



## Supervision of General Insurance Level 1 Salespersons Guidelines

V.0.5

**DRAFT FOR CONSULTATION**

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## DEFINITIONS

**Act:** means *Financial Institution Act* and its Regulations.

**Delegate of the nominee:** A Level 2 or 3 general insurance agent who has been delegated by the Nominee to carry out some or all of the supervisory duties on their behalf.

**Insurance Council's Code of Conduct ("Code of Conduct"):** This document establishes standards of conduct for the business of insurance to be followed by licensees. Council Rule 7(8) requires all licensees to comply with the Code of Conduct in addition to Council Rules.

**Insurance Council Rules:** A set of rules that sets out licence conditions and requirements for all insurance licensees in BC, in addition to requirements already set out under the provincial *Financial Institutions Act* and other legislation.

**Insurance agency ("Agency"):** A licensed corporation or partnership, or an individual sole-proprietor agent that meets the nominee requirements set out in Council Rules.

**Insurance agent ("Agent"):** A person, other than an insurance company or an extraprovincial insurance corporation, who solicits, obtains or takes an application for insurance, or negotiates for or procures insurance, or signs or delivers a policy, or collects or receives a premium.

**Insurance salesperson ("Salesperson"):** An individual who is employed by an insurance agent or by an insurer to solicit, obtain or take an application for general insurance, or to negotiate for or procure general insurance, or to collect or receive a premium for general insurance.

**Nominee:** A licensee nominated to exercise the rights and privileges of an insurance licence issued to an insurance agency or an insurance adjusting firm.

**Supervision:** For the purposes of these guidelines, supervision is an appropriate level of oversight based on the nominee's assessment of each salesperson's competency to ensure that the level of supervision is consistent with the salesperson's knowledge, training, experience and skillset.

## 1.0 INTRODUCTION

The Insurance Council has updated its guidance for the supervision requirements of salespersons, following a change to Council Rule 6(1)(b) in June 2022. This rule change removed the location restriction for where salespersons may conduct insurance business.

Salespersons must be under the supervision of a general insurance agent and meet the conditions and restrictions of their licence.

The guidelines describe the overall expectations and obligations of nominees in carrying out their supervision requirements of salespersons and outline the requirements and responsibilities of salespersons.

Nominees, agents with supervisory duties and salespersons are expected to be aware of and comply with the guidance outlined in these guidelines.

## 2.0 PURPOSE

The purpose of these guidelines is to provide a framework for agency nominees in determining an appropriate level of supervision for salespersons and making decisions on salesperson's level of responsibilities based on their competence. These guidelines also set out the expectations for nominees by defining what constitutes supervision and establishing how appropriate supervision should be determined, evaluated and demonstrated.

The objectives of these guidelines are to:

- Define supervision and explain how to determine appropriate supervision by assessing a Salesperson's competence.
- Outline the responsibilities of nominees, agents and salespersons involved in meeting salespersons' supervision requirements and regulatory responsibilities.
- Provide guidance on how to demonstrate appropriate supervision and maintain regulatory compliance.
- Describe remote supervision measures that nominees should consider to ensure salespersons receive appropriate supervision while working off-site as they would on agency premises.
- Establish appropriate supervision to ensure that salespersons are conducting insurance activities in a competent manner and that clients' interests are protected.

## 3.0 APPLICATION

These guidelines address the supervision requirements of salespersons for nominees, agents in their role as supervisors and salespersons in their role as supervisees.

### 3.1 Nominee responsibilities

Per Council Rule 7(6), the nominee of an agency is responsible to the Insurance Council for all activities of the agency. Section 5.3.3 of the Code of Conduct states that nominees must ensure the agency and its employees are properly supervised and operate in accordance with the conditions and restrictions on their licence. Although nominees may delegate some or all of the supervision duties, the nominee remains responsible and accountable.

Nominees are responsible for ensuring that salespersons are properly supervised and operate within the conditions and restrictions of their licence, which includes the following expectations and requirements:

