

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

**WARNING TO ALL GENERAL INSURANCE LICENSEES AND  
MOTOR VEHICLE DEALERSHIPS**

**MOTOR VEHICLE DEALERSHIPS ARE PROHIBITED FROM ENGAGING IN  
GUARANTEED ASSET PROTECTION AUTOMOBILE INSURANCE BUSINESS**

It has come to Council's attention that numerous Motor Vehicle Dealerships ("Dealerships") are engaging in the sale of Guaranteed Asset Protection ("GAP") automobile insurance, despite Council's position that it will not licence Dealerships to engage in this type of insurance business.

Although Council is in the midst of investigating these concerns, it believes it is necessary to remind all general insurance licensees that Dealerships are not licensed to engage in the sale of GAP automobile insurance. Any general insurance licensee who facilitates, either directly or indirectly, a Dealership's involvement in unlicensed insurance business may be subject to disciplinary action that could involve a fine of up to \$10,000.00 in the case of an individual, or \$20,000.00 in the case of an agency, and/or a licence suspension or cancellation.

Any Dealership identified by Council as having engaged in the following conduct with respect to GAP automobile insurance or any other prohibited insurance business, will be reported to the Vehicle Sales Authority of British Columbia:

- Soliciting the insurance to a consumer.
- Taking or obtaining an application for the insurance from a consumer.
- Negotiating or procuring the insurance for a consumer.
- Collecting or receiving a premium for the insurance from a consumer.
- Remitting a premium to an insurer on behalf of a consumer.
- Delivering an insurance policy to a consumer.
- Having any role in determining the cost of insurance, including the amount of the insurance premium or any fees to be charged to a consumer in an insurance transaction.

Where it is appropriate to do so, Council will also alert the Financial Institutions Commission, which regulates unlicensed insurance activity and the conduct of insurance companies, of the improper conduct.

For more information on Council's position as it relates to Dealerships engaging in insurance business, please refer to Council Notice ICN 12-006 *Granting Restricted General Insurance Licences to Motor Vehicle Dealers*.

If you have any questions regarding this Notice, please contact Regulatory Services by emailing [info@insurancecouncilofbc.com](mailto:info@insurancecouncilofbc.com) or calling Council's main number, and at the prompt press "2".

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**NOTICE**