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**Regulatory Update – CAFII Executive Operations Committee, May 25, 2021**

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## Federal/National

### Canadian Council of Insurance Regulators (CCIR)

#### Nathalie Sirois Replaces Patrick Déry As AMF Representative On CCIR

As of May 25/21, CCIRs website indicates that Patrick Déry, who stepped down as Chair of CCIR in September 2020 but had remained on the Council as the AMFs representative at that time, was no longer sitting on the Council.

Mr. Déry has been replaced by Nathalie Sirois, the AMFs Senior Director, Insurers Supervision and Control of Right to Practise, as Quebec's representative at the CCIR table.

### Canadian Insurance Services Regulatory Organisations (CISRO)

#### CISRO Seeks Industry Input On Principles Of Conduct For Intermediaries

On May 25/21, the Canadian Insurance Services Regulatory Organizations (CISRO) issued a media release announcing that it is developing Principles of Conduct for Intermediaries (Principles) to help ensure the fair treatment of customers in the life & health and property & casualty insurance sectors.

The CISRO media release goes on to say the following:

*The Principles reflect minimum regulatory conduct standards that are common across Canada regarding the fair treatment of customers, while recognizing that each jurisdiction has its own regulatory approach for the conduct of business. Intermediaries should conduct their business, following the relevant Principles that apply, while ensuring compliance with all applicable laws, regulations, rules or regulatory codes within their respective jurisdiction. Any stricter or more specific requirements, rules or standards of conduct take priority over the Principles.*

*The Principles are intended to complement and supplement the Canadian Council of Insurance Regulators (CCIR) / CISRO Fair Treatment of Customers (FTC) Guidance and are a resource for consumers to better understand the conduct they should expect from intermediaries.*

*CISRO members are seeking input on the proposed Principles and encourage all interested parties to review and provide feedback on them. The Principles are available on CISRO's website at [www.cisro-ocra.com](http://www.cisro-ocra.com). CISRO hopes to receive comments from a wide array of stakeholders including the insurance industry and consumer advocates. Respondents should submit comments to [cisro-ocra@fsrao.ca](mailto:cisro-ocra@fsrao.ca) by July 9, 2021.*

The draft CISRO Principles of Conduct for Intermediaries, which includes a Preamble page followed by 10 Principles, can be found here: <https://www.cisro-ocra.com/Documents/View/2402>.

## Provincial/Territorial

### British Columbia

#### British Columbia Financial Services Authority (BCFSA)

##### BCFSA Announces New Future State Executive Team Arising From Upcoming Merger

On May 19/21, BCFSA issued a media release to announce a new organization structure and new senior executive team appointments, expected to be in place by the summer of 2021, arising from its previously announced integration with the Real Estate Council of BC ("RECBC") and the Office of the Superintendent of Real Estate ("OSRE").

The BCFSA media release states the following:

*The integration, which is expected to be complete this summer, will create a single integrated regulator of B.C.'s financial services sector. The sector, which includes credit unions, trust companies, insurance companies, mortgage brokers, pension plans, and real estate services, is not only a key driver of B.C.'s economy but also directly impacts the lives of individual British Columbians. The integration will simplify accountabilities and enhance regulatory oversight through more effective and efficient business processes, investigations, and enforcements.*

*Creating a single financial services regulator was also a key recommendation from the Expert Panel on Money Laundering Report released in May 2019.*

*BCFSA will focus on the financial services sector as a whole and as such, will be organized on a functional basis with departments that oversee the entire sector including Supervision, Policy, and Market Conduct.*

*Blair Morrison, the current CEO of BCFSA, will continue in that role post-integration.*

*Seasoned executives from all three organizations will report into the CEO. BCFSA's new leadership team will include Erin Seeley, RECBC's current Chief Executive Officer, and Micheal Noseworthy, B.C.'s current Superintendent of Real Estate.*

*Seeley will take on the role of Senior Vice President of Policy and Stakeholder Engagement, while Noseworthy will serve as Senior Vice President of Compliance and Market Conduct.*

