

BC FINANCIAL SERVICES AUTHORITY

**N THE MATTER OF THE *FINANCIAL
INSTITUTIONS ACT*, RSBC 1996, C. 141**

and

Volkswagen Group Canada Inc.

(Pursuant to section 208 of the *Financial Institutions Act*)

UNDERTAKING

[This Undertaking has been redacted before publication.]

WHEREAS the BC Financial Services Authority (“BCFSA”) completed an investigation into the conduct of extraprovincial corporation Volkswagen Group Canada Inc. (“VW Canada”) pursuant to an Order issued under section 215(1) of the *Financial Institutions Act* (“FIA”);

AND WHEREAS the Superintendent of Financial Institutions (the “Superintendent”) is of the opinion, based on the investigation, that VW Canada carried on the business of insurance in British Columbia (“B.C.”) when VW Canada underwrote its appearance protection and limited debt waiver products (together, the “Contracts”) to B.C. consumers (“Policyholders”) without being authorized to do so as required under the FIA, thereby contravening sections 75 and 159(1) of the FIA;

AND WHEREAS VW Canada does not admit that it breached the FIA but accepts that the Superintendent is of the opinion that the Contracts constitute automobile insurance and that the alleged breach of sections 75 and 159(1) of the FIA took place;

AND WHEREAS the Superintendent is not aware of any harm to B.C. Policyholders;

AND WHEREAS the Superintendent considers it appropriate for VW Canada to enter into this Undertaking pursuant to section 208 of the FIA;

AND WHEREAS VW Canada undertakes the following:

1. As of the date of the Undertaking, to not carry on any new business of insurance in B.C. through the underwriting, marketing and/or distribution of any new Contracts to B.C. consumers (other than adjusting, paying and resolving claims made under Contracts in place with B.C. consumers prior to the effective date of the Undertaking) until and unless VW Canada is authorized by BCFSA to engage in the business of

insurance or is otherwise permitted to do so pursuant to the FIA;

2. To pay to BCFSA the total amount of \$25,000.00 within 30 days of the date of this Undertaking in lieu of the Superintendent issuing an Administrative Penalty under section 253.1 of the FIA; and
3. To pay to BCFSA partial investigative costs in the amount of \$2,000.00 within 30 days of the date of this Undertaking in lieu of the Superintendent issuing an order for investigative costs to be paid under section 241.1 of the FIA.

This Undertaking may be amended by the written agreement between the Superintendent and VW Canada. An amendment that results in a release or partial release from this Undertaking does not release VW Canada from complying with all applicable laws, including but not limited to enactments administered by BCFSA.

Signed to at the City of Pickering
in the Province of Ontario Canada.
This 17th day of April 2025

“Original signed by Scott Mitchell”

Authorized Signatory – Volkswagen Group Canada Inc.

Name: Scott Mitchell, as Agent
Title: Secretary

Signed to at the City of Vancouver Province of British Columbia, Canada.

This 30th day of April 2025

“Original signed by Joy Tcheng”

Authorized Signatory - BC Financial Services Authority

Name: Joy Tcheng
Title: VP Supervision and Deposit Insurance