



# CADRI

CANADIAN ASSOCIATION  
OF DIRECT RELATIONSHIP  
INSURERS

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Insurance Council of BC  
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## **Re: Supervision of General Insurance Level 1 Salespersons Guidelines**

### **Introduction**

The Canadian Association of Direct Relationship Insurers (CADRI) is the voice of insurance enterprises that offer automobile, home, and commercial insurance directly to Canadians. Our members are national companies with employee agents working from coast to coast. These insurance companies have robust training and compliance systems which ensure that customers are protected, rules are followed, and reputations remain intact.

CADRI welcomes the opportunity to comment on the Insurance Council of BC's (the Council's) proposed Guidelines on the supervision of Level 1 salespersons.

### **Working remotely during the pandemic and after**

The current COVID-19 global pandemic has accelerated many trends including that many insurance companies, together with our members, moved most of their workforce home – including those working in customer care or call centres. We believe that many of these employees and exclusive agents will continue to work a good deal of time remotely because insurers are moving towards a hybrid, virtual/in-person work environment post-pandemic.

Working remotely is not only safe for employees and secure for customers during the pandemic but allows the flexibility for post-pandemic business models. In addition, it enables our members to hire from a wider pool of potential applicants on an ongoing basis – particularly people who live outside of urban centres and may be multilingual or from Indigenous communities. This not only helps to ensure that required roles are filled but also that insurance companies provide the highest level of service with a diverse workforce.

### **Supervising insurance agents today**

We have shared with the Council the following video which demonstrates that our members' supervisors are well placed to oversee the work of their teams, even if they are working in different regions. Please view "Supervising agents in virtual offices": [CLICK HERE](#).

“Supervising agents in virtual offices” demonstrates that our members already have in place many of the measures suggested in the Guideline. The video shows that agents are screened before they are hired and complete up to three months of formal facilitated training. While on the job, they receive ongoing coaching and skills upgrading; must demonstrate self-sufficiency and develop a strong record for underwriting and productivity.

Supervision also has many safeguards. Agents have full access to all their insurer’s systems and data, and daily transactions are VPN secured for confidentiality and privacy. Employees have direct access to supervisors, colleagues, and IT, allowing them to do their jobs efficiently and effectively while meeting regulatory requirements

### **Looking at the Guideline**

Through a two-phase consultation in 2021, we supported permanent amendments to the Council’s Rule 6(1)(b) to allow Level 1 agents to work remotely.

Overall, we also support the Council’s proposed Guidelines on the supervision of General Insurance Level 1 salespersons.

We have suggested directly to Council staff that the Guideline would be more effective if it were edited to include only vital, principal-based, outcome-focused information. We recommend that explanatory examples be shared through other communications channels such as its website.

Relative to the substance of the guidance, CADRI draws the Council’s attention to two issues which may be challenging for our members:

#### Timelines for notice

In section 3.1 *Nominee responsibilities*, the Guideline asks that an agency alert the Council within five business days when a licensee is no longer ‘representing’ it and provide reasons if it is related to suitability or conduct. Our members support the Council tracking agents’ departures, especially those where suitability or conduct might be a concern. However, five days is a short turnaround. Generally, for this and other notice to regulators, we ask for 30 days.

#### Inspection of virtual offices

In section 7.2 *Remote workplace arrangement*, the Guideline asks nominees to consider assessing an agent’s designated remote workspace. While we understand the Council’s motivation to ensure the ‘workspace is safe and clear of potential safety hazards’, this may be a challenging criterion to assess from a distance and while respecting the employee’s privacy. We recommend an alternative option would be that our members ask their employees or exclusive agents to do a self-assessment of the matter against specific Council requirements.

## Conclusion

We compliment the Council's leadership enabling agents to work in virtual environments at a distance from a traditional workplace. Like the Council, we understand that these arrangements are going to continue and require a framework in which to operate.

The draft Guideline sets out in detail the optimum working conditions for remote workers.

In summary, we encourage the Council to consider moving explanatory information to another communications channel and note the two specific challenges cited by our members as outlined above.

We are available to discuss with the Council our comments on the Guideline.

Yours sincerely,

A handwritten signature in blue ink that reads "Geoffrey Beechey". The signature is written in a cursive, flowing style.

Geoffrey Beechey  
Chair & CEO  
CADRI

cc:  
CADRI Board of Directors  
CADRI Licensing Task Force  
CADRI Western Committee

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