

17 January, 2020

Mr. Frédéric Perodeau
Superintendent, Client Services and Distribution Oversight
Autorité des marchés financiers
800, square Victoria, 22^e étage
C.P. 246, tour de la Bourse Montréal (Québec) H4Z 1G3
E-mail: frederic.perodeau@lautorite.qc.ca
c.c. Nathalie Sirois, Senior Director, Oversight of Insurers and Control of the Right to Practise
Louise Gauthier, Senior Director, Distribution Management Policy
Mario Beaudoin, Director, Alternative Distribution Practices in Insurance

Re: Credit Card-Embedded/Inclusive Insurance Benefits

Dear Mr. Perodeau:

As you know, CAFII has been supportive of the AMF's new Regulation Respecting Alternative Distribution Methods (RADM). Our Association's members continue to work diligently to comply with the Regulation's requirements by the June 13, 2020 conclusion of the much-appreciated one-year transition period provided by the Autorité.

CAFII members have been preparing to implement the Product Summary and Fact Sheet modernization mandated under the RADM on the assumption that those documents apply only in the case of sales of insurance products.

In that connection, CAFII has been informed by ACCAP/CLHIA that recently, at an unrelated update meeting with Nathalie Sirois and other AMF officials to discuss various issues, ACCAP/CLHIA understood the AMF to say that it expects consumers to receive the AMF's Fact Sheet and a Product Summary for credit card-embedded/inclusive insurance benefits.

Should the AMF indeed be contemplating that the RADM ought to be applicable to credit card-embedded/inclusive insurance benefits, our Association respectfully requests a meeting with relevant AMF staff executives in the near future, preferably in-person, to discuss this issue. In that meeting, we would like to lay out our views as to why we believe the RADM does not apply to credit card-embedded/inclusive insurance benefits and why the possible AMF expectation noted above, if correct, would be highly problematic and challenging, with the likelihood of causing significant consumer confusion and having major unintended consequences.

We look forward to hearing back from you, at your earliest convenience, with a view to scheduling the requested meeting. A small delegation of CAFII representatives would be pleased to attend the meeting at either your Lévis/Québec City or Montréal offices. Should you require further information from CAFII prior to responding to this letter, please contact Keith Martin, CAFII Co-Executive Director, at keith.martin@cafii.com or 647-460-7725.

Sincerely,

Martin Boyle
Board Secretary and Chair, Executive Operations Committee

About CAFII

CAFII is a not-for-profit industry Association dedicated to the development of an open and flexible insurance marketplace. Our Association was established in 1997 to create a voice for financial institutions involved in selling insurance through a variety of distribution channels. Our 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. Our 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 CAFII as our members' common ground.

CAFII's diverse membership enables our Association to take a broad view of the regulatory regime governing the insurance marketplace. We work with government and regulators (primarily provincial/territorial) 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.

CAFII's members include 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 ; Assurant; Canada Life Assurance; Canadian Premier Life Insurance Company/Valeyo; CUMIS Services Incorporated; and Manulife (The Manufacturers Life Insurance Company).