

Regulatory Statement

Placement of Insurance with Unauthorized Insurers Return

Regulatory Statement Number	24-005
Legislation:	<i>Financial Institutions Act, Insurer Exemption Regulation</i>
Related Forms:	Placement of Insurance with Unauthorized Insurers Return
Date:	February 28, 2024
Distribution:	Insurance Agents Licensed in B.C.

PURPOSE

This Regulatory Statement provides the filing requirements for the Placement of Insurance with Unauthorized Insurers Return (“Unauthorized Insurers Return”), and establishes the updated form and content for the Unauthorized Insurers Return:

- Added the name of insurance agency to the contact information section and removed the insurance premium tax section;
- Revised the format from fillable PDF to Excel; and
- Changed the submission method to BCFSAs Integrated Regulatory Information System (“IRIS”) portal.

BACKGROUND INFORMATION

Insurance agents are prohibited from placing insurance with unauthorized insurance companies¹ (“unauthorized insurers”) except as permitted under section 76 of the *Financial Institutions Act* (“FIA”).

REQUIREMENTS

Insurance agents are required by Section 9 of the *Insurer Exemption Regulation* to submit the [Placement of Insurance with Unauthorized Insurers Return](#) within 30 days of the end of each quarter. The completed return must be submitted electronically in Excel format through BCFSAs IRIS [portal](#).

The Unauthorized Insurers Return includes information that the Superintendent of Financial Institutions (“Superintendent”) considers as “particulars of the contract” under Section 76(2) of the FIA, together with additional information required by Section 9 of the *Insurer Exemption Regulation*.

ADDITIONAL RESOURCES

The Insurance Council of British Columbia, which regulates insurance licensees including salespersons, agents, and adjusters, has published information regarding the use of unauthorized insurers. Please refer to their [website](#) for regulatory requirements for insurance agents when placing business with unauthorized insurers.

In addition, BCFSAs has posted a Regulatory Statement: [Placement of Risks with Unauthorized Insurers](#).

¹ Unauthorized insurance companies refer to insurance companies that do not have a business authorization from BCFSAs to operate and insure risks in British Columbia.

Classification: **Public**

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The *Insurance Premium Tax Act* requires the insured to file and pay insurance premium tax if the insured enters into an insurance contract with an unlicensed insurer. Additional taxes may be payable (including by insurers). More information can be found on the Insurance Premium Tax [website](#).

CONTACT INFORMATION

For questions about this Regulatory Statement, please contact BCFSA at filings@bcfsa.ca.

LEGISLATION

FIA, s. 76

Insurer Exemption Regulation

Copies of the legislation are available from [BC Laws](#).