

# Insurance Council

BRITISH COLUMBIA

## Practice Audit Form – General Insurance Agencies Branch Managers & Supervisors

This form is to be completed by a branch manager(s) and/or supervisor(s) of a General Insurance Agency. Please answer all the questions in this form.

### Branch

Branch Office Name: \_\_\_\_\_

Branch Office Address: \_\_\_\_\_

Name(s) of Manager(s) / Supervisor(s): \_\_\_\_\_

Manager(s) / Supervisor(s) Licence Number(s): \_\_\_\_\_

### Council Rules and Council's Code of Conduct

Council Rules provide licence conditions and requirements for all licensees, in addition to requirements already set out under the provincial *Financial Institutions Act* and other legislation. Council Rule 7(8) requires all licensees to additionally comply with Council's Code of Conduct.

- How many times per year do you review Council Rules and Council's Code of Conduct with each of your licensed salespersons and agents? \_\_\_\_\_  
\_\_\_\_\_
- Have you documented these discussions with your licensed salespersons and agents? If so, please explain. \_\_\_\_\_  
\_\_\_\_\_

Additional Comments:

**Insurance Delivery**

- Does your branch provide delivery service to clients? \_\_\_\_\_  
\_\_\_\_\_
- If yes, do you deliver automobile insurance, personal lines, or both? \_\_\_\_\_  
\_\_\_\_\_
- If yes, do you use electronic or digital signatures for these insurance transactions? \_\_\_\_\_  
\_\_\_\_\_

Additional Comments:

**Automobile Insurance and Dealerships**

- Does your branch provide Autoplan Service at Dealerships? \_\_\_\_\_  
\_\_\_\_\_
- If yes, please indicate how many dealerships. \_\_\_\_\_  
\_\_\_\_\_

Additional Comments:

### Privacy and Client Confidentiality

Maintaining the privacy and confidentiality of client information is one of the cornerstones of the insurance industry. The insurance industry is built on trust and clients expect that when they provide their personal information for the purposes of an insurance transaction, the information will be properly protected and will only be used for the purpose for which the information was provided, unless the client expressly authorizes otherwise. Section 7.2 of Council’s Code of Conduct requires that licensees “protect clients’ interests and privacy.” Section 7.3.10 of the Code of Conduct describes the guidelines about privacy and confidentiality. Council’s client confidentiality guidance is provided in Appendix B of Council’s Code of Conduct.

- How many times per year do you review privacy and client confidentiality obligations with each of your licensed salespersons and agents? \_\_\_\_\_  
\_\_\_\_\_
- Have you documented these discussions with your licensed salespersons and agents? \_\_\_  
\_\_\_\_\_

Additional Comments:

### Monthly Council Updates

Council sends a monthly update to all licensees.

- Do you read the monthly updates? \_\_\_\_\_
- Do you instruct your licensed salespersons and agents to read these monthly updates? \_\_\_  
\_\_\_\_\_
- How do you document these instructions to your licensed salespersons and agents? \_\_\_\_\_  
\_\_\_\_\_

Additional Comments:

### Disclosure Requirements

The *Marketing of Financial Products Regulation* requires that prior to the sale of an insurance product, disclosure must be provided to the customer, outlining the relationship and extent of any business or financial interest, if any, the licensee has with the insurance company. In addition, Section 94 of the *Financial Institutions Act* describes the prohibition against tied selling. Section 7.2 of Council’s Code of Conduct requires that licensees “disclose all material information.” Sections 7.3.1 to 7.3.8 of Council’s Code of Conduct describes guidelines about disclosure.

- How does your branch comply with these requirements? \_\_\_\_\_  
\_\_\_\_\_
- Does your branch use a standardized disclosure statement? \_\_\_\_\_  
\_\_\_\_\_
- If your branch uses disclosure statements, do your customers sign / initial these statements? \_\_\_\_\_

Additional Comments:

### Disciplinary Decisions

Council publishes its disciplinary decisions on its website.

- Do you read these decisions? \_\_\_\_\_  
\_\_\_\_\_
- Do you instruct your licensed salespersons and agents to read these disciplinary decisions? \_\_\_\_\_
- How do you document these instructions to your licensed salespersons and agents? \_\_\_\_\_  
\_\_\_\_\_

Additional Comments:

### Changes to the Financial Institutions Act

The Province of British Columbia enacted changes to the *Financial Institutions Act*, some of which were brought into force on January 24, 2020. Council posted this information on its website in February 2020.

- Did you read this information? \_\_\_\_\_  
\_\_\_\_\_
- Did you instruct your licensed salespersons and agents to read about these changes to the Act? \_\_\_\_\_
- Did you document these instructions to your licensed salespersons and agents? \_\_\_\_\_  
\_\_\_\_\_

Additional Comments:

### Notice ICN 20-001 Brokering Best Practices

In March 2020, Council issued Notice ICN 20-001 Brokering Best Practices to provide guidance to insurance brokers on how best to operate in the current difficult insurance environment. Market challenges facing consumers in British Columbia include reductions in insurer capacity and/or willingness to underwrite risk, significant premium increases, and deductible increases.

- Did you read this information? \_\_\_\_\_  
\_\_\_\_\_
- Did you instruct your licensed salespersons and agents to read this notice? \_\_\_\_\_  
\_\_\_\_\_
- Did you document these instructions to your licensed salespersons and agents? \_\_\_\_\_  
\_\_\_\_\_

Additional Comments:

**Notice ICN 20-002 Temporary Suspension of Level 1 Salesperson Location Restriction**

In March 2020, Council issued Notice ICN 20-002 Temporary Suspension of Level 1 Salesperson Location Restriction. This notice described a temporary rule change to allow those that meet the requirements to work from home to help facilitate the public’s access to insurance products in our current social distancing environment.

- Do the level 1 salespersons conduct insurance business outside of the branch? \_\_\_\_\_
- How many level 1 salespersons conduct insurance business from home? \_\_\_\_\_
- On average, how many insurance transactions does each level 1 salesperson conduct per week while working from home? \_\_\_\_\_
- Do the level 1 insurance salespersons conduct any insurance transactions other than vehicle insurance? \_\_\_\_\_

Additional Comments:

**Code of Conduct Update: Notice for Insurance Renewals**

In May 2020, Council updated Section 7.3.12 of the Code of Conduct, which now states “clients should be notified at least 60 days prior to the expiration of their existing insurance if you are unable to renew their insurance at the same terms and conditions.”

- Did you read this information? \_\_\_\_\_
- Did you instruct your licensed salespersons and agents to read this information? \_\_\_\_\_
- Did you document these instructions to your licensed salespersons and agents? \_\_\_\_\_

Additional Comments:

