



Restricted Insurance Agent Licensing

Dear IBABC members,

The B.C. Government has finalized regulations creating a new **Restricted Insurance Agency (RIA)** licensing framework for non-insurance businesses that sell insurance alongside their core products or services. This process began with amendments to the *Financial Institutions Act* in 2019 and culminated in the release of new regulations in December 2025.

As these rules are now being handed to the Insurance Council of BC for implementation, **IBABC has been actively advocating on your behalf**. Since early 2025, we have been working with the Ministry of Finance and the Insurance Council to assess the implications of this new regime.

While non-insurance businesses have long offered certain insurance-adjacent products, the introduction of mandatory licensing is intended to strengthen consumer protection and create regulatory oversight where none previously existed. In today's environment, if there is a consumer complaint around these types of businesses, there is no recourse from a regulatory point of view for those consumers. B.C. is now aligned with other Canadian provinces who have had this in place for many years.

Our review has identified serious concerns about how this framework is being introduced, and the resulting risks for consumers, for brokers and for many of your commercial clients. These issues could create severe financial hardship for consumers if not addressed.

Why This Matters to You – and to Consumers

Many categories of business may soon require RIA licensing:

- Motor vehicle dealers
- Construction equipment dealerships
- Farm implement dealerships
- Pleasure craft dealerships
- Transportation and freight forwarding companies
- Travel agents
- Vehicle rental agencies
- Mortgage Brokers



- Customs Brokers

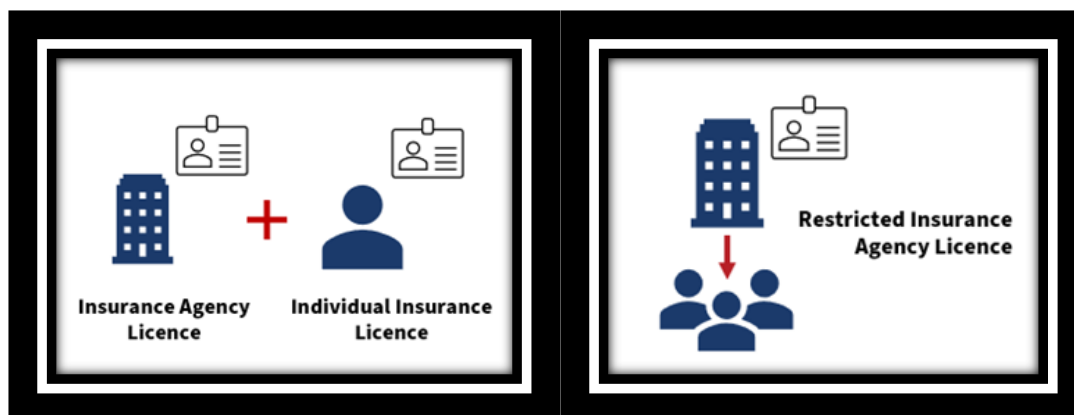
([Click to view the full list of business classes under the regulations.](#))

The classes of insurance that these businesses will need the RIA licensing for include:

- Credit protection insurance
- Equipment insurance
- Warranty insurance
- Guaranteed Asset Protection
- Cargo Insurance
- Travel Insurance
- Rented Vehicle Insurance

Concerning aspects that we are drawing attention to include not only the types of businesses that could offer insurance as a “sideline” but also the types of coverages offered to the consumer. As you can see, many overlaps exist with the products offered through a brokerage. Many of your commercial clients may not be aware of the exposure they could create in their business operations should they sell insurance as a sideline and now need RIA licensing.

RIA licenses will apply to the **business itself**, not to individual employees—unlike the strict agency and individual-agent licensing requirements for brokers in BC. This represents a **lower standard of oversight** and lack of clarity around how the compliance monitoring of these businesses will take place in the new RIA regime.



If a consumer complaint is presented to the Insurance Council under an RIA license, the business will be investigated, not the individual, unlike the current process for an Insurance Agency and their licensed agents in B.C.



Training will be required for the RIA designate and any employees who sell the insurance product. The information on training is currently unclear and being created.

The businesses will require at least one authorized insurer licensed in B.C. to provide the coverage offering to the consumer.

Our Strongest Concern: Insurance Products

One of the most concerning issues in the RIA regime is “guaranteed asset protection insurance”:

“guaranteed asset protection insurance” means insurance

- (a) that is within the class of property insurance or automobile insurance, as those classes are defined in section 1 (1) of the Classes of Insurance Regulation, B.C. Reg. 204/2011, and
- (b) that provides coverage to an owner or lessee of a vehicle or equipment, in the event of the unrecovered theft of the vehicle or equipment or its total loss, for some or all of the amount owed on the purchase financing for the vehicle or equipment or on the lease agreement, after credit for money received in respect of the theft or loss from any other insurance under which the owner or lessee has coverage for the vehicle’s or equipment’s value;

[\(Click to view the full Restricted Insurance Agent Licence Regulation\)](#)

This is not credit protection insurance which is:

“credit protection insurance” means insurance effected by a creditor under which an insurer undertakes to pay to the creditor the credit balances or debts of a debtor, in whole or in part, in the event of an impairment or potential impairment in an individual’s income or ability to earn an income;

While BC’s new regulation mirrors that of Manitoba and Saskatchewan, it critically overlooks a key difference: **B.C.’s Basic auto insurance does not include physical damage coverage** – a prerequisite for GAP products to function correctly. The lack of optional coverage in the Basic creates a unique risk for the B.C. consumer.



Consumers purchasing vehicles rely on properly licensed brokers to confirm coverage, evaluate options, and ensure understanding of replacement cost, limited depreciation, and other available coverages. Motor vehicle dealers are **not licensed or trained** to assess whether consumers have the necessary underlying insurance.

This could also create confusion for consumers who purchase GAP on other products as noted in the list of the businesses affected by RIA licensing.

IBABC Advocacy

IBABC is preparing to submit feedback to the Insurance Council on various aspects of the RIA program as per the following, requesting that the rules being created for the new RIA reflect the concerns of B.C. brokers protecting the consumers of BC:

1. Why licensing applies only to the business and does not include licensing individual employees as in the broker model.
2. The lack of clarity on education, accredited training content and CE requirements for non-insurance businesses.
3. The need for transparency in disclosures to consumers about who is licensed, trained and what markets are represented, as in the broker model.
4. Clarity around an E&O protection provision for consumers.
5. Application requirements including regulatory “good standing” which many businesses would not meet as they are not currently regulated.
6. The absence of nominee-level oversight requirements, unlike in established insurance agency licensing.
7. The regulatory consequences to businesses who continue to sell insurance without a license.
8. Consumer protection for the Guaranteed Asset Protection Product which can create confusion for consumers and can be affected by the lack of mandatory optional coverage in the BC Public auto model.
9. Clear instructions to consumers that they need professional insurance advice through their broker before purchasing what may be insufficient coverage to protect their property.
10. Understanding how businesses will be receiving notification of this new RIA regime so that their broker who handles their commercial insurance may provide advice



11. This RIA may expose consumers to situations where the purchase of insurance through an RIA licensee does not satisfy the requirements for full protection under the many business classes noted.
12. The RIA may also force a consumer to decide at the time of being granted credit to purchase insurance, which is not in the best interests of the client.

IBABC will continue to advocate strongly for a regulatory framework that safeguards consumers and preserves the high professional standards that brokers uphold every day.

To review the RIA on the Insurance Council website or to submit feedback, please follow this link: www.insurancecouncilofbc.com/ria/.