The Purpose of this Code

Canada's chartered banks are committed to meeting their customers' insurance needs by providing them with access to authorized insurance products in a manner that serves customers’ interests. Banks will ensure that representatives offering these products are knowledgeable, provide clear product disclosure, respect customers’ privacy, and provide prompt investigation of any problems customers may experience.

This code sets out the minimum standards that apply to bank representatives who promote authorized insurance products in Canada. The banking industry, through the Canadian Bankers Association, will review this model code from time to time to make sure that it is relevant and up-to-date.

The Scope of this Code

This code applies to all authorized insurance products promoted in Canada and to the banks, their employees and/or any independent intermediaries acting as the banks’ agents (collectively referred to as “representatives” throughout the code) who promote authorized insurance products.

Authorized insurance products are those prescribed for the purposes of Section 416 of the Bank Act in the Insurance Business (Banks) Regulations. These include the following defined types of insurance and any additional types that may be prescribed by future amendments to these regulations:

a. credit or charge card-related insurance,
b. creditors’ disability insurance,
c. creditors’ life insurance,
d. creditors’ loss of employment insurance,
e. creditors’ vehicle inventory insurance,
f. export credit insurance,
g. mortgage insurance,
h. travel insurance, and
i. personal accident insurance
Compliance with this Code

Each bank is responsible for ensuring that this code of conduct is implemented, understood and followed by its representatives. Each bank ensures compliance with this code of conduct and designates an officer to be responsible for compliance with this code.

Training

Bank representatives who promote authorized insurance products are properly trained, qualified and knowledgeable.

Banks are committed to providing continuing education to their representatives on authorized insurance products.

Banks will review educational programs on an on-going basis to ensure relevance to marketplace developments.

Disclosure

Banks are committed to providing clear and understandable disclosure in the documentation related to authorized insurance products. This helps consumers to make informed decisions about the insurance products promoted by banks.

Banks will provide each eligible customer who is accepted for insurance coverage with disclosure documentation that sets out:

- that the product being applied for is an insurance product;
- key terms and definitions related to the insurance;
- all customer fees and charges associated with the insurance product and how they would be payable;
- that insurance coverage from a specific company is optional if a separate charge is levied for the coverage (an example of insurance for which a separate charge is not applied would be coverage through a specific credit card);
- name of the primary insurance company underwriting the insurance product;
- how and when the customer will be notified of acceptance or rejection of the insurance coverage;
- when insurance coverage would come into effect and when it would terminate;
- the duration of any “free look” period during which, should the customer elect to cancel the insurance coverage, all premiums charged would be refunded;
- the customer’s responsibilities and the right to cancel insurance coverage at any time;
- terms and conditions that might limit or exclude coverage;
- claims procedures; and
- how to obtain additional information about the insurance coverage.
Promotion Practices

Banks will not impose undue pressure on or coerce a person to obtain a product or service from a particular person, including the bank and any of its affiliates, as a condition for obtaining another product or service from the bank. For further information, see the banks’ brochures on coercive tied selling.

Bank representatives promoting authorized insurance products will make all reasonable efforts to ensure that

- the insurance policy or coverage being promoted is appropriate for the credit product or the needs as expressed by the person; and
- the person understands the coverage.

Privacy of Personal Information

To protect customers’ privacy, banks comply with the provisions of the Personal Information Protection and Electronic Documents Act.

In the case of creditor insurance, the insurer may require health information. This information is provided separately by the customer exclusively for the insurer. This information may be gathered by the bank on behalf of the insurer, but will not be used by the bank or any of its subsidiaries or affiliates to help assess loan applications or market other products.

Continuity of Coverage

There may be situations where customer-initiated changes in the financing or other terms and conditions of a banking arrangement could result in the need to apply for new authorized insurance coverage. Bank representatives will make customers aware that they:

- are choosing to terminate their insurance coverage;
- are applying for new coverage and will be subject to the provisions of the new coverage; and
- should review the decision carefully, particularly if there has been a change in their health or other circumstances since they applied for the initial coverage.

Complaint Procedures

Banks have well-established policies and procedures to receive, investigate, and respond to customers’ complaints with respect to the promotion and administration of authorized insurance products. The bank informs customers of these procedures, which are easy to understand and use. These procedures set out a clear complaint resolution process and identify appropriate contact persons within the organization.
Information concerning these complaint procedures is available from personnel at any branch, at the bank’s website and in printed brochures that explain the process in detail.

Banks make every effort to respond to complaints fairly and promptly.

If customers are not satisfied with the way their bank has responded to their complaint, they can contact the bank’s ombudsman. (Contact information for the bank’s ombudsman is available in branches, on the bank’s website or on the Canadian Bankers Association website).

If customers have already pursued their complaint through the bank ombudsman and are still not satisfied, they can call the external complaints body to which their bank belongs:

Royal Bank of Canada customers and TD Bank Group personal and commercial banking customers should contact:

ADR Chambers Banking Ombuds Office
Tel: 1-800-941-3655
Toll-free fax: 1-877-307-0014
www.bankingombuds.ca
112 Adelaide Street East, Toronto, ON M5C 1K9

All other complaints should be directed to:

Ombudsman for Banking Services and Investments (OBSI)
Tel: 1-888-451-4519 / 416-287-2877
Fax: 1-888-422-2865 or 416-225-4722
E-mail: ombudsman@obsi.ca
www.obsi.ca
401 Bay Street, Suite 1505, Toronto, ON M5H 2Y4

Before you contact the OBSI or ADR Chambers you must first try to resolve your complaint directly with your bank.

The insurer also has complaint procedures in place. Information on how to find out more about these procedures will be provided to customers. You may also call either the OmbudService for Life & Health Insurance at 1-888-295-8112 (in Quebec 1-866-582-2088) or the General Insurance OmbudService at 1-877-225-0446.