

October 21, 2015

Expert Advisory Panel – FSCO/FST/DICO Mandate Reviews
Ministry of Finance
Financial Institutions Policy Branch & Income Security & Pension Policy Division
Frost Building North, Room 424
95 Grosvenor Street, 4th Floor
Toronto, Ontario M7A 1Z1
Email: fipbmandatereview@ontario.ca

Dear Messrs. Cooke, Daw, and Ritchie:

On behalf our Chair, Peter McCarthy, I am writing to thank you for providing CAFII with the opportunity to participate in the Panel's July 30 roundtable meeting regarding the FSCO/FST/DICO Reviews.

As we indicated in our original submission of June 5, 2015, CAFII believes that FSCO's regulatory framework should continue to be principles-based and foster an open marketplace where consumers are able to choose how and where to purchase insurance coverage, whether that be through traditional sales channels or alternate channels such as Branches, Call Centres, online, or mobile devices. Regarding the creation of an Insurance Council, should such a body be created, it should be "channel neutral" so that representatives of any one channel are not in a position to negatively affect a competing channel(s). CAFII also feels that the current approach to regulation of Authorized Insurance Products is working well and consumers are well-protected by our members' compliance with the CBA Code of Conduct for Authorized Insurance Activities, FCAC oversight, and compliance with relevant CLHIA Guidelines.

We would also like to reiterate our strong support for FSCO's participation in national co-ordinating bodies such as the Canadian Council of Insurance Regulators (CCIR) and the Council of Insurance Regulatory Organizations (CISRO). CAFII works closely with both organizations and has found them to be very effective in sharing knowledge and best practices, and encouraging harmonization of regulations across the country. This results in strong consumer protection and makes it more efficient for our members to conduct business and that ultimately provides consumers with better access to the valuable products our members provide.

By way of example, the CCIR conducted a comprehensive consultation on Electronic Commerce in Insurance Products and provincial jurisdictions are now aligning with CCIR's recommendations when making changes to their regulatory frameworks for insurance e-commerce. On the CISRO front, CAFII has participated in consultations regarding modernizing the Life Licence Qualification Program (LLQP) and CISRO members are now in the final stages of implementing a new, nationally harmonized LLQP for January 1, 2016.

It is critical that FSCO continue to play a significant leadership role at a national level with these organizations.

Thank you for considering the views of CAFII members. We look forward to the release of your upcoming Position Paper and to providing our Association's views on its proposals.

Should you require further information from CAFII or wish to meet with representatives of our Association, please contact our Executive Director, Brendan Wycks, at brendan.wycks@cafii.com or 647-218-8243.

Sincerely,

A handwritten signature in grey ink, appearing to read "G. Grant".

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

c.c. David McLean, Policy Advisor, Financial Institutions Policy Branch, Ontario Ministry of Finance

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. CAFII members provide insurance through client contact centres, agents and brokers, travel agents, direct mail, branches of financial institutions, and the internet.

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

CAFII is currently the only Canadian Association with members involved in all major lines of personal insurance. 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; Scotiabank Financial; and TD Insurance – along with major industry players American Express, Assurant Solutions, Canadian Premier Life Insurance Company, and The CUMIS Group Ltd.

In addition, CAFII has 10 Associates that support the role of financial institutions in insurance.

CAFII members offer travel, life, health, property and casualty, and creditor's group insurance across Canada. In particular, creditor's group insurance and travel insurance are the product lines of primary focus for the Association as our members' common ground. In addition, we advocate on behalf of alternate distribution of insurance – through channels such as direct mail, contact centres, and the internet including mobile devices -- and in support of regulatory structures that foster an open marketplace where consumers can freely choose how and where to purchase coverage.

CAFII's diverse membership enables our Association to take a broad view of the regulatory regime governing the insurance marketplace. CAFII works with government and regulators (primarily provincial) to develop a legislative and regulatory framework for the insurance sector that helps ensure Canadian consumers get the insurance products that suit their needs. Our aim is to ensure appropriate standards are in place for the distribution and marketing of all insurance products and services.