



For details on the licensing process, refer to Council’s website at [insurancecouncilofbc.com](http://insurancecouncilofbc.com).

**Prior to completing this form you must review Council’s Notice ICN-12-006 – Granting Restricted Licences to Motor Vehicle Dealers.**

**SECTION 1 APPLICANT DECLARATION**

- The information contained in this application, including attachments, is true and complete.
- The applicant understands that by submitting this application, the applicant will not act as an insurance agent until the application is approved.
- The applicant understands that it is an offence under the *Financial Institutions Act* to make a material misstatement to the Insurance Council of British Columbia. The applicant understands that making a ma
- terial misstatement to Council could lead to licence refusal, restrictions, suspension, cancellation, and/or fines.
- The applicant understands that the email address provided on this application form will be used for Council correspondence and publications.
- The applicant has or will have errors and omissions (E&O) coverage prior to conducting insurance business, which meets the requirements of Council Rule 7(11).

***Freedom of Information and Protection of Privacy Act***

Personal information provided by you to the Insurance Council of British Columbia is collected, used, and disclosed in compliance with the provisions of the *Financial Institutions Act* and the *Freedom of Information and Protection of Privacy Act*. Questions about the collection, use, or disclosure of your personal information can be directed to the Insurance Council of British Columbia by email at [info@insurancecouncilofbc.com](mailto:info@insurancecouncilofbc.com) or by telephone at (604) 688-0321.

You **must** attach an outline of each product you are seeking to sell and a letter from each insurance company. Please contact the underwriting insurance company or agency you have been dealing with if you are unsure of the information that Council requires.

**SECTION 2 CORPORATE/PARTNERSHIP INFORMATION**

Full legal name:		
Trade name (if applicable):		
Business phone:		
Fax:		
Email:		
Does the applicant have branch offices? If yes, attach details, including locations and the agent responsible for each.	YES <input type="checkbox"/>	NO <input type="checkbox"/>

Is the applicant in good standing with British Columbia corporate registry?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
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The applicant is a: Corporation  **or** Partnership

**SECTION 3 BUSINESS ADDRESS (HEAD OFFICE)**

This will serve as the applicant’s service address unless an alternate address is provided below.

Address:

City:	Province:	Postal Code:
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**SECTION 4 SERVICE ADDRESS**

Complete this section only if the applicant’s service address is different than the business address provided above.

Address:

City:	Province:	Postal Code:
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**SECTION 5 DIRECTORS, OFFICERS, PARTNERS, SHAREHOLDERS**

(a) Details of every director, officer, partner, and major shareholder of the applicant are provided by a <u>Directors, Officers, Partners, and Major Shareholders Exhibit Only form</u> and attached.	YES <input type="checkbox"/>	
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(b) Have any of the individuals referred to in question 6(a) been convicted, or are they currently charged, under any law of any province, state or country, including but not limited to the following? <ul style="list-style-type: none"> <li>• Offences under federal statutes, such as the <i>Income Tax Act</i> and the <i>Immigration Act</i>;</li> <li>• All Criminal Code offences (including impaired driving);</li> <li>• Offences for which an absolute or conditional discharge has been granted, but not including offences for which a pardon or record suspension has been granted (and not revoked) under the <i>Criminal Records Act</i>.</li> </ul> <p>If yes, attach details.</p>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
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(c) Have any of the individuals referred to in question 6(a) ever been refused a licence or registration, or been subject to disciplinary action, or are currently under investigation by any organization? If yes, attach details.	YES <input type="checkbox"/>	NO <input type="checkbox"/>
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**SECTION 6 NOMINEE**

The following individual(s) is/are authorized to act as Nominee(s), to exercise on behalf of the applicant the rights and privileges conferred by the licence:

Each nominee must hold a licence with the Insurance Council of British Columbia OR apply for a licence with the Insurance Council of British Columbia.

