



**RBC
Insurance**

Government of Newfoundland & Labrador Introduces Consumer Protection Document

FYI

Principles for the Sale of Insurance

On January 25, 2007 the Government of Newfoundland and Labrador released a consumer protection document outlining the "Principles for the Sale of Insurance" (referred to as Principles, hereafter). The Principles apply to every type of insurance product sold to residents of Newfoundland and Labrador.

A copy of the Principles must be provided to a purchaser of insurance on delivery of the policy contract and with any renewal or cancellation notice. The government has asked that the insurance industry be in full compliance by July 1, 2007.

The Principles document cannot be altered in any way as it applies to all types of insurance including home and auto. For example, life insurance policies do not have deductibles, therefore any principle covering deductibles would simply not apply to individual life, group or GSI® policies, but remains in the Principles document.

A copy of the Principles is attached for your reference. Please note that the document is only published in English on the Government of Newfoundland website.

How does this affect you?

RBC Insurance® will insert a copy of the Principles with every policy issued to a resident of Newfoundland and Labrador. As an advisor, you need to ensure that the Principles document is delivered to the client upon delivery of the policy. For group renewal packages we will include a copy of the Principles in the advisor package. Advisors must ensure that the Principles document is delivered to the group master planholder.

Embedded in the Principles are consumer rights similar to CLHIA Advisor Disclosure. Should a consumer decide to exercise any of the rights in the Principles, advisors are required to provide the information about any insurance as outlined in the Principles.

Please note the Principles state consumers have the right to know the compensation the advisor will be paid for a particular transaction. We respect the rights of clients to ask for additional information and will provide you with assistance to client inquiries on a case by case basis. RBC Insurance will not disclose details of compensation directly to any client.

RBC Insurance Guaranteed Investment Funds

The Principles are also applicable to the sale of RBC Insurance Guaranteed Investment Funds (GIF). To comply with this requirement and to simplify the sales process, RBC Insurance will assume the responsibility of providing this document to new unitholders by mail, along with their Confirmation of Deposit. There will be no action required by the advisor to deliver the document.

RBC Insurance supports meaningful disclosure and is committed to being compliant with the Newfoundland requirement for all Life and Health products by July 1, 2007.

June 25, 2007

**For more information, please contact
your RBC Insurance regional office.**

RBC Life Insurance Company

PRINCIPLES FOR THE SALE OF INSURANCE

A Consumer Protection Document

A copy of this Document must be provided to a purchaser of insurance on delivery of the policy contract and with any renewal or cancellation notice.

- When selling an insurance policy, the client's interests take priority over the interests of insurance companies, agents, brokers and representatives.
- The product recommended must be suitable to the client's needs.
- Consumers have a right to privacy as outlined in the federal Personal Information Protection and Electronic Documents Act (PIPEDA). In general, information will be used only for the purpose for which it was collected, unless the client provides proper authorization, and except as permitted by law.
- An insurance company cannot cancel or non-renew coverage or increase a premium for an incident which results in no claim being paid.
- Consumers have a right to know the insurance companies an agent, broker or representative represents for the product being sold.
- Consumers have a right to know any conflicts or potential conflicts of interest the agent, broker or representative may have.
- Consumers have a right to know ownership and financing arrangements between agents, brokers or representatives and insurance companies they represent.
- Consumers have a right to know compensation arrangements that agents, brokers, or representatives have for the product purchased, including the amount of commission being paid for the transaction.
- Consumers have a right to know in writing why any insurance coverage has been denied, non-renewed or cancelled and any notice period required by law to cancel the policy.
- Consumers have a right to know the complaint resolution process of the insurance company.
- At point of sale or renewal an agent, broker or representative must provide the following information:
 - The full range of deductibles available and the cost of insurance applicable with each of the deductibles.
 - The various coverages available, the cost of these coverages and any discounts available.
 - The total premium of all quotations obtained for the product being sold, and, upon request, a detailed breakdown by coverage of the premiums quoted.
 - Upon request, the above information is to be provided in writing.
- For further information concerning your rights and responsibilities you may contact:
The Office of the Superintendent of Insurance
Phone – 729-2602 or 729-2623, Fax – 729-3205
E-mail – GSLInfo@gov.nl.ca , Web site – www.gs.gov.nl.ca