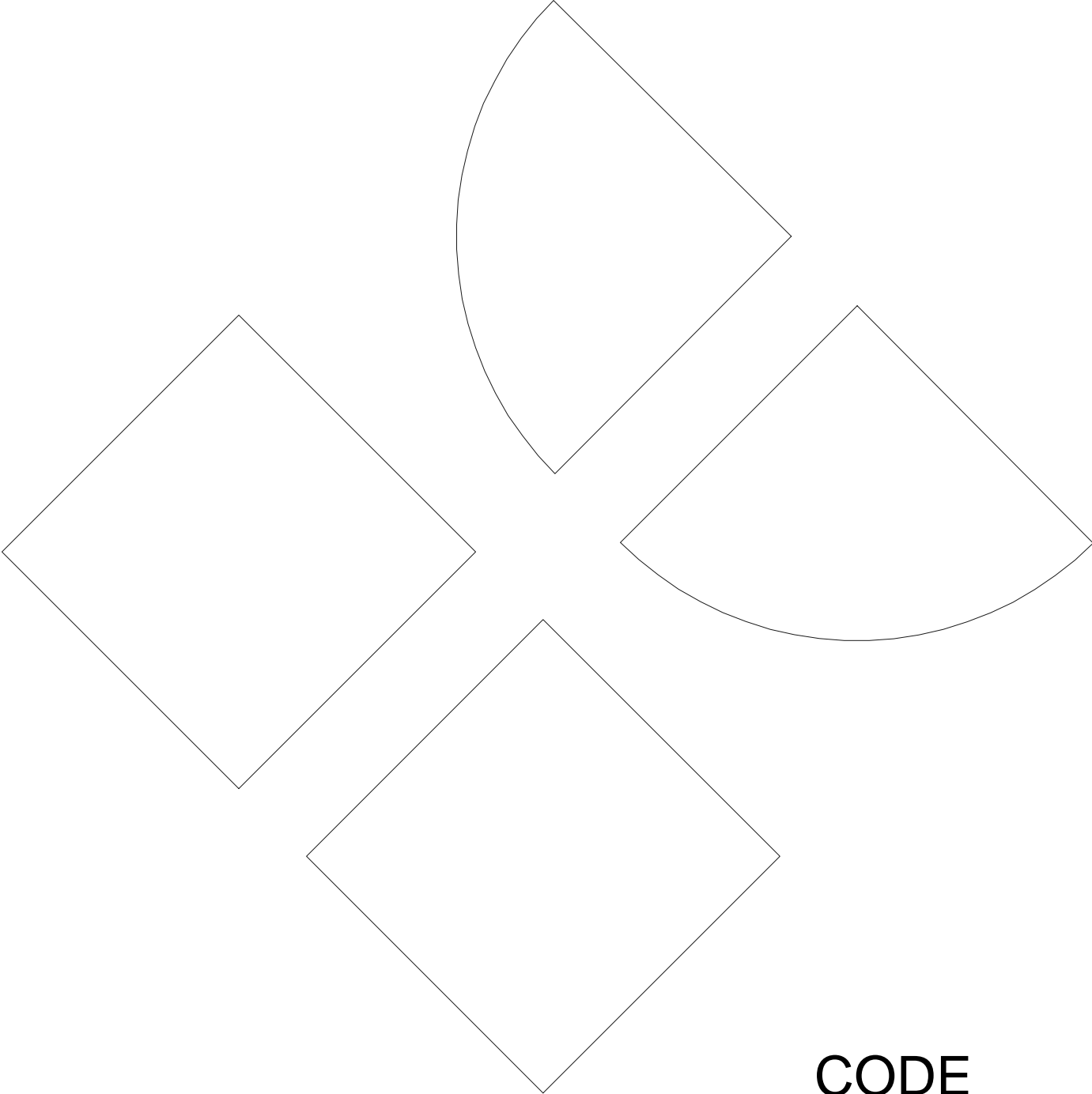


**INSURANCE COUNCIL
OF BRITISH COLUMBIA**



**CODE
of
CONDUCT**



IMPORTANT INFORMATION REGARDING THE CONTENTS OF THIS CODE

Unless otherwise qualified in this Code, read:

- “Act” as the *Financial Institutions Act*;
- “adjusting firm” as a licensed corporation or partnership, or an individual sole proprietor insurance adjuster, that meets the nominee requirements set out in Council Rules;
- “agency” as a licensed corporation or partnership, or an individual sole proprietor agent, that meets the nominee requirements set out in Council Rules;
- “client” as a person who may reasonably be expected to rely on a licensee’s advice or actions in relation to insurance;
- “Code” as the Code of Conduct;
- “Council” as the Insurance Council of British Columbia;
- “licensee” as a licensed insurance salesperson, agent or adjuster;
- “nominee” as a licensee nominated to exercise the rights and privileges of an insurance licence issued to an insurance agency or an insurance adjusting firm;
- “principal” as a person on whose behalf a licensee has undertaken to perform adjusting services;
- “person” includes a corporation, partnership, society, association or other organization or legal entity;
- “Rule” as a rule made by Council pursuant to section 225.1 of the Act; and
- “transaction” as a situation in which a licensee provides an insurance product or service to any person.



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1. INTRODUCTION

The strength of the insurance industry is based, in part, on industry members providing advice and services to the public in a competent and professional manner. The underlying principle of all insurance business is utmost good faith. To command the confidence and respect of the public, the insurance industry must maintain a reputation for integrity, competence and good faith.

The provincial legislature has entrusted Council with the responsibility for maintaining standards of professional conduct in the insurance industry. The Act and Rules empower Council to set standards for insurance salespersons, agents and adjusters and to take remedial action where those standards have not been met. Rule 7(8) requires that licensees comply with this Code.

Council's mission statement is:

**We serve the public by regulating insurance
licensees under the *Financial Institutions Act* and by
promoting ethical conduct, integrity and
competence.**

In keeping with Council's mandate, the purpose of the Code is to define and communicate standards of conduct for use by licensees in their practice of the business of insurance. The Code is also used as a guide by Council in its deliberations on proper and usual practice in particular circumstances.

The Code sets out minimum standards of conduct. The extent to which each licensee rises above these standards is a personal decision. However, by striving to maintain the highest possible standards of ethical conduct, a licensee will enjoy the respect and confidence of the public and other members of the industry.

Licensees have a responsibility to assist in the regulatory process and act as gatekeepers for the industry by discouraging misconduct and reporting it where identified.



2. INTERPRETATION

The Code is divided into a number of subsections, each of which addresses a specific principle. Each Principle is defined and then further clarified with a stated Requirement. To provide licensees with additional guidance, each subsection also includes Guidelines and Examples of Misconduct taken from past Council decisions.

The Code provides a framework for a licensee to measure his or her conduct in particular circumstances. It is not possible to foresee every possible situation and describe the proper conduct. When reading the Code, keep in mind that although presented separately, all principles and requirements are interconnected. For example, the principle of Trustworthiness is fundamental to all activities of a licensee and to each of the principles outlined.

The Code applies to all licensees and should be read and interpreted in the context of a licensee's area of insurance practice and Council's primary concern, which is protection of the public interest. For clarity the Code refers to licensees by the first person "you".

The Code is written in plain language to be clear and concise and should be read in conjunction with governing legislation and the Rules. Council has additional resources available which expand on many of the principles and requirements detailed in the Code. These include our Licensing Handbook, Notices and Bulletins, all of which are available on our website at www.insurancecouncilofbc.com. Throughout the Code, when a published article was identified as addressing a particular subject, the Notice or Bulletin is referenced.



3. TRUSTWORTHINESS

3.1 PRINCIPLE

In an industry where trust is the foundation for all dealings, you must meet rigorous standards of personal integrity and professional competence. These characteristics speak to the essence of what a licensee does. Failure to adhere to these standards reflects not only on you, but also on the profession. Trustworthiness is a fundamental element of each requirement in the Code.

