



REQUEST FOR COMMENTS

Notice and Request for Comment – Publishing for comments proposed Financial and Consumer Services Commission Rule INS-001 *Fees* in relation to the *Insurance Act*.

Introduction

On 29 September 2014, the Financial and Consumer Services Commission (Commission) approved the publication in order to obtain comments on the proposed Rule INS-001 *Fees*.

Summary of Rule INS-001 *Fees*

The Commission has recently undertaken a review of the regulations it administers. As part of this review, the Commission proposes to transfer the fees from various regulations under the *Insurance Act* to a Rule adopted by the Commission. While performing this review, the Commission is also proposing changes to the fees as well as to the licensing application process.

The proposed Rule provides a standardized application process which makes the fee payable at the time of the application for a licence or a renewal of a licence. The proposed Rule provides that the fees submitted with the application form are non-refundable regardless of whether the licence is issued, denied or the application abandoned. However, a new provision provides the Superintendent the discretion to reimburse the application fees under certain circumstances.

In addition, the proposed changes stipulate that an application for renewal of a licence must be filed with the Superintendent at least 1 month before the expiry of the licence and that failure to file the application for renewal in the prescribed timeline will attract the imposition of a late application fee.

The purpose of many of the proposed changes is to improve the application process and shorten the turnaround time on applications.

A recent fee review indicated that the current licence fees have not been increased since the 1980s and no longer correspond with the fees in effect in other jurisdictions. Accordingly, it is proposed in Rule INS-001 *Fees* to increase the application fees for the various licences issued under the *Insurance Act* as follows:

Licence

Proposed Fee

Agents and Brokers :

| | |
|---------------------------|-------|
| Life insurance licence | \$150 |
| Life and accident licence | \$150 |

| | |
|---|-------|
| Life and accident and sickness licence | \$150 |
| Licence expressly limited to accident and sickness insurance | \$150 |
| Other-than-life licence | \$150 |
| Licence for special insurance brokers carrying on business with unlicensed insurers | \$200 |
| Licence to sell travel insurance | \$70 |

Adjusters:

| | |
|---|-------|
| Level 1 – probationary adjuster’s licence | \$150 |
| Level 2 – assistant adjuster’s licence | \$150 |
| Level 3 – adjuster’s licence | |
| with 1 specialization | \$150 |
| with 2 specializations | \$175 |
| with 3 specializations | \$200 |
| with 4 specializations | \$225 |
| Level 4 – general adjuster’s licence | \$150 |

Damage appraiser: \$75

It is also proposed to increase the fees for reviving a suspended licence, transferring a licence to a new sponsor and transferring a licence to a new agency to \$150.

The proposed Rule also contains various administrative fees, which are all set at \$50.

Forms

It is also proposed to repeal all application and other administrative forms from the Regulations under the *Insurance Act*. Currently, all insurance forms are found on the FCNB website and will continue to be available on the FCNB website. The FCNB is working on developing an online licensing system, which would enable applicants to complete the whole application process online, including online applications and payments.

Request for Comment

The Commission welcomes your comments on the proposed Local Rule CA-AU-001 *Fees*.

How to Obtain a Copy and Provide your Comments

The text of the proposed Local Rule is included with this notice.

A paper copy of the proposed Rule may be obtained by writing, telephoning or emailing the Commission. Comments are to be provided, in writing, by no later than April 27, 2015, to:

Secretary
 Financial and Consumer Services Commission
 85 Charlotte Street, Suite 300
 Saint John, N.B. E2L 2J2

Telephone: 506-658-3060
Toll Free: 1-866-933-2222 (within N.B. only)
Fax: 506-658-3059
E-mail: information@fcnb.ca

A summary of the written comments received during the comment period may be published.

Questions

If you have any questions, please refer them to:

Angela Mazerolle
Superintendent of Insurance
Financial and Consumer Services Commission
Tel: 1-866-933-2222
Email: angela.mazerolle@fcnb.ca



FINANCIAL AND CONSUMER SERVICES COMMISSION

RULE INS-001

FEES

PART 1 DEFINITIONS

1. In this Rule

“Act” means the *Insurance Act*;

“Adjuster’s Regulation” means Regulation 2009-52 under the *Insurance Act*;

“Commission” means the Financial and Consumer Services Commission continued under the *Financial and Consumer Services Commission Act*;

“Licence and Examination Fees for Agents and Brokers Regulation” means Regulation 83-197 under the *Insurance Act*;

“Superintendent” means “Superintendent” as defined in the *Act*.

