

Quebec City, April 1, 2022

*By e-mail: brendan.wycks@cafii.com*

Mr. Rob Dobbins  
Chair, Executive Operations Committee and Board Secretary  
Canadian Association of Financial Institutions in Insurance  
200-411 Richmond Street E  
Toronto, ON, M5A 3S5

Sir:

Client No.: 3001449692  
Reference No.: 2032425050

**Subject: Credit Card-Embedded / Included Insurance Benefits**

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This follows receipt of the December 2021 action plans from insurers active in the credit card-embedded insurance industry.

The Autorité des marchés financiers (the “AMF”) is satisfied with the timelines suggested for the implementation of the action plans. However, we wish to provide some general comments that will be useful to insurers as they implement their action plans.

- Travel insurance and debit/credit card insurance are two different products under two separate sections of the Distribution Act.

As such, we expect these products to be in separate summaries disclosed under separate DWR files. Some insurers chose to put these summaries together in one document/brochure with a table of contents. In this case, we emphasize that each summary must be easily identified, and each must meet the requirements of the *Regulation respecting Alternative Distribution Methods* (“RADM”).

- Delivery of the product summary:

*Offer in person:*

The AMF directs you to section 431 of the Distribution Act which stipulates that the distributor must describe the product to the client and explain to him or her the nature of the guarantee and the exclusions.

**Québec**

Place de la Cité, tour Cominar  
2640, boulevard Laurier, bureau 400  
Québec (Québec) G1V 5C1  
Téléphone : 418 525-0337  
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**Montréal**

800, square Victoria, 22<sup>e</sup> étage  
C.P. 246, tour de la Bourse  
Montréal (Québec) H4Z 1G3  
Téléphone : 514 395-0337  
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*Offer by phone:*

The AMF wishes to emphasize that by virtue of section 23 of the RADM, the insurer must ensure that the distributor mentions the information contained in the summary to the client.

*Offer via Internet (made by the distributor):*

When the distributor's offer is done through the Internet, the product summary must be delivered, not just made available, to the consumer at the time the product is offered. It must be in a format that allows it to be saved.

- We are concerned that some insurers mentioned in their action plan that the product summary could be sent via email or another electronic means when the offer is made in person. The objective is for the consumer to read the summary before he or she applies for the card, not to consult it at home afterwards. Thus, a consumer who is comfortable consulting the product summary on his or her phone could agree to receive it electronically, but the purpose of delivering this document at the time of the offer should not be circumvented.
- We remind insurers that they must disclose to the AMF the hyperlink used by distributors to offer the product over the Internet. They can use the AMF E-Services to add it.

The AMF expects insurers to comply with their submitted action plans for the delivery of product summaries and other obligations even though discussions about the notice of rescission and the fact sheet are still ongoing. Insurers that disclosed credit card-embedded insurance will be informed of the outcome of these discussions.

The AMF also requires that insurers provide us with a confirmation when the product summary deployment is completed.

Do not hesitate to contact the analyst, Ms. Charlene Boucher ([charlene.boucher@lautorite.qc.ca](mailto:charlene.boucher@lautorite.qc.ca)), if you have any questions pertaining to the above.

Please note that this letter should not be construed by any insurer as a waiver by the AMF of its rights and recourses under any law or regulation for any other past, present, or future breach by insurers.

Yours truly,



Mario Beaudoin  
Director, Alternative Insurance Distribution Practices

c.c. Insurers that disclosed credit card-embedded insurance products  
*Travel Health Insurance Association ("THIA")*