



## Compliance Critical for Insurance Sales

### Creditors Group Insurance (CGI) Compliance

Financial Institutions Commission of B.C. (FICOM) has [issued a letter](#) and an [Information Bulletin](#) directed to insurers, exempt sellers and creditors regarding *creditors group insurance* (CGI). Motor dealers are exempt sellers and must comply when selling CGI products.

FICOM's expectations require that insurers provide an effective oversight and control regime for the sale of CGI products. It sets minimum requirements to be in place by March 31, 2016. Dealers can expect training, reporting and monitoring activities from their insurers to ensure:

- All disclosure requirements set out in the legislation are being met
- Consumers are clearly aware of the voluntary nature of CGI
- Controls are in place to avoid enrolment of consumers who are not ineligible
- Enough information is provided on the terms and conditions of the contract for a consumer to make an informed choice
- Coercive sales practices are not taking place
- Training is sufficient for exempt sellers to identify when consumers should be directed to the insurer to have their concerns addressed

Dealers should contact their insurer if they have any questions. FICOM warned it will be monitoring these sales and will take the appropriate enforcement action for any infractions.

[FICOM Letter](#)

[FICOM Information Bulletin](#)

### Reminder from the Insurance Council of B.C.

In 2012, the Insurance Council of British Columbia established additional licensing requirements for dealers selling insurance products that are incidental to the sale of a vehicle. This is a reminder that these requirements still apply and may be reviewed on the [Council's website](#). The Insurance Council issued further detailed and gave notice of planned dealer inspections on September 30, 2013. [This notice](#) included a disclosure document that dealers are required to complete and review with consumers prior to the purchase of a vehicle.

Motor dealers found to have violated the Insurance Council's disclosure requirements or that have allowed representatives to sell insurance without an insurance licence have faced fines by the Council. Contact the Insurance Council directly if you have any questions. See this [previous Bulletin](#) on Insurance Council fines.

### VSA Oversight

FICOM and the Insurance Council are the primary oversight bodies regarding the delivery of insurance products in B.C. However, the Registrar can review the alleged misrepresentation of consumer rights and obligations in consumer transactions involving motor vehicles. This includes representing a product or fee as mandatory when it is optional. In addition, the Registrar can always review a licensee if it is alleged that they have acted unlawfully.