



September 30, 2009

Mr. Dennis Gartner  
Assistant Deputy Minister  
Financial Sector, Regulation and Policy  
Alberta Finance and Enterprise  
402, 9515 – 107 Street  
Edmonton, AB T5K 2C3

Dear Mr. Gartner:

The Motor Dealers' Association of Alberta (MDA) is pleased to provide feedback for the consultation on proposed regulations for the *Insurance Amendment Act, 2008*.

The best practices proposed by the Canadian Council of Insurance Regulators are supported by the MDA. The area of concern for the MDA relates to section 6 of the consultation paper which deals with disclosure of compensation and potential conflict of interest related to group insurance products. (Section of the Amendment Act: S511 (1) Ch. 2).

This suggested regulatory change is aimed at creditors group insurance only with no suggested regulatory requirements that compensation received by all brokers on all types of insurance be disclosed to consumers. Our question is: "What's the difference?". If an insurance agent or insurance broker receives a commission is it not the same actual conflict of interest?

If transparency and conflict of interest are the goals, we do not understand why the proposed regulations deal only with creditor group insurance, instead of all classes of insurance such as home, auto, business insurance, etc.

The MDA does not support this regulation change as it is very discriminatory towards group insurance. A level playing field is required. We suggest that this regulation be modified to be widely applicable to all classes of insurance, or better yet – be eliminated. Where else in the world of business do commissions earned have to be disclosed in the course of conducting business transactions or on the sale of items?

Thank you for the opportunity to provide comment on these proposed amendments.

Sincerely,

Denis Ducharme  
MDA President

cc: Brent Kennedy  
MDA Chairman  
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