Draft Wording for Consultation

Life and/or A&S Agent Supervision

The current wording for Council Rules related to Life and/or A&S Agent Supervision is presented below, followed by the proposed wording.

Council Rules relating to Life and/or A&S Agent Supervision presently read as follows:

Definitions

"A&S agent supervisor" means an individual who holds and has held an active life insurance agent or an active A&S insurance agent licence for at least 5 of the previous 7 years or as approved by Council and who undertakes to supervise a new A&S agent.

"life agent supervisor" means an individual who holds and has held an active life insurance agent licence for at least 5 of the previous 7 years or as approved by Council and who undertakes to supervise a new life agent.

"new A&S agent" means an individual who obtains an A&S insurance agent licence on or after September 1, 2012 and has not been licensed as an active A&S insurance agent for a minimum of 24 months.

"new life agent" means an individual who obtains a life insurance agent licence on or after September 1, 2012 and has not been licensed as an active life insurance agent for a minimum of 24 months.

Rule 7 Licence Conditions

Conditions Applicable to Life Insurance Licences

7(16.1) Unless otherwise approved by Council, a new life agent must only conduct insurance activities under the supervision of a life agent supervisor.

7(16.2) A life agent supervisor must notify Council within 5 business days, if:

(a) a life agent supervisor ceases to supervise a new life agent before a new life agent's period of mandatory supervision is complete; and

(b) in the case of subsection (a), provide the reason for ceasing to supervise a new life agent if the reason for ceasing to supervise relates to a new life agent's suitability or conduct as a licensee.

Conditions Applicable to A&S Licences

7(17.1) Unless otherwise approved by Council, a new A&S agent must only conduct insurance activities under the supervision of an A&S agent supervisor.

7(17.2) An A&S agent supervisor must notify Council within 5 business days, if:

(a) an A&S agent supervisor ceases to supervise a new A&S agent before a new A&S agent's period of mandatory supervision is complete; and

(b) in the case of subsection (a), provide the reason for ceasing to supervise an A&S agent if the reason for ceasing to supervise relates to a new A&S agent's suitability or conduct as a licensee.

The proposed amendments to Council Rules relating to Life and/or A&S Agent Supervision are below:

Definitions

"A&S agent supervisor" means an individual who **meets the requirement in Rule 10(1)** ~~holds and has held an active life insurance agent or an active A&S insurance agent licence for at least 5 of the previous 7 years or as approved by Council~~ and who undertakes to supervise a**n** ~~new~~ A&S agent.

"life agent supervisor" means an individual who **meets the requirements in Rule 10(1)** ~~holds and has held an active life insurance agent licence for at least 5 of the previous 7 years or as approved by Council~~ and who undertakes to supervise a ~~new~~ life agent.

"new A&S agent" means an individual who obtains an A&S insurance agent licence ~~on or after September 1, 2012 and has not been licensed as an active A&S insurance agent for a minimum of 24 months.~~ **but has not yet been approved to conduct insurance business without a supervisor.**

"new life agent" means an individual who obtains a life insurance agent licence ~~on or after September 1, 2012 and has not been licensed as an active life insurance agent for a minimum of 24 months.~~ **but has not yet been approved to conduct insurance business without a supervisor.**

Rule 7 Licence Conditions

Conditions Applicable to Life Insurance Licences

7(16.1) ~~Unless otherwise approved by Council, a new life agent must only conduct insurance activities under the supervision of a life agent supervisor.~~

7(16.2) ~~A life agent supervisor must notify Council within 5 business days, if:~~

~~(a) a life agent supervisor ceases to supervise a new life agent before a new life agent's period of mandatory supervision is complete; and~~

~~(b) in the case of subsection (a), provide the reason for ceasing to supervise a new life agent if the reason for ceasing to supervise relates to a new life agent's suitability or conduct as a licensee.~~

Conditions Applicable to A&S Licences

7(17.1) ~~Unless otherwise approved by Council, a new A&S agent must only conduct insurance activities under the supervision of an A&S agent supervisor.~~

7(17.2) ~~An A&S agent supervisor must notify Council within 5 business days, if:~~

