CCIR

June 3, 2005

Canadian
Council of
Insurance
Regulators

Conseil
canadien
des responsables
de la réglementation
d'assurance

Dear stakeholders:

The Canadian Council of Insurance Regulators (CCIR) and the Canadian Insurance Services Regulatory Organizations (CISRO) are pleased to release a consultation paper entitled *Relationships Between Insurers and Sales Intermediaries*. The consultation paper is being released today for review and comment by all stakeholders and other interested parties.

The consultation paper was prepared by the CCIR / CISRO Industry Practices Review Committee (IPRC). The IPRC was formed in October of 2004 to ensure a coordinated national approach to the regulators' review of insurance practices regarding the relationship between intermediaries and insurance companies.

For the first phase of its review, the IPRC developed a risk-based market conduct assessment questionnaire to obtain information from insurers about their relationships with brokers, agents, and other sales intermediaries in Canada. The consultation paper has been developed from the responses to these questionnaires that were sent to property and casualty (P&C) and life and health (L&H) companies in November and December 2004 respectively. Summaries of the responses to both the P&C questionnaire and the L&H questionnaire are included in the consultation paper.

As part of the review, the IPRC has been considering the impact various aspects of the insurer and sales intermediary relationship may have on consumer confidence. It is also exploring possible policy options for additional regulatory measures that may be required to enhance consumer protection.

The next phase in the review involves soliciting stakeholder comments on the issues discussed in the consultation paper. It is important to note, however, that none of the approaches outlined in the consultation paper should be construed as the official position of any provincial, territorial or federal government or agency.

The IPRC welcomes the comments, suggestions and ideas of consumers, insurance industry stakeholders and any other interested parties regarding the issues described in the consultation paper. A copy of the consultation paper can be found on the CCIR website (www.ccir-ccrra.org). The IPRC looks forward to receiving your submissions by August 3, 2005.

Electronic submissions would be preferred. Please note that CCIR and CISRO intend to publicly release all submissions received pursuant to this consultation process by posting them on the CCIR web site.

All submissions should be forwarded to:

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After collecting stakeholders' comments and suggestions, the IPRC may recommend that CCIR and CISRO propose to governments the policy options described in this paper, or other options proposed by stakeholders during the consultation. Following the consultation process, individual provincial and territorial insurance regulators will review the stakeholder input with their respective governments to determine what action, if any, is required.

Yours sincerely,

Original signed by

Michael Grist
Chair, Canadian Council of Insurance Regulators
Deputy Superintendent, Insurance, Financial Institutions Commission, British Columbia