

April 24, 2026

Submit to: rules.consult@insurancecouncilofbc.com

Subject: BCPDA Submission – Restricted Insurance Agency (RIA) Rule Amendments

The BC Powersports Dealers Association (BCPDA) appreciates the opportunity to provide feedback on the proposed Council Rule amendments supporting the Restricted Insurance Agency (RIA) Licence framework.

BCPDA represents powersports dealers across British Columbia, many of whom operate as small and medium-sized businesses in both urban and rural communities. Our members support strong consumer protection and transparency; however, the proposed framework introduces requirements that are not proportionate to the nature of dealership operations or the products being sold.

A key concern for our members is the proposed disclosure regime, particularly the requirement to disclose the full dollar amount of compensation above a 30% threshold. From a powersports dealer perspective, the existing **Code of Conduct already requires appropriate disclosure of fees and compensation**, and provides licensees with the discretion to determine what is material within a given transaction.

It is unclear what additional consumer benefit is achieved by introducing a more prescriptive disclosure model, especially when similar requirements have not been applied to other licence classes.

We are also seeking clarification on the rationale for the proposed 30% threshold. It is not evident that this figure reflects a meaningful or evidence-based benchmark within the context of dealership-sold products. In practice, many standard products offered in our industry—such as GAP, credit protection, and warranty-related coverage—would routinely exceed this threshold due to the structure of distribution costs. As a result, what is intended to capture outlier scenarios instead becomes a broad requirement applied to most transactions.

From an operational standpoint, dollar-based disclosure at the point of sale presents practical challenges. These products are typically low-premium and standardized, and expressing compensation as a dollar amount can appear disproportionate relative to the product price, creating confusion for consumers rather than improving transparency. There is a real risk that this approach will disrupt the sales process, reduce consumer confidence, and ultimately limit uptake of products that provide meaningful financial protection.

The feasibility of implementing these disclosure requirements is also a concern. Powersports dealerships operate in fast-paced retail environments with multiple staff involved in transactions.

Introducing detailed, transaction-specific disclosure obligations increases the risk of administrative error, and the potential consequences of inadvertent non-compliance appear disproportionate to the nature of the activity being regulated.

More broadly, the proposed framework adds to an already complex regulatory environment. Dealerships are currently subject to multiple layers of oversight, and additional licensing, training,

and reporting requirements will increase administrative burden and cost. For many BCPDA members, particularly those in smaller or rural markets, these cumulative pressures are significant and may impact their ability to continue offering these products altogether.

BCPDA also wishes to reiterate concerns regarding the classification of warranty and service contracts within the insurance framework. In the powersports sector, these products are commonly treated as part of the overall vehicle purchase and ownership experience, and their inclusion as insurance creates unnecessary duplication and inconsistency with other jurisdictions.

In summary, while BCPDA supports the intent of enhancing consumer protection, we believe the current proposal introduces complexity and cost without clear evidence of improved outcomes. We recommend a more proportionate approach that relies on existing disclosure requirements, allows for professional judgment in determining material information, and reflects the operational realities of dealership environments.

BCPDA recommends the following actions prior to implementation:

1. Replace dollar-based disclosure with a **simplified acknowledgment model**
2. Reassess or remove the **30% disclosure threshold**
3. Implement **proportionate, product-specific training requirements**
4. Exclude **warranty and service contracts** from the framework
5. Reduce **regulatory duplication and administrative burden**
6. Ensure fees are **reasonable and reflective of business scale**
7. Provide **clear guidance, templates, and compliance tools**
8. Establish a **realistic and phased implementation timeline**
9. Re-engage industry to address outstanding concerns before finalization

BCPDA is committed to working collaboratively with regulators to ensure a framework that protects consumers while remaining **practical, efficient, and sustainable for powersports dealers across British Columbia.**

We note that many of these concerns are being echoed across adjacent industries, reinforcing the need for a **balanced and proportionate approach.**

We welcome the opportunity to continue this dialogue and contribute to a solution that supports both **consumer protection and industry viability.**

Respectfully Submitted by,



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