

Agenda Item 2(e)
October 10/23 Board Meeting

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Regulatory Update – CAFII Executive Operations Committee, 19 September, 2023

Prepared by Keith Martin, CAFII Co-Executive Director

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Federal/National

Canadian Insurance Services Regulatory Organizations (CISRO)

CISRO Releases Cybersecurity Reference Tool

The Canadian Insurance Services Regulatory Organizations has released a new reference tool adapted to insurance intermediaries to which they can refer in their efforts to prevent cybersecurity incidents.

The report can be found here:

<https://www.cisro-ocra.com/Documents/View/2580>

Advocis

Advocis Announces Departure of its CEO

Advocis, the Financial Advisors Association of Canada, is undergoing a change in leadership. In a statement released September 13, the Association announced that Greg Pollock, who has served as the Association's president and CEO for over a decade, has left the organization effective immediately. According to Advocis' statement, the Board will be undertaking a formal search for Pollack's replacement in the near term. In the meantime, Harris Jones, chair of Advocis's Finance and Audit Committee, will serve as interim CEO.

Travel Health Insurance Association (THIA)

THIA To Hold Its Innovation Summit on 20 October, 2023

THIA will hold its annual innovation summit on 20 October, 2023 at Manulife Financial on Bloor Street in downtown Toronto. Amber Mac, President of AmberMac Media, will be the keynote speaker. You can register here:

[2023 THIA Innovation Summit - Travel Health Insurance Association \(thiaonline.com\)](https://thiaonline.com)

Provincial/Territorial

British Columbia Financial Services Authority (BCFSA)

BCFSA Holds a Webinar on its New Code of Conduct

On 20 July, 2023 BCFSA held a webinar on its new Code of Conduct, which heavily draws from the CCIR Guidance on the Fair Treatment of Customers. The webinar provided an overview of the consultation approach taken by BCFSA and the key features of the Code of Conduct. The webinar was recorded and it can be accessed here:

[\(1382\) Insurer Code of Market Conduct of B.C. Presentation - YouTube](#)

Alberta

Alberta Insurance Council

Alberta Insurance Council Announces Immediate Retirement of Joanne Abram

On August 18, 2023, the Alberta Insurance Council announced that after 34 years, Joanne Abram had retired as CEO. Darlene Hyde has been appointed as the interim CEO for approximately 6 months, until a permanent replacement is found.

Ontario

Financial Services Regulatory Authority of Ontario (FSRA)

FSRA Releases Q1 Standards Scorecard

FSRA has released a Q1 standards scorecard that it says demonstrates that “FSRA met or exceeded performance targets for 90% of its standards.” (The previous Q4 report stated that in its fourth quarter service standards report, FSRA met or exceeded performance targets 97% of the time.)

The report measures activities such as license renewals, regulatory applications, and the handling of complaints. FSRA says it will monitor the standards and performance targets on a regular basis and propose changes based on its regulatory activities in the current market, resources, and stakeholder needs.

FSRA uses the performance data to evaluate the efficiency and effectiveness of its resourcing, business processes, and public service year-round.

The full report can be found here:

[Service Standards Scorecard - Q1 FY 2023-2024 \(fsrao.ca\)](#)

There were complaints some years back about licensing application turn-around times with FSRA, and FSRA now provides expected information about processing times. That information can be found here:

[Visit FSRA's website for licence application processing times | Financial Services Regulatory Authority of Ontario \(fsrao.ca\)](#)

Quebec

CAFII Has Several Touchpoints Planned with Quebec's AMF

CAFII has several touchpoints planned with the AMF in the coming weeks, each of which presents opportunities to share key messages and move key files forward. On 28 September, 2023 Keith Martin will be presenting CAFII's regulatory and policy-maker tour presentation in a 90-minute session in French to 8 AMF managers in Quebec City. On 29 September, 2023 CAFII Board Chair Peter Thompson will have another quarterly virtual meeting with AMF Superintendent of Client Services and Distribution Oversight Éric Jacob. On 10 October, CAFII will be hosting a lunch and industry dialogue discussion with AMF executives in Montreal, at RBC Insurance facilities.

