

BULLETIN NUMBER:	INS-08-001
TITLE:	USE OF THE WORDS “INSURANCE”, “ASSURANCE” AND SIMILAR WORDS IN NAMES OF INSURANCE AGENCIES AND ADJUSTERS
LEGISLATION:	SECTION 31 OF THE <i>FINANCIAL INSTITUTIONS ACT</i>
DATE:	APRIL 2008

PURPOSE

The purpose of this bulletin is to clarify how the words “insurance”, “assurance” or other words related to insurance business may be used in the name of an insurance agency or adjusting company.

This bulletin does not address any requirements established by the Corporate Registry (“Registry”) for the incorporation or registration of a company. Nor does it address any requirements established by the Insurance Council of British Columbia (“Insurance Council”) for insurance licensing purposes. Those offices should be contacted directly for information concerning their requirements.

BACKGROUND INFORMATION

Section 30 of the *Financial Institutions Act* (“FIA”) requires an insurance company to include either “insurance” or “assurance” in its name. There is therefore a risk of confusion when other entities also use those words or words like them in a company name.

For those entities that are not insurance companies, Section 31 of the FIA prohibits the use of the words “insurance”, “assurance”, “insurer”, or any other words in a way that is likely to:

- Deceive or mislead the public about the ability of the entity to undertake insurance business; or
- Give a false impression that the entity is an insurance company.

.../2

The Superintendent of Financial Institutions (“Superintendent”) is responsible for ensuring compliance with the FIA, and may object to use of a company name in British Columbia where there is a likelihood that either of the above situations will arise. An insurance agency intending to carry on business in British Columbia must therefore use a name that makes it clear that it is doing business as an insurance agent.

The relevant statutory provisions are attached as Appendix 1.

REVIEW AND REGISTRATION OF COMPANY NAMES

A company that intends to do business in British Columbia must register its name in the Corporate Registry, which is maintained by BC Registry Services in Victoria, BC. The Corporate Registry will not register a company name unless it meets certain criteria. One of those criteria involves the use of words such as “insurance”, “assurance” or other such words in the company name. Where one of these words appears, the Registry will usually seek the approval of the Superintendent before registering a company name unless the name to be registered makes it clear that the company seeking registration is an insurance agency, not an insurance company.

The Registry will expect the applicant to obtain the necessary approval from the Superintendent. If this issue has arisen, the company seeking registration can make a written request asking for confirmation that the Superintendent will not object to the registration of the preferred company name. That request should include a copy of the Registry’s request for the Superintendent’s consent.

Insurance agencies and other parties should note that the acceptance of a company name by the Corporate Registry does **not** operate as a waiver of the prohibition contained in section 31 of the Act. If any doubt arises as to whether a company name complies with section 31, the parties concerned should seek confirmation from the Superintendent even if the Registry has not done so.

Insurance Agency Incorporated in British Columbia

The Superintendent will generally object to the registration of a name that includes the words “insurance”, “assurance” or other words if the name does not also include a qualifier that indicates the company intends to conduct business as an insurance agency or adjusting company. For example, the Superintendent will usually object to an agency’s use of the name *ABC Insurance Ltd.*, but would not usually object to its use of *ABC Insurance Agencies Ltd.* or *ABC Insurance Services Inc.* Other qualifiers can be used if preferred, as long as it is clear the agency using it is acting as an insurance agent, not as an insurance company.

Insurance Agency Incorporated in Another Jurisdiction

The Superintendent is aware that an insurance agency or adjusting company that has been established in another jurisdiction may be active in that jurisdiction under a name that does not comply with section 31 of the FIA because that jurisdiction does not have similar legislation. As a result, the agency or adjusting company may be prevented from doing insurance business in British Columbia under its legal name.

In these circumstances, the Superintendent is usually willing to allow an extraprovincial insurance agency (or adjuster) to register the legal name along with a trade or business name that complies with section 31 if all of the conditions set out in Appendix 2 are met. For example, an established agency in another province named *XYZ Insurance Inc.* might be permitted to extend its activities into British Columbia under a trade name such as *XYZ Insurance Brokers.*

An extraprovincial insurance agency or adjusting company whose legal name does not identify the company as an agency should apply to the Registry for registration of its legal name along with an acceptable trade or business name. If the Registry requires the Superintendent's consent to the registration of the legal name, a short letter requesting that consent should be submitted to this office along with the copy of the notice from the Registry. That letter should be accompanied by:

- A copy of the notice from the Registry requesting the Superintendent's consent to the registration of the legal name;
- The trade or business name under which the agency (or adjusting company) will conduct its insurance business within British Columbia;
- The agency's written agreement that it will conduct its British Columbia business under the trade or business name; and
- The other documentation referred to in Appendix 2 of this Information Bulletin.