*"BCFSA's Board of Directors is looking forward to BCFSA completing the integration with OSRE and RECBC and working with the new executive team of B.C.'s integrated regulator of the financial services sector," said Dr. Stanley Hamilton, BCFSA's Chair, Board of Directors.*

*"BCFSA's senior leaders bring years of experience and are experts in their field. Their knowledge and understanding of the financial services sector will be key in leading BCFSA's work to protect British Columbians."*

*"Through the integration, BCFSA will be positioned to provide strengthened consumer protection as a modern, efficient, and effective regulator," said Morrison.*

*“We will continue to focus on innovation and continuous improvement, bringing a single lens to the oversight of the financial services sector with enhanced information-sharing. The sector is rapidly changing, and BCFSa as its regulator must be at the forefront of these changes.”*

*B.C.'s Ministry of Finance announced in 2019 that BCFSa would become the single regulator for real estate in the province with accountabilities for licensing, conduct, investigations, and discipline. Upon completion of the integration, BCFSa will have the sole authority over real estate education and licensing as well as investigations and discipline responsibilities for licensed and unlicensed real estate activity, including real estate development marketing. It will also have rule-making authority governing the conduct of real estate licensees.*

*BCFSa is committed to working with all regulated entities to ensure the smoothest possible transition to a single regulator. Communications will increase as BCFSa, RECBC, and OSRE move closer to the integration. Until that time, BCFSa, RECBC and OSRE will continue to carry out their individual legislated responsibilities and operate as separate organizations.*

As an accompaniment to its May 19/21 media release, BCFSa released the following full list of its future senior executive team:

- Blair Morrison – Chief Executive Officer and Chief Statutory Officer
- David Avren – Vice-President, Legal
- Chris Carter – Vice-President, Financial Institutions and Mortgage Brokers Market Conduct
- Frank Chong – Senior Advisor to CEO
- Chris Elgar – Senior Vice-President, Supervision
- Nicole Liddell – Senior Advisor to CEO
- Micheal Noseworthy – Senior Vice-President, Compliance and Market Conduct
- Michael Peters – Senior Advisor to CEO
- Erin Seeley – Senior Vice-President, Policy and Stakeholder Engagement
- Pamela Skinner – Vice-President Regulatory Services
- Jon Vandall – Vice-President, Real Estate Market Conduct
- Peta Wales – Vice-President, Stakeholder Engagement
- David Weiss – Senior Vice-President, Corporate Services and Transformation

#### BCFSa Releases Three-Year Regulatory Roadmap Including Specific 2021-22 Initiatives

On May 17/21, BCFSa released its 2021-22 Regulatory Roadmap, which lays out its regulatory guidance priorities for the next three fiscal years. The Roadmap is intended to increase transparency to stakeholders and provide regulated entities with advanced notice in order to plan resources, as necessary.

The BCFSAs Roadmap has four strategic themes:

- Enhanced regulatory monitoring tools and reporting. BCFSAs will continue to modernize its approach to collecting and using information in a way that creates efficiencies and better protects and informs the Financial Services Sector;
- Strengthened internal controls. BCFSAs will outline expectations and requirements for provincially regulated financial institutions to manage material risks;
- Market Conduct. BCFSAs will establish expectations and requirements for regulated entities pertaining to the conduct of business to ensure the fair treatment of members and customers; and
- Crisis Preparedness Framework. BCFSAs will establish expectations and requirements to prepare a provincially regulated financial institution to meet its financial obligations in the event of a risk or shock.

BCFSAs announcement indicates that the Roadmap is a living document. It will reflect shifting priorities and unanticipated changes in the external environment. As such, the Roadmap will be reviewed and updated throughout the year as needed (delivered with an accompanying Advisory), to adapt to these changes.

Items in the current fiscal year's Roadmap (April 2021 – March 2022) identify the fiscal quarter in which a consultation period is expected to take place, or when the regulatory guidance will be released. While the Roadmap communicates the guidance release date, the implementation date of the regulatory guidance may differ.

Once the implementation date has been determined, an Advisory will be published to communicate the implementation date for all regulatory guidance items.

The items in the Roadmap's second and third fiscal years are identified only in the year in which they will occur. Specifics of this timing will become more detailed with future iterations of the Roadmap.

