

Regulatory Statement

Annual Statement on Market Conduct Filing Requirements for B.C. Authorized Insurers

Regulatory Statement Number	21-019
Legislation:	<i>Financial Institutions Act</i>
Date:	December 10, 2021
Distribution:	<i>All Insurers Authorized in B.C.</i>

PURPOSE

As of May 1, 2022, all insurers authorized in B.C.¹ (excluding reinsurers, captive insurers, and reciprocals) need to complete and file an Annual Statement on Market Conduct (“ASMC”) directly with the Autorité des marchés financiers (“AMF”). The AMF manages a national database of market conduct.

This Regulatory Statement is effective immediately and replaces Regulatory Statement Number 21-003.

BACKGROUND INFORMATION

The ASMC provides BC Financial Services Authority (“BCFSA”) and insurance regulators with data and information that enhance their ability to monitor market conduct practices.

In 2017, several Canadian jurisdictions began requiring insurers to complete and file the ASMC.

As per changes to the *Financial Institutions Act* (“FIA”) in 2021, BCFSA requires all insurers authorized in B.C., except reinsurers, captive insurers and reciprocals, to complete and file an ASMC directly with the AMF. B.C. incorporated insurers who previously filed the ASMC with the Superintendent of Financial Institutions (“Superintendent”) are required to file it with the AMF moving forward.

REQUIREMENTS

Sections 127 and 163 of the FIA permit the Superintendent to require insurers authorized in B.C. to file a report outlining market conduct practices at intervals established by the Superintendent.²

The FIA further specifies that the Superintendent may require insurers to file the market conduct practices report directly with the AMF.

Section 127 of the FIA applies to each insurer incorporated under the laws of B.C. and states:

- (3) *At intervals specified by the superintendent, a financial institution **must file with the superintendent** one or more of the following reports as specified, and in the form established by the superintendent:*
- (b) *a market conduct practices report;*
- ...
- (5) *The superintendent **may require an insurance company to file with the administrator of a national database of market conduct**, with whom the Authority has entered into an agreement under section 219.01, a market conduct practices report*
- (a) *instead of filing such a report with the superintendent under subsection (3), or*
 - (b) *if so directed by the superintendent, in addition to filing such a report with the superintendent under subsection (3).*

¹ Insurers refers to both B.C. incorporated insurance companies and extraprovincial insurance corporations but excludes reinsurers, captive insurers, and reciprocals.

² Section 192 applies section 127 to B.C. incorporated authorized societies.

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Section 163 of the FIA applies to extraprovincial insurers and states:

(3) At intervals specified by the *superintendent*, an extraprovincial corporation **must file with the superintendent one or more of the following reports as specified, and in the form established, by the superintendent:**

(b) **a market conduct practices report;**

...

(5) **The superintendent may require an extraprovincial insurance corporation to file with the administrator of a national database of market conduct, with whom the Authority has entered into an agreement under section 219.01, a market conduct practices report**

(a) *instead of filing such a report with the superintendent under subsection (3), or*

(b) *if so directed by the superintendent, in addition to filing such a report with the superintendent under subsection (3).*

Effective December 1, 2021, the Superintendent has established the ASMC as the form insurers authorized in B.C. must file outlining their market conduct practices.

The Superintendent further specifies that the ASMC is an annual filing requirement and must be submitted to the AMF by May 1 of each year.

ADDITIONAL INFORMATION

Information on how to file the ASMC is available on the [AMF's website](#).

Failure to comply with this requirement may result in an administrative penalty under Section 253.1 of the FIA.

If you have any further comments or questions about this Regulatory Statement, please contact your Relationship Manager at BCFSA or email insurance@bcfsa.ca.

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