**CCIR**

March 30, 2004

Dear Insurance Industry Stakeholder:

On behalf of the Canadian Council of Insurance Regulators (CCIR), I am pleased to announce the release of a consultation paper entitled "Issues Related to Inducements, Rebating and Tied Selling", for review and comment by insurance stakeholders.

Previously, CCIR had established the Streamlining and Harmonization Committee to solicit specific proposals from the insurance industry to help streamline and harmonize the regulatory environment. The Committee received submissions related to the "market conduct issues" that are the subject of this consultation paper.

To review the submissions, CCIR established the Working Group on Market Conduct and Other Issues, chaired by Jim Scalena, Superintendent of Insurance in Manitoba. In general, proponents for market conduct changes contend that the marketplace has evolved significantly since the existing laws were enacted and that there should be a review to determine if changes are required to enhance competition and provide benefits to the consumer.

The Working Group prepared the consultation paper to seek comments on options presented by stakeholders and others. None of the options included in this paper should be construed as the official position of any provincial, territorial or federal government or agency.

CCIR welcomes the comments, suggestions and ideas of insurance industry stakeholders regarding the issues described in this paper. This document can be found on the CCIR's website at www.ccir-ccrra.org. We look forward to receiving your submissions by Friday, May 21, 2004.

Written submissions should be forwarded to:

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Canadian Council of Insurance Regulators

Conseil canadien des responsables de la réglementation d'assurance

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Electronic copies of submissions would be preferred. As it is the intention of CCIR to publicly release the submissions received in this consultation process, please indicate if you do not want your submission to be made public.

Technical questions pertaining to the paper can be addressed to the Working Group on Market Conduct and Other Issues by contacting the Chairperson:

Jim Scalena
Superintendent of Insurance
Department of Finance
Consumer & Corporate Affairs Division
Manitoba

E-mail: jscalena@gov.mb.ca

Following a review of the responses received, the Working Group intends to make recommendations to CCIR at an upcoming meeting. Any proposed legislative change would require approval of the government in each jurisdiction. As with all CCIR work, the implementation of changes, if any, would be the responsibility of each jurisdiction.

In the meantime, we look forward to receiving your comments.

Sincerely,

Original signed by

Jim Hall
Chair