BCFSAs recognizes the demands on regulated entities' resources and has aimed to ease operational burden by distributing items throughout the year, attempting to avoid scheduling multiple resource-intensive items in the same time period.

BCFSAs announcement indicates that the current Roadmap has evolved from the previous year's version in several important ways.

Based on feedback from regulated entities, BCFSAs is providing the Roadmap in a downloadable spreadsheet format, to allow sorting by sub-sector (e.g. insurance, trust, credit union, pensions, mortgage broker), type of regulatory guidance (i.e. rule, regulatory statement, guideline, advisory), timing (i.e. fiscal year and/or fiscal quarter), and action required by regulated entity (i.e. provide feedback, compliance, no action necessary).

The added flexibility allows regulated entities to customize the Roadmap in a manner that is most valuable to the organization.

#### BCFSA To Adopt CCIR/CISRO Guidance As Code Of Market Conduct For Insurers

In its 2021-22 Regulatory Roadmap, released May 17/21, BCFSA indicates that in Q4 of its 2021-22 fiscal year (January 1/22 to March 31/22), it will establish the CCIR/CISRO: Guidance Conduct of Insurance Business and Fair Treatment of Customers as the code of conduct which insurers operating in BC will be required to adopt and implement at a future date to be confirmed. The regulator's commentary on this initiative indicated that recent changes to BC's Financial Institutions Act (FIA) empower BCFSA to establish a code of market conduct, for adoption by insurance companies.

#### BCFSA To Require Credit Unions To Develop Own Code Of Market Conduct By End Of 2021

In its 2021-22 Regulatory Roadmap, released May 17/21, BCFSA indicates that in Q3 of its 2021-22 fiscal year (October 1/21 to December 31/21), it will require credit unions, as per recent changes to BC's Financial Institutions Act (FIA), to develop and adopt, file with the Superintendent, and comply with their own code of market conduct. An advisory will confirm the timing for when credit unions will be required to file their codes of conduct with the Authority. A regulatory statement will establish annual reporting requirements to demonstrate adherence with the codes.

### **Saskatchewan**

#### **Insurance Councils of Saskatchewan (ICS)**

#### Ron Fullan Announces Official Launch of Restricted Insurance Agent Advisory Committee

On May 21/21, Ron Fullan, Executive Director of the Insurance Councils of Saskatchewan, circulated the following announcement to the seven industry Association-nominated and Council-appointed founding members of Saskatchewan's Restricted Insurance Agent Advisory Committee:

*TO: All Nominated Members of the Saskatchewan Insurance Council Restricted Insurance Agent Advisory Committee*

*I wanted to take this opportunity to welcome all of you to the inaugural Saskatchewan Insurance Council Restricted Insurance Agent Advisory Committee. The Advisory Committee is a valuable tool for industry to raise current issues to Council, and it's also a welcome opportunity for Council to seek advice on RIA-related topics.*

*I have attached a copy of a joint CLHIA/CAFII submission regarding nominees for the inaugural committee. It includes some biographical information on each member.*

*Our hope is to schedule an initial kick-off meeting in June. At that initial meeting, we can discuss logistical issues related to the function of the Committee, including frequency of meetings. We also anticipate getting started on identifying the first set of issues for the Committee to discuss.*

*With that in mind, I would ask that you provide us with the following information so that we can schedule the initial meeting and draft an agenda:*

- *An outline of your availability for a call during the weeks of June 14-18 or June 21-25; and*
- *Any initial topics that you feel should be on the radar for the Committee.*

*Current travel realities mean that we'll hold the initial meeting through a virtual platform. Hopefully it won't be long before we can schedule a face-to-face meeting for the group.*

*Thank you for agreeing to participate on the Advisory Committee. We look forward to working with you on this exciting new venture!*

### **Financial and Consumer Affairs Authority (FCAA)**

#### FCAA Publishes 2021-24 Strategic Plan

On April 13/21, Saskatchewan's Financial and Consumer Affairs Authority (FCAA) published its 2021-24 Strategic Plan. The new Plan sets out four Goals, as follows:

- Establish and support effective rules for Saskatchewan's marketplace;
- Administer rules in Saskatchewan's marketplace;
- Promote consumers' and regulated entities' understanding of their respective rights and responsibilities; and
- the FCAA has the people, processes and systems to achieve its regulatory goals.

