experience requirement for the location restriction in its entirety.

Permanent Amendment to Council Rule 6(1)(b)

The revised wording of Insurance Council Rule 6(1)(b) is as follows:

> *Level 1 General Insurance Salespersons*
>
> *(1) The following restrictions are imposed on every general insurance salesperson licence:*
>
> *…*
>
> *(b) the licensee must not carry on general insurance business in any place other than on the premises of the insurance agency the licensee is authorized to represent, except where the licensee has completed the Council Rules Course ~~and held an active general insurance salesperson licence for 6 of the preceding 9 months. and has met Council's guidelines on the minimum training and experience necessary to engage in automobile insurance, at which~~*

~~*time the licensee may conduct automobile insurance on the premises of an automobile wholesaler, dealer or auction, or a car rental business;*~~

Regulatory Requirements

General insurance agencies, nominees and delegates are expected to be aware of and comply with the *Guidelines for Supervision of General Insurance Level 1 Salespersons*.

Nominees of agencies remain accountable for the activities of these salespersons and are expected to provide sufficient oversight for public protection, in compliance with the *Financial Institutions Act,* the *Insurance Act,* and the Insurance Council's Rules and Code of Conduct. Nominees should be able to demonstrate that they are providing appropriate supervision and have clear agency policies and procedures for salespersons to carry out proper practice.

Salespersons are required to be supervised by a general insurance agent when conducting insurance activities.

Additional Resources

The *Guidelines for Supervision of General Insurance Level 1 Salespersons* are available on the Insurance Council's website.

If you have any questions about this Notice, please contact our Practice and Quality Assurance Team at 604-695-2008 or toll-free at 1-877-688-0321 ext. 3 or email practice@insurancecouncilofbc.com.