

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

**and**

**Trans Global Insurance and Trans Global Life Insurance (TGI)  
(Pursuant to section 208 of the *Financial Institutions Act*)**

**UNDERTAKINGS**

**WHEREAS** on September 1, 2015, the Financial Institutions Commission, which on November 1, 2019 became BC Financial Services Authority (“BCFSA”), issued an information bulletin (“Bulletin”) to insurers authorized to write creditor group insurance (“CGI”) in British Columbia which set out its expectations regarding CGI products sales practices;

**AND WHEREAS** BCFSA has completed an examination of Trans Global Insurance and Trans Global Life Insurance (“TGI”) oversight and monitoring of its CGI sales practices and has issued a Final Examination Report dated August 27, 2021 to TGI;

**AND WHEREAS** BCFSA, in the Final Examination Report, identified that TGI met three and partially met seven of BCFSA’s expectations;

**AND WHEREAS** BCFSA’s examination found that TGI was not fully compliant with BCFSA’s expectations by having:

- a) Inconsistent expectations in outsourcing agreements with exempt sellers;
- b) Irregular and incomplete oversight and monitoring control over exempt sellers, including irregular onsite audits, incomplete quality assurance assessments of sales practices, and inconsistent follow up on sales practices deficiencies;

- c) Inconsistent and incomplete public facing product information, including inconsistent compliance with the *Financial Institutions Act* ("FIA") section 91 "Disclosure of identify in advertising, etc" and section 80.3(4)(a) "Insurer – complaint resolution"; and
- d) Insufficient clarity or inconsistencies in training content and oversight for exempt sellers that may contribute to the risk of enrolment of ineligible consumers due to unclear communication of eligibility criteria and exclusions and practices that obfuscate the consumer's decision to buy CGI;

**AND WHEREAS** TGI acknowledges there were opportunities for improvement in its oversight and monitoring for the CGI sales program and has commenced taking steps to address some of the identified deficiencies;

**AND WHEREAS** TGI was, and continues to be committed to improving its practices in respect to the fair treatment of consumers;

**AND WHEREAS** TGI has agreed to provide this undertaking to the Superintendent of Financial Institutions pursuant to section 208 of the FIA;

**AND WHEREAS** TGI will take the actions set out in an action plan dated August 3, 2021 provided to BCFSa to address the concerns and recommendations included in BCFSa's Final Examination Report on CGI dated August 27, 2021.

**AND WHEREAS** by February 28, 2022, TGI undertakes to:

- a) Review all of its outsourcing agreements with exempt sellers and ensure all agreements include key clauses, including termination, are comprehensive and consistent across all the agreements, where possible;
- b) Strengthen its monitoring and reporting activities by defining key oversight controls, implementing and monitoring these controls across all the exempt sellers;
- c) Strengthen its public facing materials to ensure information presented is consistent, complete, and includes all necessary disclosures including those required by the FIA; and
- d) Review and update all of its training materials, including its own and supplementary materials developed by exempt sellers, to ensure the guidance provided to CGI exempt sellers is accurate, comprehensive and reflect principles of fair treatment of customers.

Undertakings provided by:

**Trans Global Insurance and Trans Global Life Insurance, Authorized Signatory**

*Moe Assaf*

**Moe Assaf**

Associate Vice President, Financial Services

Date: December 24, 2021

Received this 12 day of January, 2022 at Vancouver British Columbia

A handwritten signature in black ink, appearing to read "Blair Morrison", written over a horizontal line.

**Blair Morrison**

Superintendent of Financial Institutions

BC Financial Services Authority