Between one and four Strategic Initiatives are set out under each Goal; however, none of them is insurance industry-specific.

That said, under the explanatory Meaning of Goal 1: Establish and support effective rules for Saskatchewan's marketplace, FCAA says that this goal is aimed at its making or supporting changes to legislation, regulations and policies (the rules) to reflect evolving market requirements, increase harmonization with other Canadian jurisdictions, and reduce regulatory burden, while maintaining robust consumer and investor protection.

The new FCAA Strategic Plan can be found here:

[https://fcaa.gov.sk.ca/public/CKeditorUpload/Strategic\\_Plans/Strategic\\_Plan\\_2021-2024\\_-\\_FINAL.pdf](https://fcaa.gov.sk.ca/public/CKeditorUpload/Strategic_Plans/Strategic_Plan_2021-2024_-_FINAL.pdf)

### **Manitoba**

#### **Insurance Council of Manitoba (ICM)**

#### ICM Publishes Information for RIA's Designated Officials In Spring Newsletter

In its Spring 2021 newsletter, the Insurance Council of Manitoba published the following information for Restricted Insurance Agents' Designated Officials:

*Insurance Agents (RIAs) are insurance agent licence holders and have obligations and responsibilities under the law. An entity that holds an RIA licence has a Designated Official who is responsible for ensuring that all of these legal responsibilities are met. The details of the RIA's responsibilities are set out in The Insurance Act of Manitoba, Regulation 389/87 R. The ICM has developed an annual notice sent by email to all RIA licence holders setting out a summary of these responsibilities; this notice is also available on the ICM website here.*

*A Restricted Insurance Agent (RIA) licence holder must*

- have reasonable and demonstrable policies and procedures to ensure that anyone who solicits, negotiates or transacts insurance is knowledgeable, competent and suitable for the class or type of insurance;*
- ensure that anyone who solicits, negotiates or transacts insurance complies with the policies and procedures mentioned above;*
- ensure that the person applying, when receiving an application for insurance, is:  
-informed that they are contracting with the insurer and not with the RIA;  
-provided with a summary of the terms of the insurance and circumstances under which it commences or terminates, and how to make a claim;  
-notified that on approval of the application, a copy of the insurance coverage will be sent to them;*
- ensure that within 20 business days after a person's insurance coverage comes into force, the person is provided with documentation evidencing the insurance coverage;*
- ensure that, if the RIA licence holder or a qualified entity acting for it receives direct or indirect compensation, or a direct or indirect inducement or benefit, from the insurer for soliciting, negotiating or transacting the insurance, that fact is disclosed to any person considering obtaining the insurance; and*
- ensure that they follow the provisions outlined in The Insurance Act of Manitoba and the Regulations; and ensure that a qualified entity that acts on behalf of an RIA follows the requirements of Section 31 of Regulation 389/87 R.*

*In addition to the above, the RIA's Designated Official (DO) must*

- notify the ICM without delay and in writing of any change in DO or if the current DO is unable to discharge the responsibilities expected of a DO, and to provide the ICM with a replacement DO;*
- supervise any individual offering (selling) insurance products under the RIA licence;*
- ensure compliance with The Insurance Act of Manitoba and its Regulations;*
- ensure that errors and omissions (E&O) insurance is maintained for the full duration of the licence in accordance with the Regulations, and that this information be maintained and updated in the online portal;*
- report any material change to the ICM within 15 days. Refer to the Material Changes - When to Disclose them to the ICM link on the ICM website for information; and*
- ensure that the RIA licence holder, or any qualified entity acting for it, does not represent or hold themselves out to the public in any other name than is stated on the licence, or during any unlicensed period.*



*Section 30(2) of Regulation 389/87 R lists what an RIA must NOT do, including: an RIA must not make the provision/sale of the goods or services conditional on the consumer's purchase of insurance; must not allow anyone to sell on behalf of the RIA unless adequately trained; and must not permit an employee to tell a consumer that the consumer is required to purchase insurance, or is required to purchase insurance only through them.*

