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**BULLETIN NUMBER:**           **INS-06-007**

**TITLE:**                           **DISCLOSURE OF IDENTITY REQUIREMENTS**

**LEGISLATION:**               **SECTION 91 OF THE *FINANCIAL INSTITUTIONS ACT***

**DATE:**                           **AUGUST 2006**

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### **PURPOSE**

The purpose of this bulletin is to inform each insurance company, extraprovincial insurance corporation and fraternal society authorized to carry on insurance business in the Province of British Columbia of the disclosure of identity requirement of the Financial Institutions Act ("FIA").

### **COMMENTARY**

Section 91 of the FIA sets out a disclosure of identity requirement for all insurers authorized to do insurance business in this province. This section applies to each insurance company, extraprovincial insurance company and fraternal society that has been issued a business authorization by the Financial Institutions Commission.

Section 91 states that:

*"In all advertising, correspondence, application forms, evidences of indebtedness and other documents in its control relating to its business, a financial institution shall ensure that its identity is clearly stated."*

It is the position of this office that it is not sufficient to use trade names, trademarks or corporate group names to identify the insurer on documents used in this Province. Insurers must clearly state the full corporate name of the insurer as it appears on the certificate of business authorization issued to it by this office.

It is also the position of this office that an insurer is accountable for any materials or documents used by insurance agents, third party administrators or any other person that is distributing materials or documents related to an insurance product offered or insured by the insurer. Therefore, it is important for each insurer to impress upon each

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of its insurance agents, program administrators or other distributors the importance of compliance with section 91 of the FIA.

According to section 252(2)(a) of the FIA contravention of section 91 is an offence.

Under section 252(5) of the FIA if an insurer commits an offence in contravening section 91 then any employee, officer, director or agent of the insurer who authorizes, permits or acquiesces in the offence commits the same offence whether or not the insurer is convicted of the offence.

Under section 253 of the FIA, an insurer who commits such an offence is liable to a fine of not more than \$100,000 for the first conviction and a fine of not more than \$200,000 for each subsequent conviction. Individuals are liable to a fine of not more than \$100,000 and/or imprisonment of not more than two years on a first conviction and for each subsequent conviction to a fine of not more than \$200,000 and/or imprisonment of not more than two years.

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## Contacts

For more information, please contact:

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