



## Regulatory Update: Part 1

### **Insurance Council of BC Fines Dealers for Unlicensed Sales and Improper Practices**

[The Insurance Council of BC](#) recently fined two dealers. One was fined for selling insurance policies without having a licensed nominee and allowing an unlicensed employee to solicit insurance. This dealer failed to notify the Council that their only nominee left several months prior. The other dealer was fined for not providing required written disclosures that the insurance was not mandatory.

The Council noted that one dealer took the matter “seriously and acted in a timely manner to change its procedures,” but still found that dealers have an “obligation to know and act in accordance with Council rules and all relevant legislation.” For this reason, a fine of \$750 and investigative costs of \$600 were levied. Fines and costs of \$3,600 were levied against the second dealer and the nominee because four consumers were not provided the required written disclosure. This failure occurred despite training and repeated reminders of the requirement from the Council. The Council has determined that the failure to provide the disclosure is detrimental to the public, as it is intended to ensure an informed decision can be made when purchasing the insurance.

Action by another provincial regulatory body is added to a dealer’s record and is reviewed by the Registrar as part of an obligation to protect the public interest. Additional compliance action may be taken as a result. See this previous [Bulletin](#) on selling non-exempt insurance products such as etching.

### **In-house Financing and Leasing Compliance**

Does your dealership offer in-house financing and leasing? If yes, make sure you provide consumers with the required disclosure statements for financing or leasing **before** they enter into the agreement. This is required by the cost of consumer credit provisions of the *Business Practices and Consumer Protection Act*. Recently, one dealer was found to be leasing vehicles and did not provide those consumers a disclosure statement or the *Motor Dealer Act Regulation* declarations. The dealer and a dealership salesperson [signed an undertaking](#) to provide consumers the proper disclosure statements and declarations. They also agreed to pay investigation costs of \$757 and administrative penalties of \$7,500 and \$1,000 respectively.

## The VSA at the Auto Show

The 2015 Vancouver International Auto Show is bigger and better than ever. And, the VSA booth is no different. Participating for the 11<sup>th</sup> year in a row, the VSA is excited to chat with both consumers and industry members. This year, the VSA booth contrasts the dangers of [Walt the Curber](#) with the benefits of buying from licensed professionals. A prize wheel and various branded prizes will ultimately help consumers learn that “it’s a gamble to buy from Walt!” A thank you to [Michael Mason & Co. Ltd.](#) for providing booth supplies.