*Failure to follow any of the ICM's requirements may result in the cancellation of the RIA licence and/or disciplinary action of the RIA licence holder. Disciplinary actions may include fines or a review of the suitability of the RIA licence holder to continue to hold a licence.*

The ICM Spring 2021 newsletter can be found here:

[https://www.icm.mb.ca/files/Bulletin/Council%20Reports/ICM\\_Report\\_Spring\\_2021\\_for\\_distribution.pdf](https://www.icm.mb.ca/files/Bulletin/Council%20Reports/ICM_Report_Spring_2021_for_distribution.pdf)

## **Ontario Financial Services Regulatory Authority of Ontario (FSRA)**

### FSRA Releases 2021-24 Annual Business Plan

On May 21/21, the Financial Services Regulatory Authority of Ontario (FSRA) released its 2021-2024 Annual Business Plan (ABP), outlining its strategic priorities and supporting activities.

In posting the ABP on its website, FSRA stated the following:

*The measured plan includes the 2021-2022 fiscal year budget and focuses on activities that achieve regulatory efficiency (including burden reduction) and effectiveness, while protecting the interests of consumers.*

*Looking ahead, FSRA's priorities will focus on:*

- *improving supervision capability;*
- *enhancing/implementing regulatory framework components;*
- *protecting consumers; and*
- *contributing to public confidence and promoting public knowledge.*

*The ABP also outlines FSRA's plans to strengthen stakeholder engagement through active consultations with the public, sectoral Stakeholder Advisory Committees, and the Consumer Advisory Panel.*

*The plan was approved by the Minister of Finance on April 23/21, and addresses the expectations outlined in the Minister's mandate letter.*

*In October 2020, FSRA posted a draft Statement of Priorities and Budget for public consultation as part of its commitment to transparency and received over 25 stakeholder submissions. The learnings from the consultation were incorporated into the Annual Business Plan.*

With respect to Life and Health Insurance, the ABP sets out five Key Deliverables, the first-listed of which is Support FTC principles by leading the implementation of a Canadian Insurance Services Regulatory Organizations (CISRO)-harmonized industry Code of Conduct for Intermediaries, for implementation in 2022; and the expected Outcome of that Key Deliverable is A CISRO-harmonized industry Code of Conduct for intermediaries, to enhance consumer protection.

FSRAs 2021-24 ABP can be found here: <https://www.fsrao.ca/about-fsra/corporate-reporting/annual-business-plan-2021-2024>; and the related Ministers mandate letter can be found here: <https://www.fsrao.ca/media/4056/download>.

#### FSRA Releases Annual Report On Misconduct Derived From Life Agent Reporting Forms

On May 11/21, Investment Executive reported that the Financial Services Regulatory Authority of Ontario (FSRA) had released its second annual report detailing agent misconduct within the life and health insurance sector, based on life agent reporting forms (LARFs).

Insurers are required to report unsuitable agents to the regulator, and are advised to do so by filing LARFs.

“Agent suitability is essential in achieving fair treatment of customers,” the report said. “It starts with screening agents for suitability and continues with monitoring agents’ business practices throughout their careers.”

From the beginning of April 2020 through March 2021, FSRA received 57 LARFs, the report said. That compares to 52 in the previous fiscal year, which was shorter because it began following FSRA’s launch.

Multiple types of misconduct were identified in the majority of LARFs received, the current report said, which aligned with the previous year’s findings. The most common misconduct types reported were fraud, misrepresentation to the company, and forgery.

Of the 57 LARFs received, 28 files (about 49%) were closed — most with a warning letter (19). Licensing violations were the most common misconduct type associated with warning letters. But results were varied and also included forgery and fraud, misrepresentation, and conflicts.

The rationale to issue a warning letter was based on evidence provided by the insurers, the report said, such as terminating the agent’s contract or placing an agent under close supervision.

Warning letters are documented on the agent’s licensing file and red-flagged by FSRA’s licensing system, the report said. When an agent applies to renew their active licence or reinstate their lapsed one, the warning letter will be evaluated “to make an informed decision on the renewal,” it said.

