

Ontario

Recent changes by the government now provide the Financial Services Commission of Ontario (FSCO) with new powers to levy administrative monetary penalties for contraventions of legislation or regulations that occur on or after Jan. 1, 2013.

An administrative monetary penalty (AMP) is a financial penalty imposed by a regulator such as FSCO, instead of a court, for contraventions of law. AMPs encourage regulatory compliance and prevent financial benefit from violations.

The introduction of AMPs is in keeping with the Ontario government's commitment to modernize financial regulation and regulatory practices. This enforcement tool provides FSCO with more flexibility in assessing appropriate responses to non-compliance and misconduct in the insurance sector. AMPs also give FSCO an authority similar to other financial services regulators across Canada.

The changes allow FSCO to apply AMPs for existing contraventions identified in the AMP regulation. They do not create new compliance requirements.

AMPs can be imposed for breaches of orders, undertakings and licence conditions, as well as contraventions of statutory provisions which range from:

- Failure of agent to meet annual continuing education requirements
- Failure of agent to notify superintendent of address change
- False billing practices
- Engaging in prohibited acts and/or practices
- Other unfair or deceptive acts/practices

The maximum penalty can be assessed for violations of:

- Acting without a licence
- Insurer's compliance system
- Prohibited conduct

For more information about this recent change go to:

[http:// www.fSCO.gov.on.ca/en/insurance/insurancebulletins/Pages/g-02-13.aspx](http://www.fSCO.gov.on.ca/en/insurance/insurancebulletins/Pages/g-02-13.aspx)

British Columbia

British Columbia is also in the process of implementing administrative penalties. On Jan. 20, 2013, a BC order in Council approved a number of changes to the Financial Institutions Act made in 2010 and related regulations. As more information becomes available, we will pass this along to you.