

February 2, 2024

Judith Robertson, Commissioner, Financial Consumer Agency of Canada (FCAC)  
Financial Consumer Agency of Canada  
Supervision and Enforcement Branch  
427 Laurier Avenue West, 5th floor  
Ottawa, ON K1R 1B9  
[compliance@fcac.gc.ca](mailto:compliance@fcac.gc.ca)

Dear Ms. Robertson,

***Re: Public Consultation—FCAC's Proposed Guideline on Complaint-Handling Procedures for Trust and Loan Companies and Insurance Companies***

CAFII would like to thank the Financial Consumer Agency of Canada (FCAC) for the opportunity to comment on your ***FCAC's Proposed Guideline on Complaint-Handling Procedures for Trust and Loan Companies and Insurance Companies***, and we would also like to thank the Agency for providing us with an extension to the deadline for comments to February 5, 2024.

The FCAC proposes to extend the existing *Guideline on Complaint-Handling Procedures for Banks and Authorized Foreign Banks*, which was published on January 27, 2022 and came into force on June 30, 2022, to other financial services entities including federally chartered insurance companies.

It is the view of CAFII that the proposed application of the Guideline to the insurance sector is outside the jurisdiction of the FCAC and might be viewed as unconstitutional, and therefore subject to challenge. As such, we are requesting that if the FCAC is able to demonstrate that the proposed Guideline is within its jurisdiction, a new round of consultations begin at which time we would be prepared to offer more detailed comments.

If the FCAC is able to demonstrate that requiring insurers to comply with this Guideline falls within its jurisdiction, the primary comment we would make is to remind the FCAC that the Canadian Council of Insurance Regulators (CCIR) and the Canadian Insurance Services Regulatory Organizations (CISRO) have a mechanism in place for reporting on complaints, which insurance companies adhere to, the *Guidance, Conduct of Insurance Business and Fair Treatment of Customers*. If the FCAC has identified deficiencies in the framework from CCIR and CISRO for complaint handling and positive consumer protection outcomes, sharing those with industry in an evidence-based discussion would be productive to advance our shared goals. Furthermore, we would encourage FCAC to engage with CCIR and CISRO to harmonize the approach to complaint reporting, to avoid creating onerous new requirements and as a consequence, a non-harmonized and disjointed approach. As insurance is provincially regulated we seek as harmonized an approach as possible, and the introduction of a new more onerous federal requirement moves the industry in the opposite direction.

Federally-regulated insurance companies currently report to the FCAC under the provisions of the *Insurance Companies Act*. The proposed Guideline with new expectations around reporting would significantly increase the regulatory burden on insurance companies. The Guideline would change the definition of complaints to capture any dissatisfaction and creates a requirement around reporting on level 1 complaints. We have concerns about this broadened definition and expanded reporting requirements that could also result in duplicate reporting.

There are unique requirements to the FCAC complaints procedures including around timelines that are different from what our members comply with in respect to CCIR and CISRO complaints-handling expectations. If this Guideline were introduced, it would result in insurance companies needing to make significant investments in processes and technology to allow for this expanded reporting. Additionally, there are pending regulatory changes facing the industry associated with complaint handling and reporting. We would draw attention to the fact that the Autorité des marchés financiers (AMF) is due to release new regulations around the approach to complaints and dispute resolution in Quebec, and CCIR is currently in discussions with industry around a new definition of complaints and additional reporting requirements. Adhering to potentially three different complaint handling and reporting regimes increases operational complexities for industry.

In the absence of evidence-based deficiencies in the current CCIR and CISRO framework and given the potential operational complexities outlined, we would respectfully recommend FCAC consider withdrawing this Guideline.

Should you require further information from CAFII or wish to meet with representatives from our Association on this submission or any other matter at any time, please contact Keith Martin, CAFII Executive Director, at [keith.martin@cafii.com](mailto:keith.martin@cafii.com) or 647-460-7725.

Sincerely,



Rob Dobbins  
Board Secretary and Chair, Executive Operations Committee

### **About CAFII**

CAFII is a not-for-profit industry Association dedicated to the development of an open and flexible insurance marketplace. Our Association was established in 1997 to create a voice for financial institutions involved in selling insurance through a variety of distribution channels. Our members provide insurance through client contact centres, agents and brokers, travel agents, direct mail, branches of financial institutions, and the internet.

CAFII believes consumers are best served when they have meaningful choice in the purchase of insurance products and services. Our members offer credit protection, travel, life, health, and property and casualty insurance across Canada. In particular, credit protection insurance and travel insurance are the product lines of primary focus for CAFII as our members' common ground.

CAFII's diverse membership enables our Association to take a broad view of the regulatory regime governing the insurance marketplace. We work with government and regulators (primarily provincial/territorial) to develop a legislative and regulatory framework for the insurance sector which helps ensure that Canadian consumers have access to insurance products that suit their needs. Our aim is to ensure that appropriate standards are in place for the distribution and marketing of all insurance products and services.

CAFII's 14 members include the insurance arms of Canada's major financial institutions--BMO Insurance, CIBC Insurance, Desjardins Insurance, National Bank Insurance, RBC Insurance, Scotia Insurance, and TD Insurance, along with major industry players Assurant Canada, The Canada Life Assurance Company, Canadian Tire Bank, Chubb Life Insurance Company of Canada, CUMIS Services Incorporated, Manulife (The Manufacturers Life Insurance Company), and Securian Canada.