3.2 REQUIREMENT

You must be trustworthy, conducting all professional activities with integrity, reliability and honesty. The principle of trustworthiness extends beyond insurance business activities. Your conduct in other areas may reflect on your trustworthiness and call into question your suitability to hold an insurance licence.

3.3 GUIDELINES

3.3.1 Conduct that would reflect adversely on your trustworthiness includes:

- a) dishonestly dealing with money or property;
- b) improper use of your position or knowledge as a licensee for personal benefit; (Bulletin - April 2003)
- c) intentionally misleading clients, insurers or Council through false statements or by withholding material information;
- d) knowingly prejudicing the interests of a client or principal for personal gain; and
- e) conduct in the nature of theft or fraud.

3.3.2 Acts of dishonesty outside your professional life may reflect on your trustworthiness to hold an insurance licence.

3.4 EXAMPLES OF MISCONDUCT

3.4.1 A chartered accountant accepted unsecured loans from clients, breached terms of a suspension order, swore a false affidavit and mishandled trust funds.

3.4.2 While acting in a position of trust for a volunteer organization, misappropriated funds from the organization.

3.4.3 Used confidential client information provided by an insurer for a purpose other than intended.



3.4 Examples Of Misconduct - continued

- 3.4.4 Made or assisted in making a false insurance claim.
- 3.4.5 Materially misrepresented odometer readings and previous vehicle damage in the private sale and registration of a licensee's motor vehicles.
- 3.4.6 Signed and submitted segregated fund applications solicited and completed by another agent, to help the other agent circumvent the insurer's internal policy that prohibited life agents from selling segregated funds unless they were also licensed to sell mutual funds.
- 3.4.7 Improperly rated a motor vehicle to circumvent AirCare.
- 3.4.8 Made false declarations to an insurer.
- 3.4.9 "Witnessed" a signature known to be a forgery.
- 3.4.10 Made false or misleading statements to Council.
- 3.4.11 Raised capital from clients of an insurance agency of which the licensee was owner and principal, without disclosing to the clients that they were investing in the agency and without providing material information to them about the investment, such as agency financial statements and disclosure on how the investments would be used.



4. GOOD FAITH

4.1 PRINCIPLE

The insurance industry is based on fiduciary relationships. Accordingly, the exercise of good faith by licensees in the practice of the business of insurance is essential to public confidence in the industry. Good faith is a fundamental aspect of your conduct and a key element in each of the Code's requirements.

4.2 REQUIREMENT

You must carry on the business of insurance in good faith. Good faith is honesty and decency of purpose and a sincere intention on your part to act in a manner which is consistent with your client's or principal's best interests, remaining faithful to your duties and obligations as an insurance licensee.

You also owe a duty of good faith to insurers, insureds, fellow licensees, regulatory bodies and the public.

4.3 GUIDELINES

4.3.1 Conduct that would reflect adversely on your intention to practice in good faith includes:

- a) wilful disregard of duties and obligations under the Act, Rules and Code;
- b) misrepresentation or failure to disclose material information where required; (Bulletin - November 2002)
- c) unauthorized access, use or disclosure of confidential information; (Bulletin - April 2003)
- d) making improper use of your position as a salesperson, agent or adjuster;
- e) employing or remunerating unlicensed persons to conduct insurance business; and
- f) taking advantage of a client's or insured's inexperience, ill health or lack of sophistication.

4.4 EXAMPLES OF MISCONDUCT

4.4.1 Signed as witness to applications, but had not in fact seen them signed.

4.4.2 Directed an employee to sign a document as agent of record, when the employee had not completed the form or met the policyowner.

4.4.3 Directed an unlicensed employee to take an insurance application.

4.4.4 Submitted applications that were known to have been completed by an unlicensed person.



4.4 Examples of Misconduct - continued

- 4.4.5 Used premium money for personal use.
- 4.4.6 Backdated a client's automobile insurance and subsequently lied to an ICBC adjuster about when and how the transaction was processed.
- 4.4.7 Counseled a client to misrepresent material information to an insurance company.
- 4.4.8 Accessed confidential client information from an insurer's computer database without authority and subsequently communicated that information to another person.
- 4.4.9 Drafted and signed a false certificate of insurance for a family member who required evidence of insurance coverage.



