



*Financial Institutions Act*

**CLASSES OF INSURANCE REGULATION**

**B.C. Reg. 204/2011**

Deposited December 2, 2011 and effective July 1, 2012

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**Consolidated Regulations of British Columbia**

*This is an unofficial consolidation.*

B.C. Reg. 204/2011 (O.C. 587/2011), deposited December 2, 2011 and effective July 1, 2012, is made under the *Financial Institutions Act*, R.S.B.C. 1996, c. 141, s. 289.

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This consolidation includes any amendments deposited and in force as of the currency date at the bottom of each page. See the end of this regulation for any amendments deposited but not in force as of the currency date. Any amendments deposited after the currency date are listed in the B.C. Regulations Bulletins. All amendments to this regulation are listed in the *Index of B.C. Regulations*. Regulations Bulletins and the Index are available online at [www.bclaws.ca](http://www.bclaws.ca).

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**Definitions**

**1** (1) In this regulation:

**“accident and sickness insurance”** means insurance

- (a) against loss resulting from bodily injury to, or the death of, a person caused by an accident,
- (b) under which an insurer undertakes to pay a sum or sums of insurance money in the event of bodily injury to, or the death of, a person caused by an accident,
- (c) against loss resulting from the sickness or disability of a person not caused by an accident, but does not include insurance for losses resulting from the death of a person caused by sickness,
- (d) under which an insurer undertakes to pay a sum or sums of insurance money in the event of the sickness or disability of a person not caused by an accident, or
- (e) under which an insurer undertakes to pay a sum of insurance money in respect of the health care, including dental care and preventative care, of a person;

**“aircraft insurance”** means insurance against

- (a) liability arising out of bodily injury to, or the death of, a person, or the loss of, or damage to, property, caused by an aircraft or the use of an aircraft, or
- (b) the loss of, the loss of use of, or damage to, an aircraft;

**“automobile insurance”** means insurance

- (a) against liability arising out of bodily injury to, or the death of, a person, or the loss of, or damage to, property, caused by an automobile or the use or operation of an automobile,
- (b) against the loss of, the loss of use of, or damage to, an automobile, or
- (c) that falls within paragraph (a) or (b) of the definition of “accident and sickness insurance”, if
  - (i) the accident is caused by an automobile or the use or operation of an automobile, whether or not liability exists in respect of the accident, and

- (ii) the policy includes insurance against liability arising out of bodily injury to, or the death of, a person caused by an automobile or the use or operation of an automobile;

**“boiler and machinery insurance”** means insurance against liability arising out of bodily injury to, or the death of, a person, or the loss of, or damage to, property, or against the loss of, or damage to, property, caused by

- (a) the explosion or rupture of, or accident to, pressure vessels of any kind or pipes, engines and machinery connected to or operated by those pressure vessels, or
- (b) a breakdown of machinery;

**“credit insurance”** means insurance against loss to a creditor if the loss is the result of the insolvency or default of the creditor’s debtor;

**“credit protection insurance”** means insurance under which an insurer undertakes to pay off credit balances or debts of an individual, in whole or in part, in the event of an impairment or potential impairment in the individual’s income or ability to earn an income;

**“fidelity insurance”** means insurance

- (a) against loss caused by theft, the abuse of trust or the unfaithful performance of duties, by a person in a position of trust, and
- (b) under which an insurer undertakes to guarantee the proper fulfillment of the duties of an office;

**“hail insurance”** means insurance against the loss of, or damage to, crops in the field caused by hail;

**“home warranty insurance”** means insurance covering defects in the construction of a new home or renovation, and consequential losses or costs incurred by the owner;

**“legal expenses insurance”** means insurance against costs incurred for legal services specified in the policy, including any retainer and fees incurred for the services, and other costs incurred in respect of the provision of the services;

**“liability insurance”** means insurance, other than insurance that falls within another class of insurance,

- (a) against liability arising out of bodily injury to, or the disability or death of, a person, including an employee,
- (b) against liability arising out of the loss of, or damage to, property, or
- (c) if the policy includes the insurance described in paragraph (a), against expenses arising out of bodily injury to a person other than the insured or a member of the insured’s family, whether or not liability exists;

**“life insurance”** means insurance that is payable

- (a) on the death of the person whose life is insured,
- (b) on the happening of an event or contingency dependent on human life,

