



July 14, 2017

Mr. Brendan Wycks  
Co-Executive Director  
Canadian Association of Financial Institutions in Insurance  
802-21 St. Clair Avenue East  
Toronto, ON M4T 1L9

Dear Mr. Wycks:

I am writing to follow up on our previous discussions and communications regarding credit related insurance distributed under a restricted certificate of authority.

The Life Insurance Council (LIC) appreciates the assistance you have provided in reviewing proposed definitions and sharing your feedback and recommendations.

The LIC has approved the following definitions for publication on the Alberta Insurance Council website:

**Creditors' disability insurance:** This is group insurance under which an insurer undertakes to pay all or part of a loan if a debtor becomes disabled. The insurance proceeds are paid to the creditor to pay down or pay off the debt. The amount of the insurance usually corresponds to the amount of the payments that fall due during the period of disability;

**Creditors' Critical Illness Insurance:** This is a group insurance policy under which an insurer undertakes to pay off credit balances or debts of a person, in whole or in part, if the insured individual is diagnosed with a covered illness or medical condition. The insurance proceeds are paid to creditor to pay down or pay off the debt;

**Creditors' life insurance:** This is a group insurance policy under which an insurer undertakes to pay off, in whole or in part, credit balances or debts of a person. The insurance proceeds are paid to the creditor; and the amount of the insurance is the amount of the loan outstanding from time to time, subject to any limits in the policy; and

**Creditors' loss of employment insurance:** This is a group insurance policy under which an insurer undertakes to pay off, in whole or in part, credit balances or debts of a person if the insured individual becomes unemployed. The insurance proceeds are paid to the creditor to pay down or pay off the debt.

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Thank you again for your assistance throughout this process. Please let me know if you have any questions or concerns.

Yours truly,

A handwritten signature in blue ink, which appears to read 'J. Abram', is written over the typed name and title.

Joanne L. Abram (Mrs.)  
Chief Executive Officer  
Alberta Insurance Council

JA/cm