Insurance Council
BRITISH COLUMBIA

Q&A | Guidelines for Supervision of General Insurance Level 1 Salespersons

V.1.1 – Updated May 18, 2022

The new *Guidelines for Supervision of General Insurance Level 1 Salespersons* for all general insurance agencies, nominees, and agents with supervisory duties ("delegates") came into effect May 11, 2022.

To help licensees understand the guidelines and how they apply, this Q&A addresses questions related to the new guidelines.

GENERAL QUESTIONS

Q: What's included in the new guidelines?

A: The guidelines include:

- Criteria to be used by nominees and/or delegates to determine an appropriate supervision approach for salespersons based on their assessment of the salesperson's competency to ensure that the oversight provided is consistent with the salesperson's experience, knowledge, training and skillset;
- Indicators of appropriate supervision, such as developing and maintaining an agency supervision policy;
- Remote supervision considerations to help nominees and/or delegates determine whether remote supervision is feasible; and
- Evaluation and quality assurance measures that nominees and/or delegates can apply to assess a salesperson's competency.

Q: When do the guidelines come into effect?

A: The new guidelines come into effect May 11, 2022. The guidelines lay out the Insurance Council's expectations and best practices for nominees and/or their delegates on how to meet their responsibilities in providing appropriate supervision of salespersons. However, in general, under Council Rule 6(1)(c), salespersons are required to conduct insurance business under the supervision of

a general insurance agent and per Section 5.3.3 of the Code of Conduct, while nominees are responsible for all insurance activities of the agency, including ensuring the agency and its employees are properly supervised.

Q: Are nominees and/or their delegates required to submit an agency supervision policy to the Insurance Council for review and approval?

A: No, the Insurance Council does not review agencies' supervision policies. As each agency's operations and staffing can vary, nominees and/or their delegates are best positioned to determine an appropriate supervision approach that salespersons require based on their assessment of the salespersons' competence and the supervision guidance outlined in the guidelines.

DELEGATING SUPERVISORY DUTIES

Q: Does the nominee need to notify the Insurance Council of the delegate(s) who are carrying out supervisory duties on their behalf?

A: No, the Insurance Council does not need to be informed of the nominee's delegated duties. The nominee remains accountable for ensuring the agency and its salespersons are properly supervised regardless of whether they delegate some or all their supervision duties.

Q: How many salespersons can the nominee and/or delegate supervise?

A: As each agency's operations vary, it is at the discretion of the nominee to determine the number of salespersons they or a delegate can supervise. Nominees should consider the salespersons' competency and the complexity of the insurance activities in determining the number of salespersons a delegate can reasonably supervise at a time.

Q: What happens if the nominee assigns their supervisory duties to multiple delegates, but a delegate does not provide the supervision of salespersons in a competent manner?

A: While supervisory duties may be delegated, nominees remain responsible for the insurance activities of the agency, including ensuring proper supervision of salespersons. Before delegating supervisory duties to one or multiple delegates, the nominee should ensure that the delegate can competently provide adequate and appropriate supervision. If the delegate is not capable of completing supervisory duties in a competent manner, the nominee should withdraw the delegate's supervisory duties immediately and ensure that salespersons are appropriately supervised by a new delegate or by the nominee.

SUPERVISION EXPECTATIONS AND REQUIREMENTS

Q: Nominees are advised to assess a salesperson's supervision needs based on their competency. Can the Insurance Council provide a benchmark for what is considered adequate and appropriate supervision?

A: As each agency's business model and salespersons' competency vary, there is no single benchmark that can be applied to all. The guidelines are intended to provide a framework for nominees and/or their delegates to determine an appropriate supervision approach.

Q: As the nominee or a delegate, can I require salespersons to work onsite?

A: Yes, it is at the nominee or their delegate's discretion to determine where salespersons work and how they are supervised.

Q: How often does a nominee or delegate need to be physically present at the agency to provide adequate and appropriate supervision?

A: A licensed level 3 general insurance agent must actively supervise all the insurance activities of every general insurance salesperson authorized to represent the agency. It is up to the nominee to decide whether their continuous physical presence in the agency is required to carry out adequate supervision.

Q: Can the nominee and/or delegate provide only remote supervision of salespersons, including onboarding and training?

A: Yes, it is at the nominee and/or delegate's discretion to determine whether they can provide adequate and appropriate supervision entirely remotely and meet the requirements and expectations set out in the guidelines. Nominees and/or their delegates should consider whether the agency's technology infrastructure can effectively support them in carrying out remote supervision as they would on the agency's premises.

REMOTE SUPERVISION

Q: Are agencies required to allow salespersons to work remotely?

A: No, there is no requirement for agencies and nominees to allow salespersons to work remotely.

Q: I am a nominee or delegate of an agency. Can I work remotely and supervise salespersons who also work remotely or at the agency?

A: Yes, nominees and/or their delegates may supervise salespersons while working offsite if they can provide adequate and appropriate supervision remotely.

Q: Can the nominee and/or a delegate of the nominee and salespersons both work remotely?

A: Yes.

Q: Are salespersons permitted to work from any location?

A: Nominees and/or their delegates should be mindful of where salespersons carry out insurance activities and are urged to have guidelines for remote workspace setup that meet the Insurance Council's and the *Personal Information Protection Act* (PIPA)'s privacy and client confidentiality requirements. For example, working at a café or a public space may not be appropriate for remote work as others may overhear private client conversations or see confidential information.

Should you have any further questions, please contact our Practice and Quality Assurance Team at practice@insurancecouncilofbc.com or 604-695-2008, toll-free 1-877-688-0321.