- Regularly assess salespersons' competence and determine the extent of supervision required based on their level of competence.
- Determine whether salespersons have the knowledge, training, experience and skillsets necessary to undertake their assigned responsibilities, and only assign duties that are within the scope of the salesperson's competence.
- Ensure salespersons abide by their licence restrictions and conditions by forbidding salespersons from conducting prohibited activities.
- Ensure all insurance activities at the agency are appropriately supervised, even if nominees decide to delegate some of the day-to-day supervision responsibilities of salespersons to an agent.
- Ensure salespersons receive ongoing training, as required. For example, salespersons should be knowledgeable about the products they sell and have technical insurance knowledge, such as regulatory compliance.
- Ensure salespersons only conduct insurance activities as an authorized representative of the agency, per Council Rule 7(15), which includes holding out appropriately and only providing the contact information of the agency that they are authorized to represent.
- Where competency issues arise, take corrective action in a timely manner and review whether an appropriate level of supervision was in place.
- Report direct breaches of the Code of Conduct, Council Rules, the *Act*, or the *Insurance Act* to the Insurance Council.
- Where a licensee's authorization to represent the agency is withdrawn, notify the Insurance Council within five business days and provide reasons for withdrawing the authorization if it is related to the licensee's suitability or conduct.
- Where required, if the nominee's supervisory duties of salespersons are delegated to an agent ("delegate of the nominee"), ensure that the delegate of the nominee can competently fulfill the supervisory duties as assigned. Review the Delegating of Nominee Duties section for more information.

### 3.2 General insurance agent responsibilities (as supervisors)

Depending on the number of salespersons at an agency, nominees may decide to delegate their supervisory duties to a delegate of the nominee. The expectations and requirements of agents with delegated supervisory duties by the nominee include:

- Carrying out their assigned supervisory duties within the scope of practice as determined by the nominee.
- Where agents cannot fulfill their supervisory duties competently, notifying the nominee and declining the supervision duties immediately.
- Reporting any competence and/or conduct issues of salespersons to the nominee in a timely manner to take corrective action.

### 3.3 Salesperson responsibilities (as supervisees)

Salespersons must abide by the conditions and restrictions of their licence, which includes conducting general insurance business under the supervision of an agent. Salespersons must ensure they are conducting insurance business within the parameters established by the nominee, Council Rules and the Code of Conduct.

The expectations and requirements of salespersons include:

- Understanding and acting within the conditions and restrictions that the Insurance Council has determined cannot be carried out by salespersons, regardless of their competence or experience.
- Understanding and conducting insurance activities within the scope of their agency's and the Insurance Council's requirements.
- Conducting assigned insurance activities within the scope of the salesperson's knowledge, training, experience and skillset.
- Where salespersons identify that they have been assigned responsibilities or duties that exceed their competence, seeking guidance from the nominee or a delegate of the nominee.

## 4.0 SUPERVISION REQUIREMENTS

As required under Council Rule 6(1)(c), salespersons must only conduct insurance business under the direct\* supervision of a general insurance agent (See Note below) and per Section 5.3.3 of the Code of Conduct, nominees are responsible for all insurance activities of the agency, including ensuring the agency and its employees are properly supervised.

**\*Note:** By removing the location restriction for where salespersons may conduct insurance activities under Council Rule 6(1)(b), the Insurance Council is considering how supervision can be achieved when the nominee and the salespersons may not be physically present on the agency's premises at

the same time. To reflect the change in the supervision requirements, these guidelines focus on the nominee's responsibility to provide and demonstrate appropriate supervision. This may result in an amendment to Council Rule 6(1)(c) to remove "direct" in the supervision requirements, but in the interim, the supervision requirements set out in Council Rule 6(1)(c) should be interpreted in the context of the requirements in these guidelines.

#### **4.1 Defining supervision**

Supervision is an appropriate level of oversight based on the nominee's assessment of each salesperson's competency to ensure that the level of supervision is consistent with the salesperson's knowledge, training, experience and skillset.

As each agency's operations and structure vary, the nominee must determine the appropriate method of supervision for salespersons and be able to demonstrate the appropriateness of the supervision provided.

#### **4.2 On-site and Off-site/Remote supervision**

On-site supervision: The nominee or the delegate of the nominee and salesperson are physically present at the agency's premises. The nominee can observe or monitor the salesperson's actions from time to time and is readily available for questions and guidance in person.

Example: The salesperson carries out assigned duties on the agency's premises and can easily communicate with the nominee or a delegate of the nominee. While the nominee may be on-site, they may not be directly overlooking the salesperson's work.

Off-site/Remote Supervision: The salesperson works independently off-site in a secure workspace (See Remote Supervision Considerations section). The nominee or delegate of the nominee supervises the salesperson through phone, instant messaging, video-conferencing, or other means of communication that allow supervision to be carried out remotely.

Example: The salesperson works from home and carries out their assigned duties competently. The salesperson can easily contact the nominee or a delegate of the nominee virtually for assistance during work hours.

