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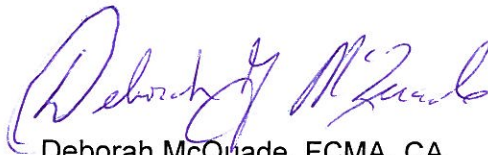
## Bulletin 2010-1 Trust Accounts and Waiver

Section 364 of the New Brunswick *Insurance Act* requires all life and other than life agents and brokers to hold a trust account. Section 364 further requires an agent or broker to, immediately upon receipt, pay into the trust account “any money or other consideration held or received on account of an insurer or an insured”.

Therefore, all agents and brokers are expected to have access to a trust account that is used exclusively for premiums or payments received from clients or insurers and separate from any operating account or personal account. Licence holders are not permitted to co-mingle other funds in the trust account and are not entitled to use the funds in the trust account for any purpose not authorized by section 364. Monthly reconciliations of trust accounts should be prepared and available for review by representatives of the Office of the Superintendent of Insurance.

We appreciate that there are some licence holders, specifically in the life insurance industry, who do not receive payments from or on behalf of clients or insurers because payments are made directly to or by the insurer. In light of this, our Office is prepared to consider a waiver of the requirement to hold a trust account for these licence holders. Any licence holder seeking a waiver is required to complete the attached “Request for Trust Account Waiver” form. Without obtaining confirmation from the Superintendent of Insurance that this waiver has been approved, licence holders who do not have a trust account will be in breach of the *Insurance Act* and may be subject to disciplinary action or prosecution.

Where a licence holder who obtains a waiver commences receiving any money or other consideration on account of an insurer or an insured, the waiver is immediately suspended and the licence holder is required to set up a trust account and notify our Office immediately.



Deborah McQuade, FCMA, CA  
Superintendent of Insurance

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