

October 22, 2020

Mr. David Weir
Senior Technical Advisor
Financial and Consumer Services Commission of New Brunswick
200 – 225 King St.
Fredericton, New Brunswick E3B 1E1

Dear Mr. Weir:

Re: CAFII Response Submission on FCNB Informal Consultation on Contemplated Changes to Life Insurance and Accident & Sickness Insurance Parts of the New Brunswick *Insurance Act*

CAFII commends FCNB for undertaking this informal consultation and we appreciate the opportunity to respond – via our submission which accompanies this transmittal letter -- to the questions and issues raised in the document you shared with our Association on July 21, 2020.

We also appreciate your co-operation in granting CAFII extensions to the loose deadlines previously agreed-upon for our submission. Having additional time allowed our Association to prepare what we believe is a strong, value-adding submission. In particular, with respect to the several questions/issues you posed which called for a legal comparative analysis (of other provinces' Insurance Acts or Regulations) and/or a legal history perspective, the additional time allowed us to consult with internal legal counsel at CAFII member companies; to tap into their knowledge and expertise; and to obtain informed perspectives which we have shared in our submission.

We have used your informal consultation document itself as the base document for our submission. In our accompanying submission, we have *italicized* your original text; underlined the content which we believe constitutes your essential questions and issues; and **boldfaced** our responses which we've inserted immediately following each question/issue.

As you know, CAFII's focus as an industry Association is on credit protection insurance – also known as creditor's group insurance – along with travel insurance, as those are the key areas of risk exposure for which our members offer simple, convenient insurance solutions to Canadians through a variety of distribution channels. Therefore, with respect to the questions and issues posed in your informal consultation document, we have generally restricted our feedback comments to matters germane to credit protection insurance and travel insurance. We have not responded to some questions and issues raised which are out-of-scope for our Association.

If you would find it helpful, CAFII would be pleased to meet with you to discuss the feedback provided in our accompanying submission, before your legislative amendment and update proposals advance to the drafting stage. We would be prepared to meet via a virtual meeting platform or by teleconference, as you prefer. Please contact Brendan Wycks, CAFII Co-Executive Director, at brendan.wycks@cafii.com or 647-218-8243 to arrange a meeting at a mutually convenient time.

We conclude this transmittal letter with a recommendation and request related to next steps. While CAFII is appreciative of the opportunity to participate in the current informal consultation and we recognize its importance as a building block component of a multi-stage process, we are also strongly of the view that, at a later stage, a full and formal consultation on new *Insurance Act* draft legislation is imperative.

A formal consultation on draft legislation is vital because it will afford industry stakeholders and consumers the opportunity to provide feedback on what is proposed to be enshrined as law; and it will also permit the FCNB, in turn, to conduct a detailed review of formal stakeholder responses.

A full and formal stakeholder consultation process on draft legislation will pay dividends by mitigating against unforeseen outcomes and unintended consequences which can sometimes result from modernizing such a broad, detailed, and complicated document as a provincial *Insurance Act*. It will also increase the likelihood that the new *Act* will produce world class consumer protection while, at the same time, fostering industry innovation, business success, and a positive contribution to the province's economy.

We look forward to continuing to work with you toward an optimally modernized New Brunswick *Insurance Act*.

Sincerely,



Martin Boyle
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 travel, life, health, property and casualty, and credit protection 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 that helps ensure Canadian consumers get the insurance products that suit their needs. Our aim is to ensure appropriate standards are in place for the distribution and marketing of all insurance products and services.

CAFII's members include the insurance arms of Canada's major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Insurance; National Bank Insurance; RBC Insurance; ScotiaLife Financial; and TD Insurance – along with major industry players Assurant; Canada Life Assurance; Canadian Premier Life Insurance Company/Valeyo; CUMIS Services Incorporated; Manulife (The Manufacturers Life Insurance Company); and Sun Life.