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October 8, 2009

The Honourable James M. Flaherty, P.C., M.P.
Minister of Finance
Department of Finance Canada
140 O'Connor Street
Ottawa ON K1A 0G5

Sent via Email: jflaherty@fin.gc.ca

Dear Sir:

Independent Financial Brokers of Canada (IFB) welcomes the decision announced today that you will end the banks' practice of selling insurance products to Canadians on their websites.

IFB has written to your office in the past identifying this practice as a violation of both the spirit and intent of bank regulations, which Parliamentarians clearly intended to preserve when no changes were made to the Bank Act when it was reviewed in 2006. There were sound reasons for rejecting the banks' request to end this separation and, in our view, nothing has transpired in the interim to change this.

The Canadian Bankers Association has been quoted as saying: "Further, Mr. Flaherty has taken this step without any public consultations with Canadians or the banking industry." Nothing could be further from the truth. In fact, extensive consultations were held when the Bank Act was reviewed in 2006 and the decision was made to preserve the separation of banking from insurance. There is no doubt that in this era of internet banking that 'virtual' branches exist just as much in reality as 'bricks and mortar' branches. For the banks to argue otherwise is an argument of convenience, and one without merit. Banks have been flagrantly pushing the boundaries of the law through their internet branches and by situating insurance branches beside bank branches.

On behalf of our 4,000 members who are licensed to sell the insurance products they sell, we congratulate you on your stance. Canadians deserve to purchase insurance, especially such sensitive products as life and health insurance, without fear of it impacting their ability to access credit.

In closing, IFB would be delighted if you would accept our invitation to speak at our Toronto Educational Summit, to be held June 1 & 2, 2010. Our Summits attract over 1,000 financial professionals, most of whom are licensed to sell insurance products and all of whom will be strong supporters of this decision.

Once again, thank you for your support on this very important issue!

Yours truly,

A handwritten signature in black ink, appearing to read 'John Whaley', with a large, stylized flourish at the end.

John Whaley
Executive Director
Email: jaw@ifbc.ca

Cc: David Barber, VP Insurance & Past President, Independent Financial Brokers