

Advisory

Consultation on Code of Market Conduct for Insurance Companies

Date: June 22, 2022
Distribution: All Insurers Authorized in B.C.
Advisory Number: 22-023

PURPOSE

BC Financial Services Authority (“BCFSA”) is releasing a draft Code of Market Conduct (“the Code”) and a draft Guideline to the Code for comments that will apply to all insurers authorized to conduct insurance business in B.C.

With the release of the draft Code, BCFSA has commenced a 45-day consultation period. All interested parties are encouraged to review the Insurer Code of Market Conduct Discussion Paper, which includes consultation questions for consideration. Feedback and responses to the discussion questions can be sent to policy@bcfsa.ca. The consultation will close on August 6, 2022.

The Code embeds fair treatment of customers principles into BCFSA’s market conduct supervision and oversight, delivering on its mandate of enhancing consumer protection and strengthening public trust and confidence in the insurance sector.

ADDITIONAL INFORMATION

In fall 2019, the B.C. government introduced a series of legislative amendments aimed at modernizing BCFSA’s approach to market conduct supervision and oversight.

This included a new provision, Section 94.1 of the *Financial Institutions Act* (“FIA”), establishing the requirement that insurers¹ adopt and follow a Code of Market Conduct established by BCFSA.

As authorized by the Order in Council (“OIC”), Section 94.1 of the FIA will come into force in June 2022; however, the legislation will only apply to insurers authorized to conduct insurance business in B.C. once BCFSA has established its Code following the consultation process and the Code’s finalization.

The requirement to bring forward the Code has been included on BCFSA’s regulatory roadmap, which sets out regulatory priorities over the near term.

For additional information, please refer to:

- [Discussion Paper](#)
- [Draft Insurer Code of Market Conduct and Supplemental Guideline](#)
- [Order in Council](#)

¹ Sections 94.1, 158, 189 and 192 of the FIA includes all B.C. incorporated insurance companies, extraprovincial insurance corporations, societies deemed under section 191, and mutual fire insurance companies; reinsurers, reciprocal exchanges and captive insurance companies are excluded.