

# Times Colonist (Victoria)

## Flaherty issues warning to banks

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Finance Minister Jim Flaherty has asked Canada's banks to stop advertising insurance on their websites, and informed them the federal government will soon bring in new rules compelling them to do so.

In a letter to the country's biggest banks yesterday, Flaherty said, "It has come to my attention that some banks are using their websites to undertake insurance activities."

"As you know, the business of insurance is not permitted in a bank branch, other than for some limited activities, as laid out in the Bank Act and supporting regulations," Flaherty noted in the letter, which was also sent to the Canadian Bankers Association and the Trust Companies Association of Canada.

The letter stated that the government plans to invoke new policy measures "at the earliest opportunity" that will bring websites under the same regulatory regime that applies to bank branches.

In a strongly worded reply, the Canadian Bankers Association argued that Flaherty's decision would limit consumer access to insurance products.

"We are completely shocked that Mr. Flaherty would want to limit how and where consumers can access information about insurance," spokesman Andrew Addison said in an e-mail.

The bankers' association pointed to a ruling last June by the Office of the Superintendent of Financial Institutions that concluded a website does not qualify as a bank branch.