

From: "Scott McBride" <Scott.McBride@bcaa.com>
To: <spaglia@fsco.gov.on.ca>
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Subject: June 2005 Industry Practises Review Committee Report

Thank you for the opportunity to comment on this report. BCAA's insurance business is probably best described as a Company/Agency model, with a limited breadth of product offering. Through our insurance agency, we sell property insurance sourced from only BCAA Insurance Corporation, travel medical insurance through a single third-party supplier, and non-specialty auto insurance provided by ICBC and by one other private source.

Our view is that the greatest potential loss of confidence is from situations where customers consider that the traditional independent brokerage model is being offered - and it is not. Policy options should be directed at ensuring misrepresentation in this area does not occur. Rather than restrictions on benefits offered to intermediaries (loopholes will always be found), disclosure and 'truth-in-advertising' should be sought. Parts of Appendix 1 form a good starting point, but we would disagree with providing any assurance/indication to the client relating to 'lowest quotation/price'. This direction leads consumers to believe that insurance is a commodity, which it is not.

Thank you.

Scott McBride

Vice President Insurance

BCAA

Tel - 604.268.5255

CC: <c.michael.grist@ficombc.ca>, "Patricia Stirling"
<Patricia.Stirling@bcaa.com>