



Independent Financial Brokers of Canada

740-30 Eglinton Avenue West, Mississauga, ON L5R 3E7

www.ifbc.ca

May 30, 2022

Insurance Council of British Columbia
1400 - 745 Thurlow Street
Vancouver, BC V6E 0C5

Submitted by email: rules.consult@insurancecouncilofbc.com

Dear Sirs/Mesdames:

Subject: Council Rule Amendments – consultation

Independent Financial Brokers of Canada (IFB) appreciates the opportunity to comment on the Insurance Council's proposed changes to certain of its Rules. Our comments will be limited to those Rules which apply to life and/or A&S licensees.

About IFB

IFB is a national, not-for-profit association dedicated to representing the interests of independent, licensed financial practitioners. For over 35 years, IFB has provided a unified voice for these independent advisors to government, regulators, and industry stakeholders.

IFB supports its members' professional needs, and the financial services industry more broadly, by offering accredited education, comprehensive professional liability insurance, regulatory updates and compliance tools, and support for industry best practices.

The majority of IFB's 3000+ members are mutual fund registrants and/or life insurance licensees who often own a small or medium-sized financial practice in their local community. Many are licensed in more than one provincial jurisdiction, including British Columbia, and hold additional credentials or professional designations that allow them to provide a wider range of financial advice and services to clients.

Comments on Rule Amendments

Below are our comments on the specific Rules being reviewed by Council that affect life and A&S licensees.

Rule 2 (11)(12): Nominee Requirements

It is our understanding that the changes to this Rule are intended to support business continuity by permitting life and A&S agencies the ability to nominate a temporary nominee to replace their existing nominee when this occurs under extenuating circumstances.

We support this change and agree that it will provide important short-term flexibility for agencies that would otherwise have their licence suspended and be prevented from operating due to their loss of a



Independent Financial Brokers of Canada

740-30 Eglinton Avenue West, Mississauga, ON L5R 3E7

www.ifbc.ca

qualified nominee. Suspending the licence of an agency would be disruptive to their operations and reputation and likely create inconvenience and disruption for clients.

We are pleased that Council intends to continue allowing those who operate a sole proprietorship to be exempt from the requirement to have been licensed in Canada for 5 of the past 7 years, to name themselves as their business's nominee. This condition would be a burden for sole proprietors with no authorized representatives other than themselves.

Nominee course: Council has added a new requirement that all nominees must successfully complete a nominee course, *as approved by Council*. We understand this is to address Council's concern that nominees may not be fully aware of their responsibilities or apply those responsibilities in a consistent manner. IFB agrees with this approach and would like to know more about the process Council intends to use to approve such a course.

It is our suggestion that, if Council is not going to develop and offer the course itself, it makes the opportunity available to potential course providers, that can meet Council's requirements. Importantly, offering choice of providers for nominees will benefit them by encouraging more competition and cost-effective options.

IFB is a respected provider of accredited CE in the life insurance and securities sectors and is able to develop and deliver online and in-person education, monitor and track attendance, and provide proof of successful to completion to the attendee and to Council. We would be pleased to discuss further with Council opportunities for IFB to offer the nominee course.

Rule 2(18): Business Registration and Name Requirements

IFB supports the additional clarifying language which makes it clear that any business names, other than the L&H agent's own name, must be approved by Council and that the name of the business should not be similar enough to the names used by an insurer or another licensed agency, that it will lead consumers to be confused as to the entity they are dealing with.

Rule 2(19): Reinstatement Provision

In our view, the revised wording in this Rule is less complex and will be easier to understand. We appreciate Council aligning this approach with that in place in Alberta, Saskatchewan, and Ontario. Since many L&H agents are licensed in multiple jurisdictions, it is always helpful when rules are harmonized.

Rule 4(4): Licence Period

IFB agrees that the expanded wording makes the expectations regarding a continuous licence clearer. Specifically, we note the addition of subsection (b.1) is helpful in that regard. There appears to be an extraneous word in (b.1), however, which currently reads "an annual proof of having met...". We believe it is intended to read "annual proof of having met...".



Independent Financial Brokers of Canada

740-30 Eglinton Avenue West, Mississauga, ON L5R 3E7

www.ifbc.ca

Rule 10: Life and/or A&S Supervision

Generally, we agree with the addition of Rule 10. However, we wonder, given the importance of the role of the Supervisor, if the language in 10(3)(a) should be strengthened. Specifically, from “providing guidance” to “providing oversight”. Similarly, “assisting”, “informing” and “making recommendations” to agents under supervision could be interpreted as a lower expectation of the Supervisor’s responsibility than what appears to be Council’s intent.

For example, a revised 10(3)(a)(ii) might read:

10(3) The duties and responsibilities of a life and/or A&S agent supervisor must include but are not limited to:

(a) providing oversight of:

(ii) the supervised life and/or A&S agent’s understanding of the responsibilities of licensees as reflected in Council rules, Code of Conduct, and the Act;

Also, IFB suggests adding a provision to make it clear that the Supervisor is required to take corrective action when competency gaps are identified.

Existing Guidelines for Supervision

Council’s *Guidelines for Supervision of New Life and/or Accident & Sickness Agents*, published in 2019, provide for a reduced supervisory period for those with CFP and CLU designations. However, there is no corresponding language carried into the proposed Rule 10(10) and we wonder if it is Council’s intent to drop this exemption. If this is the case, IFB supports this change.

While the education agents receive when earning these designations can be helpful in their career, we believe it is important that new agents receive training that is specific to becoming competent in their role as a Life and A&S licensee and the regulatory expectations that accompany this role, not that which is specific to a particular designation or other accreditation.

IFB appreciates the opportunity to provide our comments. Please contact the undersigned, or Susan Allemang, Director, Policy & Regulatory Affairs (email: sallemang@ifbc.ca) should you have any questions or wish to discuss our response further.

Yours truly,

A handwritten signature in black ink that reads 'Nancy Allan'.

Nancy Allan

Executive Director

E: allan@ifbc.ca

T: 905.279.2727 Ext. 102

www.ifbc.ca