

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

**LEVEL 1 GENERAL INSURANCE SALESPERSONS**  
**RESTRICTED OR PROHIBITED ACTIVITIES**

General insurance agencies and nominees are reminded that Level 1 general insurance salespersons ("salesperson") are prohibited from engaging in certain activities, including the following:

1) Signing a Contract of Insurance

A salesperson must not sign contracts of insurance on behalf of an insurer.

A contract of insurance includes a policy, certificate, interim receipt, renewal receipt, or any form of written evidence of a contract of insurance, whether sealed or not. If it is unclear whether a document is deemed to be a contract of insurance, Council recommends you contact the insurer and/or obtain a legal opinion. Processing Insurance Corporation of British Columbia transactions is not considered signing contracts of insurance and therefore is permitted.

2) Engaging in Insurance Activity Outside the Premises of an Insurance Agency

A salesperson may only carry on general insurance business on the premises of the insurance agency the salesperson is authorized to represent, except where the salesperson has three consecutive months of automobile insurance experience, at which time the salesperson may conduct automobile insurance on the premises of an automobile wholesaler, dealer or auction, or a car rental business.

It is important to note that general insurance business includes soliciting insurance or servicing existing clients.

3) Engaging in Insurance Business Without Direct Supervision

A salesperson is not restricted to the type of insurance activities that may be conducted (e.g., homeowners, automobile, etc.); however, a salesperson must conduct general insurance business under the direct supervision of a Level 2 or Level 3 general insurance agent. The form that the supervision takes is ultimately the responsibility of the nominee.

4) Adjusting Claims

Section 180 of the *Financial Institutions Act* prohibits a person from acting as an insurance adjuster unless the person is licensed as an insurance adjuster with Council or is able to rely on a licensing exemption. The *Insurance Licensing Exemptions Regulation* provides an exemption for general insurance agents when making an adjustment or settlement of a claim under a contract of insurance.

It is important to note that this exemption is specific to an agent and does not apply to salespersons.

**NOTICE**

Insurance agencies and nominees are required to implement proper procedures and have adequate supervision in place to ensure that salespersons act in accordance with the restrictions and conditions of their licence.

Failure to properly carry out the required supervisory duties can create public risk. Where a salesperson is found to be acting in breach of a licence condition or regulatory requirement, the agency, the nominee(s), and the salesperson may be subject to discipline by Council.

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

July 4, 2013  
ICN 13-001