

**Agenda Item 4(b)**  
**March 24, 2015 EOC Meeting**

**Regulator Visit Report**  
**Confidential: Not For Distribution**

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**Regulator:** Gerry Matier, Executive Director, Insurance Council of BC  
**Date:** February 27 2015  
**Location:** Trio Restaurant, Novotel, North York  
**Purpose:** Discussion of Industry Issues  
**CAFII Attendees:** Moira Gill, TD Insurance; John Lewsen, BMO Insurance; Brendan Wycks, Executive Director

**Representation for Banks-in-Insurance Sector on Insurance Council of BC**

Gerry said that he was still very passionate about this, and would like to receive nominations from CAFII's sector for Non-Voting Member positions on Council.

A Non-Voting Member would be asked to attend two to three half-day meetings per year, plus an annual two-day weekend planning retreat. Non-Voting Members' economy travel expenses to attend these meetings are reimbursed.

Discussion focused on whether a Non-Voting Member of the Council would have to be a resident of BC. While that would be the ideal -- particularly since attendance is required in-person, rather than by electronic means -- Gerry indicated that he would be open to considering a non-resident nominee.

Moira advised that in addition to our bringing this back to the CAFII EOC, she would look into it further within TD Insurance. One of her Edmonton-based colleagues, who is very well-versed in BC insurance issues, might be a strong candidate for a Non-Voting Member position on the BC Council.

In CAFII's previous liaison meeting with Gerry on May 28/14, he indicated that he is always interested in receiving recommendations of well-qualified nominees for the Non-Voting positions on Council. These roles often serve as a training ground for subsequent appointment to one of the Voting Council member positions. He said that he would be very open to one or two nominees from the banks-in-insurance sector for non-voting Council positions. "You guys have a different and often unique perspective."

Non-Voting members of Council are appointed for a three-year term, once renewable. However, Gerry would be open to the appointment of a nominee even if the individual stated up-front that he/she would only be able to stay on Council for one or two years of service.

**BC's 10-Year Review of Financial Institutions Act (FIA)**

**Dollar Limit On Amount Of CGI That Can Be Sold Under Licensure Exemption**

The licensure exemption that CGI currently has in BC is found in the FIA Act; and both that exemption and the structure and powers of the Insurance Council of BC are issues that the Council itself intends to open up for discussion under the legislatively required decadal review of the Act.

Gerry Matier advised that as part of the imminent review opportunity, the Council, at the behest of current Chair Ruth Hoyte, will be raising with the province the prospect of imposing a dollar amount ceiling on the value of creditor's group insurance that can be sold under the existing licensure exemption.

The *quid pro quo* that the Council would be recommending – as part and parcel of the package – would be that there would no longer be a prohibition against sales of insurance in financial institution branches.

Gerry said that two key points in the Council's rationale/argument in favour of this recommendation are

- there is currently no real monitoring of or disciplinary process associated with those who are selling insurance under an exemption; and
- with the imposition of a fairly low dollar amount ceiling, the net effect of this change would be to force anyone selling CGI in BC to be LLQP-licensed.

Gerry said that while this proposal will definitely be raised and put forward by the Council, he will be surprised, personally, if it advances beyond initial consideration by FICOM and the Minister's office.

### ***Governance Restructuring Of Insurance Council***

Another change that the Council will be seeking as part of the opening up of the FI Act is to restructure the Council itself from Government-appointed Voting Members to an elected Voting Members.

Council members would be elected by their peers/sector to represent a certain sector of the insurance industry. The Council would also be down-sized to seven (7) elected Voting Members from the current eleven (11) appointed Voting Members.

It was suggested and agreed that if this change occurs, it will be all the more important to have all relevant perspectives represented at the Insurance Council table, including the banks-in-insurance perspective.

### **New Continuing Education Requirements For New Licensees**

Gerry advised that the Council is starting to develop a new four-course continuing education program for new licensees, with one course to be taken in each of the first four years following initial licensure. This program would build upon the education taken in the LLQP.

The first course would focus exclusively on the Council's Rules, as the Council has found that licensees tend not to read and familiarize themselves with the Rules. The other three courses would focus on other professional development matters that are particularly germane to early-career licensees.

Gerry said that while this is solely his own personal opinion at this point in time, after a licensee has taken those four CE courses early on in his/her career, the Council may decide that there would be no further CE requirements.

### **Benefits of Having An 'Inactive' Insurance Licence In Certain Situations**

Moir raised the point that, in certain situations, it is definitely advantageous to insurance licensees to be able to have an "Inactive Licence" status, the maintenance of which would only require keeping the person's Continuing Education requirements up-to-date.

The Insurance Council of BC has/allows "Inactive Licence" status, and CAFII would like to see this harmonized across the country. CAFII would therefore appreciate Gerry's being a proponent and advocate of this with his CISRO colleagues from across the country.