Of the 28 closed files, six resulted in no action. The reasons included FSRA's lack of jurisdiction (two), insufficient evidence (two) and lapsed licensing (two).

In files that resulted in no action, FSRA still red-flags the agents' licensing files, the report said.

The remaining three closed files resulted in voluntary licence surrender.

Of the 57 LARFs, 23 files (about 40%) were escalated for further investigation, and six remain under review, the report said.

The 23 escalated files included allegations of pervasive misrepresentation to insurers and clients, misappropriation of client funds, fronting for unlicensed entities, unlicensed activities, and trafficking in life insurance.

The report also provided an update on escalated LARFs from the previous year, which comprised 19 files, including three following the publication of last year's report. Of these 19, one file was closed with a warning letter, two were closed with licence surrender for a period of two years, and six were subject to enforcement proceedings. The other 10 remain under investigation.

In fall 2020, FRSA created a life and health agent team within market conduct to supervise life and health insurance agents' conduct and business practices. The team reviews agents who are the subject of a LARF. The regulator will share its life and health agent supervisory framework in the coming months, the report said.

In a release last month, the regulator said it had reviewed a life agent in response to multiple LARFs filed by insurers. The agent had sold policies that were terminated soon after the agent received commission — and had done so with general managing agencies over several years using the same pool of clients.

As a result, the regulator required a lifetime licence surrender, FSRA said in a media release.

#### Brigid Murphy Steps Down From FSRA Board Of Directors

On April 30/21, FSRA announced on its website that Brigid Murphy has stepped down as a Director on the regulators Board, and thanked her for her dedicated service in that capacity since February 28, 2018. Ms. Murphy served on four FSRA Board Committees including as Chair of the Human Resources Committee. Joseph Iannicelli has been appointed the new Chair of the Human Resources Committee, effective on May 1/21.

## Québec Autorité des marchés financiers (AMF)

### AMF Releases 2021-25 Strategic Plan

On May 3/21, Québec's Autorité des marchés financiers (AMF) release its 2021-2025 Strategic Plan. The new Plan presents the main orientations that will guide AMF's choices, decisions and actions for the next four years.

The AMF's media release about its new Strategic Plan states the following:

*The Strategic Plan is based on a detailed analysis of the current context and the organization's internal and external environments, perspectives gained from its many interactions with consumers and stakeholders in the Québec financial products and services distribution industry, and recent years' survey results.*

*"We are excited and proud to release our new Plan. I am convinced that it will enable the AMF, as an integrated financial markets regulator, to achieve its vision of being A value-added regulator for consumers and the financial sector and will ensure that the financial ecosystem in Québec remains healthy and dynamic," said Louis Morisset, AMF President and CEO.*

*The AMF's new Strategic Plan takes into account such major issues as the outlook of very low interest rates for the long term, increased consumer connectivity, societal changes in the organization of work, and many other factors that could have an impact on the two pillars of the AMF's mission: protecting consumers and ensuring a well-functioning financial sector.*

### **Four main strategic orientations**

*To enable the organization to fulfill its mission even more effectively, four main strategic orientations have been defined:*

- *Orientation 1 (consumers): A proactive regulator that is relevant to consumers in an ever-changing environment*
- *Orientation 2 (industry): An influential regulator supporting Québec's financial sector*
- *Orientation 3 (organizational performance): A high-performing regulator in the pursuit of its mission*
- *Orientation 4 (human resources): A regulator committed to its human capital.*

*The purpose of the first orientation is to increase the impact of the AMF's interventions with consumers amid profound changes in consumption patterns for financial products and services.*

*The purpose of the second orientation is to further enhance the AMF's regulatory approach and the support and assistance it provides to industry stakeholders while optimizing the compliance burden.*

*The purpose of the third orientation is to achieve ongoing gains in organizational performance, including by optimizing the use of data.*

*The purpose of the fourth orientation is to promote employee engagement and development across the organization and to further evolve the AMF's management approaches and methods.*

*Each of these orientations is accompanied by tangible objectives that will be pursued by the AMF's employees through the deployment of an array of projects and initiatives between now and the end of March 2025.*

