

BULLETIN NUMBER:	INS-18-004
TITLE:	APPLICATION FOR VOLUNTARY REVOCATION OF INSURANCE BUSINESS AUTHORIZATION
LEGISLATION:	<i>FINANCIAL INSTITUTIONS ACT</i>
DATE:	OCTOBER 2018
DISTRIBUTION:	BRITISH COLUMBIA INSURANCE COMPANIES AND EXTRAPROVINCIAL INSURANCE CORPORATIONS

PURPOSE

This bulletin outlines the application process to voluntarily revoke the business authorization of an insurance company or extraprovincial insurance corporation.

BACKGROUND INFORMATION

An insurance company incorporated in British Columbia (BC), or an extraprovincial insurance corporation may apply to voluntarily revoke its business authorization if it wishes to cease doing insurance business in BC. FICOM's role is to protect consumers from undue loss and unfair market conduct and staff will assess the overall risk of the insurer applying to revoke its business authorization to ensure that policyholders in BC are protected.

LEGISLATIVE PROVISIONS

Section 64(1) of the *Financial Institutions Act* (FIA) states that the Financial Institutions Commission (Commission) may revoke the business authorization of a financial institution effective on a date specified by the Commission.

Section 64(2) states that if a financial institution proposes to cease doing business, it must give the Superintendent of Financial Institutions (Superintendent) at least 30 days' written notice.

Section 249(8) states that a financial institution must not transact or undertake any business after the revocation of its business authorization, except so far as it is necessary for the winding up of

its business, but any liability incurred by it whether before, on, or after the revocation may be enforced against it as if the revocation had not taken place.

Pursuant to Section 250, if the business authorization is revoked the Superintendent must publish notice of the revocation in the BC Gazette.

As per Section 158(1), the sections above apply to and in respect of an extraprovincial insurance corporation.

APPLICATION PROCESS

Applicants must submit the following materials to FICOM:

- non-refundable application fee payable to the Minister of Finance¹;
- written request from a director or senior officer of the company outlining the reasons for voluntary revocation (must be received at least 30 days prior to ceasing business);
- evidence the insurer's primary regulator has approved the revocation (if applicable);
- original Certificate of Business Authorization issued by this office (if available);
- confirmation that the insurer:
 - has ceased writing business or acting as an insurer in BC; and
 - has no policy obligations outstanding in BC, or confirmation that the outstanding policies and liabilities have been transferred to a BC authorized insurance company or surrender of the contracts by the insureds.

TIMELINES AND SUBMISSION INSTRUCTIONS

Prior to receiving approval for a voluntary revocation, the applicant must ensure that all filings and fees due to FICOM have been received and are up to date. An insurer will be required to submit the annual filings and fees if the BC business authorization has not been revoked prior to its year end.

All notices and materials referenced in this bulletin, as well as any enquiries, can be submitted via email to StatApprovals@ficombc.ca or by mail to the following address:

Financial Institutions Division
c/o Statutory Approvals
2800 – 555 West Hastings Street
Vancouver, BC V6B 4N6

FICOM staff will begin their review of an application upon receipt of the requested documentation in full. Please reference [Information Bulletin FI-18-00 – Timelines for Statutory Approvals Applications](#) for a timeline for this application.

¹ Please refer to Schedule 1 of the FIA [Financial Institutions Fees Regulation](#) for further information on fees applicable to each transaction. Applications to revoke insurance authorizations are under Section 64(1) of the FIA.

The timeline above serves as a general guideline, and can vary depending on the volume of requests received and the complexity of the individual application. FICOM staff will undertake to complete assessments as quickly as possible; however, the length of time spent reviewing an application will depend on the specifics of each application. An applicant can expedite the receipt of regulatory approval by filing a complete application and providing all required supporting information at the outset of the application process.

At the Financial Institutions Commission, we issue information bulletins to provide technical interpretations and positions regarding certain provisions contained in the *Financial Institutions Act and Insurance Act*, Regulations and other pertinent legislation. While the comments in a particular part of an information bulletin may relate to provisions of the law in force at the time they were made, these comments are not a substitute for the law. The reader should consider the comments in light of the relevant provisions of the law in force at the time, taking into account the effect of any relevant amendments to those provisions or relevant court decisions occurring after the date on which the comments were made. Subject to the above, an interpretation or position contained in an information bulletin generally applies as of the date on which it was published, unless otherwise specified.