



October 5, 2012

Mr. Grant Swanson
Executive Director, Licensing & Market Conduct Division
Financial Services Commission of Ontario
5160 Yonge Street
P.O. Box 85
Toronto, ON M2N 6L9

Dear Grant,

I am writing to thank you and your staff Shona Neil, Louise Robichaud, Letitia Miclescu, Jennifer Wong and Reena Vora for meeting with CAFII representatives (Paul Yeung, Moira Gill, Sue Manson, Anne Riley and myself) on September 13. It was a pleasure having the opportunity to meet you and your new colleagues. We also appreciated FSCO's participation in CAFII's inaugural webinar for CCIR members.

We wanted to follow up with you on several items we discussed in the meeting.

Electronic Commerce

We understand that you are very interested in new forms of electronic delivery systems. CAFII is planning to sponsor a webinar on the topic and would be pleased to present it to you when it is available. In the meantime, I attach the CAFII submission to the CCIR on Electronic Commerce which we hope will provide your staff with useful information. As we mentioned in the meeting, electronic delivery systems allow us to put stronger controls in place than are possible in traditional distribution to ensure consumer education, disclosure and other compliance and supervisory requirements or standards are met. The availability of information on websites contributes to consumers' financial literacy. Websites also have the benefit of providing convenient access and the opportunity to comparison shop without putting pressure on consumers to transact.

Call Centre Operations

You mentioned that FSCO staff would appreciate the opportunity of having an onsite visit to a CAFII member call centre. While this request presents certain challenges with respect to protecting customer privacy, we will respond to you once we have had a chance to address the logistical considerations.

Creditor Insurance Product Information

CAFII has developed two presentations on creditor insurance products: one explains the actual products and the other presents research findings on the value of creditor insurance relative to other insurance options. We would be pleased to present this material to you and your FSCO colleagues

Insurance Act Review

CAFII would appreciate the opportunity to comment on regulations under the revised Ontario *Insurance Act* once they are drafted. With respect to implementation, companies require lead time of ideally 18 months but 12 months at a minimum. An *Insurance Act* revision constitutes a significant project for all companies requiring systems changes, extensive document reviews and updates, legal and compliance reviews, staff training and appropriate customer notification. All these steps require planning, scheduling and dedicated project management. We trust that sufficient implementation time will be provided and, if possible, our members would also appreciate harmonizing implementation dates with other jurisdictions that are currently contemplating similar changes.

CAFII appreciated the opportunity to meet with FSCO staff to discuss current matters of interest and believe that such discussion provides for a good working relationship. Please feel free to contact CAFII on these or any other items of interest. We look forward to meeting with FSCO again in the near future.

Yours truly,

A handwritten signature in black ink, appearing to read "J. Lawson". The signature is written in a cursive style with a vertical line through the middle of the first letter.

For CAFII Executive Operating Committee