

Agenda Item 4(e)
October 29/19 EOC Meeting

AMF Position On Embedded Creditor's Group And Travel Insurance Coverages

From: Thorn, Peter <Peter.Thorn@td.com>
Sent: October-11-19 5:59 PM
To: Brendan Wycks <brendan.wycks@cafii.com>; Keith Martin <Keith.Martin@cafii.com>
Subject: Embedded Travel Insurance Coverages

Hi, Keith and Brendan.

Was there any written direction from the AMF on the issue of providing a Distribution Guide or Product Summary/Fact Sheet for embedded travel coverages? Or was it simply a verbal statement? Do you know exactly what was said?

Thanks!
Pete

From: Brendan Wycks
Sent: October-15-19 8:46 AM
To: Thorn, Peter <Peter.Thorn@td.com>; Keith Martin <Keith.Martin@cafii.com>
Cc: 'afzal.baig@td.com' <afzal.baig@td.com>
Subject: Credit-Card Embedded Travel Insurance Coverage

Hi, Pete.

Here is our response to the question you've asked, which Keith has prepared on behalf of us both.

Our understanding is that CLHIA/ACCAP's Michele Helie, in a regularly-scheduled call with the AMF's Mario Beaudoin, was told by Mr. Beaudoin that the AMF expects that for all credit card insurance coverages, even if embedded and for which no direct premium is being paid, the consumer/insured must receive a Fact Sheet and Product Summary.

Michele told Brendan and me, in a regular teleconference update discussion, that she would never have asked Mario the question on this matter, but he simply stated/asserted this information in the course of their conversation. And when he did, she was obliged to share the information with CLHIA/ACCAP members. She said that Mario blurted this out without prompting.

Also, this was verbal only—no written direction on this issue has been received from the AMF to this point in time.

Trust this helps.

Brendan Wycks, BA, MBA, CAE

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Related Issue/Matter From September 24/19 CAFII EOC Meeting

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.