



Canadian Life
and Health Insurance
Association Inc.

Association canadienne
des compagnies d'assurances
de personnes inc.

June 2, 2006

Diane Rheume
Secretary General
Canadian Radio-Television and Telecommunications Commission
Ottawa, Ontario K1A 0N2

Dear Ms. Rheume:

In their comments and replies to comments, a number of stakeholders have proposed various measures intended to lend clarity to the interpretation of exemptions and the scope of the national Do Not Call List (DNCL).

In response to questions during the public hearings, both Primerica and the Canadian Life and Health Insurance Association (CLHIA) agreed with the commissioners' comments that providing precise definitions or rules would, in many cases, be extremely difficult and could lead to arbitrary results. As an example from the Canadian financial services industry, many life insurers are structured as a number of separate legal entities for business and regulatory reasons. Each of these entities provides specific services that, from the consumer's perspective, mesh together to form a seamless and comprehensive package. In such a situation, interpreting something like the existing business relationship as applying to just one of these entities could, from the consumer's point of view, exclude certain services that the consumer might reasonably believe are provided through the specific entity with which he or she has dealt.

During the hearings, we further agreed with the commissioners that the most effective approach is to describe the interpretative issues in guidelines and, in the event of a complaint, place the burden of proof on the telemarketer to explain why the call might reasonably be viewed as permitted. We continue to believe that this approach holds the greatest promise for fairly and accurately conveying the intent of the DNCL and providing the public with the sort of protection it expects. In its reply to comments, Primerica will illustrate with specific examples from the life insurance industry how this approach might work. In this letter, I wish to set out two further considerations that should be noted when the Commission weighs the merits of this approach.

First, the three-year review of the DNCL provides an early opportunity to evaluate this approach and determine with empirical evidence whether any additional measures are required.

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Second, guidelines may be necessary even when the matter seems narrow or obvious. The Consumers' Association of Canada suggests that calls to personal relations are not likely to generate complaints and accordingly questions the need for a guideline in this area. The assumption that complaints will be few is certainly correct. But the conclusion that a guideline is thus not necessary fails to take into account the legal responsibilities of companies in regulated industries such as life insurance. As part of the compliance monitoring systems that Canadian life insurers are required to maintain, companies must have employee training programs and policy manuals. Neither of these can fill in details where guidelines are silent or non-existent so, while the issue may be one of common sense, it must still be documented in a guideline before it can form part of a company's policies and procedures.

If the Commission requires additional details or any other clarification, I would be happy to provide whatever information may be helpful. In the meantime, thank you for your attention to these matters.

Sincerely,

Original signed by

Peter B. Goldthorpe
Director, Marketplace Regulation Issues