



Insurance Brokers Association of BC

FOR IMMEDIATE RELEASE

New Insurance Act introduced

VANCOUVER – October 6, 2009 – IBABC members are pleased that Bill 6, the *Insurance Amendment Act*, passed Third Reading on Oct. 6. The statute updates the *Insurance Act*, which affects most types of insurance policies available to British Columbians (auto insurance is covered under other statutes).

“The new act better reflects modern multi-peril insurance policies available to consumers today,” said IBABC President Lorne Perry, CAIB. “The old *Insurance Act*, which originated in the 1920s, dealt with fire separately from other perils. As insurance policies evolved to cover more risks, the courts found these parts of the act increasingly at odds with each other.”

“The proposed amendments will improve coverage for consumers, ensure better access to documents, and enhance dispute-resolution mechanisms,” said Finance Minister Colin Hansen when introducing Bill 6.

Insurance companies will be required to put in place internal complaint resolution procedures and offer consumers access to ombudsman-type services if disputes cannot be resolved internally. The limitation period in which consumers can make legal claims against insurance companies will be increased to two years from one.

The language of the *Insurance Act* has also been strengthened to ensure that fire coverage includes fires resulting from any cause, except those that are specifically excluded by regulation. In addition to improved protection, this change will provide consumers with more consistency across insurers. The amendments will also protect an “innocent co-insured” who may otherwise be denied coverage due to the wrongdoing of another person. Further amendments respond to insurance industry needs by reducing red tape and improving efficiency by removing unnecessary requirements and clarifying the legislation.

Bill 5, the *Finance Statutes Amendment Act*, amends the other major statute for the insurance industry, the *Financial Institutions Act*, to make insurance company licensing

requirements consistent with the Trade, Investment, and Labour Mobility Agreement (TILMA) between B.C. and Alberta.

[Bill 6, Insurance Amendment Act](#)

[Bill 5, Finance Statutes Amendment Act](#)

For information on the above: Trudy Lancelyn, IBABC, 604-606-8008.

About IBABC

The Insurance Brokers Association of B.C. serves as the voice of the general insurance brokerage industry and promotes its members as the premier distributors of insurance products and services in British Columbia. IBABC is the primary provider of pre-licensing and continuing professional education for the general insurance brokers in B.C. IBABC represents the interests of the public and its member brokers to government and to industry stakeholders.

IBABC member offices are the consumer's choice for the vast majority of all property and casualty insurance policies and premiums written in the province. Consumer satisfaction with their insurance brokers is high. In survey after survey, consumers report that they value their brokers' knowledge, professional advice, unbiased review of their needs and coverage options, and service and advocacy in the event of a claim. IBABC member brokerages have an average of 13 staff members and therefore fit within the small to medium-sized enterprise (SME) category.

Contact Information

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“Your Best Insurance is an Insurance Broker”