

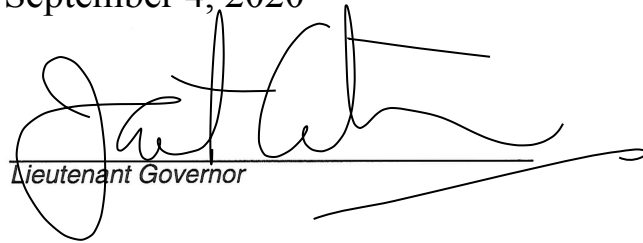
PROVINCE OF BRITISH COLUMBIA

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 499

, Approved and Ordered

September 4, 2020



Lieutenant Governor

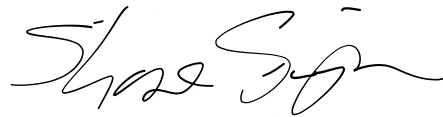
Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that

- (a) sections 14 and 15 of the *Municipal Affairs and Housing Statutes Amendment Act (No. 2), 2020*, S.B.C. 2020, c. 16, are brought into force, and
- (b) effective November 1, 2020,
 - (i) the Marketing of Financial Products Regulation, B.C. Reg. 573/2004, is amended as set out in the attached Appendix 1,
 - (ii) the Administrative Penalties Regulation, B.C. Reg. 22/2013, is amended as set out in the attached Appendix 2,
 - (iii) the Contravention of Prescribed Provisions Regulation, B.C. Reg. 566/2004, is amended as set out in the attached Appendix 3, and
 - (iv) the Prescribed Offences Regulation, B.C. Reg. 576/2004, is amended as set out in the attached Appendix 4.



Minister of Finance and Deputy Premier



Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Municipal Affairs and Housing Statutes Amendment Act (No.2), 2020*, S.B.C. 2020, c. 16, s. 17;
Financial Institutions Act, R.S.B.C. 1996, c. 141, s. 289

Other: O.C. 1235/2004; O.C. 20/2013; O.C. 1227/2004; O.C. 1238/2004

R10404843

APPENDIX 1

- 1 *The title of the Marketing of Financial Products Regulation, B.C. Reg. 573/2004, is repealed and the following substituted:*

FINANCIAL PRODUCTS DISCLOSURE REGULATION .

- 2 *Section 1 is amended by adding the following definitions:*

“insurance company” includes

- (a) an extraprovincial insurance corporation, and
- (b) a mutual fire insurance company as defined in section 188 of the Act;

“strata corporation” has the same meaning as in the *Strata Property Act*;

“strata insurance contract” means a contract of insurance with a strata corporation in respect of a matter referred to in section 149 or 150 of the *Strata Property Act*.

- 3 *Section 3 (1) is amended by striking out “and” at the end of paragraph (b), by adding “and” at the end of paragraph (c) and by adding the following paragraph:*

- (d) in the case of a strata insurance contract in respect of which a commission or compensation is to be paid,
 - (i) if the amount of the commission or compensation is known, the amount of the commission or compensation, and
 - (ii) in any other case,
 - (A) the method by which the commission or compensation is to be determined, and
 - (B) a reasonable estimate of the commission or compensation.

- 4 *The following sections are added:*

Disclosure to strata corporation of material change in strata insurance contract

- 3.1 (1) Subsection (2) applies to an insurance agent through whom a strata insurance contract was placed if, not less than 45 days before the expiry of the strata insurance contract, the insurance company provides the following information, as applicable, to the insurance agent:
- (a) the insurance company’s intention to not renew the strata insurance contract;
 - (b) the insurance company’s intention to propose to renew the strata insurance contract on different terms and conditions and,
 - (i) subject subparagraph (ii), the proposed new terms and conditions, and
 - (ii) if a proposed new term or condition has not been finalized, the reason the term or condition has not been finalized and an estimate of when the term or condition will be finalized and disclosed to the strata corporation.

- (2) Subject to subsection (3), an insurance agent to whom this subsection applies must, not less than 30 days before the expiry of the strata insurance contract, disclose the information described subsection (1) (a) or (b), as applicable, to the strata corporation in accordance with section 3.3.
- (3) Subsection (2) does not apply to an insurance agent in respect of information described in subsection (1) (a) if the insurance agent, not less than 30 days before the expiry of the strata insurance contract, places with another insurance company a replacement strata insurance contract containing substantially similar terms and conditions as the expiring strata insurance contract.
- (4) Subsection (5) applies to an insurance company if
 - (a) 30 days before the expiry of a strata insurance contract, either of the following apply:
 - (i) the insurance company intends to not renew the strata insurance contract;
 - (ii) the insurance company intends to propose to renew the strata insurance contract on terms and conditions that are materially different than the existing terms and conditions, including any increase in an insurance premium or deductible, and
 - (b) the insurance company did not, within the period described in subsection (1), provide the information described in subsection (1) (a) or (b), as applicable, to the insurance agent through whom the strata insurance contract was placed.
- (5) Without limiting section 3, an insurance company to whom this subsection applies must, not less than 30 days before the expiry of the strata insurance contract, disclose the information described in subsection (1) (a) or (b), as applicable, to the strata corporation in accordance with section 3.3.

**Disclosure of commission if
material change in strata insurance contract**

- 3.2** (1) This section applies to an insurance agent through whom a strata insurance contract was placed if
- (a) the insurance company, within the period described in section 3.1 (1), provides the information described in section 3.1 (1) (b) to the insurance agent, and
 - (b) a commission or compensation is to be paid by the insurance company to the insurance agent.
- (2) Without limiting section 3 (1) (d), an insurance agent to whom this section applies must, not less than 30 days before the expiry of the strata insurance contract, disclose the following information to the strata corporation in accordance with section 3.3:
- (a) if the amount of the commission or compensation is known, the amount of the commission or compensation;
 - (b) in any other case,

- (i) the method by which the commission or compensation is to be determined, and
- (ii) a reasonable estimate of the commission or compensation.

Method of disclosure to strata corporation under section 3.1 or 3.2

- 3.3** Despite any provision of the Act, if information must be disclosed to a strata corporation under section 3.1 or 3.2 of this regulation, a document containing the information must be given to the strata corporation in accordance with section 63 or 64 of the *Strata Property Act*.

APPENDIX 2

1 *The Schedule to the Administrative Penalties Regulation, B.C. Reg. 22/2013, is amended*

- (a) *in items 120, 121 and 122 in Column 2 by striking out “Marketing of Financial Products Regulation” and substituting “Financial Products Disclosure Regulation”, and*

- (b) *by adding the following item as indicated:*

Column 1 Item	Column 2 Prescribed provision of Act or regulation	Column 3 Monetary Penalty	
		Corporation	Individual
121.1	Section 3.1 (5) of the Financial Products Disclosure Regulation, B.C. Reg. 573/2004	\$50 000	

APPENDIX 3

1 *Section 2 of the Contravention of Prescribed Provisions Regulation, B.C. Reg. 566/2004, is amended by striking out “and 4 of the Marketing of Financial Products Regulation” and substituting “, 3.1, 3.2 and 4 of the Financial Products Disclosure Regulation”.*

APPENDIX 4

1 *Section 2 of the Prescribed Offences Regulation, B.C. Reg. 576/2004, is repealed and the following substituted:*

Prescribed offences

- 2** For the purposes of sections 252 (2) (b.1) and 253 (2) of the Act, sections 2, 3, 3.1, 3.2 and 4 of the Financial Products Disclosure Regulation are prescribed provisions of the regulations.