Prince Edward Island

PEI Superintendent of Insurance Robert Bradley to Retire Imminently

CAFII has learned, through its preparation for the first phase of the Association's Fall 2023 Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour, that PEI Superintendent of Insurance Robert Bradley is to retire early in 2024. CAFII has arranged to meet with other executives in PEI during its 21 September presentation to PEI insurance regulatory authorities, which has been arranged by Steve Dowling, Division Director, Financial and Consumer Affairs Division, Ministry of Justice and Public Safety:

<https://www.linkedin.com/in/steven-dowling-66aa6318/?originalSubdomain=ca>

Specifically, CAFII will meet with Lauren Keefe-Hogan, Solicitor, who Steve Dowling said would be in a senior insurance position in the PEI Ministry after the new regime is announced, and he mentioned the Deputy Superintendent position.

<https://www.linkedin.com/in/lauren-keefe-hogan-a70a7822/?originalSubdomain=ca>

He also will have us meet Curtis Toombs, General Counsel, who is also very focused on the insurance space and will continue to be so after the new Superintendent is named.

<https://www.linkedin.com/in/curtis-toombs-b861b850/?originalSubdomain=ca>

New Brunswick

The Financial and Consumer Services Commission of New Brunswick, FCNB, Releases its 2022-2023 Annual Report

FCNB released on August 14, 2023 its Annual Report. FCNB is the most active of the Atlantic regulators, with over 100 employees, and the 88 page report provides details on its activities. The report does not make any reference to the Restricted Insurance Representative regime introduced in 2023, probably because it was not in-force by the end date for the report (March 31, 2023). The full report can be found here:

[Annual Report 2022-2023 \(fcnbc.ca\)](https://www.fcnb.ca/annual-report-2022-2023)

The Financial and Consumer Services Commission of New Brunswick, FCNB, Releases Information on its Website About its Restricted Insurance Representative (RIR) Regime

On 4 July, 2023, FCNB posted information about its new Restricted Insurance Representative (RIR) regime on its website, stating that:

Certain businesses are allowed to offer insurance products as an additional service, secondary to their main business. This is called an incidental sale of insurance.

There are limitations on the types of insurance products and services that can be sold this way, and there are regulations that those selling the insurance must comply with. These rules are in place to protect consumers. In particular, in New Brunswick, the seller must now hold a restricted insurance representative (RIF) licence issued by the Financial and Consumer Services Commission of New Brunswick.

Licensing helps protect consumers because it sets out requirements for those selling insurance to be knowledgeable, accountable and to provide enough information for you to make an informed decision.

The posting also mentions that only certain businesses can sell insurance incidentally in New Brunswick, including “Banks, credit unions and trust and loan companies (deposit-taking institutions).” The release also states that

An individual or business with a RIR license is not a licensed insurance agent. They can sell certain products, but a licensed insurance agent may be able to provide you with further information or guidance on your insurance needs and options.

The full release can be found here:

[Buying insurance from lenders, dealerships, and other merchants | New Brunswick Financial and Consumer Services Commission \(FCNB\)](#)

The Financial and Consumer Services Commission of New Brunswick, FCNB, Releases Insurance Bulletin 2023-02 on the CCIR Guidance on Incentive Management

On 6 July, 2023, FCNB released Insurance Bulletin 2023-02 on the CCIR Incentive Management Guidance, noting that “FCNB’s Insurance Division participated in the design of the IMG” and that “It is the expectation of the Insurance Division that insurers and intermediaries adopt the principles as outlined in the IMG and ensure that measures are in place to abide by them.”

By way of background, the release states that

*On November 30, 2022, the Canadian Council of Insurance Regulators (CCIR) and the Canadian Insurance Services Regulatory Organization (CISRO) jointly published the **Incentive Management Guidance (IMG)**. The IMG sets out the expectations of the CCIR and CISRO for the management of incentive arrangements for the sale and servicing of insurance products. The IMG provides additional details which complement the Conduct of Insurance Business and the Fair Treatment of Customers guidance (FTC), which was released in September 2018.*

The IMG provides clarity on compensation and conflicts of interest under section 6 (Customer Outcomes and Expectations) of the FTC. The IMG applies to insurers and intermediaries and is a principles-based guidance.

The IMG covers the areas of:

*governance
design and management of incentive arrangements
risks of unfair outcomes to Customer
controls*

The full release can be found here:

[Insurance Bulletin 2023-02 – Guidance: Incentive Management Guidance | New Brunswick Financial and Consumer Services Commission \(FCNB\)](#)

The CCIR Guidance on Incentive Management can be found here:

[3735 \(ccir-ccrra.org\)](#)