

Insurance Council
BRITISH COLUMBIA

CONSULTATION SUMMARY REPORT

2026 RESTRICTED INSURANCE AGENCY LICENCE COUNCIL RULE AMENDMENTS

CONSULTATION SUMMARY REPORT

Amendments to Council Rules for the restricted insurance agency licence.

AT A GLANCE

This report summarizes feedback related to a package of Council Rule amendments to support the implementation of the restricted insurance agency (RIA) licence in British Columbia. The BC government published the Restricted Insurance Agent Licence Regulation which introduces a licensing requirement for businesses that sell insurance products incidental to their primary business activities. To bring the RIA licence into effect, the Insurance Council introduced Council Rule amendments, which required public consultation.

FEEDBACK METHODS



Stakeholders were able to provide formal feedback through an online feedback form or by email submission to rules.consult@insurancecouncilofbc.com. Information gathered via email to RIA-licence@insurancecouncilofbc.com, the RIA webcast and from stakeholder meetings was also considered. These methods were intended to support accessible, informed, and transparent participation.

2026 RESTRICTED INSURANCE AGENCY LICENCE RULES CONSULTATION

Proposed amendments to:

Definitions

- New definitions
- Amended definitions
- Repealed definitions

Licence and application requirements

- Rule 1(1)(e), (f)
- Rule 2(10), (10.1), (10.2)
- Rule 3(2)(d), (f)
- Rule 7(20)(a)

Ongoing licensure/practice requirements

- Rule 4(4)(b.2), (c), (d)
- Rule 7(19), (21), (22), (23), (24), (25)

Fees

- Rule 5(1)(a), (b), (h), (2)

Transition rule

- Rule 9(2)

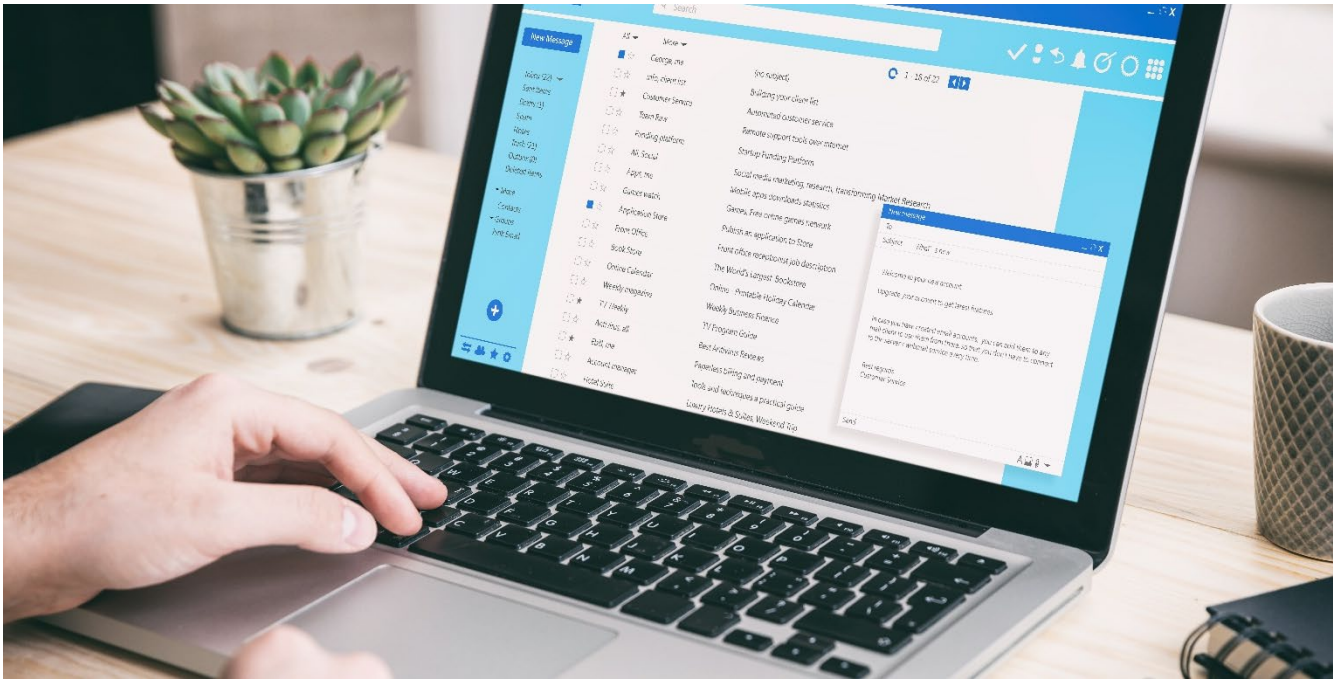
Draft rule language was published on the Insurance Council website along with supporting consultation materials to support informed input.

