

*Agenda Item 6(b)(i)  
September 25/18 EOC Meeting*

**17 September 2018, 2-4pm, Teleconference Call**  
**Life Insurance Working Group – FSCO**

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**Bank-Owned Insurance Company Questionnaire**

Izabel Scovino gave an update on the Bank-Owned Insurance Company Questionnaire. This effort was delayed because of the Ontario election. Now that the election has occurred, this effort will begin again and later in the Fall of 2018 an update will be provided. Industry will be given an opportunity to comment on the latest version of the Questionnaire before it is released. (Note: no mention was made of the Bank-Owned Insurance Company CEO Attestation.)

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**Treating Consumers Fairly (TCF) Guideline**

The FSCO TCF Guideline will be coming out soon. FSCO has been working with CCIR to ensure that the Ontario Guideline is well-aligned with CCIR's "Guidance: Conduct of Insurance Business and Fair Treatment of Customers" document.

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**Annual Market Conduct Symposium For the Life and Health Insurance Sector**

FSCO's annual Market Conduct Symposium For the Life and Health Insurance Sector will be coming up later in the Fall of 2018. As soon as the date is finalized, it will be communicated to the industry.

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**New Mandatory Continuing Education Module**

Heather Driver will be leading a project, beginning this year (2018), which will develop a mandatory continuing education module of six (6) hours duration that will be required as part of the 30 hours of CE every two years requirement which all life agents/advisors must fulfill.

The purpose of this new mandatory CE module is to ensure that what agents/advisors are taking as continuing education material is consistent with what FSCO wants them to be compliant with.

FSCO will not deliver the course; rather, it will develop the course and then turn it over to course providers.

There will be significant consultations on this starting in late 2018.

Several industry participants said that they had concerns with the CE requirements and would have significant feedback. There was also a desire expressed for harmonization of CE requirements across provincial jurisdictions.

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### **Examination Strategy**

Swati Agrawal gave an overview of FSCO's examination strategy for 2019, based on results observed in 2018. FSCO will ask for feedback on any proposed changes.

Agents in the business of selling life insurance – who are active – are more compliant than those who are not active. This finding will result in some modifications to the examination strategy by FSCO.

Continuing Education and E&O requirements were also identified as issues of concern with respect to some active agents. FSCO cannot refuse to renew a license because the agent is not writing life insurance, but it can refuse if they are not completing their CE and E&O requirements.

Specifically, the intent going forward is that selected agents (those identified as higher risk) will need to provide proof of Continuing Education and E&O requirements at the time of licence renewal in order to be renewed. If they do not provide such proof, their application will be deemed incomplete.

Several industry participants felt that there needed to be better mechanisms for FSCO to not renew agents who are not active in writing life insurance.

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### **Life Insurance Company Examinations**

Swati Agrawal noted that for the past two years, FSCO has been examining life insurance companies to ensure their agents are compliant. Some of these examinations have been done on the basis of FSCO leading a national effort through CCIR, while other examinations have been done solely for Ontario.

FSCO has been asking companies to share information on their contracts with agents, their monitoring programs, remuneration structures, etc. Where issues of concern have been identified, FSCO is working with the company to develop a remediation plan.

These examinations allow companies to cascade expectations to their MGAs and agents. These examinations will continue with other firms in 2019.