

## **INSURANCE COUNCIL OF BRITISH COLUMBIA**

### **INSURANCE COMPANY SPONSORSHIP IS NO LONGER REQUIRED FOR EXISTING LICENSEES**

In May 2004 amendments to the *Financial Institutions Act* ("Act") were passed in the British Columbia legislature. It is expected these amendments will be proclaimed by December 31, 2004. These amendments will give the Insurance Council of British Columbia ("Council") the ability to streamline the licensing process. One expected change is the removal of the requirement that an insurance company must sponsor life insurance agent and general insurance corporate licences. As a result of recent mergers and acquisitions, some insurance companies are requiring a significant number of licensees find a new insurance company sponsor before the end of the year. Council has decided to cease requiring an existing licensee to file a transfer application if they change their insurance company sponsor.

Effective November 10, 2004, a licence will no longer be automatically terminated upon a licensee losing an insurance company's sponsorship. Existing licensees will not be required to make an application to transfer insurance company sponsorship, nor will they be required to have a renewal application signed by a sponsoring insurance company. It should be noted that until the amendments to the Act are proclaimed, applicants for a first licence must still have an insurance company sponsor, where required.

*While sponsorship of a licence may no longer be necessary, each life insurance agent and general insurance agency must still be contracted with at least one insurance company. Should a licensee cease to have a contract with at least one insurance company authorized to do business in British Columbia, the licensee's licence is automatically suspended until they satisfy Council a new contract is in place.*

As of November 10, 2004, Council ceased processing sponsorship transfer applications and refunds will be issued for pending transfers. Refunds will be issued only where an application had not been processed or an amended licence was not issued on or before November 10, 2004.

In the coming months, after the amendments to the Act are proclaimed, a number of changes are anticipated in the licensing process. Council will advise of these changes as they are implemented.

November 19, 2004  
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