HOW WE ENGAGED STAKEHOLDERS

Consultation took place from **February 10 to April 27, 2026**. The consultation period extended beyond the minimum 60-day legislative requirement to provide stakeholders additional time to review and provide feedback on the proposed Rule amendments, given their complexity and broad application.

Outreach activities included:

- Direct emails to licensees and stakeholders announcing consultation launch, a reminder notice and a notice advising of the consultation closing;
- Articles in February, March, and April 2025 *What's New;*
- Social media promotion on LinkedIn promoting the consultation;
- RIA Webcast, advertised via Direct messages and social media posts;
- Multiple industry stakeholder meetings and presentations.



WHAT WE HEARD

The online feedback form received 61 responses, and a total of 90 emails were submitted, some of which related to general inquiries about implementation of the RIA licence, rather than rule consultation feedback. The RIA webcast had 874 participants, and meetings were held with various industry, business, and insurance representatives.

KEY THEMES

Overall feedback reflects general support for the intent of the RIA licence, particularly its goal of clarifying regulatory expectations for businesses that sell insurance on an incidental basis. At the same time, stakeholders raised challenges regarding operational practicality, proportional regulation, and consumer outcomes.

Online feedback form results indicate overall agreement or neutrality on most Rule amendments. However, support was often conditional on refinement, with stakeholders emphasizing the need for clearer guidance, flexibility, and alignment with existing business models to avoid unintended impacts.

Disclosure requirements

Some stakeholders suggested that mandatory disclosure of compensation amounts above a fixed percentage threshold could undermine consumer trust, and distract consumers from assessing

coverage suitability. Some stakeholders noted that the disclosure requirement is challenging because they do not control or negotiate compensation levels at the point of sale. Stakeholders also highlighted potential imbalances, noting that fully licensed brokers and deposit taking institutions selling the same products may not be subject to equivalent disclosure requirements. Many respondents supported simpler, standardized disclosure approaches that focus on disclosing they receive compensation, without disclosing amounts.

Insurance Council response: Council believes that compensation disclosure can help consumers better understand how insurance products are sold and support informed decision-making. While some stakeholders expressed concerns that restricted insurance agencies (RIAs) may be subject to different requirements than fully licensed insurance professionals, these licensees would operate under a separate regulatory framework with different education and training standards. Because some insurance products are sold alongside other purchases and may present additional risks for consumers, Council believes it is appropriate to require compensation disclosure when compensation exceeds 30%. This requirement is intended to improve transparency and help consumers better understand the value of the insurance products they are purchasing. In considering its own disclosure requirements, Council also considered similar disclosure requirements used in other jurisdictions.

Designated representative

There was agreement on the importance of the DR role for ensuring accountability and consumer protection. However, stakeholders indicated that limiting eligibility to owners, directors, or officers does not reflect operational realities, particularly in large, national, or multi-location organizations. Many recommended a principles-based approach that allows qualified senior managers with direct oversight, authority, and product knowledge to serve as DRs, with clear executive accountability.

Insurance Council response: A DR may delegate certain responsibilities to personnel who are more directly involved in insurance transactions, allowing businesses to align day-to-day oversight with their operational structure. However, the DR remains ultimately accountable for ensuring the organization meets its obligations under the RIA regulatory framework. Council will provide guidance on how responsibilities may be delegated in practice while maintaining clear authority, effective oversight, and accountability.