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- (c) at a fixed or determinable future time, or
  - (d) for a term dependent on human life,
- including, without limiting paragraphs (a) to (d), insurance under which the insurer
- (e) undertakes to pay an additional sum of insurance money in the event of the death by accident of the person whose life is insured,
  - (f) undertakes to pay a sum of insurance money or to provide other benefits in the event that the person whose life is insured becomes disabled as a result of bodily injury or disease, or
  - (g) undertakes to provide an annuity, or what would be an annuity except that the periodic payments may be unequal in amount, for a term dependent solely or partly on a human life;

**“marine insurance”** means insurance against

- (a) liability arising out of
  - (i) bodily injury to, or the death of, a person, or
  - (ii) the loss of, or damage to, property, or
- (b) the loss of, or damage, to property,

occurring during a voyage or marine adventure, at sea or on an inland waterway, or during a delay or a transit, other than by water, that is incidental to a voyage or marine adventure, at sea or on an inland waterway;

**“mortgage insurance”** means insurance against loss caused by default on the part of a borrower under a loan secured by a mortgage or charge on, or other security interest in, real property;

**“other approved products insurance”** means all types of insurance not otherwise included in another class of insurance;

**“product warranty insurance”** means insurance, not being insurance included in or incidental to any other class of insurance, under which the insurer undertakes, in the event of loss of, or damage to, personal property, other than a motor vehicle, to pay, for a specified period after it is purchased, the cost of repairing or replacing the personal property;

**“property insurance”** means insurance against the loss of, or damage to, property, and includes insurance against loss caused by forgery;

**“surety insurance”** means insurance under which an insurer undertakes

- (a) to guarantee the due performance of a contract or undertaking, or
- (b) to pay a penalty or indemnity for any default in the performance of a contract or undertaking;

**“title insurance”** means insurance against loss or damage caused by

- (a) the existence of a mortgage, charge, lien, encumbrance, servitude or any other restriction on real property,

- (b) the existence of a mortgage, charge, lien, pledge, encumbrance or any other restriction on personal property,
- (c) a defect in any document that evidences the creation of any restriction referred to in paragraph (a) or (b),
- (d) a defect in the title to real or personal property, or
- (e) any other matter affecting the title to real or personal property or affecting the right to the use and enjoyment of real or personal property;

**“vehicle warranty insurance”** means insurance, not being insurance included in or incidental to automobile insurance, under which the insurer undertakes, in the event of loss of, or damage to, a motor vehicle arising from mechanical failure, to pay, for a specified period after the motor vehicle is purchased,

- (a) the cost of repairing or replacing the motor vehicle,
- (b) towing fees,
- (c) the cost of renting a substitute motor vehicle, or
- (d) the cost of accommodation required because of the mechanical failure.

- (2) For the purposes of the “other approved products insurance” class of insurance, the superintendent may specify in the business authorization of a particular insurer the types of insurance business the insurer may carry on within that class.

[am. B.C. Regs. 219/2019; 208/2021, App. 5, s. 1.]

### Classes of insurance

- 2 The following classes of insurance are established for the purposes of the *Financial Institutions Act*, except section 174 (2) (b):

- (a) accident and sickness insurance;
- (b) aircraft insurance;
- (c) automobile insurance;
- (d) boiler and machinery insurance;
- (e) credit insurance;
- (f) credit protection insurance;
- (g) fidelity insurance;
- (h) hail insurance;
- (i) home warranty insurance;
- (j) legal expenses insurance;
- (k) liability insurance;
- (l) life insurance;
- (m) marine insurance;
- (n) mortgage insurance;
- (o) other approved products insurance;
- (p) product warranty insurance;

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- (q) property insurance;
  - (r) surety insurance;
  - (s) title insurance;
  - (t) vehicle warranty insurance.

**Transition**

- 3** Despite the repeal of
- (a) the definition of “life insurance” in section 1 of the *Financial Institutions Act*, and
  - (b) the Insurance Classes Regulation, B.C. Reg. 337/90,
- that definition and the classes of insurance as defined in the Insurance Classes Regulation continue to apply in respect of a business authorization described in section 59 (4) of the *Financial Institutions Act* until January 1, 2013.