

Agenda Item 4(f)
April 30/19 Board EOC Teleconference Meeting

BC Consultation on Self-Funding for New “Financial Services Authority” Crown Corporation

From: James, Harry FIN:EX <Harry.James@ficombc.ca>
Sent: April-24-19 11:12 AM
To: Brendan Wycks <brendan.wycks@cafii.com>; Keith Martin <Keith.Martin@cafii.com>
Subject: RE: BC FICOM Consultation

Hi Brendan

Let's target Friday morning, May 17 after the Travel Insurance Meeting. I'll get in touch with Tony Toy at CCIR and see if we can use a meeting room right after.

Harry

From: James, Harry FIN:EX <Harry.James@ficombc.ca>
Sent: April-15-19 10:58 AM
To: Brendan Wycks <brendan.wycks@cafii.com>; Keith Martin <Keith.Martin@cafii.com>
Subject: BC FICOM Consultation

Hi Brendan/Keith

As you are aware, FICOM is soon going to convert to a Crown Corporation. As a Crown Corporation, it will need to be self-funded through funding from industry. Our current fees have not been adjusted since FICOM was first created in 1989. Another issue is that for non-BC domiciled insurers, the fees charged are based on assets and not the degree of business conducted in the province.

We will soon be issuing a consultation paper on insurance fees and we wish to engage your members through you. Your members will also have the opportunity to provide individual feedback, if they wish.

I will be out in Ontario in early May and I hope we can schedule a meeting to discuss this consultation. The consultation paper should be out by then and I hope to get some preliminary feedback as well as answer questions you or your members may have. At the moment, I'm just trying to get some placeholders for the meetings in place. I expect the meeting may take about an hour and a half. We can look to adjust the time allotted once you see the consultation paper.

Also while I'm out there, I expect CCIR will be arranging another meeting with you regarding the travel insurance data collection. Tony Toy and/or Joan Weir may be in touch with you regarding that meeting.

The dates I have open are May 15, 16 and the morning of the 17th. Please let me know if you are interested in meeting and some possible times.

Harry James, Senior Regulatory Advisor
Financial Institutions Commission
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From: FIN Deputy Minister FIN:EX <FIN.DeputyMinister@gov.bc.ca>
Sent: April-04-19 1:44 PM
Subject: Financial Services Authority Act (FSAA) Introduction

Dear Stakeholder:

I'm pleased to share with you today that the B.C. government is delivering on its commitment to strengthen oversight of the financial services sector by establishing a new Crown agency, the BC Financial Services Authority.

Today the B.C. government introduced enabling legislation, the *Financial Services Authority Act*, to update the structure of the Financial Institutions Commission (FICOM) to make it an independent Crown agency. The new agency will have responsibility for regulation of mortgage brokers, insurance and trust companies, pensions and credit unions. It will be operationally independent, yet accountable to government, and funded by industry. For more information, [read the news release now](#).

We know the financial services sector is rapidly evolving. The government is making these changes to improve the regulator's stability, address high vacancy rates within the organization and better align the structure of the organization with international standards and best practices.

The new Authority is expected to be fully operational later this year. In the meantime, FICOM will continue to be the regulatory authority for the credit union, insurance and trust sectors.

I would like to thank you for your support as we go through this transition, and we are working hard to ensure it is as seamless as possible for stakeholders and the public.

Should you have any questions about the new legislation please contact the Financial and Corporate Sector Policy Branch at FCSP@gov.bc.ca.

Sincerely,

Lori Wanamaker, FCPA, FCA
Deputy Minister, Ministry of Finance

New Crown agency will better protect people’s financial interests

News Release

Victoria

Thursday, April 4, 2019 10:14 AM

New legislation establishing the B.C. Financial Services Authority will more effectively protect people when they use financial services and boost oversight of the sector to support a strong, sustainable economy and make life better for people.

The Financial Services Authority Act establishes a new, independent Crown agency to regulate credit unions, insurance and trust companies, pensions and mortgage brokers.

“People in B.C. work hard to make a living and it’s our responsibility to make sure their financial interests are protected, whether that’s applying for a mortgage, using a credit union, getting insured or contributing to their pension,” said Carole James, Minister of Finance. “The financial services sector is rapidly evolving. This legislation will make sure B.C.’s financial services regulator is modern, effective and efficient for decades to come.”

The Act is designed to improve accountability and oversight, and align with international best practices and be consistent with other regulators.

“British Columbians expect a financial regulator to protect their interests,” said Stanley Hamilton, chair, Financial Institutions Commission. “This is a significant achievement that demonstrates government’s commitment to making the changes needed to ensure we can successfully deliver on our mandate.”

The legislation requires the Authority to be managed by a board of directors that will appoint a CEO. The Authority will be accountable to the Minister of Finance. As a Crown agency, the B.C. Financial Services Authority will receive a mandate letter from the B.C. government and must maintain a service plan and other transparent reporting requirements.

Modernizing this key provincial regulator will protect people using financial services into the future. The province has worked with stakeholders over the past year, including as part of a larger legislative consultation and through direct meetings, to ensure a smooth transition for the sector. The new B.C. Financial Services Authority is expected to launch later this year.

Quick Facts:

- In British Columbia, there are:
 - 42 credit unions with more than \$72 billion in assets;

- 4,000 mortgage brokers;
 - 677 pension plans with approximately \$158 billion in assets; and
 - over 200 insurance and trust companies.
- The Authority will be a self-funded Crown agency focused on sector regulation. It will not raise provincial revenue.
- The B.C. Financial Services Authority replaces the Financial Institutions Commission (FICOM). FICOM will continue as the regulator until the Authority is fully operational.
- FICOM was created in 1989 with a mandate letter from the Minister of Finance.
- Establishing FICOM as a Crown agency was a recommendation from a 2017 independent review of FICOM, as well as previously supported by B.C.'s Auditor General.

Learn More:

Financial Institutions Commission: <https://www.fic.gov.bc.ca/>