Regulatory clarity and scope

A recurring theme was the need for clearer, practical guidance on how the RIA regulatory framework would apply day-to-day across diverse industries and business models. Stakeholders sought clarification on:

- Which insurance activities require an RIA licence.
- How the Rules apply to specific automobile insurance products such as GAP insurance, warranties, and add-on products.

- How third-party, embedded, or industry specific distribution models are treated.
- The scope and requirements to hold an RIA licence and if it differs from other registrations the organization holds.

Uncertainty in these areas was identified as a risk to consistent compliance and effective implementation.

Insurance Council response: Council acknowledges that the introduction of a new regulatory framework can be challenging, particularly for businesses whose primary activities are not insurance related. Feedback received through the consultation has helped identify areas where stakeholders would benefit from clearer guidance, practical examples, and more direct information about how the RIA regulatory framework applies across different business models. Council is committed to supporting implementation by providing guidance that helps stakeholders understand their obligations, promotes consistent compliance, and supports a smooth transition to the new licensing regime.

Training requirements

Stakeholders generally supported the concept of knowledgeable RIA representatives as a consumer protection measure, but emphasized that training should be proportionate, practical, and scalable. Many called for concise, product-specific, and modular training that can be integrated into existing onboarding processes, particularly in high-turnover retail environments. Questions were raised about course availability, recognition of equivalent training programs, and the roles of insurers, program administrators and the Insurance Council in developing or approving training.

Insurance Council response: Council wants to make sure people selling insurance under an RIA licence understand the products they are offering. Training requirements are meant to support consumer protection without creating unnecessary obligations for businesses. Council also recognizes that many businesses already have systems in place for training their staff. To support implementation, a short-term RIA licensure provision will allow eligible licensees to continue conducting insurance business while representatives complete accredited training within their first year of licensure. Council continues to believe that knowledgeable representatives are important to helping consumers understand insurance products and supporting responsible insurance practices under the new RIA regulatory framework.

Fee structure

The proposed RIA fee structure raised concerns about fairness and proportionality, especially for small and mid-sized organizations. Comparisons to other jurisdictions were common, with several respondents expressing concern that BC's fees are higher than elsewhere in Canada.

Insurance Council response: The proposed fee structure is intended to help maintain an effective and sustainable regulatory framework, with the necessary oversight to support licensing, compliance,

and consumer protection. Council will continue to provide information and guidance to help stakeholders understand the fees associated with the new licence.

Transition and implementation timing

While stakeholders generally supported the inclusion of transitional provisions, many emphasized the importance of adequate implementation timelines, availability of guidance and training, and raised concerns about the Insurance Council's expertise and ability to process potentially many applications (both accreditation and licensing) in a timely manner. Introducing the RIA licence during peak retail periods was also identified as a risk to smooth implementation. Flexible approaches to enforcement were encouraged to allow businesses time to adapt to the new regulatory framework without disrupting consumer access to insurance products.

Insurance Council response: Timing of the new RIA licence is set by provincial regulation. To help stakeholders transition to the new regulatory framework, Council has established measures to support a smooth implementation. Businesses that apply for an RIA licence during the transition period, may continue conducting insurance business while their licence application is being reviewed. Also, a temporary conditional licence will be available during the transition period, allowing eligible licensees to continue selling insurance while they work toward meeting the approved training requirements for representatives. This gives businesses time to fulfil training requirements while licensed. Council is committed to making the transition practical, phased, and as clear as possible for stakeholders affected by the new RIA regulatory framework.

COUNCIL DECISION

Council reviewed the consultation findings and submitted the proposed Rule amendments to the Minister of Finance for consideration, along with a report summarizing the online feedback and written submissions received during the consultation. The Rules received ministerial consent and were published on October 26, 2026. The rules are effective as of November 28, 2026.

THANK YOU

Thank you to everyone who took the time to review the proposed amendments and submit feedback. Stakeholder input is an important part of the rule-making process and helps support informed, transparent decisions.