

Agenda Item 4(a)
July 24/18 EOC Teleconference Meeting

Insurance sales over the internet permitted from 2019
by Lyle Adriano 13 Jul 2018

A regulatory framework that would allow the sale of insurance products online in Quebec will officially come into effect next year.

Bill 141 is an act that amends several financial sector laws; chief among the changes is a framework that would allow the purchase of home and/or auto insurance online without the aid of a broker or agent.

According to Article 741 of Bill 141, the regulatory changes will come into effect June 13, 2019 – at around the same time as the new Act respecting insurers. Additionally, new brokerage provisions – which include a requirement for brokerages to have distribution agreements with at least three different insurers – will come into effect December 2019.

In the months leading up to the implementation of the regulation, the Autorité des marchés financiers (AMF) was tasked with setting up the foundations of the framework. AMF has told The Insurance and Investment Journal that in order to establish the regulatory framework without issue, it would hold a consultation on the matter; further details regarding the consultation will be revealed during the fall.

Some brokers have raised concerns that allowing people to purchase insurance online without professional guidance could leave consumers vulnerable to exploitation.

AMF president and CEO Louis Morisset, in an earlier statement, offered assurances that consumers will be properly guided by a representative throughout the purchasing process.

“ ... Only a certified representative will be able to accompany the consumer in the buying process [if the consumer requests an agent’s assistance during the process],” Morisset said. “It is, therefore, simply wrong to claim, as some people continue to do, that anyone can now advise Quebec consumers in the insurance sales process.”

**Insurance sales via the Internet will be permitted in Quebec starting June 2019
by Hubert Roy July 11, 2018 09:45 a.m.**

The regulatory framework that will allow insurance sales via the Internet will officially come into effect on June 13, 2019. In the meantime, Quebec regulator – the Autorité des marchés financiers (AMF) – will have the task of establishing that framework.

These dates are set out in Article 741 of Bill 141. This article says the provisions of the Act respecting the distribution of financial products and services (ADFPS) that will apply to firms offering insurance products without an agent, in particular via the Internet, will come into effect on June 13, 2019, at the same time as the new Act respecting insurers.

The brokerage provisions, including the requirement to have distribution agreements with at least three different insurers, will come into effect December 2019.

Consultation in the fall

The AMF confirmed to The Insurance and Investment Journal that a consultation will be held. The details will be announced during the fall, said the AMF.

In a speech on May 22 in Quebec City, Louis Morisset, President and CEO of the AMF, announced that this consultation would be taking place, while speaking to a group of industry leaders and members of the Business Administration faculty at Université Laval.

During that speech, he said that consumers must be equally well protected when buying insurance via the Internet as they are when working with an agent. He added that the consumer will never be "forced" to buy insurance via the Internet. It will simply be a new option, which will expand his choices.

"I also reiterate that throughout the Internet sales process, only a certified representative will be able to accompany the consumer in the buying process (if the consumer requests an agent's assistance during the process). It is, therefore, simply wrong to claim, as some people continue to do, that anyone can now advise Quebec consumers in the insurance sales process."