5. COMPETENCE

5.1 PRINCIPLE

Clients rely on the knowledge and advice of licensees. Accordingly, competence on the part of licensees is an essential requirement of the practice of the business of insurance. Incompetent conduct can result in significant prejudice to clients and insurers. It follows that you should not undertake to perform any insurance services beyond your level of competence.

5.2 REQUIREMENT

You must conduct all insurance activities in a competent manner. Competent conduct is characterized by the application of knowledge and skill in a manner consistent with the usual practice of the business of insurance in the circumstances.

You must continue your education in insurance to remain current in your skills and knowledge.

5.3 GUIDELINES

- 5.3.1 Your practice and level of service to clients should be consistent with that which a reasonable and prudent licensee in similar circumstances would exercise. Honest mistakes do not necessarily constitute a failure to adhere to the Code.
- 5.3.2 Conduct that would reflect on your competence includes:
- a) failing to properly place insurance coverage as instructed;
 - b) failing to provide evidence of insurance coverage when required;
 - c) failing to advise a client of a lapse or change in insurance coverage;
 - d) failing to conduct an adequate fact finding and assessment of a client's insurance needs;
 - e) failing to properly handle and account for money or property;
 - f) failing to maintain proper and adequate books and records of insurance transactions and related financial affairs;
 - g) failing to provide for the safekeeping and confidentiality of records;
 - h) failing to advise an insurer/principal of a risk or claim;
 - i) failing to properly document communications and instructions from a client to ensure mutual understanding and provide a record of the transaction; and
 - j) practicing in an area where you lack sufficient expertise, training or experience.
- 5.3.3 Nominees are responsible to Council for all activities of the insurance agency or adjusting firm and must ensure the agency or firm and its employees are properly supervised and operate in accordance with the conditions and restrictions on their licences.



5.3 Guidelines - continued

- 5.3.4 Licensees who have supervisory duties must fulfil those duties competently. Improper practice by supervised employees may bring a supervisor's competence into question if the conduct occurred due to inadequate supervision, including lack of policies, procedures and training.
- 5.3.5 You must comply with the continuing education requirements under the Rules. However, these are minimum requirements and may not be sufficient to maintain appropriate standards, particularly if you work in specialized areas.
- 5.3.6 You must refrain from giving advice in areas beyond your expertise as an insurance licensee. For example, you should refer matters that would be more properly dealt with by a lawyer or accountant.

5.4 EXAMPLES OF MISCONDUCT

- 5.4.1 Sold an insurance policy that was inappropriate given the client's stated objectives and circumstances and that a prudent and competent agent would not have recommended.
- 5.4.2 Counseled a client to conduct an assignment of a life insurance policy in a manner that failed to meet the client's stated objective.
- 5.4.3 Failed to properly manage the business and financial aspects of an agency, including the proper handling and remittance of premium money to insurers.
- 5.4.4 Altered the effective date of an insurance contract.
- 5.4.5 Permitted a Level 1 salesperson to conduct general insurance business without the direct supervision of a Level 2 or Level 3 agent.
- 5.4.6 Employed an unlicensed individual in a licensed capacity for a period of five months because procedures were inadequate to ensure employees were properly licensed before they commenced insurance activities.
- 5.4.7 Provided written notice to clients that their insurance coverage had been renewed, prior to receiving confirmation from the insurance company that renewal terms would be offered.



6. FINANCIAL RELIABILITY

6.1 PRINCIPLE

As an insurance licensee, clients and insurers entrust money, property and financial instruments to you to facilitate transactions or claims on their behalf. Accordingly, your reliability in handling these funds is essential to your practice as a licensee.

6.2 REQUIREMENT

You must be financially reliable. This means you can be relied upon to properly safeguard and account for money and property entrusted to you and to promptly deliver them in accordance with the circumstances.

