

Agenda Item 4(b)
September 24/19 EOC Meeting

Context and Positioning Re Issue Of Insurance Coverages Embedded As A Credit Card Feature/Benefit

A CAFII Member has raised the following considerations:

- (i) with the exception of some Quebec insurers, traditionally a Distribution Guide has not been required for the credit card-embedded insurance coverages.
- (ii) the AMF has not issued a formal communication to confirm whether or not it will require, under Quebec's new regulatory regime (RADM), a Fact Sheet and Summary to be provided to consumers with respect to credit card-embedded insurance coverages.
- (iii) the preferred approach is to influence the AMF to exempt credit card-embedded insurance coverages from the Fact Sheet and Summary document requirement
- (iv) If the AMF intends to enforce the provision of a Fact Sheet and Summary document with respect to credit card-embedded coverages, then we should be requesting an 1 to 2 year extension to implement the required Fact Sheet and Summary document (current deadline – June 13, 2020).

CLHIA/ACCAP has chosen not to raise this with the AMF because there is no consensus among its members that so asking is desirable, partly because some members have interpreted the Regulation Respecting Alternative Distribution Methods as **not** requiring a Fact Sheet and Summary for embedded coverages; some of these members prefer to operate on that basis until such time as the AMF suggests otherwise.

The risk to asking is that we may not like the answer. On the other hand, clarity is desirable. CAFII's options are:

- (v) make an industry Association ask of the AMF on this issue;
- (vi) instead of asking, provide a view to the AMF as to why embedded coverages should not require a Fact Sheet and Summary;
- (vii) do not ask the AMF and let individual companies take their preferred actions, with some potentially asking the AMF on a company specific-basis.