

February 10, 2016

Ms. Joanne Abram
Chief Executive Officer
Alberta Insurance Council
10104 – 103 Avenue
Suite 600, Bell Tower
Edmonton, Alberta
T5J 0H8

Subject: Critical Illness Insurance sold as Creditor's Group Insurance under an RIA Licence

Dear Ms. Abram:

I'm writing on behalf of the Canadian Association of Financial Institutions in Insurance (CAFII) to offer our views on the above-mentioned subject and to communicate our support for the views expressed by the Canadian Life and Health Insurance Association in Leslie Byrnes' letter of December 7, 2015.

CAFII was surprised to learn that the AIC had concerns with the distribution of Critical Illness Insurance under a restricted insurance agent licence. While we share the Council's objective of ensuring that Creditor's Group Insurance (CGI) products continue to be offered to Albertans in an appropriate manner, it has always been CAFII's view that, like Life and Disability Insurance, Critical Illness insurance in the various forms it is offered by our members falls under Alberta's definition of "credit related insurance" which may be offered under a RIA licence.

We also concur with the CLHIA's position that industry compliance with *Guideline G7, Creditor's Group Insurance* provides important regulatory support for Alberta's rigorous Restricted Insurance Agent licensing regime and, together, they ensure that consumers are well-informed when purchasing Creditor's Group Insurance, including Critical Illness insurance.

Should you have any questions regarding our comments, please contact Brendan Wycks, our Executive Director, at brendan.wycks@cafii.com or 647-218-8243.

Sincerely,



Greg Grant, MBA, FLMI, ACS
Board Secretary and Chair, Executive Operations Committee
Canadian Association of Financial Institutions in Insurance

ABOUT CAFII

The Canadian Association of Financial Institutions in Insurance (CAFII) is a not-for-profit industry Association dedicated to the development of an open and flexible insurance marketplace. CAFII was established in 1997 to create a voice for financial institutions involved in selling insurance through a variety of distribution channels, i.e. client contact centres, agents and brokers, travel agents, direct mail, branches of financial institutions, and the internet. CAFII members offer travel, life, health, property and casualty, and creditor's group insurance across Canada.

CAFII's full members are the insurance arms of Canada's major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Financial Security; National Bank Insurance; RBC Insurance; ScotiaLife Financial; and TD Insurance – along with major industry players American Express, Assurant Solutions, Canadian Premier Life Insurance Company, and The CUMIS Group Ltd.

CAFII believes consumers are best served when they have meaningful choice in the purchase of insurance products and services.