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May 31, 2010

The Honourable Colin Hansen  
Minister of Finance  
PO Box 9417 Stn Prov Govt  
Victoria, British Columbia  
V8W 9V1

Dear Minister:

**Re: Proposed Regulations pursuant to the Insurance Amendment Act, 2009**

Advocis, The Financial Advisors Association of Canada, would like to provide you with further information regarding the regulation of incidental insurance products in other provinces in Canada.

Saskatchewan has recently enacted regulations to regulate the sale of “incidental” insurance products (“ISI”), insurance products that are sold incidental to another product (*The Saskatchewan Insurance Amendment Regulations, 2010*) (copy enclosed). The new regulations require that specific business entities obtain a license in order to sell incidental insurance and also requires certain disclosures to consumers.

The new Saskatchewan regulations are based on Alberta’s restricted licensing model that was implemented back in 2001. The Insurance Council of Manitoba also launched a consultation on the level of regulation of intermediaries involved in the sale of ISI and has indicated its intent to regulate in this area.

Advocis urges the British Columbia government to address the consumer regulatory gap in your province and enact a regulatory regime for the sale of incidental insurance products so that consumers are adequately protected when they buy incidental insurance products.

Advocis urges British Columbia, as a first step, to harmonize with Alberta and Saskatchewan by introducing a restricted licensing regime for sellers of incidental insurance. Please refer to our previous submissions to you in relation to the *Insurance Amendment Act, 2009*, which are dated April 16, 2010 and October 2, 2009 for Advocis’s recommendations.

The government of British Columbia has the opportunity to address this regulatory gap now as regulations are currently being drafted pursuant to the *Insurance Amendment Act, 2009*.

We also believe that harmonizing with Alberta and Saskatchewan by introducing a regulatory regime for ISI would be in furtherance of the objectives and purposes of the Alberta-British Columbia Trade, Investment, and Labour Mobility Agreement (TILMA) and the New West Partnership Agreement between Alberta, British Columbia and Saskatchewan.

We would be pleased to meet with you to discuss our recommendations in more detail should you wish to do so.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'G. Pollock', with a long horizontal line extending to the right.

Greg Pollock  
President and CEO

A handwritten signature in black ink, appearing to be 'Terry Zavitz', written in a cursive style.

Terry Zavitz, CFP, CLU, RHU, GBA, EPC  
Chair, National Board of Directors

cc: Encl.