

# THOMPSON'S

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### **Ban on banks retailing insurance out of date: Canada needs to get with the times — C.D. Howe report**

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**A C.D. Howe Institute report says the ban on banks retailing insurance is out of date and Canada needs to get with the times.**

**Author Mark Daniels, a former president of the Canadian Life & Health Insurance Association, argues it is time to let more competition into the market.**

**“A few years ago, there was a reasonable case, perhaps not ironclad, for keeping banks from making further inroads into the insurance business.**

**“Much of the case at the time centred around the perceived need to create a level playing field for the various providers of insurance services.**

**“Today broader access to a range of insurance products, supplied by an existing network of reliable, well-capitalized financial services providers, is surely in the interest of consumers.”**

**He said extending insurance sales to banks without providing a common regulatory regime (instead of federal for banks and provincial for insurance sales) invites creating a situation where insurance companies and banks are selling the same product in the same market under two different regulatory systems.**

**The public policy case for broader bank insurance powers might be strengthened “if the goal were in-branch services more effectively aimed at the under-served and under-developed market among lower-income families.”**