

Agenda Item 5(a)(ii)(7)
April 7/20 Board Teleconference Meeting

CAFII Forbearance Request Letters To Insurance Regulators and Policy-Makers Across Canada:
Response Received From Judith Robertson, Commissioner, Financial Consumer Agency of Canada (FCAC)

From: Keith Martin

Sent: March 31, 2020 10:07 AM

Subject: Summary of CAFII Phone Call with Judith Robertson, FCAC Commissioner -- Market Conduct Letters to Banks on Complaint Escalation Procedures on Hold

Dear CAFII Board Members (copy EOC Members, Committee Members, and Board Surrogates):

This morning, FCAC Commissioner Judith Robertson called me to discuss the letter which CAFII had sent her and the FCAC on 27 March, 2020 asking for a temporary moratorium on new regulatory and filing initiatives.

Ms. Robertson said she appreciated receiving the letter and would send me a response by email, but wanted to clarify one item in it, where we mentioned that there were new market conduct initiatives underway at the FCAC around the complaints escalation procedures of banks. She asked me to elaborate on that point in the letter.

I explained that at the 9 March, 2020 meeting with CAFII and the FCAC, one CAFII member asked about the next steps on the two reports issued by the FCAC around complaints escalations processes at banks, and that Teresa Frick from the FCAC said in response that the next step was to send market conduct letters to specific member banks on their processes. Ms. Robertson said that my explanation helped clarify this issue for her. She said that the FCAC website already had an update on its approach to the COVID-19 situation, and another update was forthcoming. She then added that while the market conduct letters were being prepared in early March by the FCAC, with the intention to send them to bank members, "what was true yesterday is not true today," and that the letters were never sent and will **not** be sent at this time, until the situation normalizes. She then said that she wanted me to know that she was "sympathetic, understanding, and fully aware of the tremendous operational challenges your members face currently." She said she would write me an email in response to the letter assuring CAFII members that no new regulatory initiatives would be placed on FIs at this time by the FCAC.

Ms. Robertson also said that in reviewing the language on the website about the Agency's response to the COVID-19 crisis, it was important to keep in mind that a fine line had to be drawn by the FCAC between indicating that the Agency would be supportive of the operational challenges banks faced, while also continuing to reassure customers that the Agency was still monitoring market conduct issues and providing protection for consumers. I said that I fully understood that point and appreciated the importance of that fine line.

When the email from FCAC Commissioner Judith Robertson is received I will forward it to those on this distribution list.

Brendan and I also want to report that we have begun to receive responses from provincial/territorial regulatory authorities, the tone of which has been positive, supportive, and accommodating. To avoid multiple emails, we will be sending a general update in a few days, after more responses are received.

To date, we have not received a response from the AMF or the CCIR.

Thank you,

--Keith

Keith Martin

Co-Executive Director / Co-Directeur général

Canadian Association of Financial Institutions in Insurance

L'association canadienne des institutions financières en assurance

keith.martin@cafii.com

T: 647.460.7725

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