Insurance Council
BRITISH COLUMBIA

NEWS RELEASE

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Regulator Responds to Elimination of Best Terms Pricing

VANCOUVER, BC - The announcement by the BC Financial Services Authority of a halt to insurers' practice of best terms pricing is a significant step towards improving the affordability and stability of the strata insurance market in British Columbia. This follows the authority's work with industry to address the practice.

"The phasing out of the practice of best terms pricing by insurers will have benefits for the overall stability of the market," said Janet Sinclair, CEO of the Insurance Council of BC, the regulatory body for insurance agents—professionals who act as brokers between consumers and the insurance companies that provide insurance products.

"We anticipate that discontinuing best terms pricing will create better alignment of a strata property's risk with its insurance premiums. This means less volatility in pricing, which mitigates the impact of market cycles on the consumer."

As the primary point of contact between the consumer and the insurer, insurance agents play a critical role in ensuring that their clients understand the factors that impact the price of their insurance: the building's risk profile, how insurance policies are constructed and priced, and what clients can do to mitigate their risk exposure.

The Insurance Council of BC will work with its licensees so that agents are informed and equipped to support insurers' transition away from the practice of best terms pricing while minimizing disruption to their clients.

The regulator will be monitoring the impact of these changes on consumers, along with recently introduced changes to compensation disclosure and notification requirements for strata insurance business.

The Insurance Council is the licensing and regulatory body for BC's 42,000 insurance agents, salespersons and adjusters. We protect the public by ensuring agents and adjusters act ethically, with integrity and competence.

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