

**Agenda Item 5(b)**  
**April 27/21 EOC Meeting**

**Board-Approved Next Step #2 Arising From AMF's March 30/21 Response Letter to CAFII's July 7/20 Creative Solutions Submission on Credit Card-Embedded Insurance Benefits: CAFII Outreach Request To CBA That It Engage In This Issue, Given Implications For Core Credit Card Offerings in Quebec**

**From:** Docherty, Charles <[CDohererty@cba.ca](mailto:CDohererty@cba.ca)>  
**Sent:** April-21-21 11:43 AM  
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**Cc:** Brendan Wycks <[brendan.wycks@cafii.com](mailto:brendan.wycks@cafii.com)>  
**Subject:** RE: Follow-up from CAFII on AMF's Position on RADM's Applicability to Credit Card-Embedded Insurance Benefits: Potential Impact for Banks' Core Credit Card Offerings in Quebec

Thanks Keith we are reviewing internally and will get back to you.

Charles



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**Sent:** April 14, 2021 12:50 PM  
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**Cc:** Brendan Wycks <[brendan.wycks@cafii.com](mailto:brendan.wycks@cafii.com)>  
**Subject:** Follow-up from CAFII on AMF's Position on RADM's Applicability to Credit Card-Embedded Insurance Benefits: Potential Impact for Banks' Core Credit Card Offerings in Quebec

Hi, Charles and Alex.

At a CAFII Board of Directors meeting held yesterday, the Board directed Brendan and me, as CAFII management, to reach out to you – our key contacts at the CBA around market conduct, legal, and regulatory compliance issues for banks – to bring you up-to-date on recent developments on a critically important issue we are dealing with vis a vis the AMF in Quebec and credit card-embedded insurance benefits.

Our Board's view is that the AMF's now confirmed and finalized stance on the applicability of Quebec's Regulation respecting Alternative Distribution Methods (RADM) to credit card-embedded insurance benefits and its related consumer disclosures and regulatory compliance expectations as the province's financial services and insurance regulator will have disruptive and bottom-line implications not just for credit card-embedded insurance benefits – which CAFII Member bank distributors of credit protection insurance and travel insurance deal with – but for core credit card offerings in Quebec as well, which are the responsibility of CAFII members' corporate parent banks.

The key background documents which underlie this issue – including the AMF’s March 30/21 response letter to CAFII’s July 7/20 “Creative Solutions submission” on how the industry could meet the AMF half-way on its expectations arising from its position that the RADM does indeed apply to credit card-embedded insurance benefits (even though there is no “offer of insurance” with such embedded benefits) – are attached here for your review. On page 15 of the Quebec RADM you will find an example of a factsheet to be given to consumers for every imbedded insurance product, even though the factsheet contains information that is simply inaccurate for these products.

Our Board of Directors authorized us in yesterday’s meeting to pursue a number of key next steps on this issue -- given the response set out in the AMF’s March 30/21 letter – and we would like to arrange a virtual meeting opportunity to share with you what those next steps are.

One of those key next step directives is to engage with you at the CBA, and to outline our Board’s view that given the current status of this issue – and the damage that the AMF’s position will potentially cause to a core bank product – it is important that the CBA become engaged on this issue and bring its regulatory relations, communications, and advocacy experience and resources to bear, working in alignment with CAFII, with a view to getting the AMF to change its position on this matter.

To that end, we ask that you get back to us and propose three or four date/time options within the next week when you have 45 minutes to an hour available for a Zoom or MSTeams meeting with Brendan and me on this matter. We will send out a Meeting Invitation once we’ve settled on the date/time.

Thanks and best regards,

**Keith Martin**

Co-Executive Director / Co-Directeur général

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