

# NOTICE

## INSURANCE COUNCIL OF BRITISH COLUMBIA

### Notice to all Life Insurance Agents

In August 2001 the Insurance Council of British Columbia (“Council”) published Notice ICN #01-006 which addressed the use of terms such as Financial Planner, Financial Advisor or similar types of titles (“Financial Planner”) by life insurance agents. The Notice proposed recommendations setting out the appropriate qualifications required to hold oneself out as a Financial Planner. These recommendations came about after a lengthy consultation process with other provincial regulators in the insurance and securities industry, as well as feedback from the life industry.

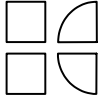
The feedback received on the notice was supportive of Council taking action, with interested organizations and licensees making specific suggestions for changes. Once these suggestions were taken into consideration, Council finalized its policy on life insurance agents holding themselves out as a Financial Planner, or providing financial planning advice. In refining its recommendations, Council has established criteria, which provides direction to the industry on the appropriate level of experience and education necessary for a life insurance agent to hold him or herself out as a Financial Planner. The objective of these recommendations is twofold.

1. To establish minimum standards, based on industry feedback, that a life insurance agent needs before using a Financial Planner title, and
2. Where a life insurance agent does not meet those requirements, but believes he or she is qualified through equivalent education and experience, establish basic disclosure guidelines (to be provided to a client prior to transacting business) that provides an accurate and complete description of the life agent’s education and experience. This will allow a client to make an informed decision regarding the life insurance agent’s financial planning experience before commencing a business relationship. [For existing clients, this disclosure should be provided by the agent at the time of next contact with the client.]

Set out in the following pages are the criteria Council recommends a life insurance agent consider before he or she decides to hold out as a Financial Planner or advertise as providing financial planning advice.

Any questions regarding this Notice can be addressed to Agnes Healey, Director, Licensing & Administration.

**ICN #02-001  
April 22, 2002**



**REQUIREMENTS FOR INSURANCE AGENTS TO HOLD OUT AS FINANCIAL PLANNERS**

Life insurance agents who use any one of the following titles:

*Financial Planner; Financial Advisor; or Financial Consultant; OR,*

hold themselves out as providing the following services:

*Financial Planning; Financial Consulting; or Financial Advising; OR,*

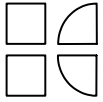
otherwise purport to be a financial planner or provide financial planning advice, must meet the following qualification and disclosure criteria. For the purposes of the above, Council defines financial planning as:

Providing objective, integrated and comprehensive advice following an assessment of an individual's current financial situation and current and future financial needs, except as is required in the performance of the licensee's duties as a life insurance agent.

1. Licensees who are holding themselves out as a financial planner must have successfully completed one of the courses of study outlined in 1(a) or have successfully completed the courses and examinations in the Chartered Life Underwriter program offered by the Canadian Association of Insurance and Financial Advisors prior to June 1995.

(a) Successful completion of:

- i) the qualifying courses and Professional Proficiency Examination offered by the Financial Planners Standards Council (CFP);
- ii) the comprehensive financial planning program and examination offered by The Canadian Institute of Financial Planning or the Canadian Association of Insurance and Financial Advisors (CFP);
- iii) the qualifying courses and the Registered Financial Planner examination and hold the designation of Registered Financial Planner administered by the Canadian Association of Financial Planners (R.F.P.);
- iv) the qualifying courses and examinations offered by the Canadian Association of Insurance and Financial Advisors and hold the designation of Chartered Financial Consultant program (CH.F.C.);



- v) the qualifying courses and examination to receive a diploma from the Institut Québécois de Planification Financière (IQFP); or
- vi) a course of study and examination recognized by the Financial Planning Standards Council as providing the same or greater standard of knowledge as described in (i) through (v).
2. Where a Licensee does not meet the requirements outlined in number 1 but has alternate, equivalent education and experience, the licensee may hold him or herself out as a financial planner, as long as the licensee provides written, accurate and complete disclosure to each client prior to any transaction, confirming his or her education, experience and licence(s) or registration(s) held, to support this representation.
3. Where a licensed corporation, partnership or sole proprietorship (“agency”) is involved, Council requires that either the sole proprietor or nominee meet the requirements in this notice before the agency holds itself out as providing financial planning. Individual agents employed by the agency who do not meet the requirements may not hold themselves out as a financial planner. Where the name of the agency or other form of publication would cause a member of the public to believe agency representatives are financial planners, then any licensee within the agency who does not meet the qualifications, should disclose to their clients that he or she is not qualified to conduct financial planning.