

Agenda Item 4(a)

June 26/18 EOC Meeting

Quebec's Bill 141 is adopted

by Andrea Lubeck , Justine Montminy June 14, 2018 01:30 p.m.

Quebec's Bill 141, An Act mainly to improve the regulation of the financial sector, the protection of deposits of money and the operation of financial institutions, was passed June 13, two days before the end of the legislative session.

Finance Minister Carlos J. Leitão underlined that the bill required more than 60 hours of study in a legislative committee. He also announced that the government plans to create an advisory committee of consumers of financial products and services. This committee's mission will be to provide Quebec's financial markets regulator, the Autorité des marchés financiers (AMF), with a consumer perspective.

Leitão once again reiterated that keeping Quebec's insurance SROs, the Chambres, poses problems and eventually should be corrected.

"It remains clear that integrating the Chambres with the AMF...to improve consumer protection is, in our opinion, an inevitable logical solution that would be in the long-term interest of consumers, representatives and firms," he said.

The Insurance Bureau of Canada (IBC) says it sees the adoption of Bill 141 as positive, particularly with respect to the modernization of the legislative framework for the financial sector.

"Significant advances have been made that will allow property and casualty insurers to adapt their practices to the realities of today and to offer Quebec consumers products that meet their constantly changing needs, in line with the pace of technology innovation," said Johanne Lamanque, Vice-President, Quebec, of the IBC.

For its part, the Coalition des associations de consommateurs (consumer associations coalition) believes that the bill is far from meeting the needs of the consumer. "The bill was missing elements that would have been necessary to protect consumers with respect to online sales," said Jacques St-Amant, analyst at the Coalition, in an interview with The Insurance and Investment Journal.

Carlos Leitao backtracks and reluctantly keeps both Quebec insurance SROs

by Denis Méthot June 6, 2018 11:30 a.m.

Quebec's Committee on Public Finance was the scene June 5 of a spectacular about-face. At the beginning of the session, Finance Minister Carlos Leitão announced that he was abandoning the integration of Quebec's self regulatory insurance organizations – the Chambre de la sécurité financière and the Chambre de l'assurance de dommages – into Quebec's financial regulator, the Autorité des marchés financiers (AMF). The two SROs will therefore continue to exist distinctly and evolve within the scope of their consumer protection mandates of monitoring the ethical practices of licensees.

This decision may have been the price to pay for passage of Bill 141 by June 15 when the legislative session ends.

"I still think it's a very bad idea and it would be important to have one supervisory authority that can intervene in a comprehensive and coherent manner," Leitão commented in a resigned tone. "By letting the

Chambres continue to function the way they operate, there is a risk of duplication and inconsistency and I really hope that there will be no unpleasant event in the meantime. I think that a future legislature will have to agree on the best way to supervise the players in the financial system. But for now, we are withdrawing the proposals (from the bill) and both Chambres will continue to exist."

Carlos Leitão thus has yielded on the question of the SROs just 10 days before the end of the legislative session, whereas he had appeared intractable up until now.

"I think it's a very good compromise," said Nicolas Marceau, a Parti Québécois Member of the National Assembly (MNA), who had made keeping the Chambres one of his main priorities. The Minister and I have not come to the same diagnosis. I think the current model works well and I believe in the virtues of self-regulation."

He recalled that there had been no consensus around the abolition of Chambres and their integration into the AMF. Some industry players were in favor, while others, such as consumer associations, were opposed to it, he added.

Another MNA from the CAQ party, François Bonnardel, who was also opposed to the abolition of Chambres, also welcomed Minister Leitão's flip-flop.

Even though MNAs have reached a consensus, the decision to maintain the Chambres has not yet been formalized. Amendments to Bill 141 to permit this will be tabled and made public today (June 6), when the Committee on Public Finance resumes its work.

Sources told the Journal de l'assurance, a sister publication of The Insurance and Investment Journal, however, that the clause-by-clause study of Bill 141 should be completed this evening.

If so, the Committee on Public Finance would adopt, tonight, its final report which would then be tabled in Quebec's National Assembly for adoption early next week.