



CHAPTER 44.

An Act to provide for the Licensing of Insurance Agents and Insurance Adjusters.

[Assented to 16th December, 1922.]

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:—

Short Title.

1. This Act may be cited as the “Insurance Agents’ Licensing Act.” Short title.

Interpretation.

2. In this Act, unless the context otherwise requires:—

“Insurance agent” means any person who, for compensation or profit, solicits insurance on behalf of an insurer, or acts or aids in the placing of insurance risks, or in the negotiating for or taking of applications for or delivery of policies of insurance, or in the collecting of insurance premiums; but shall not include any officer or salaried employee of an insurer, nor shall it include any member of the Law Society of British Columbia in respect of the collection by him of insurance premiums:

Expressions
interpreted.

“Insurer” includes every underwriter or body of persons, whether corporate or unincorporate, who carry on the business of insurance by the issue of, or the undertaking of liability under, policies of assurance upon human life, or by the granting of annuities upon human life, or by the issue of, or the undertaking of liability under, policies of insurance against loss, damage, or injury by or to persons or property; but shall not include any fraternal benefit society or benevolent society to which the “Insurance Act” does not apply:

“Prescribed” means prescribed by this Act or by the regulations:

“Regulations” means regulations made by the Lieutenant-Governor in Council under this Act:

“Superintendent” means the Superintendent of Insurance for the Province or his deputy.

Exemption of
marine insurance.

3. This Act shall not apply in respect of the business of marine insurance, inland marine insurance, or inland transportation insurance.

Insurance Agents' Licences.

Prohibition of
unlicensed agents.

4. No person shall act or offer or undertake to act as an insurance agent in this Province without first having applied for and obtained an insurance agent's licence under this Act.

Application for
insurance agent's
licence.

5. Every applicant for an insurance agent's licence shall deliver to the Superintendent an application in the form and verified in the manner required by the Superintendent, subject to the regulations, setting out the applicant's name, residential and business addresses, occupation for last twelve months, present occupation, time to be devoted to insurance business, name or names of insurers to be represented or licensed insurance agent by whom he is bona fide employed, nature and extent of the applicant's authority or employment, classes of insurance business to be undertaken, previous experience in insurance business, names of insurers previously represented or agents by whom previously employed, and such other information as may be required by the regulations or by the Superintendent. The application shall be accompanied by the approval in writing of every insurer to be represented, or the licensed insurance agent by whom the applicant is bona fide employed, certifying to the good business reputation of the applicant, and his qualifications for and knowledge of the business of insurance, and recommending the granting of the licence.

Issuance of licence.

6. Upon receipt of the application and payment of the prescribed fee, and upon the Superintendent being satisfied that the applicant, if an individual, is a bona-fide resident of the Province, or, if a partnership or corporation, that the members of the partnership or officers of the corporation to whom the licence is to extend are bona-fide residents of the Province, and that the applicant, or the members of the partnership, or officers of the corporation, as the case may be, appear from the information contained in or accompanying the application to be suitable persons to carry on the business of insurance agents, and that the applicant intends to hold himself out and carry on business in good faith as an insurance agent, the Superintendent shall issue to the applicant a licence in the prescribed form authorizing the applicant to act as an insurance agent in accordance with the terms of the licence and the provisions of this Act.

Insurance Adjusters' Licences.

7. No person, other than the holder of an insurance agent's licence under this Act, or a member of the Law Society of British Columbia, or an officer or salaried employee of an insurer acting for that insurer, shall, on behalf of any person other than himself, for compensation or profit, act or offer or undertake to act, directly or indirectly, in the making of any adjustment or settlement of loss or damage under any contract of insurance covering property situate in the Province without first having applied for and obtained an insurance adjuster's licence under this Act.

Prohibition
of unlicensed
insurance adjusters.

8. Every applicant for an insurance adjuster's licence shall deliver to the Superintendent an application in the form and verified in the manner required by the Superintendent, subject to the regulations, setting out the applicant's name, residential and business addresses, occupation for last twelve months, present occupation, time to be devoted to the business of insurance adjustment, classes of insurance adjustment to be undertaken, previous experience in the business of insurance adjustment, names of insurers (if any) previously represented, and such other information as to the applicant's qualifications and knowledge of the business of insurance adjustment as may be required by the regulations or by the Superintendent.

Application
for insurance
adjuster's licence.

