



July 2, 2021

Mr. Brendan Wycks, Executive Director  
Canadian Association of Financial Institutions in Insurance (CAFII)  
21 St. Clair Avenue West  
Suite 802  
Toronto ON M4T 1L9

[Brendan.wycks@cafii.com](mailto:Brendan.wycks@cafii.com)

**Re: Fair Treatment of Consumers – Incentives Management Guidance**

Dear Mr. Wycks:

As you may recall, the joint Canadian Council of Insurance Regulators (CCIR) and Canadian Insurance Services Regulatory Organizations (CISRO) Fair Treatment of Customers Working Group (FTCWG) had engaged with industry representatives, from both the manufacturing and distribution sides, to learn about compensation and incentive structures. Industry has volunteered to help the FTCWG better understand the practices currently in market. Some industry participants then indicated that additional clarification is needed from regulators to assist aligning incentive arrangement practices currently in market with the fair treatment of customer (FTC) principles.

Earlier this year, the FTCWG began work to develop an Incentives Management Guidance (Guidance). The draft Guidance is intended to complement CCIR-CISRO's *Guidance: Conduct of Insurance Business and Fair Treatment of Customers* released in 2018, and align with principles set out in that document. The FTCWG is now reaching out to our stakeholders to begin pre-consultation and obtain valuable feedback to the draft Guidance.

The FTCWG is inviting your organization to participate in pre-consultation meetings where we will present and discuss the highlights of such guidance. Industry consultation is a valuable part of our process to develop policies regulators expect to see in the market while mitigating unnecessary burdens to the industry.

The pre-consultation will be held virtually at this time. We are anticipating holding the kick-off meetings on July 21 and 22, 2021. Materials are expected to be distributed prior to the

meeting. A completely executed *Confidentiality undertaking* is expected by stakeholders prior to the distribution of a draft guidance.

The CCIR Secretariat will be reaching out to your organization soon to schedule the date and time. You can contact Tony Toy, Policy Manager, at [Tony.Toy@fsrao.ca](mailto:Tony.Toy@fsrao.ca) or by phone at 416-590-7257 to confirm your availability.

Regards,

Original signed by

---

Louise Gauthier  
Co-Chair FTCWG  
Canadian Council of Insurance Regulators

---

Ron Fullan  
Co-Chair FTCWG  
Canadian Insurance Services Regulatory  
Organizations

Cc: Keith Martin