

FROM: Director, Worldwide Markets                      EXTN: 6677  
DATE: 4 March 2005    REF: Y3509  
SUBJECT: **Canada: Code of Consumer Rights & Responsibilities**  
SUBJECT AREA(S):  
ATTACHMENTS: Appendix 1: Code of Consumer Rights & Responsibilities

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ACTION POINTS: **Underwriters & Brokers to note**  
DEADLINE(S): **Immediate**

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The Insurance Bureau of Canada recently introduced a Code of Consumer Rights and Responsibilities (the "Code", see Appendix 1).

The Code recognises certain rights and responsibilities relating to insurance sales and services for consumers, when purchasing home, automobile and commercial insurance.

The Code's provisions include:

- The right to be fully informed and provided with clear information with respect to their policy and its coverage.
- The right to ask who is providing compensation to their broker or agent for the sale of insurance.
- The right to timely complaint resolution.\*
- The right to deal with insurance professionals of a high ethical standard.
- The right to privacy when disclosing information required by an insurer, in accordance with Canadian privacy laws.\*

\* **Note:** Complaints and privacy procedures for Lloyd's underwriters writing Canadian business are outlined in Market Bulletins [Y3176, issued 6 November 2003](#) and [Y3212, issued 15 December 2003](#), respectively.

Following discussions with the LMA and the LMBC, it has been decided that the provisions of the Code should be adopted for Lloyd's Canadian business. Nicholas Smith, Lloyd's Attorney-in-Fact in Canada, has informed Canadian intermediaries accordingly.

If you have any queries regarding this matter, please contact:

Market Services Desk	Telephone: 020 7327 6677
	E-mail: <a href="mailto:market.services@lloyds.com">market.services@lloyds.com</a>
Lloyd's Canada Contact Centre:	Telephone: +1 (514) 864 5444
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This bulletin has been sent to active underwriters and the compliance officers of managing agents and Lloyd's brokers and the market associations.

The information contained in this market bulletin is provided in order to support managing agents in meeting their commitment ***'to protect Lloyd's licences and authorisations to conduct insurance business in the UK and overseas'***. The information will also help underwriters decide, prior to binding, how a risk can be underwritten in compliance with Lloyd's trading rights in the country concerned.

More detailed information on Lloyd's trading rights may be found on [www.lloyds.com/worldwide](http://www.lloyds.com/worldwide). Select the appropriate country from the Lloyd's trading status box (located on the right hand side of the web page) and this will take you to the Quick Reference Guide for the country selected. More detailed information may then be obtained for certain countries by selecting 'Manual' from the menu on the left hand side of the screen. You will be asked to input a user name and password. Please contact the Worldwide Market Services (contact details as above) in order to obtain this information.

Julian James  
Director  
Worldwide Markets

# Code of Consumer Rights and Responsibilities

Insurance companies, along with the brokers and agents who sell home, auto and business insurance, are committed to safeguarding your rights when you shop for insurance and when you submit a claim following a loss. Your rights include the right to be informed fully, to be treated fairly, to timely complaint resolution, and to privacy. These rights are grounded in the contract between you and your insurer and the insurance laws of your province. With rights, however, come responsibilities including, for example, the expectation that you will provide complete and accurate information to your insurer. Your policy outlines other important responsibilities. Insurers and their distribution networks, and governments also have important roles to play in ensuring that your rights are protected.

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## *Right to Be Informed*

You can expect to access clear information about your policy, your coverage, and the claims settlement process. You have the right to an easy-to-understand explanation of how insurance works and how it will meet your needs. You also have a right to know how insurers calculate price based on relevant facts.

You have the right to ask who is providing compensation to your broker or agent for the sale of your insurance. Your broker or agent will provide information detailing for you how he or she is paid, by whom, and in what ways.

Insurance companies will disclose their compensation arrangements with their distribution networks. Brokers and agents are committed to providing information relating to ownership, financing, and other relevant facts.

## *Responsibility to Ask Questions and Share Information*

To safeguard your right to purchase appropriate coverage at a competitive price, you should ask questions about your policy so that you understand what it covers and what your obligations are under it. You can access information through brochures and websites, as well as through one-on-one meetings with your broker, agent, or company representative. You have the option to shop the marketplace for the combination of coverages and service levels that best suits your insurance needs. To maintain your protection against loss, you must promptly inform your insurance company or broker or agent of any change in your circumstances.

## *Right to Complaint Resolution*

Insurance companies, their brokers and agents are committed to high standards of customer service. If you have a complaint about the service you have received, you have a right to access your company's complaint resolution process. Your insurer, agent or broker can provide you with information about how you can ensure that your complaint is heard and promptly handled. Disputes involving claims settlement matters may be handled by the independent General Insurance OmbudService [www.gio-scad.org](http://www.gio-scad.org) where your complaint may be referred to an independent mediator.

## *Responsibility to Resolve Disputes*

You should always enter into the dispute resolution process in good faith, provide required information in a timely manner, and remain open to recommendations made by independent observers as part of that process.

## *Right to Professional Service*

You have the right to deal with insurance professionals who exhibit a high ethical standard, which includes acting with honesty, integrity, fairness and skill. Brokers and agents must exhibit extensive knowledge of the product, its coverages and its limitations in order to best serve you.

## *Right to Privacy*

Because it is important for you to disclose any and all information required by an insurer to provide the insurance coverage that best suits you, you have the right to know that your information will be used for the purpose set out in the privacy statement made available to you by your broker, agent or insurance representative. This information will not be disclosed to anyone except as permitted by law. You should know that insurers are subject to Canada's privacy laws.

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