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**Licensing to sell anti-theft insurance**

## Clarification of Insurance Council requirements

Insurance industry representatives expressed concern that this week's VSA Bulletin, dispatched January 13, overstated the licensing requirements of the Insurance Council of B.C. for so-called "etching" anti-theft coverage.

If anti-theft insurance is sold by a dealership, the requirement is as follows:

- Each dealership needs a corporate licence = \$225
- Each individual selling the product needs a restricted licence = \$225 per person

### Anti-Theft or "etching" insurance must be disclosed as optional

The current series of events followed an investigation by the Financial Institutions Commission of B.C. (FICOM) into one dealer's practices. In November, the Insurance Council of B.C. dispatched an "open letter" to industry outlining the new requirements.

FICOM, the Insurance Council and the VSA share three principal concerns:

1. The product is categorized as insurance and anyone selling it must be licensed;
2. There must be full disclosure of all component parts of the end price: insurance premium, dealer service charges and any other add-ons;
3. The customer must be advised in writing that the anti-theft package is OPTIONAL.

A dealership is also required to name a "Nominee" - most likely the Business Manager - who would be the primary contact for the Insurance Council (questions, complaints, inquiries, notifying the office of personnel changes) and to ensure that the dealership is compliant with the rules and regulations.

The Insurance Council outlined that the "restricted" licences would not face all the prerequisites for a normal "brokers" licence. Council determined the following would be waived:

1. requirement to hold errors and omissions insurance;
2. requirement for the nominee to attend a Level 3 seminar;
3. requirement for all applicants to submit a criminal record check;
4. requirement to complete Council's continuing education program; and
5. requirement to meet Council's qualifying education.