

**IN THE MATTER OF THE *FINANCIAL
INSTITUTIONS ACT*, RSBC 1996, C. 141**

and

BMW Canada Inc.

(Pursuant to section 208 of the *Financial Institutions Act*)

UNDERTAKING

[This Undertaking has been redacted before publication.]

WHEREAS the BC Financial Services Authority (“BCFSA”) completed an investigation into the conduct of extraprovincial corporation BMW Canada Inc. (“BCI”) pursuant to an Order issued under section 215(1) of the *Financial Institutions Act* (“FIA”);

AND WHEREAS the Superintendent of Financial Institutions (the “Superintendent”) is of the opinion, based on the investigation, that BCI carried on the business of insurance in B.C. during the year 2022 to September 9, 2024 when BCI underwrote its appearance protection contracts (“Appearance Protection Contracts”) to B.C. consumers (“Contract Holders”) without being authorized to do so as required under the FIA, thereby contravening sections 75 and 159(1) of the FIA;

AND WHEREAS BCI does not admit that it breached the FIA, but accepts that the Superintendent is of the opinion that the Appearance Protection Contracts constitute automobile insurance and that the alleged breaches of sections 75 and 159(1) of the FIA took place;

AND WHEREAS the Superintendent is not aware of any harm to B.C. Contract Holders;

AND WHEREAS the Superintendent considers it appropriate for BCI to enter into this Undertaking pursuant to section 208 of the FIA;

AND WHEREAS BCI undertakes the following:

1. As of the date of the Undertaking, to not carry on any new business of insurance in B.C. through the underwriting, marketing and/or distribution of any new Appearance Protection Contracts to B.C. consumers (other than adjusting claims



made under Appearance Protection Contracts in place with B.C. consumers prior to the effective date of the Undertaking) until and unless BCI is authorized by BCFSA to engage in the business of insurance or is otherwise permitted to do so pursuant to the FIA;

2. To pay to BCFSA the total amount of \$25,000.00 within 30 days of the date of this Undertaking in lieu of the Superintendent issuing an Administrative Penalty under section 253.1 of the FIA; and
3. To pay to BCFSA partial investigative costs in the amount of \$3,235.00 within 30 days of the date of this Undertaking in lieu of the Superintendent issuing an order for investigative costs to be paid under section 241.1 of the FIA.

This Undertaking may be amended by the written agreement between the Superintendent and BCI. An amendment that results in a release or partial release from this Undertaking does not release BCI from complying with all applicable laws, including but not limited to enactments administered by BCFSA.

Signed to at the City of Richmond Hill

in the province of Ontario Canada.

This 6th day of January 2025

“Original signed by Holger Spiegel”

Authorized Signatory – BMW Canada Inc.

Name: Holger Spiegel

Title: Acting President & CFO

“Original signed by Ryan Puskas”

Authorized Signatory – BMW Canada Inc.

Name: Ryan Puskas

Title: Director, Sales & Marketing

Signed to at the City of Vancouver
Province of British Columbia, Canada.

This 19th day of December 2024

“Original signed by Joy Tcheng”

Authorized Signatory - BC Financial Services Authority

Name: Joy Tcheng

Title: Vice President, Supervision & Deposit Insurance