**SECTION 7 LICENSING OR REGISTRATION**

(a) Is the applicant licensed or registered in any capacity, with a financial service regulator, insurance or otherwise, or any professional or occupational body, in any jurisdiction inside or outside of Canada? If yes, provide details.	YES <input type="checkbox"/>	NO <input type="checkbox"/>
(b) Has the applicant ever been refused a licence or registration, or been subject to disciplinary action, or is the applicant currently under investigation by any organization? If yes, attach details.	YES <input type="checkbox"/>	NO <input type="checkbox"/>
(c) Is the applicant engaged in business activities other than insurance? If yes, provide details.	YES <input type="checkbox"/>	NO <input type="checkbox"/>

**SECTION 8 AUTHORIZATION TO REPRESENT AN INSURANCE COMPANY**

Does the applicant currently have the authority to represent at least one insurance company authorized to do business in British Columbia? If yes, attach Evidence of Representation.	YES <input type="checkbox"/>	NO <input type="checkbox"/>
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**SECTION 9 ERRORS & OMISSIONS INSURANCE**

The applicant's E&O insurance provides coverage to all licensees authorized to represent the applicant.	YES <input type="checkbox"/>	NO <input type="checkbox"/>
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**SECTION 10 APPLICANT SIGNATURE**

Application must be signed by an officer/director/partner as well as the nominee.  
If the nominee is also an officer/director/partner, a second signature is not required.

SIGNATURE OF NOMINEE

\_\_\_\_\_

PRINT NAME AND TITLE

\_\_\_\_\_

DATE SIGNED (MM/DD/YYYY)

\_\_\_\_ / \_\_\_\_ / \_\_\_\_

SIGNATURE OF  
OFFICER/DIRECTOR/PARTNER

\_\_\_\_\_

PRINT NAME AND TITLE

\_\_\_\_\_

DATE SIGNED (MM/DD/YYYY)

\_\_\_\_ / \_\_\_\_ / \_\_\_\_

**SECTION 11 APPLICANT CHECKLIST**

**Before submitting your application, please ensure you have answered and read all questions thoroughly. Incomplete applications will not be processed. Please confirm the following frequently missed items:**

- Full payment is enclosed. **Application fees are non-refundable.**
- All questions on the application have been fully answered, and details are attached when applicable.
- The application is signed by the potential Nominee and an officer/director/partner of the applicant if required.
- The applicant is registered and in good standing with the British Columbia Corporate Registry.
- Evidence of representation is attached.
- All officers, directors, partners, and major shareholders are required to complete a Directors, Officers, Partners, and Major Shareholders Exhibit Only form. If the director, officer, partner, or major shareholder is applying for an individual licence in British Columbia, the individual application form is required instead of a Directors, Officers, Partners, and Major Shareholders Exhibit Only form.
- You have reviewed Council Notice ICN 12-006 Granting Restricted General Insurance Licences to Motor Vehicle Dealers and attached a sample of the disclosure you will provide to consumers.
- All signatures and attachments are dated within the last 90 days.

**SEND COMPLETED  
APPLICATION TO:**  
**INSURANCE COUNCIL OF  
BRITISH COLUMBIA**  
Suite 300,  
1040 West Georgia Street,  
P.O. Box 7,  
Vancouver, BC V6E 4H1

**INSURANCE COUNCIL OF BRITISH COLUMBIA**  
("Council")

**GRANTING RESTRICTED GENERAL INSURANCE LICENCES  
TO MOTOR VEHICLE DEALERS**

On March 13, 2012, Council published Notice ICN 12-004 *Issuance of Restricted General Insurance Licences to Motor Vehicle Dealers*. This Notice outlined Council's concerns regarding granting restricted general insurance licences to motor vehicle dealers and their representatives ("Dealerships").

Initially, Dealerships were seeking approval for simple products with small amounts of insurance. As such, Council did not identify any significant risk to the public and, therefore, the following exemptions from the standard licensing qualifications were applied:

1. Individuals were not required to have insurance experience and were not required to complete any standardized insurance education;
2. Individuals were not required to provide a criminal record check; and
3. Errors and omissions insurance ("E&O") was not required to cover insurance activities carried out by the Dealership.

This area of insurance has grown to include broader and new types of coverage and, after conducting inspections of licensed Dealerships, Council identified a number of issues which it believes represent a significant risk to the public. In particular:

1. Dealerships were selling more sophisticated insurance with much higher coverage amounts such as vehicle replacement insurance;
2. Dealerships failed to ensure consumers knew they were not required to purchase the insurance products being offered; and
3. Dealerships failed to properly disclose fees, installation charges, and other related costs separate from the insurance premium.

As a result, Council sought industry feedback to assist in determining whether it should continue to issue restricted general insurance licences to Dealerships and, if so, under what conditions or restrictions. After reviewing feedback received, Council concluded it will continue to issue restricted licences, but additional requirements to support public protection will be imposed.

