

Temporary Nominee Policy

Contact: Licensing Department

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1.0 PURPOSE

To outline the Insurance Council of British Columbia's (Insurance Council) policy respecting the nomination of Temporary Nominees under Rule 2(11.1) of the Insurance Council Rules.

2.0 SCOPE

This policy applies to Insurance Agencies and Adjusting Firms that are nominating Temporary Nominees under Rule 2(11.1). It does not apply to insurance agents or salespersons of a General Insurance Direct Writer.

3.0 DEFINITIONS

Adjusting Firm: a licensed corporation or partnership, or an individual sole-proprietor insurance adjuster that meets the Nominee requirements set out in Council Rules.

General Insurance Direct Writer: an insurer authorized to conduct general insurance business in British Columbia, that distributes insurance directly through individuals licensed as insurance agents and salespersons who represent only that insurer.

Insurance Agency: a licensed corporation or partnership, or an individual sole-proprietor agent that meets the Nominee requirements set out in Council Rules.

New Accident and Sickness Agent: an individual who obtains an accident and sickness insurance agent licence on or after September 1, 2012 and has not been licensed as an active accident and sickness insurance agent for a minimum of 24 months.

New Life Agent: 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.

Nominee: a licensee nominated to exercise the rights and privileges of an insurance licence issued to an Insurance Agency or an insurance Adjusting Firm.

Temporary Nominee: a non-permanent Nominee.

4.0 POLICY

- Rule 2(11.1) states that, in exceptional circumstances, where an Insurance Agency or Adjusting Firm ceases or will cease to have a Nominee, the Insurance Agency or Adjusting Firm may apply to Council to nominate, on a temporary basis to be determined by Council, an individual who does not meet the requirements under Rule 2(11).
- In the case of an Insurance Agency, the individual who is being nominated as a Temporary Nominee:
 - For a general insurance agency, must hold a level 2 or level 3 general insurance agent licence in British Columbia;
 - For a life insurance agency, must not be a New Life Agent; or
 - For an accident and sickness insurance agency, must not be a New Accident and Sickness Agent or a New Life Agent.
- In the case of an Adjusting Firm, the individual who is being nominated as a Temporary Nominee must hold a level 2 or level 3 insurance adjuster licence in British Columbia.

4.1 Exceptional Circumstances

- Insurance Council staff will determine, on a case-by-case basis, whether something is an exceptional circumstance such that Rule 2(11.1) applies.
 - In making this determination, staff may request additional supporting documents from the Insurance Agency or Adjusting Firm.
- Generally speaking, an exceptional circumstance is an event or situation that is unexpected and beyond the control of the Insurance Agency or Adjusting Firm.
- In considering whether something is an exceptional circumstance, Insurance Council staff will consider whether the Insurance Agency or Adjusting Firm knew, or reasonably could have known, ahead of time that they would cease to have a qualified Nominee.
- Exceptional circumstances may include:
 - Unexpected death of a Nominee;
 - Unexpected illness and/or disability where the Nominee can no longer fulfill his/her duty as Nominee;
 - Unexpected family circumstances where the Nominee can no longer fulfill his/her duty as Nominee;
 - Circumstances where a Nominee suddenly leaves the Insurance Agency or Adjusting Firm without notice, including when they leave as directed by a Council order; or

- Other unexpected events where there is no notice given and there is an impact on a Nominee's ability to fulfill his/her duty as Nominee.
- Examples of circumstances that will not be considered exceptional include a Nominee retiring, Nominee stepping down from his/her role, or a planned leave of absence (e.g. parental leave).
- If Insurance Council staff determine that there is no exceptional circumstance, Rule 2(11.1) will not apply.
 - The Insurance Agency or Adjusting Firm will have three weeks to nominate a qualified Nominee.
 - If a qualified Nominee is not in place after three weeks, the Insurance Agency or Adjusting Firm's licence will be suspended, pursuant to Rule 7(10).

4.2 Length of Approval for Temporary Nominee

- If it is found that there are exceptional circumstances, Insurance Council staff will approve the Temporary Nominee for a maximum period of one month.
 - If an Insurance Agency or Adjusting Firm does not believe that the one-month Temporary Nominee period approved by staff would remedy their situation, they may request to have the decision reviewed by the Licensing Committee.
- The Licensing Committee may direct staff to approve a Temporary Nominee application for a maximum period of three months, including the one month approved by staff.
 - Factors that the Licensing Committee may consider when determining how long to approve a Temporary Nominee application for include:
 - The Temporary Nominee's education and training;
 - The Temporary Nominee's experience;
 - Any compliance or suitability concerns related to the Temporary Nominee and/or the Insurance Agency or Adjusting Firm;
 - Any risk to the public related to extending the Temporary Nominee's application;
 - Whether the Insurance Agency or Adjusting Firm has a plan in place to find a permanent Nominee that meets the Nominee requirements; and
 - Any other information the Licensing Committee considers relevant.
 - If an Insurance Agency or Adjusting Firm does not believe that the Temporary Nominee period approved by the Licensing Committee would remedy their situation, they may request to have the decision reviewed by Council.
- Council may direct staff to approve a Temporary Nominee application for a longer period, as determined by Council.

- In making this decision, Council may consider the same factors as the Licensing Committee.
- Council may also impose requirements, with written permission from the licensee, on a Temporary Nominee and/or the Insurance Agency or Adjusting Firm as a condition of extending the Temporary Nominee approval.
 - If the licensee refuses to accept the condition, then Council may decide against extending the Temporary Nominee approval.

5.0 RESOURCES

[Insurance Council Rules](#)

[Temporary Agency Nominee Application Form](#)