

Advisory

BCFSA LAUNCHES CONSULTATION ON CAPTIVE INSURANCE COMPANY FEES

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Distribution: Captive Insurance Companies
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PURPOSE

BCFSA is seeking your feedback on proposed changes to the fees it collects from captive insurance companies (“captives”). The proposed fee changes will enable BCFSA to continue to deliver on its mandate of instilling confidence in B.C.’s financial services sector through its oversight of sector safety and soundness and protecting consumers.

BCFSA has reviewed the current fee structure for captives and is proposing an amendment to the Insurance (Captive Company) Regulation (“ICCR”) under the *Insurance (Captive Company) Act* (the “Act”). The proposed fee change is the first update to regulatory fees for captives since the inception of the Act in 1987.

BCFSA operates on a cost-recovery basis to deliver modern, effective, and efficient oversight through fees collected from its regulated segments. Fees paid by captives under the Act support the administration and enforcement of the Act. The current fee structure does not cover the costs of administering the Act.

The Act requires captives to pay a fee for initial application/registration and an annual renewal of the registration to carry on business in B.C. In addition, the Superintendent’s consent is required under the legislation before a captive may enter certain types of transactions or actions, but there are currently no associated fees prescribed for these consents. BCFSA is proposing changes to the fees payable under the Act and the introduction of prescribed fees to request consent from the Superintendent.

The proposed fee changes will equip BCFSA to sustain its regulatory oversight of captives and ensure a properly funded captive program with adequate resources.

If approved, the changes to fees for captives are proposed to take effect April 1, 2024.

You can learn more about the proposed changes to fees for captive insurance companies and participate in this consultation by reviewing the materials in our consultation document and responding to the questions in our online feedback form:

- [Captive Insurance Fees Consultation Document and Feedback Form](#)

The consultation will be open from August 9, 2023, to September 9, 2023.

ADDITIONAL INFORMATION

BCFSA receives no public funding. As a self-funded Crown corporation accountable to the public through the Minister of Finance, BCFSA’s mandate is to operate on a cost-recovery basis. This means the direct costs to regulate and oversee captives, as well as to administer the captive regulatory program should be recovered from that industry through fees collected by BCFSA.

Classification: **Public**

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Further information regarding the proposed fee change is provided in the online consultation document and feedback form, and on our website:

- [Consultation on Proposed Fee Changes for Captive Insurance Companies](#)

Following BCFSA's consultation with captive insurance companies on proposed fee changes, BCFSA will include aggregated results of the feedback in submissions to the provincial Treasury Board requesting approval for the changes. Cabinet approval is required to implement fee changes through regulation.

BCFSA values the feedback it receives during consultations and will treat submissions of feedback as confidential records and will not publish individual submissions or attribute content. However, please note that all submissions are subject to the *Freedom of Information and Protection of Privacy Act*.

QUESTIONS?

Please contact engage@bcfsa.ca for more information.