Nominees may also provide a hybrid of on-site and off-site supervision. For example, a salesperson's work arrangement may be split between working remote and at the agency's premises.

### 4.3 Determining appropriate supervision

Per Section 5.3.3 of the Code of Conduct, nominees must ensure that the agency and its employees are properly supervised and operate in accordance with the conditions and restrictions of their licences.

Nominees are expected to assess salespersons' competence to determine their scope of practice. As salespersons' competency varies, this includes assessing the salesperson's knowledge, training, experience and skillsets to determine the appropriate supervision needed. As salespersons take on more responsibilities progressively, nominees are expected to regularly review and adjust their supervision method where necessary. For example, nominees may determine that a period of on-site supervision may be beneficial when a salesperson takes on more complex responsibilities to job-shadow an agent or have more frequent oversight to ensure that assigned duties are completed properly.

Nominees are expected to consider the following when determining salesperson's supervision needs:

#### Experience:

- The number of hours the salesperson has worked at an agency
- The number of insurance transactions conducted
- Variety and complexity of the transactions conducted
- Previous relevant insurance industry experience

#### Knowledge:

- Training and learning opportunities received
- Relevant continuing education courses completed
- The salesperson's ability to apply their knowledge in their insurance practice

#### Individual learning curve:

- Every salesperson learns differently and at different speeds
- Skills and abilities vary between salespersons

The Insurance Council acknowledges that each agency's business model may differ based on various factors, such as staffing resources, nature of the business conducted, technology infrastructure and the hours of operation. The Insurance Council holds the nominee accountable for the supervision provided and the nominee is expected to demonstrate they have an appropriate level of supervision in place that meets the expectations set out by the Insurance Council.

Even if a salesperson is experienced and has received adequate training, an assessment still needs to be made to evaluate the salesperson's competency. For example, each salesperson's ability to apply



their knowledge in their insurance practice may differ; hence, a set number of hours of experience and training received may not be indicative of whether the salesperson has achieved competency.

Per Section 5.3.3 of the Code of Conduct, salespersons must still be properly supervised to ensure they operate within the conditions and restrictions on their licences, regardless of their level of competence or where they carry out their insurance activities (on the agency's premises or off-site).

## 5.0 USING A RISK-BASED APPROACH IN DETERMINING SUPERVISION

Per Sections 7.1 and 7.2 of the Code of Conduct, licensees are required to protect clients' interests and privacy. The best interests of the client should be the licensee's first concern.

When considering a salesperson's competence and whether on-site or remote supervision should be provided, nominees are expected to use a risk-based approach in determining the types of insurance activities a salesperson can conduct independently, and which insurance activities require more frequent monitoring and oversight to minimize potential consequences as a result of improper practice.

The severity and potential consequence of improper practice vary based on the complexity of the insurance activity; thus, the nominee may necessitate more frequent oversight for insurance activities that carry a higher risk for client harm if conducted improperly.

For example, having a novice salesperson email renewal reminders to clients from the agency's general email address may pose less risk than having the same salesperson call a client to discuss product options or coverage changes if the salesperson is not knowledgeable about the product.

In accordance with Section 7.3.9 of the Code of Conduct, licensees are required to provide a duty of care to clients. When determining their supervision method, nominees must prioritize the client's interests and ensure the client's needs are not impacted.

Nominees are expected to exercise discretion, especially when managing remote work arrangements. Considerations include but are not limited to:

- Will clients be impacted negatively if salespersons are supervised remotely (e.g. potential client harm or service disruptions)?
- Does the agency have a customer complaint process in place if the client identifies a conduct or competence issue?
- Can the agency fulfill the client's needs and provide identical quality of client service, regardless of whether salespersons work remotely or at the agency?
- Does the agency have proper technology and resources to ensure that the privacy and confidentiality of client information are maintained and meet the Insurance Council's and Personal Information Protection Act ("PIPA")'s requirements?

More information can be found in the Remote Supervision Consideration section.

## **6.0 DEMONSTRATING APPROPRIATE SUPERVISION**

In accordance with Council Rule 7(14), every general insurance nominee and general insurance agency must ensure that all insurance activities are supervised by a licensed level 3 general insurance agent. Nominees must demonstrate how they have appropriately supervised their employees. If supervised employees engage in misconduct that was found to have occurred due to inadequate supervision, including lack of policies, procedures and training, the nominee's competence may be brought into question. If nominees are found to be in breach of Sections 5.3.3 and 5.3.4 of the Code of Conduct, they could be subject to disciplinary measures.

