



## **Release of Insurer Code of Market Conduct**

**Date: July 10, 2023**

**Distribution: All Insurers Authorized in B.C.**

**Advisory Number: 23-029**

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### **Purpose**

This Advisory notifies B.C. authorized insurers that BC Financial Services Authority ("BCFSa") has issued [Regulatory Statement 23-015](#), which establishes an Insurer Code of Market Conduct ("Code") that B.C. authorized insurers must adopt and comply with by April 1, 2024.

This requirement applies to all B.C. incorporated insurance companies, extraprovincial insurance corporations, societies deemed under section 191 of the *Financial Institutions Act* ("FIA"), and mutual fire insurance companies. Reinsurers, reciprocal exchanges, and captive insurance companies are excluded.

### **Introducing BCFSa's Insurer Code**

Join us for an overview of BCFSa's insurer code at this 30-minute information session, highlighting key concepts and provisions. Participants will have the opportunity to ask questions during a moderated question and answer period following the presentation.

Date: 11 – 11:30 a.m. PST, July 20, 2023

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### **Additional Information**

In fall 2019, the B.C. government introduced a series of legislative amendments aimed at modernizing BCFSA's approach to market conduct supervision and oversight. This included a new provision, section 94.1 of the FIA, that requires insurers to adopt and follow a Code of Market Conduct established by BCFSA. As this requirement is now in force, BCFSA is establishing an Insurer Code of Market Conduct.

The Code establishes principles that insurers will be required to adopt and follow to help ensure consumers are protected throughout the product lifecycle. This principles-based approach emphasizes the importance of embedding the fair treatment of customers ("FTC") in governance and practices while providing insurers with latitude to implement the principles in their operations in a flexible manner.

On June 21, 2022, BCFSA released a draft of the proposed Code and an accompanying Guideline for public consultation. A summary of the [consultation feedback](#) is available on BCFSA's website.

Based on feedback received during the consultation period, BCFSA has redrafted the Code to reflect the Canadian Council of Insurance Regulators' ("CCIR") Conduct of Insurance Business and Fair Treatment of Customers guidance ("FTC guidance"). BCFSA will not proceed with an accompanying Guideline at this time.

To align the requirements in B.C. with the national guidance, the Code uses the 12 expected outcomes from CCIR's FTC guidance as principles that insurers in B.C. will be required to follow. The Code does not include the remainder of the FTC guidance beyond the articulated expected outcomes.

Once the Code has been adopted by insurers, BCFSA will work with industry to identify and address potential market conduct issues to ensure consumers continue to be treated fairly and strengthen public trust and confidence in the insurance segment. Insurers are encouraged to review FTC-related reports and guidance published by CCIR on a periodic basis to increase awareness of practices that may support insurers' adherence to the principles in the Code.

For questions or to request a meeting with BCFSA staff in respect of this Advisory or the Code, please contact BCFSA's Market Conduct Branch at [insurance@bcfsa.ca](mailto:insurance@bcfsa.ca).

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