The wait is (still not) over: British Columbia introduces new restricted licence regime for incidental sales of insurance for January 2027

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The Government of British Columbia has published the *Restricted Insurance Agent Licence Regulation*, introducing a new restricted licensing framework for businesses that sell insurance incidentally to their primary goods or services. Certain non-insurance businesses previously exempt from licensure must now apply for a Restricted Insurance Agency (RIA) Licence to continue selling eligible insurance products. The new regime will take effect January 1, 2027.

This change represents a significant shift for many non insurance businesses that offer add-on insurance with their products. It aligns BC's requirements with comparable regimes in Alberta, Saskatchewan, Manitoba and New Brunswick, and introduces new training, oversight and transparency standards for incidental insurance distribution.

The following businesses and associated insurance products are considered as eligible for the RIA:

- Construction equipment dealers: credit protection insurance, construction equipment warranty insurance, guaranteed asset protection insurance
- Credit grantors: credit protection insurance
- Custom brokers: cargo insurance
- Deposit-taking institutions: credit protection insurance
- Extra-provincial trust companies: credit protection insurance
- 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 brokers: 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 electronic insurance
- Transportation companies: cargo insurance, travel insurance

The BC Government's website notes that businesses with existing limited licenses may transition to the new framework without the need for reapplication, provided their products fall within the scope of the regulation.

The Restricted Insurance Agency (RIA) licence

The Insurance Council of BC has been tasked with administering and overseeing the new RIA licence category. Once implemented, the regime will permit trained representatives to sell approved insurance products under the agency's licence.

Key implementation milestones include:

- **Program development and consultation**: The RIA licensing program is now being designed and will undergo consultation and legislative rule making.
- **Licence applications**: The Insurance Council expects to begin accepting RIA licence applications in November 2026, upon finalization of the program's parameters.
- **Further guidance**: More information about the program will be published on the Insurance Council's website in **early January 2026**, with stakeholder updates to follow.

Impact on insurance licensing in BC

The new RIA regime introduces:

- Increased regulatory **oversight** over incidental insurance offerings;
- Standardized **training requirements** for representatives; and
- Greater **transparency** for consumers.

To qualify for an RIA licence, businesses must fall within the classes identified in the regulation and the insurance products they offer must also be listed. The regime is designed to ensure that businesses offering insurance incidentally do so within a properly supervised and consistent licensing framework.

Looking ahead

The Insurance Council of BC will continue providing updates as the program develops, including detailed guidance on eligibility, training standards, and application requirements. Stakeholders are encouraged to monitor the Council's website and communications channels for updated materials.

Contact us

For further information on the regulation, we invite you to contact Rick Da Costa or any of the key contacts listed below.

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