

IBAC Appears at House of Commons Finance Committee

Insurance Brokers reinforce need for consumer protections

May 9, 2018 – Yesterday, Peter Braid, CEO of the Insurance Brokers Association of Canada (IBAC), appeared before the House of Commons Finance Committee to reinforce the importance of preserving the historical separation between banking and insurance in Canada’s financial system.

The Finance Committee is currently studying Bill C-74, the Budget Implementation Act. Among other things, this bill includes proposed amendments to the Bank Act that give greater flexibility for financial institutions to undertake fintech activities. IBAC is pleased that these changes specifically maintain the banks’ existing restrictions on business powers, and support IBAC’s fundamental position that banks ought not to retail insurance at the point of granting credit.

“IBAC welcomes the continuation of consumer protection provisions in Bill C-74,” said Braid. “At the same time, we want to ensure that banks are not allowed to circumvent these long-standing regulations through the use of fintechs. We believe that this will be accomplished by making it clear in the regulations that fintech entities are subject to the same restrictions as banks when it comes to retailing insurance or making referrals.”

IBAC supports measures to modernize the federal financial sector framework through technology and innovation; however, this must be achieved without compromising consumer protection. Braid noted that the Finance Committee’s study on banks’ sales practices highlighted the expanding role that banks play in the lives of Canadians and underscored the need to protect financial consumers in the marketplace. Bill C-74 reflects the government’s commitment to this important principle.

“We applaud the government for reaffirming existing consumer protection policies in Bill C-74,” continued Braid. “We will now be advocating to ensure that the traditional separation of banking and insurance is carried through in the drafting of regulations.”

-30-

Representing over 38,000 insurance brokers across Canada, the Insurance Brokers Association of Canada (IBAC) is the national voice of P&C (Property and Casualty) insurance brokers and an advocate for insurance consumers. IBAC represents the interests of both insurance brokers and their customers to the Government of Canada.

Media Contact:

Liz Scott, Executive Assistant
Insurance Brokers Association of Canada
Phone: 416-367-1831
lscott@ibac.ca