

INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

CLIENT CONFIDENTIALITY GUIDELINES (the "Guidelines")

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 to an insurance licensee, 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.

Council continues to identify situations where licensees have collected, used, or disclosed clients' personal information contrary to Council Rules, and in particular Rule 7(1) which requires that:

A licensee must hold in strict confidence all information acquired in the course of the professional relationship concerning the personal and business affairs of a client, and must not divulge or use any such information other than for the purpose of that transaction or of a similar subsequent transaction between the licensee and the same client unless expressly authorized by the client or as required by law to do so.

In some instances, a breach of a client's privacy was found to be intentional and for an improper purpose. In others, licensees failed to appreciate the importance of the confidentiality requirements and engaged in conduct that led to unintentional privacy breaches.

As expressed in many disciplinary decisions, as well as Council Notice ICN 09-003 *Penalties for Unauthorized Access of the Insurance Corporation of British Columbia's Database*, breaches of client privacy are unacceptable and taken seriously by Council, with breaches resulting in licence cancellations, lengthy licence suspensions, and/or significant fines.

Council has developed the Guidelines to assist individual licensees, insurance agencies, and adjusting firms to understand their responsibilities under Council Rules and to remind all licensees that their actions are also governed by the *Personal Information Protection Act*.

The Guidelines have been incorporated into Council's Code of Conduct (the "Code") as Appendix B. The amended Code is available on Council's website at: insurancecouncilofbc.com/PublicWeb/CodeofConduct.html

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

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NOTICE