



Improper Insurance Practices Identified

The Insurance Council of BC reports serious concerns regarding the sale of vehicle replacement insurance. The Insurance Council has initiated a review. The concerns include:

- The Insurance Council does not issue licences to motor vehicle dealerships to sell vehicle replacement insurance. The Council only issues licences to dealerships to sell "incidental insurance products," such as anti-theft insurance, provided the coverage is limited to \$15,000. [These rules](#) were adopted in October, 2012 and are still in force.
- Some dealers are telling their mobile Autoplan agents to not mention the ICBC replacement insurance coverage. This is so the dealer can encourage the sale of other coverage which will provide compensation to the dealer. Failing to disclose the available ICBC coverage would be considered withholding a material fact.

Potential outcomes

The **Insurance Council of BC** has stated in a [recent Notice](#) that should they identify a situation where an insurance agency has engaged in conduct that is not in the best interest of the public, they will:

- Hold the insurance agency, its nominee, and any other applicable licensee accountable,
- Investigate and consider discipline, which could include fines and suspensions, and
- Consider prohibiting the agency from engaging in insurance business.

ICBC has stated that if they become aware of dealership practices that are not in the best interests of customers, they will investigate and reserve the right to suspend Mobile Road Service operations at that location.

The **VSA** will take action against a dealer and any licensed salesperson found to be misrepresenting or withholding coverage information in violation of provincial regulations. This would be a deceptive practice under the *Business Practices and Consumer Protection Act*.

Dealerships may be liable for any shortfall their clients may suffer due to the limitations of their insurance product and the manner in which it was sold.

The Insurance Council of BC recently imposed fines and sanctions on one dealer and two individual salespeople. Decisions were issued on August 16 and August 29. The decisions can be viewed on the [Insurance Council of BC website](#).

Update on VSA Logo Use

In only two weeks, four dealer groups, 13 individual dealerships, and five salespeople have requested permission to use the VSA name and logo. Anyone interested needs to [submit a Request Form](#), accepting the Terms and Conditions.



Licensed by
vehiclesalesauthority.com