9. Upon receipt of the application and payment of the prescribed fee, and upon the Superintendent being satisfied that the applicant, if an individual, or, if a partnership or corporation, that the members of the partnership or officers of the corporation to whom the licence is to extend appear from the information contained in or accompanying the application to be suitable persons to carry on the business of insurance adjusters, and that the applicant intends to or does hold himself out and carry on business in good faith as an insurance adjuster, the Superintendent may issue to the applicant a licence in the prescribed form authorizing the applicant to act as an insurance adjuster in accordance with the terms of the licence and the provisions of this Act.

Issuance of
licence.

10. Where an insurer or a group of insurers employs an adjuster who resides outside the Province and is not licensed under this Act to adjust or settle a particular loss in which the insurer or group of insurers is interested, and the insurer or some member of the group of insurers applies to the Superintendent in the form required by the Superintendent, subject to the regulations, and pays the fee for an insurance adjuster's licence, the Superintendent may, notwithstanding any provision of this Act, issue a temporary licence for a period not exceeding fourteen days authorizing the adjuster to adjust or settle that loss, but the adjuster shall forthwith apply for an insurance adjuster's licence under this Act.

Temporary licences.

General Provisions.

Licences additional
to licences otherwise
required.

11. The licences required by this Act shall be in addition to all licences required by or under any other Act of the Legislature.

Licence to state
class of business.

12. (1.) Every licence shall state the class or classes of insurance business or insurance adjustment in respect of which the licensee is thereby authorized to act as an insurance agent or insurance adjuster.

Amendment of
licence.

(2.) Upon cause shown to his satisfaction, the Superintendent may amend a licence by extending or restricting the classes of insurance business or insurance adjustment in respect of which the licensee may act as an insurance agent or insurance adjuster.

Partnership and
corporation licences
limited to persons
named in licence.

13. (1.) Where the holder of a licence under this Act is a partnership or corporation, the rights and privileges to which the licensee, if an individual, would be entitled by virtue of the licence shall extend to such members of the partnership and to such officers of the corporation as are named in the licence, and to them only.

(2.) Upon cause shown to his satisfaction, the Superintendent may suspend or revoke any licence issued to a partnership or corporation as to any member or officer named therein, and may amend the licence by deleting therefrom or adding thereto the name of any member of the partnership or officer of the corporation.

Licence unrestricted
as to number of
insurers
represented.

14. The holder of an insurance agent's or insurance adjuster's licence may, during the continuance of his licence, act as agent or adjuster respectively for any number of insurers licensed to carry on in the Province the class of insurance business covered by the licence.

Expiration of
licence.

15. Every licence issued under this Act shall expire at midnight on the thirty-first day of December in the year in respect of which the licence is issued.

Publication of list
of licensees.

16. The Superintendent shall prepare and publish annually in the Gazette, and in convenient form for distribution, a list of all insurance agents and insurance adjusters licensed under this Act. Every list so published or distributed shall distinguish the names of those insurance agents who are shown by the files in the office of the Superintendent to be authorized agents of insurers, and shall show under separate headings the names of all insurance agents and insurance adjusters whose licences are under suspension at the time of the preparation of the list, and of those whose licences have been revoked at any time within one year prior to the preparation of the list.

Returns to
Superintendent
by insurers.

17. Every insurer licensed to carry on business in the Province shall make a return to the Superintendent in such form and at such

times as he may require, showing all persons, partnerships, and corporations duly authorized as the agents of the insurer in the Province, and of all persons, partnerships, or corporations to whom the insurer has, within such period as the form of return may require, paid or allowed, or agreed to pay or allow, directly or indirectly, compensation for obtaining or negotiating insurance on lives or property in the Province, or negotiating the continuance or renewal thereof, or collecting premiums in respect thereof, or for attempting to do so.

Licence Fees.

18. (1.) The fees payable under this Act shall be as follows:— Fees.

(a.) For an insurance agent's licence where the licensee represents an insurer:—

(i.) In the case of life insurance, where the city in which the licensee carries on business has a population of more than five thousand, three dollars, and in any other part of the Province, one dollar:

(ii.) In any other case, where the city in which the licensee carries on business has a population of not less than twenty-five thousand, fifteen dollars; or less than twenty-five thousand and not less than five thousand, five dollars; or less than five thousand, two dollars and fifty cents:

(b.) Where the licensee is a partnership or corporation, and the licence is to extend to more than one member of the partnership or officer of the corporation, an additional fee in respect of each member or officer, over the number of one, to whom the licence is to extend, of two dollars:

(c.) For an insurance agent's licence, where the licensee is licensed as the bona fide employee of a licensed insurance agent, two dollars:

(d.) For an insurance adjuster's licence, fifteen dollars:

(e.) For amendment or reinstatement of any licence, one dollar.

