



Restricted Insurance Agent (RIA) EDUCATIONAL NOTICE

Emailed March 3, 2022

As you are the Designated Official for your business's Restricted Insurance Agent (RIA) licence, you are receiving this **Educational Reminder Notice** from the Insurance Council of Manitoba (ICM). This Notice highlights your responsibilities as the Designated Official. The responsibilities for a Designated Official for RIA entities is outlined in Section 30 of [Regulation 389/87 R.](#)

As the Designated Official for the RIA entity, your responsibilities include that you **must**:

- have reasonable and demonstrable policies and procedures to ensure that anyone who solicits, negotiates or transacts insurance is knowledgeable, competent and suitable taking into account the class or type of insurance;
- ensure that anyone who solicits, negotiates or transacts insurance complies with the policies and procedures mentioned above;
- ensure that the person applying, when receiving an application for insurance, is:
 - informed that they are contracting with the insurer and not with the RIA;
 - provided with a summary of the terms of the insurance and circumstances under which it commences or terminates, and how to make a claim;
 - notified that upon approval of the application, a copy of the insurance coverage will be sent to the person;
- ensure that within 20 business days after a person's insurance coverage comes into force, the person is provided with documentation evidencing the insurance coverage;
- ensure that, if the RIA licence holder or a qualified entity acting for it receives direct or indirect compensation, or a direct or indirect inducement or benefit, from the insurer for soliciting, negotiating or transacting the insurance, that fact is disclosed to any person considering obtaining the insurance;
- ensure that they follow the provisions outlined in *The Insurance Act* of Manitoba and the Regulations; and
- ensure that a qualified entity that acts on behalf of an RIA abides by the information outlined in Section 31 of [Regulation 389/87 R.](#)

In addition to the above, the RIA's Designated Official (DO) must:

- **without delay**, notify the ICM in writing of any change in DO, and provide the ICM with a replacement DO;
- **without delay**, notify the ICM in writing if the DO is unable to discharge the responsibilities expected of the DO, and provide the ICM with a replacement DO;
- supervise any individual offering (selling) insurance products under the RIA licence;
- ensure compliance with *The Insurance Act* of Manitoba and its Regulations;
- ensure that errors and omissions (E&O) insurance is maintained for the full duration of the licence in accordance with the Regulations, and that this information be maintained and updated in the [online portal](#);
- report any material change to the ICM within 15 days (Council considers a material change to include **any** material fact which may influence Council to amend, or review a licensee's licence(s). Refer to the [Material Changes - When to Disclose them to the ICM](#) link on the ICM website); and
- ensure that the RIA licence holder or a qualified entity acting for it, does not represent or hold themselves out to the public in any other name than is stated on the licence, or during any unlicensed period.

Things that an RIA licence holder must **NOT** do are listed under Section 30(2) of [Regulation 389/87 R.](#) The requirements include: that an RIA must **not** make the provision/sale of the goods or services conditional on the consumer's purchase of insurance; must **not** allow anyone to sell on behalf of the RIA unless that person has been adequately trained; and must **not** permit an employee to tell a consumer that the consumer is required to purchase insurance, or is required to purchase insurance only through them.

Failure to abide by any of the ICM's requirements may result in the cancellation of the RIA licence and/or

disciplinary action of the RIA. Disciplinary actions may include fines or a review of the suitability of the RIA to hold a licence.

Further details on RIA licensing can be accessed on the ICM website under the [Restricted Insurance Agents - Incidental Sale of Insurance Information](#) page.

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