Regardless of whether supervision is provided in person or remotely, appropriate supervision indicators for salespersons may include but are not limited to:

- Availability of nominee or delegate
- Agency supervision policy
- Supervision plan
- Privacy and client confidentiality
- Documentation of agency policies and procedures

It is the nominee's responsibility to determine what additional supervision duties are required to ensure that there are adequate supervision measures in place for salespersons.

### **6.1 Availability of the nominee or delegate (if applicable)**

As part of the nominee's duties and responsibilities in providing supervision, the nominee or a delegate of the nominee should be readily available to answer questions and provide guidance. While supervisory responsibilities may be delegated to an agent (e.g., directing questions about day-to-day insurance transactions to an agent), nominees cannot delegate their accountability to provide adequate and appropriate supervision of salespersons. Review the Delegating of Nominee Duties section for more information.

The nominee or a delegate of the nominee is expected to:

- Be available regularly for any questions or guidance.
- Conduct regular check-ins with salespersons (the nominee determines the frequency and duration based on their assessment of the salesperson's competence and needs).
- Provide effective means of communication so salespersons can easily contact the nominee or a delegate when needed. Alternative means of communication, such as videoconferencing or email, may be used as long as adequate supervision can take place.

## 6.2 Agency supervision policy

As each agency's operations and staffing can vary, a one-size-fits-all supervision model may not adequately reflect the agency's specific needs. Nominees should consider developing a written agency supervision policy that outlines how they will fulfill their supervision responsibilities and provide appropriate supervision. Nominees are best positioned to determine the supervision method that their agency's salespersons require based on their assessment of the salespersons' competence.

The nominee or a delegate of the nominee is expected to review the agency supervision policy with salespersons to ensure salespersons understand their responsibilities and are aware of how supervisory oversight is provided.

Nominees are expected to include the following information in the agency supervision policy:

- The nominee's overall supervision methods that would be used based on the nominee's assessment of the salespersons' competence (e.g., Supervision of a new salesperson may differ from the supervision of an experienced salesperson);
- The frequency and duration of communications (e.g., individual check-ins, team meetings) between the nominee or a delegate of the nominee and salespersons;
- The measures in place to provide appropriate supervision and how it will be carried out on-site and remotely;
- The process by which the nominee determines whether a salesperson can be supervised remotely, in-person or a combination of both. For instance:
  - Consideration of the experience, knowledge, and skills necessary as to whether appropriate supervision can be provided on-site or off-site
  - The scope of duties that the nominee assigns to the salesperson and whether the salesperson can carry out the assigned tasks independently and competently
- Evaluation measures of the salespersons' competence in place, such as conducting spot checks and observing client interactions (See section on Evaluation and Quality Assurance);
- Documentation of any changes in supervision method and rationale;
- A contingency plan to prepare for potential nominee absences (e.g., vacation or illness); and
- Recommendations for practice improvements that correspond with salesperson's competence, such as training, courses and job shadowing.

## 6.3 Supervision plan (optional)

While an agency supervision policy provides an overall agency supervision plan, nominees or a delegate of the nominee may consider creating a supervision plan that is specific to a salesperson. An individualized supervision plan may be created for any salespersons, but may be particularly beneficial to salespersons in some circumstances, such as:

- Onboarding of a new salesperson who may require more frequent oversight and support and allows nominees to assess the salesperson's competence in determining the level of supervision required;
- A salesperson with a track record of conducting insurance activities with recurring errors and require corrective action;
- A salesperson who is conducting insurance activities contrary to the conditions and restrictions of their licence;
- A salesperson who is struggling in their work and require more frequent oversight, training, and job-shadowing opportunities;
- Where a client complaint has been received about the salesperson related to their conduct or ethics;
- Where a salesperson's productivity has decreased significantly (e.g. since transitioning from working onsite to working remotely); and
- Where a salesperson requests to have an individualized supervision plan to identify learning opportunities and develop competence.

#### **6.4 Privacy and client confidentiality**

As required under Council Rule 7(1) and Section 7.3.10 of the Code of Conduct, a licensee must hold in strict confidence all information acquired in the course of the professional relationship concerning the personal and business affairs of a client, and must not divulge or use any such information other than for the purpose of that transaction or of a similar subsequent transaction between the licensee and the same client unless expressly authorized by the client or as required by law to do so. Appendix B of the Code of Conduct further states that a licensee has a duty to safeguard all of a client's personal information that is in his or her possession and responsible for determining the appropriate safeguards necessary to meet this duty.

