



18 February 2022

Corporate Secretary  
Financial and Consumer Services Commission  
85 Charlotte Street, Suite 300  
Saint John, NB, E2L 2J2

[secretary@fcnb.ca](mailto:secretary@fcnb.ca)

**Re: Rule INS-002 Insurance Fees**

**Introduction**

The Canadian Association of Direct Relationship Insurers (CADRI) is the voice of insurance enterprises that offer automobile, home, and commercial insurance directly to Canadians. Our members are national companies with employees and exclusive agents working from coast to coast.

CADRI appreciates the opportunity to comment on the New Brunswick Finance and Consumer Services Commission's (FCNB's) proposed Rule INS – 002 (the proposed rule.)

The proposed rule is the continuation of a process to first modernize the *Insurance Act* and then to enable the regulator to enact rules. CADRI appreciates the effort undertaken by the province to move to a more flexible, responsive regulatory regime.

**Part 2. Fees payable to the Commission**

CADRI supports charging a standard fee for agents, whether they are resident or non-resident to the province. Not distinguishing between the two is fair and makes sense for agents working across jurisdictions.

The proposed fees in the rule present a substantial increase from previous amounts. We recognize that the proposed rule brings New Brunswick fees in line with other jurisdictions. While some may prefer a staged rollout of the increase, the simplicity of raising the fees once is recognized. We ask that adequate notice be given of the rule coming into effect to allow time for our members to change their internal practices accordingly.

**Part 3. Recoverable expenses**

CADRI members have some concerns about the broad applicability of this section. Under certain scenarios an insurer could incur a significant, and unpredictable, expense as the result of an investigation by the Commission.

In addition, was it the Commission's intent to have an insurer pay for a compliance review, even if the insurer emerged as being completely compliant?

## **CADRI comments on New Brunswick Rule-002 Insurance Fees**

Finally, CADRI recommends that a rate cap be added to s. 3 Recoverable expenses, to encourage prudence and provide a ceiling for costs.


### **Conclusion**

CADRI is pleased to have the opportunity to take a look at the proposed rule and consider its practical implementation from an industry perspective.

We recognize that the province seeks to bring its fees in line with other jurisdictions.

We ask that the New Brunswick consider setting a cap on recoverable expenses.

Yours sincerely,



Geoff Beechey  
Chair and CEO  
CADRI

cc:

CADRI Board of Directors  
CADRI Atlantic Committee  
CADRI Licensing Task Force

Angela Mazerolle, Superintendent of Insurance, NB  
Jennifer Sutherland-Green, Deputy Director, FCNB  
David Weir, Special Advisor,  
Ella-Jane Loomis, Senior Legal Counsel, FCNB

Amanda Dean, IBC, Atlantic Bureau