6.3 GUIDELINES

- 6.3.1 Conduct outside your professional life may reflect on your financial reliability.
- 6.3.2 Outstanding judgements, pending legal proceedings and/or bankruptcies can reflect on your financial reliability.
- 6.3.3 Where you collect or receive funds on behalf of an insurer, you must:
 - a) not encumber the funds without the prior written consent of the insurer;
 - b) not use or apply the funds for purposes other than as described in the agreement with the insurer; and
 - c) pay to the insurer all funds collected or received less any deductions authorized by the insurer.

6.4 EXAMPLES OF MISCONDUCT

- 6.4.1 Failed to account for or repay unauthorized withdrawals from a bank account over which the licensee held a power of attorney.
- 6.4.2 Failed to invest a client's money in mutual funds as instructed.
- 6.4.3 Contrary to his clients' interests and for personal gain, solicited clients to invest the cash value of their life insurance policies in a company he had a vested interest in, without disclosing his inherent conflict of interest and the true risks involved.
- 6.4.4 Personal debts and questionable financial involvement with a number of companies that solicited investors for offshore investments.
- 6.4.5 Legal proceedings by a group of former clients alleging misappropriation of funds and by a bank seeking payment for personal credit line agreements and two promissory notes.



7. USUAL PRACTICE: DEALING WITH CLIENTS

7.1 PRINCIPLE

Under the Code, a client includes anyone who might reasonably be expected, in the circumstances, to rely on your professional advice or actions in relation to his or her insurance. You are required to put the best interests of the client as your first concern, as befits the role of a fiduciary.

7.2 REQUIREMENT

When dealing with clients you must:

- protect clients' interests and privacy;
- evaluate clients' needs;
- disclose all material information; and
- act with integrity, competence and the utmost good faith.

7.3 GUIDELINES

CONFLICT OF INTEREST

- 7.3.1 You should not place yourself in a conflict of interest with your client, unless the client has first approved of your conduct after full disclosure of the conflict, preferably in writing.
- 7.3.2 Where there is an irreconcilable conflict between your duty to a client and your other duties as a licensee, you should decline to act in the transaction. For example, if a client asked you to conceal information from an insurer that was material to the risk, you should decline to act.

DISCLOSURE

- 7.3.3 What information is material and should be provided to a client depends on the circumstances of the transaction. You should disclose any information relevant to the client's insurance needs that a reasonable and prudent licensee would disclose in the same circumstances.
- 7.3.4 Prior to arranging an insurance transaction with a client who has been referred to you by an unlicensed third party, you must disclose to the client, in writing, any fee or compensation paid to the third party for the referral.



7.3 Guidelines - continued

- 7.3.5 Prior to conducting a transaction, you must disclose any fees you charge in addition to the policy premium. The fee should be disclosed in writing to the client and include separate dollar values for the total insurance premium charged by the insurer, the total additional fee charged by the agent and any premium finance fees charged by the agent.
(Bulletin - October 2001)
- 7.3.6 You must disclose to the client any arrangement to place the client's insurance through another agent and meet Council's sub-brokering guidelines.
(Notice ICN# 98-003 - Sub-Brokering)
- 7.3.7 You must fully inform clients about all aspects of the insurance products they purchase, including any changes that occur during the term of the policy.
- 7.3.8 You must make full and fair disclosure of all material facts to enable clients to make informed decisions regarding their insurance.
- 7.3.9 You must not use sales materials or illustrations that are misleading or unnecessarily confusing.
- 7.3.10 You must not use terms such as "guaranteed" without appropriate qualification or evidence to support the statement.

DUTY OF CARE

- 7.3.11 The client's interests take priority over your interests and should not be sacrificed to the interests of others. You must not engage in practices that place the interests of others ahead of the client's interests.

CONFIDENTIALITY

- 7.3.12 You must hold in strict confidence all information acquired in the course of your professional relationship concerning the personal and business affairs of a client, and must not divulge or use such information other than for the purpose of that transaction or of a similar subsequent transaction between you and the same client unless expressly authorized by the client or as required by law.