To ensure salespersons understand and abide by the privacy and client confidentiality requirements set out in the Insurance Council's Rules and the Code of Conduct, nominees are expected to:

- Provide learning opportunities related to complying with privacy and client confidentiality requirements (e.g., training, continuing education).
- Develop clear privacy procedures and policies that can be assessed anytime, such as protocols for handling and reporting privacy breaches.
- Develop safeguards to protect client information and prevent unintentional privacy breaches, such as limiting the printing of insurance documents to be done at the agency to prevent misplacement or improper disposal of insurance documents.
- In addition to abiding by the Insurance Council's Code of Conduct and Rules requirements, ensure the agency's policies and practices are developed to ensure compliance with PIPA.

## 6.5 Documentation of agency policies and procedures

Per Section 5.3.4 of the Code of Conduct, improper practice by supervised employees may bring a supervisor's competence into question if the conduct occurred due to inadequate supervision, including lack of policies, procedures and training. Nominees are required to implement proper policies and procedures in place to ensure Salespersons are carrying out insurance business in accordance with the restrictions and conditions of their licence and regulatory requirements. Clear and ongoing documentation of agency processes enhances consistency in licensee practice, be used as training material, and facilitates proper practice. As such, nominees are expected to:

- Review with salespersons their regulatory responsibilities and licence restrictions before conducting any insurance activities.
- Ensure salespersons can readily access and refer to agency policies and procedures at any time (e.g., Develop a new hire checklist or training manual as part of the onboarding process).
- Review and update policies and procedures periodically to ensure that the processes are current and reflect any new changes.

## 7.0 REMOTE SUPERVISION CONSIDERATIONS

Nominees should use discretion in determining whether they can provide adequate supervision of Salespersons remotely as they would in person and that the agency has appropriate processes and technology in place to facilitate remote supervision. Nominees may want to consider whether it is operationally feasible for the agency to allow salespersons to work off-site (e.g., hours of operation, staffing). Ultimately, there is no requirement for agencies and nominees to adopt this practice if it does not fit the agency's business model or compromises the client's interests.

For nominees who intend to, or are already adopting remote supervision of salespersons, considerations include, but are not limited to:

- Technology infrastructure
- Remote workplace arrangement
- Remote work policy
- Requirements for working remotely in other jurisdictions.

### 7.1 Technology infrastructure

Nominees are expected to assess whether the agency's technology infrastructure can support the types of interactions required for remote supervision and the ability to carry out insurance business remotely as licensees would at agency premises. Here are some examples of what nominees may consider as to whether the agency's technology in place can support remote supervision:

- Ability to provide training for salespersons remotely through a virtual communication system (e.g., video conferencing, screenshare);
- Ability to provide regular and ongoing check-ins remotely with salespersons;
- Ability to review salesperson's completed work and provide feedback;
- Ability for salespersons to contact nominee in a timely manner (e.g., instant messaging);
- Safeguards to meet the agency's privacy and client confidentiality requirements, such as:
  - Secure access to the agency's confidential information remotely and that salespersons only access applications they are authorized to use (e.g., client lists and contact info),
  - Access to network security and malware protection (e.g., multi-factor authentication to verify user identity, a data breach plan that details how the agency will respond to cyber attacks and potential risks),
  - No access or ability to save agency information onto a personal computer; and
- Tools and resources to support remote work and collaborate with colleagues and clients, such as:
  - Access to proper business equipment, such as laptops and mobile devices where necessary
  - Access to reliable internet connection
  - Network security and malware protection.

## 7.2 Remote workplace arrangement

Nominees may consider assessing the salesperson's designated remote workplace prior to implementing remote work to ensure that the remote workplace meets confidentiality and security requirements, and that:

- Salespersons have a dedicated workspace for their insurance business where others cannot view, overhear or access work conversations and agency information.
- Where storage of confidential information is required, salespersons have a secure space to safeguard such information in their possession. When appropriate, this may also include the proper disposal of a client's personal information.
- Workspace is safe and clear of potential safety hazards.

## 7.3 Remote work policy

As part of an agency's policies and procedures, nominees are expected to develop a remote work policy that sets out the agency's expectations for salespersons who conduct insurance business off-site.

Prior to implementing remote supervision, salespersons should review and confirm understanding of the remote work policy. It is expected that the nominee reviews the remote work policy periodically

with salespersons who work remotely. It is at the discretion of the nominee to determine whether salespersons can competently work remotely; the nominee holds the decision to permit or prohibit a salesperson's remote work arrangement at any time.

