

CANADIAN BULLETIN

REF: AD-16-004

DATE	2016-02-12
RECIPIENT	Stakeholders Writing Accident & Sickness Business in British Columbia
SUBJECT	Financial Institutions Commission (FICOM) Information Bulletin INS-15-002 Creditor's Group Insurance (CGI)
ATTACHMENTS	Creditor's Group Insurance Attestation of Compliance

<i>Purpose:</i>	To inform stakeholders of FICOM's expectations regarding CGI
<i>Affects:</i>	Stakeholders Writing Accident & Sickness Business in British Columbia
<i>Line of Business:</i>	Accident & Sickness
<i>Jurisdiction :</i>	British Columbia
<i>Effective:</i>	By March 31, 2017

What you need to know

The Financial Institutions Commission ("FICOM") has issued [Information Bulletin INS-15-002](#) dated September 2015. This Bulletin was published as a result of consumer protection concerns over the sale and distribution of creditor's group insurance ("CGI") products. It sets out FICOM's expectations for insurers, exempt sellers and creditors regarding CGI products.

With the latest [letter](#) dated January 4th, 2016, FICOM extended the original deadline for compliance with the bulletin to March 31st, 2017. This was done in order to allow for sufficient implementation time for stakeholders concerned.

Some of FICOM's minimum expectations with respect to the sale and distribution of CGI products are summarized below¹:

Insurers:

- Periodical monitoring, reporting and auditing procedures are in place for the concerned Lloyd's underwriters/intermediaries and creditors;
- Proper training and knowledge of CGI products for exempt sellers;
- Outsourcing agreements with third parties are clearly defined and monitored;
- Ensure authorized personnel or licensed individuals or exempt sellers are engaged in the distribution of CGI products.

¹ Please note that this is not an exhaustive list and the bulletin should be reviewed for completeness.

Exempt Sellers:

- Possess adequate knowledge and training of CGI products;
- Consumers are clearly informed on all matters related to CGI products;
- Consumers are made aware on how to contact the insurance company for clarification on their coverage;
- Coercive practices are not taking place.

Creditors:

- In relation to creditors, insurers are required to ensure that the creditor plays an active and substantial role in a number of areas throughout the sales and distribution process.

What does this mean to you

It is the responsibility of the concerned Lloyd's underwriters/intermediaries to abide by the regulatory requirements by the given deadline. Contravention of the requirements may result in regulatory action against the concerned Lloyd's underwriters/intermediaries or exempt sellers.

Lloyd's expects Lloyd's underwriters/intermediaries intending to or writing CGI business in British Columbia to immediately take steps to ensure that FICOM's expectations set out in the bulletin will be met.

Therefore and notwithstanding any further measures to be taken by Lloyd's Canada to ensure compliance with the above, we ask you to complete the attached "Creditor's Group Insurance Attestation of Compliance" form and return it by email to info@lloyds.ca by May 18, 2016.

For further information, please contact info@lloyds.ca.

SEAN MURPHY

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CREDITOR'S GROUP INSURANCE ATTESTATION OF COMPLIANCE

LLOYD'S

Please complete/return this form to info@lloyds.ca by May 18, 2016.

I hereby confirm that my organization writes Creditor's Group Insurance in British Columbia² and will comply with FICOM's regulatory requirements noted in Information Bulletin INS-15-002 dated September 2015.

OR

I hereby confirm that my organization does not write any Creditor's Group Insurance in British Columbia.

AND

I hereby confirm that my organization will advise Lloyd's Canada should Creditor's Group Insurance be written in British Columbia in the future.

Signature: _____ Date: _____

Printed Name: _____

Title: _____

Phone Number: _____

Name/Address of
Organization: _____

² Under Information Bulletin INS-15-002 any group product under which the lives or well-being of a number of a creditor's debtors are insured under a single contract is considered a CGI product.