Reductions in
licence fees for
part of year.

(2.) The fee payable in respect of any licence shall be an annual fee, and where the application for a licence for any year is made on or after the first day of July in that year, one-half of the annual fee only shall be payable.

Prohibitions and Penalties.

19. No insurer, and no officer, agent, or employee of an insurer, shall receive or accept any application for a contract of insurance from any person other than the applicant for insurance, or from or through a duly authorized agent of the insurer, or a bona-fide employee of a duly authorized agent of the insurer, who in either case is the holder of a subsisting insurance agent's licence under this Act; and every insurer or other person who violates any provision of this section shall be guilty of an offence against this Act.

Acceptance of
application for
insurance from
person other than
applicant or
licensed agent
prohibited.

Payment of
commissions to
person other than
licensed agent
prohibited.

20. (1.) No insurer, no officer, agent, or employee of an insurer, and no insurance agent licensed under this Act shall, directly or indirectly, pay or allow, or offer or agree to pay or allow, any commission or other compensation or anything of value to any person for acting or attempting or assuming to act as an insurance agent in respect of insurance on life or property in the Province, unless that person holds at the time a subsisting insurance agent's licence under this Act; and every insurer or other person who violates any provision of this section, or who knowingly receives any commission, compensation, or thing of value paid or allowed in violation of this section, shall be guilty of an offence against this Act.

Exception.

(2.) The payment or allowance by an insurance agent licensed under this Act of part of his commission to an insurance-broker carrying on business without the Province, and having no office, agent, or representative within the Province, other than such agent, through which broker such agent receives the business in respect of which the commission is earned, shall not be deemed a violation of this section.

Rebating of
premiums
prohibited.

21. (1.) No insurer, no officer, agent, or employee of an insurer, and no insurance agent licensed under this Act shall, directly or indirectly, pay or allow, or offer or agree to pay or allow, any rebate of premium or part thereof, or other consideration or thing of value intended to be in the nature of a rebate of premium, to any person insured or applying for insurance in respect of life or property in the Province; and every insurer or other person who violates any provision of this section, or who knowingly receives any rebate of premium or other consideration paid or allowed in violation of this section, shall be guilty of an offence against this Act.

Dividends, etc., not
affected.

(2.) Nothing in this section shall be construed to affect any payment by way of dividend, bonus, or profit which is provided for under the policy evidencing a contract of insurance.

Exception as
to licensed
insurance agents.

(3.) Nothing in this section shall be construed as prohibiting any insurance agent licensed under this Act from negotiating for or procuring insurance upon his own life or property, and receiving for his own use the regular agent's commission thereon, if, while being so licensed, he has first negotiated or placed in good faith insurance upon other lives or property the premiums for which, in the aggregate, are not less than the aggregate of the premiums for the insurance so negotiated or procured upon his own life or property.

Disqualification
of persons where
licence is cancelled.

22. Where the licence held by any person under this Act has been cancelled, or, if held by a partnership or corporation, has been revoked as to any person named therein, and where the cancellation or revocation has not been set aside on appeal, that person shall not be entitled to make application for any licence under this Act during the period of one year from the date of the cancellation or revocation of the licence.

23. Every person who in violation of any provision of this Act:— Penalties.

- (a.) Acts as an insurance agent without being the holder of a subsisting licence therefor issued under this Act, and without being a member of a partnership or an officer of a corporation licensed therefor to whom the licence extends under the provisions of this Act, or being the holder of a subsisting licence acts as an insurance agent in a manner or to an extent not authorized by the licence; or
- (b.) Acts as an insurance adjuster without being the holder of a subsisting licence therefor issued under this Act, and without being a member of a partnership or an officer of a corporation licensed therefor to whom the licence extends under the provisions of this Act, or, being the holder of a subsisting licence, acts as an insurance adjuster in a manner or to an extent not authorized by the licence; or
- (c.) Makes in any application for a licence under this Act any false statement; or
- (d.) Makes application for a licence under this Act in violation of section 22, or during the period of the suspension of any licence under which he would otherwise be entitled to act; or who is otherwise declared to be guilty of an offence against this Act, shall be liable, on summary conviction, to a penalty of not less than fifty dollars and not more than five hundred dollars.

