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Insurer Code of Market Conduct

British Columbia

BCFSA 

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Application of the Code

Insurers authorized to conduct insurance business in British Columbia (“B.C.”) are required to adopt and follow this Code of Market Conduct (“the Code”) established by BC Financial Services Authority (“BCFSA”). The Code is based on principles from the Canadian Council of Insurance Regulators’ (“CCIR”) and the Canadian Insurance Services Regulatory Organizations (“CISRO”) [Guidance Conduct of Insurance Business and Fair Treatment of Customers](#) (“FTC”).

Per sections 94.1, 158, 189, and 192 of the *Financial Institutions Act* (“FIA”), this requirement applies to all B.C. incorporated insurance companies, extraprovincial insurance corporations, societies deemed under section 191, and mutual fire insurance companies. These entities are collectively referred to as “insurers” for the purposes of the Code. Reinsurers, reciprocal exchanges, and captive insurance companies are excluded from the requirement under the FIA to adopt and comply with the Code.

The objective of the Code is to ensure that insurers treat customers fairly throughout the product lifecycle, from product development to the point at which all obligations under a contract have been satisfied. The Code is principles-based, providing insurers with flexibility to determine the strategies, policies, processes, procedures, and controls that apply to the offer of insurance products and services to customers based on the nature, size, and complexity of their activities. Adopting the Code will support the achievement of FTC outcomes for British Columbians. Legislation prevails if there are inconsistencies or conflict between the Code and legislation.

Although ongoing policy servicing is traditionally seen as primarily the responsibility of the insurer, intermediaries are often involved, particularly where there is an ongoing relationship between the customer and the intermediary. In such a case, the insurer remains responsible for servicing policies throughout their life cycle and ensuring that intermediaries have appropriate policies and procedures in place in respect of the policy servicing activities performed on the insurer’s behalf.

Insurer Code of Market Conduct – British Columbia

Fair Treatment of Customers (“FTC”) Principles

1. **GOVERNANCE AND BUSINESS CULTURE**

FTC is a core component of the governance and business culture of insurers.

2. **CONFLICT OF INTEREST**

Any potential or actual conflicts of interest are avoided or properly managed and do not affect FTC.

3. **OUTSOURCING**

Functions related to conduct of insurance business outsourced to service providers do not hinder the quality of services or jeopardize the insurer’s ability to achieve FTC.

4. **DESIGN OF INSURANCE PRODUCTS**

The design of a new insurance product or significant adaptations made to an existing product take into account the interests of the target consumers’ group.

5. **DISTRIBUTION STRATEGIES**

Distribution strategies are tailored to the product, consider the interests of the targeted consumer groups, and result in consistent consumer protections independently of the distribution model chosen.

6. **DISCLOSURE TO CUSTOMER**

Customers are given appropriate information to make an informed decision before entering into a contract.

7. **PRODUCT PROMOTION**

Product promotional material is accurate, clear, not misleading, and consistent with the result reasonably expected to be achieved by the customer of the product.

8. **ADVICE**

When provision of advice is required by law before concluding the contract, customers receive relevant advice, considering the customer’s disclosed circumstances.

9. DISCLOSURE TO POLICYHOLDERS

Policyholders are provided with information which allows them to make informed decisions throughout the lifetime of their contracts.

10. CLAIMS HANDLING AND SETTLEMENT

Claims are examined diligently and fairly settled, using a simple and accessible procedure.

11. COMPLAINTS HANDLING AND DISPUTE RESOLUTION

Complaints are examined diligently and fairly, using a simple and accessible procedure.

12. PROTECTION OF PERSONAL INFORMATION

Policies and procedures adopted by insurers for the protection of confidentiality of personal information ensure compliance with legislation relating to privacy protection and reflect best practices in this area.



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