WITHDRAWAL OF SERVICES

- 7.3.13 If you choose to terminate your business relationship with a client you must do so in a manner that avoids prejudice and allows for the orderly transfer of the client's insurance business elsewhere. You must provide the client with adequate notice of your intent to withdraw your services, as well as comply with any applicable statutory and professional obligations.



7.3 Guidelines - continued

- 7.3.14 Clients should be notified at least 30 days prior to the expiration of their existing insurance if you are unable to renew their insurance at the same terms and conditions.
(Notice ICN# 03-004 - Brokering in a Difficult Market)

PROTECTING CLIENTS' INTERESTS

- 7.3.15 You must report all claims promptly.
- 7.3.16 You must deliver insurance policies or evidence of insurance coverage within a reasonable time and, in any event, in accordance with the terms of your agreement with the insurance company.
- 7.3.17 You must deal with all formal and informal complaints or disputes in good faith and in a timely and forthright manner, including, when necessary, referring the complainant to other more appropriate people, processes and/or organizations.

7.4 EXAMPLES OF MISCONDUCT

- 7.4.1 Failed to fully assess a client's needs and objectives and neglected to advise the client of changes to the insurance plan as a consequence of a medical rating.
- 7.4.2 Provided a copy of a client's insurance policy to two other customers as an example of the product being offered.
- 7.4.3 Failed to refund all money due to a client in accordance with the cancellation provisions set out in the client's insurance contract and as agreed to in the licensee's contract with the insurer.
- 7.4.4 Requested an insurer cancel a client's insurance policy for non-payment of premium, when the premium had been paid, in order to apply the pro-rata return premium against an outstanding debt owed by the client.



8. USUAL PRACTICE: DEALING WITH INSURERS

8.1 PRINCIPLE

Licenses act as intermediaries between clients, insureds and insurers in a contractual relationship. The insurers' ability to meet their contractual duties is based on your honesty and competence in providing advice and information.

8.2 REQUIREMENT

You have a duty to insurers with whom you are transacting business to:

- make reasonable inquiries into the risk;
- provide full and accurate information;
- promptly deliver all insurance documents and monies due;
- represent the insurer's products fairly and accurately;
- adhere to the authority granted by the insurer; and
- promptly report all potential claims.

You must not defame or discredit insurers.

8.3 GUIDELINES

- 8.3.1 You have a duty to fully and accurately disclose any information material to the insurer's decision to issue a contract of insurance.
- 8.3.2 Where you are placing insurance on behalf of another agent who is acting for the insured, you should disclose this to the insurer.
- 8.3.3 Where there is an irreconcilable conflict between your duty to an insurer and your other duties as a licensee, you should decline to act in the transaction.
- 8.3.4 Insurers rely on licensees for information to make underwriting decisions. Therefore, you must make reasonable inquiries into a risk. This means making inquiries that a reasonable and prudent licensee would make in the same circumstances.



8.3 Guidelines - continued

- 8.3.5 In accordance with the Rules, it a condition of every licence issued that, where the licensee collects or receives insurance premiums on behalf of an insurer, the licensee must:
- a) not encumber the funds without the prior written consent of the insurer;
 - b) not use or apply the funds for purposes other than as described in the agreement with the insurer; and
 - c) pay to the insurer all funds collected or received less any deductions authorized by the insurer.
- 8.3.6 Insurance should be sold or conserved based on the merits of the particular policy as it relates to the needs of the client. Attempts to discredit insurance companies are not the proper practice of the business of insurance. This requirement is not meant to prevent licensees from providing information that is relevant to the client's ability to make an informed decision about his or her insurance. However, information offered solely for the purpose of undermining the reputation of an insurer is inappropriate.

8.4 EXAMPLES OF MISCONDUCT

- 8.4.1 Failed to remit to the insurer all premiums collected or received in accordance with the terms of the agency's agreement with the insurer.
- 8.4.2 Offered and bound terms under a policy that were not authorized by the insurer.
- 8.4.3 Issued a cover note purporting to bind an insurer the agency did not represent



9. USUAL PRACTICE: DEALING WITH LICENSEES

9.1 PRINCIPLE

Along with your fellow licensees, you represent the insurance industry to the public. The public views the industry as a single entity, so by maligning a fellow licensee you are bringing your own reputation and that of the industry into public disrepute. Treating your colleagues with courtesy and respect enhances your own reputation and the public's confidence in the insurance industry.