Suspension and Cancellation of Licences.

24. Where any person claims to have been damaged or injured by wrongful or dishonest dealing on the part of any licensed insurance agent or insurance adjuster, or claims to have knowledge or information of wrongful or dishonest dealing on the part of any licensed insurance agent or insurance adjuster, or of the violation on the part of the licensed insurance agent or insurance adjuster of this Act or any law in force in the Province relating to insurance, he may make and file with the Superintendent a complaint in writing, in duplicate, setting forth the facts with regard thereto and verified by his statutory declaration. Complaints of wrongful or dishonest dealing.

25. Upon the filing of the complaint, the Superintendent shall, if he believes the complaint to be bona fide, fix a time and place for the hearing of the complaint, and notify the licensee in writing of the filing of the complaint and of the time and place fixed for the hearing, at which hearing the complainant and the licensee may appear in person or by counsel. A copy of the complaint shall be attached to the notice, and the notice shall be served on the licensee not less than fifteen days before the date fixed for the hearing. Notice of hearing.

26. The Superintendent shall preside at the hearing, and shall have the like powers as the Supreme Court for compelling the attendance of witnesses and of examining them under oath, and Hearing.

compelling the production and inspection of books, papers, documents, and things. The Superintendent, in his discretion, may accept and act on evidence by affidavit or statutory declaration, and may adjourn the hearing from time to time.

Decision and order. **27.** (1.) Upon the hearing, the Superintendent shall consider the whole matter, and if he decides that the licensee has not been guilty of wrongful or dishonest dealing or of the violation of this Act or any law in force in the Province relating to insurance, he shall make an order dismissing the complaint; but if the Superintendent decides that the licensee has been guilty of wrongful or dishonest dealing or of the violation of this Act or any law in force in the Province relating to insurance, he may make an order suspending, cancelling, or revoking the licence of the licensee. The Superintendent shall in every order state the reasons on which his decision is based, and shall file the order in his office, and shall forthwith serve a copy thereof on the licensee, on the insurer represented by or agent employing the licensee, and on the complainant by mailing it, postage prepaid and registered, to their respective addresses as shown by the files in his office.

Costs. (2.) The costs incurred on or in respect of any hearing shall be in the discretion of the Superintendent, and he may order by and to whom and in what amount they shall be paid. The person to whom costs are awarded under this section may recover them by action in any Court of competent jurisdiction.

Power of Superintendent to act of his own motion. **28.** The Superintendent may, of his own motion, inquire into, hear, and determine any matter or thing which under this Act he may inquire into, hear, or determine upon complaint, and with respect thereto the Superintendent shall have the same powers as upon complaint are vested in him by this Act.

Appeals from Superintendent's Decisions.

Appeal to County Court. **29.** If any applicant for a licence, complainant, or licensee thinks himself aggrieved by the decision of the Superintendent refusing, amending, suspending, revoking, or cancelling a licence, or dismissing a complaint, he may appeal to the County Court having jurisdiction in the place where the licensee resides, or the cause of the complaint arose, by giving to the Superintendent notice in writing of his intention to appeal, and by filing a copy of the notice with the Registrar of the Court appealed to, together with a bond or other security in the sum of fifty dollars to the satisfaction of the Registrar as security for the payment of such costs as are awarded by the Court. The notice and security shall be given and filed within fifteen days after the date of the decision appealed from, or within such further time as the Superintendent may order.

Procedure on appeal. **30.** Upon the giving and filing of the notice of appeal and the security, the Superintendent shall certify the reasons on which his

decision is based to the County Court appealed to, whereupon the Judge of that Court shall hear and determine the matter of the appeal, and shall be the absolute judge, as well of the facts as of the law, and shall make such order therein, with or without costs to either party, including costs on or in respect of the hearing before the Superintendent, as seems meet to the Judge, and his decision shall be final and not subject to any appeal.

Regulations.

31. For the purpose of carrying out the provisions of this Act according to their true intent, or supplying any deficiency therein, the Lieutenant-Governor in Council may make such regulations not inconsistent with the spirit of this Act as may be deemed necessary or advisable.

Commencement.

32. This Act shall come into operation on the first day of January, 1923.

VICTORIA, B.C. :

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