

FALL/WINTER UPDATE 2023



INSURANCE COUNCIL
OF MANITOBA

ICM REPORT

Life Insurance Agents Reminded of Obligations and Responsibilities to Clients in Sales with Upfront Commissions

Life insurance agents are reminded of the requirement to ensure the client is aware of the different commission structures available and that the agent recommends the policy that best suits the client's needs. Deferred Sales Charges (DSC) in individual variable insurance contracts were banned effective June 1, 2023, and multiple resources and guidance documents have been published to support agents in ensuring fair treatment of consumers in sales with incentive arrangements.

[More on licensees' obligations in the sale of segregated funds.](#)

The Importance of the Reason Why Letter

The Reason Why Letter is an industry-required document which summarizes for client(s) an agent's product recommendation, the transaction being completed and the rationale for the product purchased.

In June 2017, the Canadian Life and Health Association (CLHIA) published a training module entitled [Serving Clients Through Needs-Based Sales Practices](#), to support agents in managing conflicts of interest. It is recommended that a copy be retained in the client file and provided to the client no later than the point of policy delivery. [To read the full article on this topic, please click here.](#)



Congratulations to Licence Holders

ICM would like to congratulate all stakeholders for another successful renewal!

A total of 20,024 licences were renewed for all licence classes, between April and June 2023. Of the 20,024 licences, 455 renewal applications were flagged for manual review by ICM staff. 218 of these applications required review due to a disclosure of an additional occupation that was not previously reported to ICM.

As a reminder, [material changes](#) are required to be reported in writing to the ICM within 15 days of the change. ICM staff have discovered that on many occasions during this past renewal, advance reporting of a material change would have eliminated the need for a renewal application to be flagged for a manual review, which in turn would eliminate the delay to the licence holder's annual renewal.

Amendment to the Insurance Adjusters Licensing Rules

The amendment to the Insurance Adjusters Licensing Rules will occur effective January 1, 2024. The amendment includes moving from five (5) levels of licences to three (3) levels of licences, and is more streamlined with other provincial jurisdictions across Canada. One significant change that has occurred in these Rules, is that all Level 1 Assistant Adjuster licensees are required to provide a fully completed Supervision Agreement outlining the Supervising Adjuster, and providing verification that as a Level 1 Assistant Adjuster they will not:

- manage an office of an adjusting firm;
- supervise an adjuster or assistant adjuster licensed under the rules;
- sign a report or any correspondence relating to the adjustment of an insurance claim unless the report or correspondence has been reviewed by an individual holding a Level 2 or Level 3 adjuster licence; or
- act as the designated representative of an adjusting firm.

An email communication was sent to the adjuster industry. A copy of the communication can be found on the ICM website [here](#).

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Did You Know ...



This council report is shared with approximately 16,000 individuals, including licence holders, appointees, and continuing education contacts. The report is posted to the ICM website for all consumers, other regulatory jurisdictions and associations, and the overall general public to review and reference.

As of October 12, 2023, there were a total of 21,596 active licences for all licence classes which consist of:

- 6,919 of the licences are General Agents
- 6,798 of the licences are Life Agents
- 6,867 of the licences are Accident and Sickness Agents
- 605 of these licences are Restricted Insurance Agent (Incidental Seller of Insurance)
- 407 of these licences are Independent Adjusters

11,324 (52%) of all licence classes are held by individuals that reside outside of Manitoba.

There are valuable tools on the ICM's website to assist stakeholders, such as [application processing dates](#), [User Guides and FAQs](#), [continuing education information](#), and [Compliance and Enforcement](#).

These tools may provide you with assistance, reducing the need to contact ICM, as common questions are answered within these resources.

A Little Something to Brighten Your Day



Transition at the ICM Office

Much transition has occurred at the ICM office since Spring 2023, where we filled a long-standing vacant compliance position along with one administrative and two licensing positions. The ICM wishes to welcome four new employees to our staff as follows:

Krystelle Mackey joined the office in August 2023 filling the vacant Investigator position, **Daniela Gomez Carvajal** and **Samin Khan** joined the office in September 2023 filling administrative and licensing roles, and **Aira Villalobos** joined in October 2023 and will be with the ICM for a term position. We look forward to working with them! A full list of ICM staff is available on the ICM website [here](#).

Long-time ICM Staff Member Retires

After 13-years of dedicated service, the Insurance Council of Manitoba wishes to announce the retirement of **Colleen Davey** as Receptionist/Examination Coordinator, a position she has held since September 1, 2010. During Colleen's era, she experienced many changes in examinations, from implementing a new national examination, to altering that national examination from a compensatory and modular program to simply a modular program, to a pandemic with a shut down of in-person examinations and a movement to strictly on-line examinations, to the re-opening of in-person examinations and moving from solely paper based to the utilization of tablets and electronic base items. Three Executive Director's had the pleasure of working with Colleen.

If you ever attended the ICM office, you would have noticed Colleen immediately, with her shining attitude and bright smiling face. She has answered and spoken with thousands of stakeholders across Canada, and delivered her examination speech thousands of times.

As Colleen embarks on retirement, the Insurance Council of Manitoba salutes Colleen for a stellar career with the ICM, and sincerely thanks her for her contributions and commitment to the organization. She has left a memorable mark and her legacy will live on.

Looking to Participate as an Industry Council Member?

The Government of Manitoba makes appointments to a number of agencies, boards and commissions (ABCs), including the Life Insurance Council and General Insurance Council of the Insurance Council of Manitoba (ICM). These are entities established by government to carry out a range of functions and services.

Further information on the Insurance Councils, including a list of current Council Members, is available on the ICM website [here](#).