9.2 REQUIREMENT

You must not defame or discredit other licensees.

9.3 GUIDELINES

9.3.1 Insurance should be sold or conserved based on the merits of the particular policy as it relates to the needs of the client. Attempts to discredit another licensee are not the proper practice of the business of insurance. This rule is not meant to prevent licensees from providing information that is relevant to the client's ability to make an informed decision about his or her insurance. However, information offered solely for the purpose of undermining the reputation of another licensee is inappropriate.

9.4 EXAMPLE OF MISCONDUCT

9.4.1 Used the Discipline section of the Bulletin to discredit another licensee.



10. USUAL PRACTICE: DEALING WITH THE PUBLIC

10.1 PRINCIPLE

The insurance industry provides services upon which the well-being of individuals and businesses will often depend. Therefore, it is incumbent upon all licensees to take their duty of care to the public seriously. Your forthrightness and conduct in representing yourself and your services reflects on other licensees and the industry as a whole. Accordingly, it is in the interest of all licensees to conduct themselves in a manner that promotes public confidence in the integrity and reliability of the industry.

10.2 REQUIREMENT

You must honestly represent yourself and the services and products you provide so as not to mislead the public.

10.3 GUIDELINES

HOLDING OUT

- 10.3.1 You must hold yourself out in the manner in which you are licensed.
- 10.3.2 You must disclose you are an insurance agent prior to conducting insurance activities with the public.
- 10.3.3 You must not use the term “and Associates”, or similar phrase, as part of a business or trade name when there are not two or more licensees in the business.
- 10.3.4 You must not represent yourself as having specific expertise in a given area of practice or industry designations unless you are suitably qualified by virtue of your experience, training or both.
- 10.3.5 You must not purport to be a financial planner or provide financial planning advice, unless you meet the qualifications and disclosure requirements set by Council.
(Notice ICN# 02-001 - Financial Planning)
- 10.3.6 You must not make any false or misleading statements in the solicitation of or negotiation for insurance.

ADVERTISING

- 10.3.7 You must not engage in misleading advertising by offering prices, rates of return, products or services you cannot reasonably provide or that are subject to undisclosed qualifications.



11. USUAL PRACTICE: CONDUCT SPECIFIC TO INSURANCE ADJUSTERS

11.1 PRINCIPLE

Each requirement under the Code applies equally to all licensees. However, insurance adjusters play a unique role in the business of insurance, particularly in their relationships with insureds and insurers. Accordingly, the following sets out additional, specific duties applicable to licensees engaged in the role of insurance adjusting. This does not limit applicable duties under the other requirements of the Code. Adjusters must also refer to and comply with each requirement identified in the Code in the course of their practice.

11.2 REQUIREMENT

DUTIES TO PRINCIPALS

You must:

- protect your principal's interests;
- protect your principal's confidential information;
- disclose all information material to the loss or claim;
- decline to act where you have an undisclosed conflict of interest or financial interest in a loss or claim; and
- act within the authority and instructions of your principal.

DUTIES TO INSUREDS

You must:

- properly identify yourself, your principal and your role as an adjuster;
- adjust claims promptly and fairly;
- protect the insured's confidential information; and
- fully disclose information material to the insured's policy coverage, rights and obligations.

11.3 GUIDELINES

11.3.1 Where there is an irreconcilable conflict between your duty to a principal or an insured and your other duties as an adjuster, you should decline to act in the matter.

11.3.2 You must take reasonable steps to keep the insured informed of the status of a claim and respond promptly to the insured's communications.

11.3.3 You must not attempt to influence a claim through coercion, false or misleading statements or other improper means.