~~(a) an A&S agent supervisor ceases to supervise a new A&S agent before a new A&S agent's period of mandatory supervision is complete; and~~

~~(b) in the case of subsection (a), provide the reason for ceasing to supervise an A&S agent if the reason for ceasing to supervise relates to a new A&S agent's suitability or conduct as a licensee.~~

The proposed new Council Rules relating to Life and/or A&S Agent Supervision are below:

Rule 10 Life and/or A&S Supervision

Life and/or A&S Agent Supervisor Qualifications

10(1) A qualified life and/or A&S agent supervisor is an individual who:

(a) holds an active British Columbia insurance licence of the same class as the supervised life and/or supervised A&S agent; and

(b) has held an active life and/or A&S agent licence of the same class in a Canadian jurisdiction for 5 of the last 7 years.

10(2) Notwithstanding Rule 10(1), Council may elect to not allow an otherwise qualified individual to serve as a life and/or A&S agent supervisor if Council considers doing so to be in the public interest.

Life and/or A&S Agent Supervisor Requirements

10(3) The duties and responsibilities of a life and/or A&S agent supervisor must include but are not limited to:

(a) providing guidance by:

(i) assisting the supervised life and/or A&S agent in developing and maintaining procedures regarding proper practice and recordkeeping;

(ii) informing the supervised life and/or A&S agent of the duties and responsibilities of licensees as reflected in Council Rules, Code of Conduct, and the Act;

(iii) informing the supervised life and/or A&S agent of the supervised life and/or A&S agent's responsibility to complete a needs-based assessment; and

(iv) making recommendations to the supervised life and/or A&S agent for relevant training and ongoing education;

(b) completing and countersigning a declaration that confirms the life and/or A&S agent supervisor has reviewed the supervised life and/or A&S agent's proposed recommendations for the client and considers the insurance applied for appropriate to the needs and circumstances of the client; and

(c) maintaining all supervision-related documents.

10(4) The life and/or A&S agent supervisor must ensure any duties in 10(3) that are delegated be undertaken by an individual who is qualified to be a life and/or A&S agent supervisor.

10(5) The life and/or A&S agent supervisor must not supervise more than 25 life and/or A&S agents at any one time.

10(6) In order for the supervision period of the new life and/or new A&S agent to be satisfied, the life and/or A&S agent supervisor must provide a declaration to Council when:

(a) at least 24 months of supervision have passed; and

(b) the life and/or A&S agent supervisor considers the new life and/or A&S agent suitable to conduct business without a life and/or A&S agent supervisor.

10(7) A life and/or A&S agent supervisor must notify Council in writing within 5 business days if:

(a) a life and/or A&S agent supervisor ceases to supervise a life and/or A&S agent before the period of supervision is complete; and

(b) in the case of subsection (a), provide the reason for ceasing to supervise a life and/or A&S agent if the reason for ceasing to supervise relates to the life and/or A&S agent's suitability or conduct as a licensee.

Life and/or A&S Agent Supervision Requirements

10(8) A new life and/or A&S agent must demonstrate as part of the licence application that a qualified individual has agreed to act as their life and/or A&S agent supervisor.

10(9) A supervised life and/or A&S agent must only conduct insurance activities under the oversight of their life and/or A&S agent supervisor.

10(10) The new life and/or A&S agent is exempt from the supervision requirement if:

(a) the new life and/or A&S agent qualified for their licence under Rule 2(19) and previously held an active licence of the same class for a minimum of 2 years; or

(b) the new life and/or A&S agent is a non-resident of British Columbia who has been actively licensed in a Canadian jurisdiction for a minimum of 24 months.

10(11) If a supervised life and/or A&S agent ceases to be supervised before completing the supervision period, the supervised life and/or A&S agent must immediately cease all insurance activities until a new life and/or A&S agent supervisor is approved by Council.

10(12) If the supervised life and/or A&S agent ceases to hold an active licence at any time during the supervision period, the supervision period will continue until the supervised life and/or A&S agent has accumulated the required time under supervision as an active licensee.