Other Companies

From time to time a business will want to register a company name that includes words such as "insurance" or "assurance" but is not an insurance business. If the Registry requires that entity to seek the consent of the Superintendent, this office will require an explanation of the activities that will be undertaken by the business and why the proposed name is necessary or appropriate. The requestor must satisfy the Superintendent that the proposed name will not deceive or mislead the public about the ability of that entity to conduct an insurance business.

OTHER INFORMATION

Other Words

Section 31 of the FIA allows the Superintendent to consider other words in a company name that may create the inaccurate impression that the company an insurance company. If that concern arises when the Registry is vetting a name for registration, the Registry may require the Superintendent's consent. These may be names of insurance agencies, adjusting companies, or non-industry related businesses. For example, one recent situation involved the appearance of the word "Life" in a herbologist's company name with no other indication of the company's business, e.g., ABC Life Ltd.

If the Superintendent is of the opinion that a word may mislead the public as to the ability of that company to carry on insurance business, he may object to the registration of the name containing that word. A company should therefore avoid choosing a name that may create the impression that it is engaging in insurance business unless it is licensed or authorized to carry on insurance business.

Superintendent's Response

If the request for the Superintendent's consent makes it clear that the consent is a requirement of the Registry, a copy of the Superintendent's response will be sent directly to the Registry. A copy will also be sent to the Insurance Council if appropriate.

Contacts

For more information, please contact:

Deputy Superintendent, Insurance And Pensions	Telephone: (604) 953-5300
Financial Institutions Commission	Fax: (604) 953-5301
1200 – 13450 102 nd Avenue	Web site: www.fic.gov.bc.ca
Surrey, British Columbia	E-mail: ficom@ficombc.ca
V3T 5X3	

Staff of the Financial Institutions Commission periodically issue interpretation bulletins to provide technical interpretations and positions regarding certain provisions contained in the *Financial Institutions Act* and Regulations. While the comments in a particular part of an interpretation bulletin may relate to provisions of the law in force at the time they were made, these comments are not a substitute for the law. The reader should consider the comments in light of the relevant provisions of the law in force at the time, taking into account the effect of any relevant amendments to those provisions or relevant court decisions occurring after the date on which the comments were made. Subject to the above, an interpretation or position contained in an interpretation bulletin generally applies as of the date on which it was published, unless otherwise specified.

APPENDIX 1

Section 30 of the *Financial Institutions Act*

Name

30 (1) ...

(2) An insurance company that proposes or is authorized to carry on insurance business must have and use a name that includes the word "insurance" or "assurance" together with a designation such as "company" or "corporation".

Section 31 of the *Financial Institutions Act*

False representation prohibited

31 A person must not use

(a) any of the words

(i) "trust" or "trustee",

(ii) "deposit" or "loan", or

(iii) "insurance", "assurance" or "insurer", or

(b) any other words in connection with the business of a person,
in a way likely to

(c) deceive or mislead the public about the ability of the person to undertake trust business, deposit business or insurance business, or

(d) give a false impression that the person is a trust company or insurance company, as the case may be.

In the context of this bulletin:

- The "person" referred to in section 31 will usually refer to a corporate person, e.g., a limited company, society, partnership or firm, but can also refer to a proprietorship or a natural person;
- "Insurance company" refers to a corporate entity that is authorized to issue insurance contracts in British Columbia. It does **not** refer to an insurance agency; and
- The French versions of all words outlined in section 31, and throughout this bulletin, are implied.

APPENDIX 2

The Superintendent generally will not object to the registration or use of a legal name within British Columbia by an extraprovincially-incorporated insurance agency or adjusting company that does not include the term “agency” or “services” or a similar qualifier in the name if **all** of the following conditions are met:

- The agency demonstrates that the legal name it wishes to register in British Columbia is the name under which it is incorporated or otherwise formed in its home jurisdiction. A copy of its certificate of incorporation or a similar document issued by the corporate registry in its home jurisdiction will usually suffice;
- The agency demonstrates that the legal name to be registered in British Columbia is the name under which it carries on its insurance business in its home jurisdiction. A copy of the insurance licence issued by the insurance regulator in its home jurisdiction will usually suffice;
- The agency holds an appropriate insurance licence issued by the Insurance Council, and registers both the legal and the trade or business name with the Council; and
- The agency provides a written agreement to the Superintendent of Financial Institutions confirming that:
 - The company will conduct all of its business in British Columbia under a trade or business name that is acceptable to the Superintendent, i.e., one that clearly indicates that it is an insurance agency;
 - The company will maintain the registration of both its legal name and the trade name with both the Insurance Council and the Corporate Registry as long as it is carrying on insurance business within British Columbia; and
 - The trade or business name will appear more prominently than the legal name if both names appear on signage, correspondence, or other documentation or identification in British Columbia.