These requirements, which are effective immediately, place limits on the insurance products that can be sold, and impose additional licensing requirements and conditions.

## **NEW REQUIREMENTS – EFFECTIVE IMMEDIATELY**

*Note:* “Motor vehicles” includes cars, trucks, RVs, trailers, ATVs, and watercraft.

1. Under the restricted general insurance licence, Dealerships will only be permitted to market insurance products that are incidental to the sale of a motor vehicle.
2. Dealerships can only offer insurance products under the direct supervision of a named, unrestricted general insurance agent (“Supervising Agent”).

In its review, Council noted that, in most situations, the insurance products sold by Dealerships are developed and/or marketed to Dealerships through unrestricted general insurance agencies. As well, it appears that insurers expect the unrestricted agencies to ensure the product distribution is compliant with all requirements. As such, and given Council has no authority over insurers, it is establishing the supervision requirement.

3. A motor vehicle dealer’s licensed representatives must obtain both initial and ongoing education.

The Supervising Agent will be responsible for ensuring that a motor vehicle dealer’s licensed representatives receive training on each insurance product they are authorized to sell. The training must be adequate and include basic knowledge regarding the proper practice of insurance and an understanding of the difference between fees and premiums. In addition, the training must be augmented annually with a minimum of one hour of continuing education on each product the Dealership is authorized to sell.

4. Before a Dealership can offer an insurance product, the product must be reviewed and approved by Council. If the insurer of the approved product changes any aspect of the product, the Dealership cannot sell the changed product until it has been approved by Council, regardless of how minor the change. Only products that have an aggregate coverage per policy, including riders, of \$15,000.00 or less will be considered. In addition, as part of its process when considering a product, Council will meet with the underwriting insurer.
5. There are new disclosure requirements to ensure consumers have a clear understanding of their right to decline any insurance coverage. Dealerships will be required to provide consumers with a disclosure document, separate from any other vehicle sales transaction document provided, that outlines in clear and concise language:
  - a) That the purchase of the insurance coverage is optional and can be declined by the consumer; and
  - b) The premium (as set by the underwriting insurer) and, separately, an itemized list of fees charged by the Dealership which includes the amount of each fee and a description.

The disclosure document must be presented to the consumer prior to the purchase of any insurance and the consumer must sign and date the document, acknowledging that he or she has read it and understands its content. A copy of the signed document must be maintained by the Dealership as part of its record-keeping responsibilities.

Council will develop a disclosure document that it expects Dealerships to use. Until this is published, both Dealerships and Supervising Agents are responsible for ensuring that consumers receive a disclosure document that meets the above requirements.

6. Dealerships will be required to carry E&O that covers all of the Dealership's insurance activities, with a minimum aggregate insurance coverage amount of \$200,000.00.

Any Dealership currently licensed with Council who offers an insurance product that has not been approved by Council must meet the new requirements immediately. The Dealership cannot sell a new or changed product until it has received Council's approval. This does not apply to a product that has changed in name only. Council will be requesting an updated list from all existing licensed Dealerships of the products currently being sold.

If you have any questions regarding this Notice, please contact Regulatory Services by calling Council's main number, and at the prompt press "2".

October 5, 2012  
ICN 12-006



## IMPORTANT CONSUMER INFORMATION

You are about to purchase optional insurance coverage for a motor vehicle. Before finalizing your decision, please note:

- You are not required to purchase this insurance coverage, and
- You are not subject to any penalty or additional fees if you choose not to purchase this insurance coverage.

Should you choose to purchase this insurance, make sure any questions you have about the product are answered to your satisfaction. In advance of purchasing the insurance, you must also be provided with clear and concise written disclosure of all coverages and exclusions of the insurance product, including cancellation provisions. These materials must tell you what coverage you have purchased and what your responsibilities are if you need to make a claim.

### Product Cost

Insurance Premium:	\$ _____
Motor Vehicle Dealer Fee:	\$ _____
Other Fees or Costs:	
Description: _____	\$ _____
Description: _____	\$ _____
Description: _____	\$ _____
Description: _____	\$ _____
<b>Your Total Cost:</b>	<b>\$ _____</b>

- I have read and understand the information in this document.
- I understand that I am not required to purchase this optional insurance coverage.

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Consumer Name (Print Clearly)

Signature

Date

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Dealer Representative Name

Legal Name of Dealership