PART 2

FEES FOR THE APPLICATION FOR THE ISSUANCE OR RENEWAL OF A LICENCE

General Provisions

2. (1) An application for a licence or renewal of a licence must be accompanied by the fee set out in this Rule.
- (2) An application for the renewal of a licence must be filed with the Superintendent at least 1 month before the expiry date of the licence last issued to the applicant.
- (3) Subject to Part 3 of this Rule, the fees paid for the application for or renewal of a licence are non-refundable, regardless of whether the application is abandoned, issued, or denied by the Superintendent.

- (4) The fees referred to in this Rule are payable to the Commission.

Agents and Brokers

3. (1) The fees for an application for the issue or renewal of an agent's or broker's licence are:
- a) \$150 for an application for the issue or renewal of a licence for life insurance, or life and accident insurance, or life and accident and sickness insurance;
 - b) \$150 for an application for the issue or renewal of a licence expressly limited to accident and sickness insurance;
 - c) \$150 for an application for the issue or renewal of a licence for each class of insurance other than the classes referred to in subsections a) and b);
 - d) \$200 for an application for the issue or renewal of a licence for special insurance brokers carrying on business with unlicensed insurers;
 - e) \$150 for an application for the issue or renewal of a licence under subsection 352(20) of the *Act* authorizing a transportation company's ticket agents to act as agents for licensed insurers with respect to travel accident insurance, livestock insurance, or baggage insurance; and
 - f) \$70 for an application for the issue or renewal of a licence to sell travel insurance.
- (2) An agent's licence or broker's licence shall expire on the date which, of the following dates, is the closest to the anniversary of the date the licence was issued without exceeding one year:
- a) March 31;
 - b) June 30;
 - c) September 30; or
 - d) December 15.
- (3) For each renewal of a class II broker's licence, the licence shall expire on the anniversary of the date determined in subsection 3(2).
- (4) For the first two consecutive renewals of an agent's licence, or of a class I, III or IV broker's licence, the licence shall expire on the anniversary of the date determined in subsection 3(2).

- (5) For the third consecutive renewal and for subsequent consecutive renewals of an agent's licence, or of a class I, III or IV broker's licence, the licence shall expire 2 years after the date determined in subsection 3(2).
- (6) Despite subsection 3(5), where a condition has been imposed under section 367 of the *Act* on an agent's licence, or on a class I, III or IV broker's licence, the Superintendent may, at his or her sole and absolute discretion, decide that the licence expires on an annual basis as determined under subsection 3(2).
- (7) Consecutive renewals of a licence for the purposes of subsections 3(4) and 3(5) shall be calculated from the first renewal of the licence without a condition imposed under section 367 of the *Act*.
- (8) Subject to subsection 3(6), for the third consecutive renewal and for subsequent consecutive renewals of an agent's licence, or of a class I, III or IV broker's licence, a person applying for the renewal of a licence under subsection 3(5) shall pay for the application an amount equivalent to the annual fee for 2 years.
- (9) The fee for the revival of a licence suspended under subsection 352(6) of the *Act* is \$150.
- (10) The fee for the transfer of a licence to a new sponsor is \$150.
- (11) The fee for the transfer of a licence to a new agency is \$150.

Damage Appraisers

4. (1) The fee for an application for the issue or renewal of a licence to act as a damage appraiser is \$75.
- (2) Every licence to act as a damage appraiser expires on the thirtieth day of September in each year.

Adjusters

5. (1) The fees for an application for the issue or renewal of an adjuster's licence are:
 - a) \$150 for a level 1 – probationary adjuster's licence;
 - b) \$150 for a level 2 – assistant adjuster's licence;
 - c) \$150 for a level 3 – adjuster's licence with one specialization and \$25 for each additional type of adjusting in which the applicant specializes; and
 - d) \$150 for a level 4 – general adjuster's licence.
- (2) A level 1 licence expires on the anniversary date of the issue of the licence.
- (3) A level 2 licence expires on the anniversary date of the issue or of the renewal of the licence.

