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British Columbia's New Restricted Insurance Agency (RIA) Licensing Regime: What Businesses Need to Know

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The Government of British Columbia has introduced a new restricted agency licensing regime to regulate incidental sales of insurance by certain non-insurance businesses under the *Restricted Insurance Agent Licence Regulation* (the "**Regulation**") of the *Financial Institutions Act.*

The Regulation will come into effect on January 1, 2027, and is intended to align with similar regimes in Alberta, Saskatchewan, Manitoba, and New Brunswick.

Who needs a licence?

The Regulation requires the following businesses to obtain a RIA licence to sell the corresponding classes of insurance:

Type of Business	**Classes of Insurance**
Construction equipment dealerships	Credit protection insurance; Construction equipment warranty insurance; Guaranteed asset protection insurance
Credit grantors	Credit protection insurance
Customs brokers	Cargo insurance
Deposit-taking institutions	Credit protection insurance
Extra-provincial trust	Credit protection insurance

corporations	
Farm implement dealerships	Credit protection insurance; Farm implement warranty insurance; Guaranteed asset protection insurance
Freight-forwarding companies	Cargo insurance
Funeral providers	Funeral services insurance
Mortgage brokerages	Credit protection insurance
Motor vehicle dealers	Credit protection insurance; Guaranteed asset protection insurance; Vehicle warranty insurance
Peer-to-peer vehicle service providers	Rented vehicle insurance
Pleasure craft dealerships	Credit protection insurance; Guaranteed asset protection insurance; Pleasure craft warranty insurance
Portable electronic vendors	Portable electronics insurance
Transportation companies	Cargo insurance; Travel insurance
Travel agents	Rented vehicle insurance; Travel insurance
Travel wholesalers	Rented vehicle insurance; Travel insurance
Trust companies	Credit protection insurance
Vehicle rental agencies	Rented vehicle insurance

Businesses previously exempt under the *Insurance Licensing Exemptions Regulation* will now require an RIA licence to continue to sell the identified insurance products.

The Regulation will not impact most licensees whose main business is insurance. However, two groups will be impacted: 1) restricted travel insurance agency licensees; and 2) standard insurance licensees limited to the sale of products that are included in the Regulation.

After the Regulation takes effect, unlicensed sales will be considered non-compliant with the *Financial Institutions Act* and enforcement action may be taken.

What are the anticipated licensing requirements?

In early January 2026, the Insurance Council of British Columbia outlined a proposed licensing program for the RIA licence.

To qualify for the RIA licence, the following requirements were proposed:

1. Providing business information (e.g., contact information, ownership and corporate registration information, and information that could impact suitability);
2. Errors and omissions insurance;
3. At least one contract with an insurer authorized to do business in British Columbia; and
4. The appointment of a Designated Representative to oversee the agency's compliance with regulatory requirements and its insurance activities.

Licences are expected to renew annually. Although a continuing education requirement may be applied in the future, such a requirement is not anticipated as part of the initial proposed licensing program.

It is also anticipated that representatives selling insurance on behalf of restricted insurance agencies will be required to disclose specific information to buyers, including that the purchase of insurance is optional, the buyer's right to cancel the insurance contract, and commission information.

The proposal also requires a minimum level of insurance training for all sales representatives.

What's next?

The Insurance Council of British Columbia anticipates it will take one year to put a licensing program in place.

Over the next few months, the Insurance Council of British Columbia expects to engage with the industry and other stakeholders regarding the proposed licence program. Before implementation, the rules for the licence program will be submitted for government approval.

Applications for the RIA licence may start being accepted in November 2026, in advance of the January 1, 2027 effective date. Businesses selling insurance under previous exemptions must apply for the RIA licence by March 31, 2027, to continue selling insurance products.