

MARCH 2025

Summary of Consultation Feedback

Consultation on Information Security Incident
Reporting Guideline for Extraprovincial Insurance
Corporations and Extraprovincial Trust Corporations

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1. Introduction

On June 17, 2024, BC Financial Services Authority (“BCFSA”) undertook a 60-day public consultation requesting feedback from extraprovincial insurance corporations, extraprovincial trust corporations, and the public on a draft Information Security Incident Reporting Guideline for Extraprovincial Insurance Corporations and Extraprovincial Trust Corporations (“the Guideline”).

The consultation aimed to inform affected parties of the expectation to report material information security incidents, and to gather feedback on the draft Guideline.

This report provides a summary of the feedback received during the public consultation and outlines next steps.

For further information about the consultation, please see the Consultation on Information Security for Extraprovincial Insurance Corporations and Extraprovincial Trust Corporations page on [BCFSA's website](#).

2. Background

The Guideline outlines expectations regarding the reporting of material information security incidents, including information on the number of affected policy holders and customers who are residents of B.C., by insurance corporations and trust corporations incorporated in other provinces, and federally regulated insurance corporations and federally regulated trust corporations, that are authorized to conduct business in B.C. (“extrapros”).

As the digital transformation of financial services continues to increase in pace and scale, it brings with it heightened risks to British Columbia’s citizens and economy, particularly from potential information security incidents that could compromise critical services or sensitive information.

As the financial services regulator in B.C., with a mandate to safeguard confidence and stability in the financial sector, BCFSA is introducing this Guideline to ensure it is appropriately notified of information security incidents that impact British Columbians.

Harmonizing BCFSA’s Guideline, as much as possible, with those of other regulators was an important objective during the development process. BCFSA has worked to ensure the Guideline minimizes reporting burden while providing the information BCFSA needs to fulfill its mandate.

3. Consultation Process Overview

The consultation was open for public comment from June 17 to August 17, 2024. The primary source of feedback came from BCFSA's online feedback form, although email submissions were also accepted and considered. Participants were invited to provide their comments on the draft Information Security Incident Reporting Guideline for Extraprovincial Insurance Corporations and Extraprovincial Trust Corporations.

Prior to the start of the public consultation, BCFSA met with the Insurance Bureau of Canada ("IBC") to discuss the draft Guideline. Consequently, amendments were made to the Guideline before the broader consultation process started.

To support informed participation and raise awareness of the public consultation, BCFSA shared information and resources with stakeholders in advance and throughout the consultation period. Some of the engagement activities BCFSA undertook included:

- Notifying extrapros and other interested parties of the opening of the consultation period via an email Advisory;
- Publishing a news release inviting extrapros and other interested parties to participate in the consultation;
- Inviting feedback from industry associations such as Canadian Association of Direct Relationship Insurers, Canadian Life and Health Insurance Association and Canadian Association of Financial Institutions in Insurance;
- Sending an advance copy to the Office of the Superintendent of Financial Institutions ("OSFI");
- Publishing a consultation webpage explaining the draft Guideline and consultation process; and
- Sending participation reminders to extrapros and other interested parties via email and social media.

4. Summary of Feedback

A total of 16 organizations participated in the public consultation by responding to the feedback form or sending an email.

Overall, there was an understanding of the objectives of this Guideline, but the participants asked for some clarifications to the Guideline.

The following table summarizes the key themes from the feedback received during the consultation.

STAKEHOLDER FEEDBACK TABLE

Theme	Summary of Issue/Comment	BCFSA Response
Timelines	There was a request that more clarity be provided as to whether the 72-hour reporting expectation was based on when the extrapro notified BCFSA of its intent to submit an incident report or when the incident report was received by BCFSA.	The wording in the Guideline will be changed to make clear that the incident report must be received no later than 72 hours after determining that an incident is material.
Contacting BCFSA	Questions were raised with respect to alternative means of contacting BCFSA in the event an information security incident affected an extrapro's ability to contact BCFSA through electronic means.	The Guideline will be amended to state, if electronic means of notification are not available, notification by telephone followed by a paper submission is acceptable.
Information Contained in Incident Reports	There was uncertainty around how to respond to expectations that specific information be provided in the incident report when it was either not available or not applicable.	The Guideline will be changed to clarify that if information is not available at the time of the initial report this could be noted in the report. Extrapros should discuss with BCFSA how to proceed should this information become available at a later date. Also, the Guideline will be adjusted to reflect that in some cases the information requested may not be applicable.
Definition of "primary regulator"	It was recommended that there be greater clarity on the use of the term "primary regulator."	The Guideline will be amended to clarify that the primary regulator is defined as the regulator of the jurisdiction in which they are incorporated (e.g., for federally incorporated insurers, the "primary regulator" being OSFI).
Protection of Sensitive Information	Insurers are concerned that information contained in incident reports may be disclosed.	BCFSA will maintain confidentiality of any incidents reported by regulated entities and individuals to the extent allowed by the law.
Reporting Expectations	There were questions about BCFSA's expectations if there are no reporting obligations from an extrapro's primary regulator.	If the primary regulator does not have incident reporting obligations, extrapros should follow BCFSA's incident reporting expectations.

<p>Enhanced Harmonization: Consistent use of the term “material” and Criteria for Determining if an Incident is Material</p>	<p>It was noted that the terms “severity” and “material” were used interchangeably.</p> <p>Also, terminology in the draft guideline referred to the materiality being based on the impact of the incident on users, consumers, or the general public. It was recommended that the wording be adjusted to align with the Financial Services Regulatory Authority of Ontario (“FSRA”) guidance.</p>	<p>To promote harmonization, the Guideline states that to facilitate incident reporting by extrapros that are required to submit multiple incident reports, BCFSa will also accept being notified with a comparable form issued by another financial services regulator. If another comparable form is used, it must include information on the number of customers affected who are residents of B.C.</p> <p>Also, refinements to the guideline will be made to enhance harmonization. For example, the guideline will be amended to ensure the word “material” is used consistently as it is with other regulators.</p> <p>Further, to align better with FSRA guidance, current wording in the Guideline will be replaced with “...impact that the incident will have on the extrapro’s business, operations or customers.”</p>
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5. Consultation Outcomes and Next Steps

BCFSa extends its gratitude to all participants in the consultation process. The feedback received demonstrated a high level of engagement from stakeholders.

BCFSa considered all the responses it received during this consultation. As noted above, this review will result in some adjustments to the final Guideline.

In March 2025, BCFSa will distribute the final Guideline to extrapros and other interested parties through an advisory and notify extrapros when it will come into effect.



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