

## INSURANCE COUNCIL OF BRITISH COLUMBIA

### Autoplan Essentials Course

#### **BACKGROUND:**

Based on the Insurance Licensing Regulation to the *Financial Institutions Act* (the “Act”), the Insurance Council of British Columbia (“Council”) requires individuals applying for a general insurance licence to successfully complete the Insurance Corporation of British Columbia’s (“ICBC”) Autoplan Essentials Course as a condition of licensing. This requirement is applied regardless of whether a licensee is involved in the sale of ICBC Autoplan insurance products or is employed by an agency that has an ICBC Autoplan contract.

Because of the inflexibility of this practice and industry feedback, Council undertook a review of the Autoplan Essentials Course to determine its appropriateness as a prescribed course required as part of the licensing process.

#### **REVIEW:**

The Autoplan Essentials Course is a minimum 3.5 day course, specific to ICBC insurance products, addressing its forms, computer system, coverages, exclusions, and claims handling. While this knowledge is essential to anyone involved in the sale of Autoplan insurance, the material is specific to ICBC coverages and does not substantially address other types of automobile insurance.

Council views the Autoplan Essentials Course as being no different from other training courses designed by insurance companies to help insurance agents and salespersons better understand their insurance products and procedures. While such courses are valuable and important to a licensee’s development and training, they are not required as a condition of licensing.

Council has determined that requiring the successful completion of the Autoplan Essentials Course creates unnecessary requirements and additional costs for the industry and is not applicable to everyone seeking a general insurance licence. Other issues such as availability of the course and its overall value from a regulatory perspective are also factors in Council’s consideration. Ultimately, Council determined that requiring successful completion of the Autoplan Essentials Course as a condition of licensing is inconsistent with the existing educational models.

Consequently, Council is recommending the removal of the Autoplan Essentials Course as a prescribed licensing course. *[NOTE: This recommendation will not apply to the licence exemption contained in section 2(f) of the Insurance Licensing Exemption Regulation that allows individuals to act, in a limited capacity, as a salesperson for six months before obtaining a licence as long as the individual has successfully completed the Autoplan Essentials Course.]*

**PROPOSAL:**

While it proposes removing the Autoplan Essentials Course as a licensing requirement, Council still expects licensees to be knowledgeable of the insurance products offered to the public. Licensees are reminded of the following:

1. Council will hold licensees and their nominees accountable for their actions. A licensee permitted to conduct insurance transactions, including ICBC Autoplan, without proper training could (along with the nominee) face disciplinary action if it is determined a lack of training resulted in the public being placed at risk; and
2. ICBC, as with any insurance company, is entitled to require the completion of specific courses as a condition of its contract with an agent. It is Council's understanding that ICBC has, as part of its contract with agents, a requirement that licensees engaging in Autoplan transactions must first complete the Autoplan Essentials Course. Council believes requirements for insurance company specific courses are best addressed by the insurance companies and such requirements are consistent with the continuing education requirements that are a condition of every licensee's licence.

In conjunction with this proposal, Council plans to undertake a review of the existing education criteria to determine if there is adequate training in the area of automobile insurance. Council will discuss this matter with existing education providers and make recommendations on enhancements to prescribed courses, if it is deemed necessary.

In making this recommendation, Council believes the Autoplan Essentials Course is an important course for licensees involved in the sale of Autoplan insurance and encourages licensees to complete it. If this change is adopted, the responsibility to determine who should complete the Autoplan Essentials Course will be left to nominees and ICBC.

**REQUEST FOR FEEDBACK:**

Before proceeding with this proposal, Council is seeking industry feedback. Comments should be sent in writing to the attention of Gerald Matier, Executive Director, and should be received by Council no later than June 30, 2002.

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