Examples of what may be addressed in the remote work policy include, but are not limited to:

- The salesperson's and nominee's (or delegate of the nominee) working hours and arrangements if coverage is needed (e.g. lunch and breaks);
- Proper use of business equipment for the purpose of insurance activities only and during the agency's operating hours;
- The ability to maintain client confidentiality and privacy in a remote work arrangement, such as remote office requirements (Review Remote Workplace Arrangement section); and
- Proper usage, security and storage of business equipment.

#### **7.4 Other considerations**

The Insurance Council does not have location restrictions that forbid salespersons from being licensed in British Columbia while working or supervised by a nominee or a delegate from outside of the province. While the Insurance Council does not have regulatory authority over other extraprovincial entities or insurer requirements, nominees should be mindful of their contractual agreements with insurers and whether the insurers they are contracted with have any restrictions that prohibit licensees from working remotely. Per Section 13.3.2 of the Code of Conduct, licensees should also be aware of any other legislation which may impact their particular practice.

### **8.0 EVALUATION AND QUALITY ASSURANCE**

Per Council Rule 7(6) and Section 5.3.3 of the Code of Conduct, the nominee is responsible for ensuring all insurance activities of the agency are appropriately supervised. As part of providing the overall oversight of salespersons, nominees are accountable for regularly evaluating salesperson's competence and reviewing their agency supervision policy and any remote work policies to ensure that the method of supervision is appropriate with the salesperson's competency. Nominees or a delegate of the nominee are expected to:

- Observe or monitor the salesperson's performance, which can include but are not limited to direct observation, call monitoring and/or video screensharing.
- Conduct a spot check of the salesperson's work and completed insurance documents, to ensure that the salesperson is complying with agency procedures, conducting insurance activities in a competent manner and within their licence conditions and restrictions.
- Provide ongoing feedback and coaching to salespersons, and identify learning opportunities such as training or professional development.

- Review any practice concerns and provide remedial action in a timely manner to mitigate client harm.
- Document the nominee's assessment of salesperson's progression to inform decisions about the adequacy and appropriateness of the supervision the nominee or delegate provides to salespersons.

Further, to protect clients' interests, clients should be made aware of who they can contact if they have concerns with a salesperson's competence in managing their insurance needs.

## 9.0 DELEGATING OF NOMINEE DUTIES

While nominees remain responsible for all activities of the agency, nominees may choose to delegate some or all supervisory duties of salespersons to an agent who acts as a delegate of the nominee. A delegate of the nominee must be a level 2 or 3 general insurance agent. Before delegating supervisory duties to a delegate of the nominee, nominees should ensure that the agent has the competency required to provide adequate and appropriate supervision.

While the nominee's supervisory duties may be delegated, the ultimate responsibility for proper supervision and governance of an agency stays with the nominee. As such, the nominee must ensure that proper supervision and training of salespersons are in place, and agency policies and procedures are maintained to reflect proper practice. Even if supervisory duties are delegated to an agent, nominees must be attentive and knowledgeable of all activities at the agency and in ensuring salespersons are appropriately supervised. It is considered unacceptable practice if the nominee is unaware of or cannot determine how supervision is carried out at the agency because they delegated the responsibility to an agent. As required by Council Rule 7(6) and Section 5.3.3 of the Code of Conduct, the nominee's accountability for all activities of the agency cannot be delegated.

## 10.0 MAINTAINING COMPLIANCE

Under Section 13.2 of the Code of Conduct, licensees must be aware of and comply with their duties and obligations under Insurance Council's Rules, Code of Conduct, the *Act* and the *Insurance Act*. This includes the nominee's ability to demonstrate the appropriateness of the supervision they provide and the steps taken to facilitate compliance with the Insurance Council's requirements and protection of the public's interest. Salespersons must only conduct general insurance business within their licence restrictions and under the supervision of an agent.

If agencies are audited by the Insurance Council, nominees should be prepared to describe and provide documentation of the measures in place to supervise salespersons properly and how client confidentiality and privacy are protected, regardless of whether salespersons work at the agency's premises and/or remotely. Any improper practice by salespersons that occurred due to inadequate



supervision, including lack of policies, procedures, and training, could bring the nominee's competence and suitability to be a nominee into question and may result in disciplinary action.

## 11.0 RESOURCES

- [Insurance Council Rules and Code of Conduct](#)
- [Insurance Council guidelines](#)
- [Insurance Council notices](#)
- [Financial Institutions Act](#)
- [Insurance Act](#)
- [Personal Information Protection Act](#)

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