



IN THE MATTER OF THE

INSURANCE ACT, R.S.N.B. 1973, c. I-12

AND

IN THE MATTER OF

***EXEMPTION OF FEE PAYABLE FOR SECOND OR SUBSEQUENT RIR LICENCE APPLICATION IN RULE INS-002
UNDER THE INSURANCE ACT***

Blanket Order INS-2024-02

Section 3.1 of the *Insurance Act*

Interpretation

Terms defined in the *Insurance Act* (the “*Act*”), Rule INS-001 *Insurance Intermediaries Licensing and Obligations* (Rule INS-001) and Rule INS-002 *Insurance Fees* (Rule INS-002) have the same meaning in this order.

Background

1. Subsection 1(1) of Rule INS-001 defines “restricted insurance representative” (RIR) as a corporation, partnership or sole proprietorship who is authorized to solicit, negotiate, sell or arrange the class or type of insurance specified on the restricted insurance representative licence (RIR licence).
2. Section 351 of the *Act* provides that no person shall carry on business, act or offer or undertake to act or represent themselves in New Brunswick as an RIR unless the person holds an RIR licence issued under the *Act*, or is exempted under the *Act* or the regulations from the requirement to hold the licence.
3. Subsection 352(22) provides that an RIR shall be sponsored for the term of a licence by an insurer that has an agreement with the business that allows the business to act on behalf of the insurer and is licensed in New Brunswick for the class of insurance for which the RIR licence is issued, or for the class of insurance which includes the type of insurance for which the RIR licence is issued.

4. Paragraph 35(1)(c) of Rule INS-001 provides that the Superintendent may issue an RIR licence if the Superintendent is satisfied the applicant meets the requirements of the *Act* and the licensing requirements in Rule INS-001, which includes the requirement for an applicant to identify the applicant's sponsoring insurer.
5. Subsection 2(4) of Rule INS-002 provides that the fees payable for an application for a new RIR licence or a one-year renewal of an RIR licence range from \$150 to \$5,500, depending on the number of employees or other persons acting on behalf of the RIR in the business of insurance at the time of the application or renewal.
6. Since the coming into force of Rule INS-001 and Rule INS-002, it has become apparent that an RIR may offer several of the classes or types of insurance permitted under Rule INS-001, but those classes or types of insurance may have different sponsoring insurers, with the most common scenario being that an RIR has a sponsoring insurer for most of the types or classes of insurance that they offer but then has a second sponsoring insurer for one other type or class of insurance.
7. In such situations, the applicant is required to submit a second RIR application, with the only difference between it and their primary application being the sponsoring insurer and the type of insurance offered.
8. Subsection 3.1(1) of the *Act* provides that if the Superintendent considers it appropriate to do so, the Superintendent may exempt, by order and subject to any terms and conditions the Superintendent considers appropriate, any person or class of persons from the application of the *Act*, the regulations or any provision of the *Act* or the regulations.
9. Subsection 1(1) of the *Act* defines "regulation" as including a rule.

IT IS ORDERED pursuant to subsection 3.1(1) of the *Act* that:

10. Applicants for an RIR licence are exempted from the fee payable for a second or subsequent RIR licence application in subsection 2(4) of Rule INS-002 where the only licensing requirement in subsection 35(1) of Rule INS-001 that differs from the applicant's primary RIR licence application is paragraph 35(1)(c), the applicant's sponsoring insurer.

Effective date and term

11. This order is effective 1 February 2023.

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

Angela Mazerolle
Superintendent of Insurance