

**IN THE MATTER OF THE
FINANCIAL INSTITUTIONS ACT,
RSBC 1996, c. 141**

and

Aviva Insurance Company of Canada

(Pursuant to section 244 of the *Financial Institutions Act*)

VOLUNTARY COMPLIANCE AGREEMENT

WHEREAS on January 13, 2016, the Financial Institutions Commission, which on November 1, 2019 became the BC Financial Services Authority (“BCFSA”), issued an advisory letter to insurers authorized to write home warranty insurance in British Columbia which set out its expectations regarding the treatment of home warranty insurance as a contract of first resort, not a surety, and highlighted legislative requirements concerning the timely handling of home warranty insurance claims;

AND WHEREAS BCFSA has completed an examination of Aviva Insurance Company of Canada (“Aviva”) claims and complaints handling practices for home warranty insurance which included a review of 25 claim files and ten complaint files and has issued a Final Examination Report dated June 14, 2021 to Aviva;

AND WHEREAS the BCFSA examination found that Aviva was committing acts or pursuing courses of conduct that might reasonably be expected to harm the interests of insureds pursuant to section 244 of the *Financial Institutions Act* (“FIA”) by:

- a) Failing to establish and implement adequate managerial oversight and internal controls over claims and complaints handling; and
- b) Failing to establish and implement comprehensive claims and complaints handling policies and procedures.

AND WHEREAS the examination found that, while Aviva has made improvements in the handling and oversight of home warranty claims and complaints, there remain concerns which require further action;

AND WHEREAS Aviva acknowledges there were deficiencies in its home warranty claims and complaints handling and oversight, and that Aviva was and continues to be committed to taking remedial actions to improve practices around fair treatment of consumers;

NOW THEREFORE the Superintendent considers it appropriate to enter into a Voluntary Compliance Agreement with Aviva, pursuant to section 244 of the FIA, according to which Aviva will continue taking remedial actions, including actions set out in an action plan which has been provided to BCFSA on June 18, 2021, to address the concerns and recommendations included in the June 14, 2021 BCFSA examination report on home warranty claims and complaints handling. By December 31, 2021, Aviva undertakes to:

- (i) Strengthen its management oversight over claims and complaints handling;
- (ii) Review and update its claims and complaints handling procedural protocols, including critical templates, and ensure the guidance provided to its staff is comprehensive;
- (iii) Train its staff on updated or newly developed claims and complaints protocols and put in place a process to ensure that staff adheres to the protocols on an ongoing basis; and
- (iv) Improve consumer awareness of the internal complaint escalation process and all available external dispute resolution options.

This Voluntary Compliance Agreement may be amended with the written consent of both the Superintendent and Aviva.

Agreed to at the City of Vancouver

Province of British Columbia

This 27th day of July, 2021



By Aviva Insurance Company of Canada, Authorized Signatory

Name: Paul Gilbody

Agreed to at the City of Vancouver

Province of British Columbia

This 3rd day of August, 2021



Blair Morrison

Superintendent of Financial Institutions

BC Financial Services Authority