

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

**CONFLICT OF INTEREST GUIDELINES FOR INSURANCE AGENTS,
ADJUSTERS, AND SALESPERSONS ("Guidelines")**

In December 2013, Council published for comment draft Guidelines that addressed conflicts of interest that may be encountered by insurance agents, adjusters, and salespersons ("licensees") in the course of their insurance activities. Based on the industry feedback received, Council made a number of amendments before finalizing the Guidelines, which have now been incorporated into the Code of Conduct ("Code") as Appendix A. The amended Code is available on Council's website.

OTHER EMPLOYMENT OR BUSINESS ACTIVITIES ("BUSINESS ACTIVITIES") HELD BY LICENSEES

One area of the Guidelines that received a number of comments was Business Activities conducted by licensees. While most Business Activities have no impact on a licensee's insurance activities, Council has identified a number of Business Activities that can give rise to the potential for a conflict of interest. In most cases, Council has been able to address any concerns through licence conditions or restrictions, however, Council has identified specific Business Activities where it believes the potential for a conflict of interest is so significant it is not prepared to issue a licence.

Council is now publishing on its website a list of Business Activities it has determined may present the potential for a conflict of interest. This list includes how Council has decided to address the conflict of interest relating to a specific Business Activity. This list is for the benefit of existing licensees and licence applicants and will be updated as new decisions on Business Activities are made by Council.

Potential licence applicants are encouraged to review this list before making a licence application to Council. As discussed in more detail below, existing licensees should also review the list. A link to this list can be found at the end of this notice.

EXISTING LICENSEES

Existing licensees are not required to notify Council of a Business Activity that was commenced after they obtained their licence, provided they are not engaged in a Business Activity where Council has declined to issue a licence. Council expects licensees to periodically review this list to keep themselves up-to-date on the information contained on this list and to govern their insurance practices in accordance with the decisions of Council.

Licensees who engage in a Business Activity included on this list who do not modify their insurance activities could have their suitability reviewed if a complaint arises that is directly or indirectly related to the Business Activity. Licensees found to have acted in a conflict of interest based on their Business Activity will have their actions reviewed by Council to determine whether disciplinary or other action is warranted.

Licensees who are engaged in a similar Business Activity, where Council determined that the specific Business Activity presents a conflict of interest and Council declined to issue a licence, must notify Council immediately, using the form discussed below. Council will review the Business Activity and determine an appropriate course of action.

BUSINESS ACTIVITIES NOT REVIEWED BY COUNCIL (I.E. NOT ON THE LIST)

The list does not cover every possible conflict of interest scenario. If licensees engage in Business Activities not on the list, they should consider whether their specific Business Activity is similar to one on the list, and if so, determine how, or if, they need to tailor their insurance activities going forward. Regardless of whether a Business Activity has been included on the list, licensees should review their Business Activities to ensure they do not have the potential to create a conflict of interest.

If a licensee requires further direction, the licensee can request Council review the Business Activity. Requests for a review of a Business Activity by a licensee must be made in writing using the *Request for Review of Other Business Activities* form available on Council's website at the link below. Direction will not be provided in advance of this form being submitted to Council.

It is expected that, in most cases, Council will provide direction to licensees rather than impose a condition on the licensee's licence. However, where a situation may not be in the public interest, Council can exercise its right to review the situation to determine what, if any, action is required.

Potential licence applicants should review the list before submitting a licence application to Council. If a potential licence applicant wishes a review of his or her Business Activity, the review will be done only after a properly completed licence application has been received, which includes the *Request for Review of Other Business Activities* form which is included in the application package on Council's website. Direction will not be provided in advance of a complete licence application being submitted to Council.

The Link to read or download Council's Code of Conduct, *List of Other Business Activities Considered by Council*, and *Request for Review of Other Business Activities* form can all be found at:

<http://www.insurancecouncilofbc.com/PublicWeb/CodeofConduct.html>

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