

Implementation of Guaranteed Asset Protection (GAP)

Updated February 7, 2017

An amendment to [Regulation 389/87](#), Sections 23 and 25 include Guaranteed Asset Protection (GAP) Insurance as an additional class of insurance for which a Restricted Insurance Agent (RIA) licence may be issued. These changes permit the ICM to allow a specific entity to engage in the sale of GAP Insurance.

To qualify for the sale of GAP Insurance, the entity must be a registered entity outlined within Section 24(e) of [Regulation 389/87](#) as follows:

Persons and entities eligible for restricted licence

24 For the purpose of section 380.1 of the Act, the following persons and entities may apply for and hold a restricted insurance agent licence

(e) a person or entity that carries on the business of an automobile dealership, watercraft dealership, recreational vehicle dealership, farm implement dealership or construction equipment dealership;

In order to sell GAP insurance, a dealership must have a valid GAP licence. Even if a dealership already has a different RIA licence to sell other non-GAP products, a new licence is specifically required to sell GAP products.

For a dealership to apply for a GAP licence, the following must be submitted to the ICM office and a licence issued **prior** to engaging in the sale of GAP Insurance:

- A fully completed RIA licence [application form](#) (available on the ICM website) – the application must include sponsorship by an authorized appointee of the sponsoring Automobile or Property insurer that is registered with the Superintendent of Insurance Office;
- The full annual licence fee (*Fees vary depending on the number of employees who will conduct insurance business and are outlined in the application form.*) Payment must be made by cash, cheque or money order payable to the Insurance Council of Manitoba. *At this time, the ICM is unable to accept payment by debit or credit card;*
- Errors and omissions insurance (E&O) must be provided with the application **or** if there is an existing RIA licence, the Designated Official can update the E&O in the ICM's [online portal](#); **and**
- A new entity, **or** an existing entity which is amending its name, must provide Articles of Incorporation, and if applicable, Business Name Registration available through the Manitoba Companies Office. Existing entities using the same name(s) for the GAP licence need not submit these documents.

Please ensure all of the above are submitted to allow the processing of the RIA application, as delays in processing will occur if there are outstanding items.

Questions can be directed to the ICM's main licensing email address at contactus@icm.mb.ca.