- (4) Subject to subsections 5(5) and 5(6), a level 3 or a level 4 licence is issued for two years and expires on May 31.
- (5) Despite subsection 5(4), the Superintendent may issue a level 3 or level 4 licence for one year for administrative reasons.
- (6) Despite subsection 5(4), where a condition has been imposed under section 367 of the *Act* on an adjuster's licence, the Superintendent may, at his or her sole and absolute discretion, decide that the licence expires on an annual basis.
- (7) Subject to subsections 5(5), 5(6) and 12(1), a person applying for a level 3 or level 4 adjuster's licence shall pay for the application an amount equivalent to the annual fee for 2 years.
- (8) A level 2, a level 3 or a level 4 adjuster's licence may be renewed if the licensee pays the fee prescribed in subsection 5(1) or 5(7) of this Rule and meets the requirements of the *Act* and the *Adjuster's Regulation*.

Non-residents of the Province of New Brunswick

- 6. The fee payable for an application for the issue or renewal of a licence by a non-resident of the Province of New Brunswick is the same as the fee payable by a resident of the Province of New Brunswick for the same type of application.

PART 3 DISCRETIONARY REFUND OF FEES

Refund of Fees

- 7. (1) Upon application of the person who made the application for a licence or renewal of a licence, the Superintendent may at his or her sole and absolute discretion grant a refund of the fee, or such part of the fee as the Superintendent considers fair and reasonable, where:
 - (a) an application for a licence or renewal of a licence is abandoned before work has begun to process the application,
 - (b) an application for a licence or renewal of a licence is filed in error, or
 - (c) where for reasons beyond the person's control, a person ceases to exercise the activities for which the licence is issued.
- (2) An agent, broker, or adjuster who was issued a two-year licence under subsection 3(5) or 5(4) of this Rule and who no longer holds the licence at the beginning of the second year may apply to the Superintendent, within 60 days of the conclusion of the first year, for a refund of half the amount paid under subsection 3(8) or 5(7) of this Rule. The Superintendent may at his or her sole and absolute discretion grant a refund.

**PART 4
ADMINISTRATIVE FEES**

General Fees

8. (1) The fee for a certificate of proof of a licence is \$50.
- (2) The fee for a copy of a licence is \$50.
- (3) The fee for the production of a certificate under subsection 9(1) of the Act is \$50.
- (4) The fee for a cheque or payment refused due to non-sufficient funds or credit is \$50.
- (5) The fee for making a change to a licence is \$50. This fee does not apply to those situations contemplated by subsections 3(10) and 3(11).

Late Application Fee

9. (1) Subject to sections 10 and 11 of this Rule, where an application for the renewal of a licence is filed after the deadline set out in subsection 2(2) of this Rule, the applicant shall pay the prescribed application fee for the renewal of the licence together with an additional fee of \$50 for each month or part thereof during which the filing of the application is in default.
- (2) Subsection 9(1) of this Rule applies to all types of licences set out in this Rule.

**PART 5
TRANSITIONAL PROVISIONS**

Coming into force of deadline for filing a renewal application

10. The requirements of subsection 2(2) of this Rule come into effect 3 months after this Rule comes into force.

Coming into force of the late application fee

11. Subsection 9(1) of this Rule does not apply until 3 months after this Rule comes into force.

Adjusters Licences

12. (1) Notwithstanding subsection 5(4) of this Rule, for three years after the coming into force of this Rule, and provided the applicant for a licence meets all other requirements in the Act and the *Adjuster's Regulation*, the Superintendent

may, at its sole and absolute discretion:

- (a) Issue 2-year licences to some of the level 3 and level 4 licensees; and
 - (b) Issue one-year licences to the remaining level 3 and level 4 licensees, which licensees will be eligible for 2-year licences the following year.
- (2) There will be no refund of fees for the period between the new expiry date established by this Rule for level 3 and level 4 adjusters licences and the former expiry date prescribed under the *Adjusters Regulation*.

PART 6
EFFECTIVE DATE

13. This Rule comes into force on [*insert date*].