

**Excerpt From CAFII Media & Advocacy Committee Meeting Notes  
March 18, 2014  
Re “Possible CAFII Project on Travel Insurance”**

*Arising From March 17/14 Liaison Meeting with Alberta Insurance Council Representatives:*

*When asked if there were any particular existing or “on the horizon” industry issues of concern for the AIC, J. Abram and R. Gilbertson replied “Yes, it’s travel insurance.”*

*J. Abram indicated that travel insurance is the one area of the restricted insurance licence regime that is causing noticeable numbers of inquiries and complaints. The bottom line is that, often, consumers don’t understand what they’re buying. J. Abram and R. Gilbertson explained that, as they see things, there are two issues of regulatory concern related to travel insurance:*

- *Consumers may be buying travel coverage that they don’t really need because it duplicates coverage they already have through a credit card or through their employer’s group benefits plan; and this potential duplication/redundancy is not being raised by the insurance salesperson; and*
- *Consumers, despite their honest best intentions, are not completing the application/enrolment form correctly because they don’t understand the medical-related questions. In particular, they don’t understand the coverage exclusions based on pre-existing conditions.*

*J. Abram said that the AIC wants to “get ahead of this issue” and avoid a situation where a travel insurance issue blows up in the legislature based on a consumer complaint of denial of coverage, where the consumer is dumbfounded and has a huge sense of injured merit based on a belief that the travel insurance application form was completed honestly and accurately.*

John Lewsen noted that there is a strong focus on travel insurance and he feels this is an area that will receive greater focus from regulator in the coming year. Is this something CAFII can take a lead on by getting an independent legal assessment of travel insurance, what the regulatory restrictions are?; and what are best practices?

John wished to get a better handle on this before engaging regulators. There was support for his suggestion that he propose to the EOC a CAFII project focused on an independent review of regulatory issues around travel insurance. What are the kinds of complaints coming out?, what is on the regulator websites?, what is the negativity that we are seeing around travel insurance?

Paul: this would extend CAFII’s scope a little, should we have the time and resources.

John: What’s on the horizon for regulators that will affect CAFII members? We sell travel insurance under the insurance business banking regulations, banks, direct channels... there are a lot of questions out there that we should seek to understand better. Travel insurance is also on credit cards and is also included in the group insurance plan. What if consumers ask their banker and they aren’t sure if there may be unnecessary, duplicate coverage? We should get ahead of the industry on this question and John feels that this is an area of great risk.

Moir noted that the Alberta Insurance Council feels that CAFII members are low risk in this area and won’t be coming in and talking to our branches.

**Action:** Raise this proposal at EOC for discussion.

**Action:** Other FIs should be alerted to these questions. Add this to the EOC Agenda.