

## INSURANCE COUNCIL OF BRITISH COLUMBIA

### TRAVEL AGENTS ENGAGED IN THE SALE OF TRAVEL INSURANCE RECEIVE A LIMITED CONDITIONAL EXEMPTION FROM THE LICENSING REQUIREMENTS UNDER THE *FINANCIAL INSTITUTIONS ACT*

Effective January 1, 2005, as a result of an amendment to the Insurance Licensing Exemption Regulation, individuals employed by a licensed travel insurance agency who sell travel insurance incidental to their ordinary business as a travel agent or wholesaler are exempt from licensing if they meet certain conditions. Prior to January 1, 2005, all travel agents engaged in the sale of travel insurance were required to hold a licence under the *Financial Institutions Act* (the "Act").

As of January 1, 2005, only the travel agent or wholesaler (corporate, partnership or sole proprietor) that is registered under the *Business Practices and Consumer Protection Act* will be required to hold a restricted travel insurance agent licence with the Insurance Council of British Columbia ("Council").

To qualify for the licence exemption the following conditions must be met.

1. The individual must be an employee or commissioned salesperson of a licensed travel agency.
2. The individual must successfully complete the travel insurance course and exam. *Individuals who are already licensed do not have to retake the course and exam, but individuals who have not been actively involved in the travel insurance industry for two or more years must take the course and exam again before they are eligible for the exemption. It is the responsibility of the travel agency to determine whether an individual meets the education requirement. AND*
3. The individual must complete a minimum of two hours of continuing education each calendar year. *A record of the continuing education taken by the individual must be kept for a five year period after the calendar year in which it was taken. The records must include proof of attendance that provides the date the continuing education was obtained, the education provider's name and the length of the course or seminar. To qualify for continuing education the course or seminar must be directly related to travel insurance products and be provided in a structured format by a qualified instructor. Individuals who start work on or after July 1 in a calendar year will only be required to complete one hour of continuing education in that calendar year.*

Council plans to conduct spot audits of travel insurance agencies to ensure compliance with these requirements. Failure to meet these conditions means the exemption does not apply and may result in the individual being in breach of the Act and the travel agency being subject to disciplinary action by Council. Disciplinary action could include loss of the licence, which would prevent the agency and its employees from engaging in the sale of travel insurance. It is the travel agency's responsibility to ensure all of its employees and commissioned salespersons comply with the

exemption provisions.

In anticipation of this change, Council stopped processing licence applications from individuals seeking travel insurance licences in mid December 2004 and is currently in the process of returning unprocessed applications and fees to applicants. Any application processed where a licence was issued is not eligible for a refund.

Any questions regarding this matter should be addressed to Patricia St. Marie, Manager, Licensing at 604-688-0321 (ext. 338) or toll free within B.C. at 1-877-688-0321 (ext 338).

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