

By e-mail

December 13, 2007

Stakeholder Organizations:

Subject: Upcoming consultation on Incidental Selling of Insurance (ISI)

Dear Sirs:

As a result of potential licensing and consumer issues stemming from the sale of insurance incidental to some other core business activity the Canadian Council of Insurance Regulators (CCIR) created the ISI Working Group. As there appears to be considerable interest in this working group's mandate, we felt it would be useful to write to stakeholders to provide an update on the working group's progress thus far and to let you know when you can expect to hear from the working group.

This working group has defined an incidental seller of insurance as being "a person who, in pursuing activities in a field other than insurance, offers, as an accessory, for an insurer, an insurance product which relates solely to goods sold or services offered by the person or secures a client's enrolment in respect of such an insurance product."

The working group has identified and gathered information on potential issues around sales and claims processes related to ISI. CCIR has agreed that the working group should consult with the insurance industry and other stakeholders on the following issues related to the sale of insurance by incidental sellers:

- Exclusions, restrictions and limitations in insurance policies being sold by incidental sellers;

CCIR

- Potential conflicts of interest;
- Role and responsibilities of the incidental sellers;
- Availability of statistical information.

The working group is presently working on a consultation document which will be sent to stakeholders and the insurance industry during the winter of 2008. This document will provide the details relating to the consultation process.

If you have any further question, please contact Mr. Mario Beaudoin, at the Autorité des marchés financiers, at 1 877-395-0337 ext. 2801 or by email at mario.beaudoin@lautorite.qc.ca

Best regards,



Michael Grist
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Canadian Council of Insurance Regulators

Canadian
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Conseil
canadien
des responsables
de la
réglementation
d'assurance