



EFFECTIVE IMMEDIATELY

INSURANCE COUNCIL ISSUES NEW REQUIREMENTS

The Insurance Council of British Columbia recently asked for industry feedback to assist in determining whether it should continue to issue restricted general insurance licences to Motor Dealers. After reviewing the feedback, the Council concluded it will continue to issue restricted licences, but additional requirements to support public protection were imposed as of October 5, 2012.

After conducting inspections of licensed dealerships, the Council identified a number of issues. These concerns are detailed in their Notice.

NEW REQUIREMENTS

1. Under the restricted general insurance licence, dealerships will be permitted to market only insurance products that are incidental to the sale of a motor vehicle.
2. Dealerships can offer insurance products only under the direct supervision of a named, unrestricted general insurance agent.
3. Before a dealership can offer an insurance product, the product must be reviewed and approved by Council.
4. Dealerships will be required to provide consumers with a disclosure document, separate from any other vehicle sales transaction document provided, that outlines in clear and concise language:
 - a) That the purchase of the insurance coverage is optional and can be declined by the consumer; and
 - b) The premium (as set by the underwriting insurer) and, separately, an itemized list of fees charged by the dealership which includes the amount of each fee and a description.
5. Dealerships will be required to carry E&O that covers all of the dealership's insurance activities, with a minimum aggregate insurance coverage amount of \$200,000.00.

NOTE: This is a summary of [ICN 12-006 Granting Restricted General Insurance Licences to Motor Vehicle Dealers 05 Oct 2012 .pdf](#). Please read the complete notice for additional details and requirements.

If you have any questions regarding the Notice, please contact the Regulatory Services department of the Insurance Council of British Columbia at 604-688-0321 or toll-free at 1-877-688-0321, and at the prompt press "2."

Local Government Relationship Stops Unlicensed Selling

In an effort to reduce curbing, the VSA has been actively cultivating relationships with local code enforcement, business licence and planning departments. This effort paid dividends recently, when a heads-up from the city of Fort St. John stopped an Alberta dealer from setting up shop in a local mall. Informed by both the city and the VSA that they could not proceed with the offsite location without a British Columbia Motor Dealer Licence, the out-of-province dealer is considering their options.

What's New Feature Added to VSA Website

If you haven't visited the new VSA website, [click here](#) to see the newest feature on the Home page and the main landing page for each section—Dealer, Salesperson and Consumer. Regular posts will include industry sales, VSA activities, and other time-sensitive information.