## **New Brunswick**

### **Financial and Consumer Services Commission of New Brunswick (FCNB)**

#### Superintendent Of Insurance Mazerolle Updates FCNB's Regulatory Priorities At CLHIA Conference

At the May 5-6/21 CLHIA Compliance and Consumer Complaints Conference, Angela Mazerolle, Vice-President, Regulatory Operations and Superintendent of Insurance provided a detailed update on her organization's current regulatory priorities. The following is a summary of Ms. Mazerolle's update:

*The FCNB's top current priority is a rewrite of the New Brunswick Insurance Act. The goals of this modernization project are to enhance consumer protection, to eliminate unnecessary administrative burden, and to harmonize with other jurisdictions to the extent possible. More specifically, the Insurance Act rewrite includes a new Restricted Insurance Agent (RIA) licensing regime for the incidental sale of insurance. The new Act will also provide FCNB with rule-making authority for areas within the Commission's mandate, with the flexibility to deal dynamically with an ever-changing insurance marketplace. Areas outside the Commission's regulatory mandate will be left to the Government to make regulations on (e.g. law of insurance contracts and tort law).*

*The intention around intermediary licensing is to ensure a consistent application process for all insurance intermediaries; the licensing of agencies, adjusting firms, and managing general agents (MGAs); prohibiting insurers and others from using unlicensed persons; and ensuring that only individuals who receive trust monies need to open and maintain a trust account. The details of the licensing frameworks will be in a still-to-come Rule, which is targeted for release and a public consultation period in late 2021.*

*The RIA licensing regime for the incidental selling of insurance will be focused on licensing businesses that sell insurance in relation to products or services, including financial institutions, car dealerships, mortgage brokers, and car rental companies. She cited credit protection insurance such as life insurance or disability insurance offered by financial institutions on loans or mortgages and GAP insurance on new and used vehicles as types of incidentally sold insurance which will fall under New Brunswick's new RIA licensing regime. Disclosure requirements will allow consumers to make an informed choice, and the specific details of the new licensing regime will be in the Rule.*

*On the issue of insurer oversight, insurers must have a system to monitor intermediaries who act on their behalf, they must report to the regulator if they have reasonable grounds to believe that an intermediary is not suitable, and MGAs are also required to report to the insurance company if they have reasonable grounds to believe that an agent is not suitable.*

*The FCNB has recently introduced legislative prohibitions against attempting to use side accounts as a type of high interest savings account, and against trafficking in life insurance policies (viatical settlements), and it has clarified the legal meaning of “insurance premium”.*

*Finally, there are other amendments that are under consideration in New Brunswick but that have not yet been finalized:*

- *Obligation to provide a copy of policy and application to an insured;*
- *Ability of a group life insured to access the group policy;*
- *Warnings to policy owners (statute of limitations or restrictions on right to designate beneficiaries);*
- *Ability of life insured to have a policy terminated, assigned, reduced, or a new beneficiary named where there is fear that the insured’s life may be in danger;*
- *Reinstatement of policy where payment is made within 30 days after a grace period;*
- *Clarifying the effect of misrepresentations;*
- *Codifying rights with respect to medical assistance in dying; and*
- *Updating the limitation of actions provisions to ensure consistency.*

#### FCNB’s David Weir Keenly Interested In CAFII’s Upcoming Webinar On RIA Regimes In Canada

In a May 20/21 email to CAFII Co-Executive Director Brendan Wycks, David Weir, FCNB’s project lead on its Rewrite of the New Brunswick Insurance Act and its development and launch of a Restricted Insurance Agent (RIA) licensing regime in the province, expressed a keen interest in attending CAFII’s upcoming June 3/21 webinar on Restricted Insurance Agent Licensing Regimes in Canada. That webinar will feature Joanne Abram from the Alberta Insurance Council; April Stadnek from the Insurance Councils of Saskatchewan; and Barbara Palace Churchill from the Insurance Council of Manitoba as its panelists, in a fireside chat with CAFII Co-Executive Director Keith Martin.

Mr. Weir wrote the following: *Given NB’s planned foray into restricted insurance licensing, I would be interested in attending this webinar to hear what the other regulators are dealing with. Thanks.*