



September 14, 2015
File No.: 78000-03
Ref. No.: 0591

**To: All Insurers Authorized to Write Life and/or Accident & Sickness Insurance
in British Columbia**

Re: Information Bulletin INS-15-002: Creditor's Group Insurance

The Financial Institutions Commission (FICOM) has issued an Information Bulletin, INS-15-002, setting out FICOM's expectations for insurers, exempt sellers, and creditors regarding creditor's group insurance (CGI) being offered in British Columbia. Enclosed is a copy of this bulletin for your records.

FICOM expects insurance companies to immediately take steps to ensure that the expectations set out in this bulletin will be met. FICOM recognizes insurers need time to review their existing oversight and controls over CGI and make any necessary changes. FICOM expects insurers, creditors and exempt sellers to be compliant with this bulletin by March 31, 2016. Insurers are expected to have in place by that date effective controls and oversight of their CGI products to ensure that all of the expectations set out in the bulletin are being met. Exempt sellers are expected to have sufficient knowledge and training by that date to ensure they can meet the expectations. Creditors are expected to be actively and substantively involved in the negotiation and procurement of any new or renewal CGI contract involving their debtors after March 31, 2016.

FICOM does not expect insurers to revise existing CGI group contracts set to be renewed or expire on or before December 31, 2017. However, FICOM does expect that any existing CGI contract with a duration longer than December 31, 2017, be renegotiated with the creditors involvement by March 31, 2016. Contracts do not need to be submitted to FICOM for approval.

Failure to comply with the bulletin's requirements could result in regulatory action.

If you have any questions regarding the content of the attached bulletin, please contact Frank Chong, Deputy Superintendent, Regulation, at Frank.Chong@ficombc.ca.

Regards,

Carolyn Rogers
CEO & Superintendent
Financial Institutions Commission

Enclosure
HJ/ac

- Superintendent of Financial Institutions
- Superintendent of Pensions
- Superintendent of Real Estate
- Registrar of Mortgage Brokers

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