Electronic commerce in insurance products: The CCIR adopts the final version of its position paper

November 1, 2013

Over the last few years, the Canadian Council of Insurance Regulators[1] ("**CCIR**") has taken an active interest in the issue of the electronic commerce of insurance products and the necessity of ensuring the adequate protection of the interests of consumers in this context. In May 2013, the Electronic Commerce Committee of the CCIR (the "**Committee**") published a first version of its position paper on the electronic commerce of insurance products (the "**Position Paper**") which included various recommendations aimed at gathering comments from the members of the industry. It is on this occasion that Lavery published its article entitled "E-Distribution of Insurance Products: the CCIR Publishes its Recommendations", which summarized the recommendations proposed by the Committee in its Position Paper. For an overview of the nature of these recommendations, we are referring you to this article, which this text builds on[2].

This fall, the Committee finalized its recommendations in the light of the changes proposed by the industry stakeholders. In November 2013, it announced that it had completed the final step of the consultation process, that is, the adoption by the CCIR of the final version of the Position Paper. The final document may be consulted by clicking here. The Committee enthusiastically noted the general acceptance by the industry stakeholders of the recommendations as published in the first version of the Position Paper in spring 2013.

In fact, the changes that were made to the May 2013 version of the Position Paper are rather circumscribed. They are mostly limited to introducing more precise wording. However, the following changes deserve to be noted:

1. In its recommendation pertaining to the information to be provided to consumers and which are deemed essential for understanding the product, the Committee insisted on the importance of such information being drafted in clear and simple language.

2. As to the possibility of designating a beneficiary by electronic means, the Committee abandoned its recommendation whereby the designation should be followed by a written verification as a protection against fraud. It now recommends that these designations be simply confirmed electronically or by other means.

3. As to comparison shopping sites, the Committee makes an additional recommendation, namely that regulators will survey these websites and enforce the regulation when needed.

Copyright (c) Lavery, de Billy, S.E.N.C.R.L. - L.L.P.

Thus, the essence of the version of the position paper posted online in spring 2013 has been maintained. The changes made following the consultation with the stakeholders improved some of the recommendations so they better meet the objective of protecting the public. These final recommendations will serve as a guide for the various Canadian regulators in the process of harmonizing the supervision of the industry in its electronic context. In particular, we can hope that the Quebec legislator and the Autorité des marchés financiers will intervene during the 2014 calendar year so the Quebec industry is able to benefit from better guidance in this respect.

---

[1] The CCIR is a national forum which promotes collaboration among the Canadian provincial regulators for improving insurance regulations and protect public interest.

[2] LAVERY, DE BILLY, *E-Distribution of Insurance Products: the CCIR Publishes its Recommendations*, In Fact And In Law Express, May 2013.

Copyright (c) Lavery, de Billy, S.E.N.C.R.L. - L.L.P.