

Working Together to Protect the Public: The ChAD's 2017 Annual Report

Montreal, April 4, 2018 – On March 31, the Chambre de l'assurance de dommages (ChAD) tabled its 2017 annual report entitled *Ensemble. Pour la protection du public [Working Together to Protect the Public]* before the Autorité des marchés financiers.

Two-thousand and seventeen saw the introduction of Bill 141, *An Act mainly to improve the regulation of the financial sector, the protection of deposits of money and the operation of financial institutions* (PL-141). Although eagerly awaited, this modernization of the legislation has received mixed reviews, since it does not appear to achieve its fundamental goal, that of protecting the public.

In fact, for almost two decades, the preventive approach advocated by the ChAD, together with the model of flexible, specialized, front-line self-regulatory organizations (SROs) of which the ChAD is one, have succeeded in ensuring high standards of professionalism. No one has ever questioned the work of the ChAD; indeed, a review of its activities in 2017 shows how successful it has been in fulfilling its mandate to protect the public.

In 2017, the ChAD:

Oversaw the compulsory professional development of 15,156 damage insurance agents and brokers, and claims adjusters.

Focusing on compulsory professional development helps to ensure that professionals constantly maintain and improve their technical skills and regulatory compliance. The ChAD does so by offering relevant, high-quality training: over 700 training activities provided by 216 organizations had their accreditation recognized or renewed in 2017.

Furthermore, **5,928 course registrations** and 660 purchases of member and employer Folio packages show just how successfully the ChAD **responds to professionals' needs for easy access** to relevant courses, tailor-made to the realities of their work.

Instituted preventive measures to regulate professional practices

Professional practices that comply with ethical and regulatory obligations help maintain high levels of professionalism and play a key role in protecting the public. **Firm inspections, such as the 60 that were carried out in 2017**, allow the ChAD to identify deficiencies, make recommendations, and suggest solutions to help firms improve their practice and comply with the applicable legislation and regulations.

The ChAD then goes a step further, taking certain **deficiencies observed during inspections, such as the 287** noted in 2017, and using them to create documents and practical, concrete tools to support professionals in their practice. In 2017, the ChAD developed a **new tool** to help **syndicates of co-ownership** purchase insurance, and updated **another tool** comparing **endorsement Q.E.F. 43** and the **Q.P.F. 5** form.

Maintained professional discipline

Peer discipline that is recognized as being amongst the most rigorous of its kind, coupled with investigations conducted by the Syndic's Office, contribute to the ChAD's reputation for exemplary practices. It imposes sanctions on those whose actions risk endangering the protection of the public, and discourages repeat offences. Coercive measures are a tool that helps the ChAD fulfill its mission to protect the public.

In 2017, the Syndic's Office opened **255 files** and issued **312 decisions**, including **129 administrative measures**, and filed **23 formal complaints** before the Discipline Committee. The Committee issued **47 decisions**, including 31 that imposed **171 disciplinary sanctions**. Discipline Committee sanctions included **57 temporary deregistrations** involving 12 individuals and **100 fines** totaling \$197,250.

The Review of Oversight in the Financial Sector: A Mixed Reception

Bill 141—which includes the elimination of the ChAD, the first-line of defense for consumers of damage insurance products—has raised many concerns since its tabling in the fall of 2017. Certain provisions in the bill raise fears that **professional oversight** will be loosened to the benefit of firms. There are also concerns that it will weaken the **preventive approach**, which ensures the maintenance of high standards of professionalism; and erode the **close relationship with members**, which makes it easier to rapidly respond to emerging issues in the industry. The consequences would be harmful not only to consumers, but also to the industry, which could see a weakening in **consumer confidence**.

The ChAD continues lobbying the government to maintain, and indeed improve, the current, cutting-edge SRO model, which acts in synergy with the Regulator. Our goal in so doing is to ensure that the protection of the public remains central to discussions and the legislative review.

[Read the full 2017 Annual Report.](#)

(Note that the report is only partially available in English)

About the Chambre de l'assurance de dommages

The mission of the Chambre de l'assurance de dommages is to ensure the protection of the public in matters related to damage insurance and claims adjustment. It oversees the compulsory professional development and the ethical conduct of over 15,000 damage insurance agents and brokers, as well as claims adjusters, and provides preventive oversight and enforces discipline on individuals working in these fields.

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