

Insurance Companies

BCFSA's regulatory priorities for provincially regulated insurance companies are categorized into two main initiatives: (1) Consumer Protection and (2) Emerging Risks. The graphic below outlines BCFSA's anticipated regulatory priorities over the next three fiscal years. Items in Year 1 identify the quarter in which a consultation, publication or implementation is expected to occur. For Years 2 and 3, the graphic notes that BCFSA anticipates doing work on the priority during the year with the specific quarter to be named later.

BCFSA is an active participant in the Canadian Council of Insurance Regulators ("CCIR"), an association of Canadian insurance regulators. The mandate of the CCIR is to facilitate and promote an efficient and effective insurance regulatory system in Canada to serve the public interest. CCIR members work together to develop solutions to regulatory issues and emerging risks identified by its members and industry. CCIR members strive to harmonize approaches to regulatory issues. As well, where appropriate, BCFSA [aligns](#) with the regulatory guidance issued by the Office of the Superintendent of Financial Institutions ("OSFI").

Consultation	Implementation	Publication
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Topic	YEAR 1 FY 2022/23				YEAR 2 FY 2023/24	YEAR 3 FY 2024/25
	Q1 Apr 1-Jun 30	Q2 Jul 1-Sept 30	Q3 Oct 1-Dec 31	Q4 Jan 1-Mar 31	Q1-Q4 Apr 1-Mar 31	Q1-Q4 Apr 1-Mar 31
Previous Year's Items in Progress						
Recovery Plan Guideline						
Information Security Guideline						
Outsourcing Guideline						
Consumer Protection						
Insurance Company Code of Market Conduct			●			
Emerging Risks						
Information Security Incident Reporting						
Anti-Money Laundering						
Natural Catastrophe and Climate Risk						

DETAILED SUMMARY OF REGULATORY PRIORITIES

Consumer Protection

Through proactive market conduct supervision, including data collection and reporting requirements, thematic reviews of products or business practices, and targeted monitoring of specific regulated entities and individuals, BCFSa will identify and intervene to address harmful business practices. BCFSa promotes high standards of market conduct within the financial services sector by providing the information, training, and guidance necessary to enable regulated entities to comply with legislative requirements and best practices.

Insurance Company Code of Market Conduct. Changes to the Financial Institutions Act require insurance companies to adopt a code of market conduct (the “Code”) to be established by BCFSa. BCFSa will rely on the principles included in the CCIR’s Guidance “Conduct of Insurance Business and Fair Treatment of Customers” to develop the Code. To supplement the Code, BCFSa will develop a guideline that outlines BCFSa’s expectations for the principles identified in the Code. BCFSa plans to consult on the Code and the accompanying Guideline in Q1 FY 2022/23.

Emerging Risks

BCFSa closely monitors current and emerging risks that have the potential to have a material impact on financial institutions or consumers. Based on continuous risk monitoring, including surveys and data calls, BCFSa will consider how to respond and whether new regulatory initiatives are required.

Information Security Incident Reporting. Reporting of material information security incidents (that could result in adverse outcomes for insurers or consumers) in a timely manner is of critical importance for BCFSa. As part of its initial consultation on an information security incident reporting rule, BCFSa received feedback that insurers should be given the opportunity to demonstrate compliance with existing incident reporting expectations contained in BCFSa’s [Information Security Guideline](#) before proceeding to a rule. In recognition of this and other feedback, BCFSa plans to revisit its guidance and expectations for the reporting of information security incidents beginning in Q3 FY 2022/23. BCFSa plans to establish relevant expectations for both provincially and extra-provincially incorporated insurers.

Anti-Money Laundering. BCFSa will continue with its efforts to strengthen B.C.’s Anti-Money Laundering (“AML”) regime, building on the cross-sectoral AML review completed in spring 2021, and taking into consideration the final report of the Cullen Commission of Inquiry into Money Laundering in B.C. which is expected to be released in FY 2022/23. Depending on the outcomes of the Cullen Commission, engagement on enhanced guidance could occur in Q4 FY 2022/23.

Natural Catastrophe and Climate Risk. Natural catastrophes including earthquakes, floods and wildfires pose a significant risk to the financial services sector in B.C. As well, it appears that consumers lack information to make informed decisions to mitigate financial loss. BCFSa will outline its proposed approach to managing natural catastrophe and climate risk for the financial services sector in a discussion paper in Q4 FY 2022/23, followed by consideration of necessary regulatory instruments.