



**IN THE MATTER OF THE  
*Insurance Act*, R.S.N.B. 1973, c.I-12  
AND**

**IN THE MATTER OF**

***EXEMPTION FROM CERTAIN REQUIREMENTS IN PART 14 OF RULE INS-001 INSURANCE  
INTERMEDIARIES LICENSING AND OBLIGATIONS***

**Blanket Order INS-2023-01**  
Section 3.1 (1) of the *Insurance Act*

**Interpretation**

Terms defined in the *Insurance Act* (*Act*) and Rule INS-001 *Insurance Intermediaries Licensing and Obligations* (Rule INS-001) have the same meaning in this order.

**Background**

1. Subsection 364(1) of the *Insurance Act* and provisions of Rule INS-001 came into effect on 1 February 2023.
2. Subsection 364(1)(e) of the *Insurance Act* requires restricted insurance representatives have at least one trust account for deposits.
3. Part 14, paragraph 99 of Rule INS-001 provides that those holding a restricted insurance representative license who receive trust money shall, within two days, remit the trust money to the person entitled to the money or deposit the money into a trust account.
4. Part 14, paragraph 100(1) outlines where this trust account shall be held and allows it to be held with one of the following:
  - (a) A bank authorized to accept deposits pursuant to the *Bank Act* (Canada);
  - (b) A credit union incorporated or continued pursuant to the *Credit Unions Act*;
  - (c) A corporation authorized to accept deposits pursuant to the *Loan and Trust Companies Act*; or
  - (d) A retail association as defined under the *Cooperative Associations Act* (Canada)

5. The requirements of Subsection 364(1) of the *Insurance Act* and Part 14, paragraphs 99 and 100 of Rule INS-001 are unique to New Brunswick.
6. Various restricted insurance representatives operating at deposit taking institutions, as defined in Rule INS-001, have advised that they cannot comply with subsection 364(1) of the *Insurance Act* and Part 14, paragraph 99 and 100 of Rule INS-001, as doing so would make them noncompliant with section 412 of the *Bank Act*, S.C. 1991, c. 46, which restricts them from acting as a trustee of a trust.
7. Various restricted insurance representatives operating at companies regulated under the *Insurance Companies Act*, SC 1991 c. 47, have advised that they cannot comply with subsection 364(1) of the *Insurance Act* and Part 14, paragraph 99 and 100 of Rule INS-001 as doing so would make them noncompliant with section 466 of the *Insurance Companies Act*, SC 1991 c. 47 which restricts them from acting as a trustee of a trust.
8. Subsection 3.1(1) of the *Insurance Act* provides that if the Superintendent of Insurance considers it appropriate, the Superintendent may, by order, exempt any person or class of persons from the application of the *Act* or any provision of it or from the application of the regulations or any provision of them.
9. Subsection 3.1(3) of the *Act* provides that such an order may be retroactive in its operation.
10. Subsection 3.1(4) of the *Act* provides that a person to whom an order under subsection (1) applies shall comply with the terms and conditions imposed by the Superintendent under that subsection.

## **Order**

11. The Superintendent of Insurance orders the exemption of restricted insurance representative licensees that are either deposit taking institutions or that are regulated under the *Insurance Companies Act*, SC 1991 c.47, from the application of section 364(1) of the *Insurance Act* and Part 14, paragraph 99 and 100 of Rule INS-001 provided the following terms and conditions are met:
  - (a) That premiums received from an insured for an insurance contract shall be paid to the insurer within 15 days of receiving a written demand from the insurer, less commission and any other deductions authorized in writing by the insurer.
  - (b) That any money or premium credit received from an insurer which represents return premium due to an insured, shall be paid along with any unearned commission or other refund to which the insured is entitled within 90 days of receipt or within 15 days after written demand from the insured, whichever is earliest.
  - (c) That all books and records in connection with the business are to be kept current and readily distinguish:
    - (i) All money received from or on behalf of and all money paid to or on behalf of each insurer and insured; and
    - (ii) All money received and paid on the business's behalf.

12. This order is effective 1 February 2023.

13. This order remains in effect until further order of the Superintendent of Insurance.

**Dated** at Fredericton, New Brunswick, this 17<sup>th</sup> day of April 2023.

***“Original signed by”***

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**Angela Mazerolle**  
**Superintendent of Insurance**