This notice is no longer in effect. Please refer to Licensee Responsibilities section of the website for the most current guidance.

INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

ALL NOMINEES – IMPORTANT INFORMATION

Nominees and sole proprietors are responsible to Council for all insurance activities of the agency or firm as per Council Rule 7(6). This includes making sure all insurance activities of the agency or firm are appropriately supervised; there are sufficient procedures to facilitate compliance with Council requirements; and the public's interest is properly served.

Council continues to identify instances where nominees fail to carry out their duties in a competent manner, or simply do not take their responsibilities seriously, which results in regulatory breaches and ultimately harm or risk to the public. Some examples include:

- Allowing staff to engage in insurance activities without the staff being licensed with Council as required.
- Failing to ensure corporate errors and omissions insurance was maintained as required.
- Failing to ensure notifications were provided to Council within five business days when a licensee ceased to represent an agency.
- Allowing Level 1 general insurance salespersons to sign insurance binders or conduct insurance activities outside the office, contrary to licence restrictions.
- Failing to implement sufficient supervision at a branch office.
- Failing to take adequate steps to ensure clients were immediately notified about a lack of insurance coverage.

Council is taking this opportunity to remind all nominees about the importance of their role and it is paramount they take the necessary steps to facilitate proper practices. Nominees who fail to carry out their responsibilities could face disciplinary action, including fines up to $10,000.00 and/or a licence suspension and/or a prohibition from being a nominee in the future.

Council acknowledges the demands and challenges nominees can face and that it may not always be possible to foresee or prevent non-compliant insurance activities. However, as nominees are ultimately responsible for the insurance activities of the agency or firm, if Council becomes aware of activity that is contrary to the *Financial Institutions Act*, it will be up to the nominee to demonstrate that sufficient procedures and oversight were, and are, in place.

NOTICE

Suite 300, 1040 West Georgia Street
P.O. Box 7, Vancouver, B.C. V6E 4H1
insurancecouncilofbc.com

Telephone: 604-688-0321
Toll-Free Within B.C.: 1-877-688-0321
Facsimile: 604-662-7767

Should a situation arise where a nominee's employer prevents him or her from implementing appropriate procedures and/or oversight to address non-compliant activity, Council recommends the nominee contact Council to review the circumstances. This will allow Council an opportunity to determine whether any action is required to protect the public. If a nominee chooses not to contact Council or take steps to ensure necessary changes are implemented, Council could determine the nominee failed to carry out his or her duties as required.

If you have any questions about the regulatory requirements or this Notice, please contact Regulatory Services by sending an email to info@insurancecouncilofbc.com or calling Council's main number, and at the prompt press "2".

March 17, 2015
ICN 15-002

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