

Press Release

For immediate release

Financial institutions prohibited from promoting insurance products on their websites: a good decision for Canadian consumers!

Longueuil, October 8, 2009 — The *Regroupement des cabinets de courtages d'assurances du Québec* (RCCAQ) applauds Finance Minister Jim Flaherty's decision to prohibit banks from promoting the sale of insurance products through their websites. "It's good news," declared Johanne Lamanque, Executive Director of the RCCAQ, "but it's not a total victory." According to Ms. Lamanque, pressure must be maintained to have financial institutions completely excluded from the sale of insurance products. "It's illogical that lenders, with all the power and influence they possess, should also offer insurance products. It places consumers in a disadvantageous position and exercises pressure on them that affects their freedom of choice," she continued.

For the past five years, the RCCAQ has worked jointly with the Insurance Brokers Association of Canada (IBAC) to make the government see reason in this thorny issue. "Not subject to the same rules of the game as brokers, financial institutions are constantly increasing their market share, in spite of the bank's law to separate insurance products from financial products," said Johanne Lamanque. In force since 1991, the Act has grey areas which the financial institutions use to bypass the regulation. "Today, over 50% of banking transactions are performed on the Internet; it is normal that the law be adapted to modern times," said Steve Manyck, Public Relations Manager for the IBAC.

The work carried out in this file by the RCCAQ and the IBAC has borne fruit. According to Minister Flaherty, the fact that financial institutions can promote insurance products on their websites is inconsistent with the Act. "I have asked them to rapidly end this practice and conform to government policy," he added. This policy, which now extends to the Internet, prohibits financial institutions from promoting and selling insurance products in their branches. Reversing a previous decision in favour of the financial institutions, the regulation should take effect as soon as the next budget is tabled in early 2010.

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