**11.3 Guidelines - continued**

- 11.3.4 You must not seek to discourage legitimate claims or cause undue delay in adjusting a claim.
- 11.3.5 You must not take advantage of inexperienced or unsophisticated insureds.
- 11.3.6 You must not accept any financial inducement in exchange for utilizing the services of a contractor, unless it is fully disclosed to the principal and insured.
- 11.3.7 You must fully and promptly inform insureds of material information regarding policy coverage, limitation periods, claim denials and their rights and obligations in the claims process, as required in the circumstances.
- 11.3.8 You must not mislead anyone as to your role in adjusting a claim. This includes who is your principal. For example, when acting on behalf of an insurance company, the insured should be aware that you act for the insurer in the claim and that the insured is responsible for the hiring and work of contractors, even if facilitated by you.
- 11.3.9 You must refrain from giving legal advice or discouraging insureds from seeking legal advice.
- 11.3.10 You must not deal directly with an insured represented by legal counsel without consent.
- 11.3.11 You must only act on an adjustment when you have authority from your principal, and then according to your principal's instructions.
- 11.3.12 You must not obtain medical information about an individual without the consent of that person.

11.4 EXAMPLES OF MISCONDUCT

- 11.4.1 Failed to identify a provision in a policy which required the insured to repair or replace damaged property within 180 days from the date of the loss in order to receive replacement cost.
- 11.4.2 Entered a restricted fire scene for the purpose of adjusting the property loss without authorization from the local fire department.
- 11.4.3 Disclosed confidential information in promotional material, including testimonials from claim files, claimant names, file numbers, negotiated settlements and liability decisions.



12. DEALING WITH THE INSURANCE COUNCIL OF BRITISH COLUMBIA

12.1 PRINCIPLE

Licensees benefit from a degree of self-regulation under the Act, in that they are able to participate in the regulation of their industry. This privilege requires the co-operation and support of licensees.

12.2 REQUIREMENT

You must respond promptly and honestly to inquiries from Council.

12.3 GUIDELINES

12.3.1 Section 231(1)(d) of the Act requires licensees to make a prompt reply to an inquiry from Council.

12.3.2 It is a breach of the Act under section 231(1)(c) to make a material misstatement in an application for a licence or in response to an inquiry from Council.

12.4 EXAMPLES OF MISCONDUCT

12.4.1 Failed to reply over several months to a number of inquiries from Council during the course of a Council investigation.

12.4.2 Swore a false affidavit advising Council that insurance activities had not been conducted while unlicensed.

12.4.3 Provided false and misleading information on licensing applications to conceal not having sufficient credits to meet the continuing education licence condition.

12.4.4 Made material misstatements in reply to an inquiry from Council.

12.4.5 Refused to reply to an inquiry from Council.



13. COMPLIANCE WITH GOVERNING LEGISLATION AND COUNCIL RULES

13.1 PRINCIPLE

Licenses are expected to adhere to all regulatory requirements. In terms of professional practice, as a licensee you come under the direct regulation of the Financial Institutions Commission and Council. Violation of the regulatory requirements administered by these bodies not only contravenes the Code, it can also subject you to prescribed disciplinary action under the Act.

13.2 REQUIREMENT

You must be aware of and comply with your duties and obligations under the Act, the *Insurance Act*, the Rules and the Code.

13.3 GUIDELINES

13.3.1 You are required to read, understand and remain current on the applicable regulatory requirements that apply to you under the Act and Rules. This information is readily available from a variety of sources. As necessary, Council publishes guidelines and directives to licensees on specific issues through its Notices, Bulletins and website. To assist you, the following is a list of specific resources that should be particularly noted. Legislation is available from Crown Publications Inc. at www.crownpub.bc.ca or your local library. All other information is available on Council's website at www.insurancecouncilofbc.com or may be obtained by contacting Council's office. You will find the *Site Search and Map* section of the website helpful in locating specific information.

13.3.2 You should also be aware of any other legislation, such as the *Income Tax Act* or *Motor Vehicle Act*, which may impact your particular practice.

Publications

- *Financial Institutions Act*
- *Insurance Act*
- [Council Rules](#)
- [Licensing Handbook](#)
- [Notices](#)
- [Bulletins](#)
- [Council Decisions](#)
- [Licence Conditions](#)