

Agenda Item 5(b)
February 18, 2014 EOC Meeting

February 10, 2014 CAFII One-on-One Stakeholder Meeting With CISRO LLQP Committee

On February 10, three CAFII representatives participated in an hour-long one-on-one stakeholder group meeting with CISRO's Life Licence Qualification Program Committee which is leading the current LLQP modernization initiative. CAFII was represented by Sandy Prokop and Laura Henderson from RBC Insurance, who work in Licensing, Contracting & Compensation Services, and Executive Director Brendan Wycks.

The perspectives brought to this informal feedback discussion by Sandy and Laura, who are involved day-to-day in management and oversight of licensed contact centre employees as well as independent agents and brokers, nicely complemented and augmented the more conceptual/theoretical perspective on education and licensure of professionals brought to the discussion by Mr. Wycks.

CAFII was thereby able to engage the provincial insurance regulators present, all members of the LLQP Committee, in a well-rounded discussion, which continued to strengthen CAFII's position as a "must consult with" industry Association.

All six LLQP Committee members present were very much "engaged" in the discussion, and thanked CAFII for a very informative and useful exchange. The LLQP Committee members in attendance were Ron Fullan, Chair, Saskatchewan; Gerry Matier, BC; Joanne Abram, Alberta; Warren Martinson, Alberta; Shonna Neil, Ontario; David Weir, New Brunswick; and Pat Chamberlain, Secretary to the LLQP Committee. Rene Brisson from Quebec's AMF was absent due to a flight delay.

Early on in the meeting, Mr. Wycks raised a question for clarification/elaboration on a point raised at a previous CAFII regulatory liaison meeting with the Canadian Council of Insurance Regulators.

(At CAFII's Industry Outreach Meeting with the CCIR Executive on October 30, 2013, Carolyn Rogers, Chair, said this to our delegation: *if CAFII feels that the modernized Life License Qualification Program (LLQP) – as a harmonized, national single standard – will be an improvement and bring more good than harm, the regulators would appreciate it if we would voice that support strongly at every available opportunity. The brokers don't like any national licensing-related initiatives, and have been loudly expressing their opposition to the new LLQP to CISRO.* We indicated that CAFII would be willing to put our support of the LLQP modernization effort in writing, if requested to do so.)

At the February 10 meeting, Ron Fullan advised that the pushback the committee is receiving is mainly from companies that put a lot of new candidates through the life licensing process on a continuous basis (eg. Primerica). Their pushback is that they don't want any change that is going to (i) make it harder for candidates to qualify; (ii) take longer to get through; and (iii) cost more money. Their main objection is a belief that with the modernized, modular LLQP, pass rates will go down.

The LLQP Committee's counter to those views is that (i) a modular approach actually makes it easier to pass and qualify for licensing, since learning, studying and preparation can be more targeted. And if someone fails an exam for one or more of the four modules, he/she will only need to rewrite the exam(s) that weren't passed; (ii) the body of knowledge is not being expanded, just modernized, clarified and compartmentalized. And it will be possible to write the exams for all four modules on the same day, if that's the candidate's wish; and (iii) any price increase with the modernized LLQP will be nominal/modest, although a component for the ongoing administration and maintenance of the program will need to be built-in (which is currently not in LLQP pricing). An estimated cost of \$70 per student will need to be built-in for this purpose.

Ron said his counter-argument back to the oppositional life agent companies boils down to this: “The more you argue that the modernized LLQP is going to make it harder for new entrants and that we need to make it fairly easy for them to qualify, the stronger the evidence is for us that we need to do this.”

As a further counter-point, Gerry Matier advised that at the time that the current/first version of the LLQP was introduced 12 years ago, the average first-time writer pass rate with the previous process was just 48%. With LLQP’s introduction, the first-time writer pass rate immediately jumped into the 70s and it’s currently quite stable at 70%.

Other insights gained from the discussion with the LLQP Committee were

- Once finalized, the modernized LLQP, which will have Quebec participating for the first time, will be a full harmonized, national standard that will foster interprovincial mobility of life agents. Quebec’s current requirement for life licensees to be a graduate of a CEGEP and its separate Group Insurance Licence will be eliminated.

The current modernization effort has benefited greatly from the resources that Quebec’s AMF has brought to the table.

That said, the current additional course content required for a life license in Quebec will continue to be required beyond the completion of the LLQP modernization. In response to a request from Sandy Prokop and Laura Bedford, the LLQP Committee agreed to look into ensuring that the Quebec additional course content will be offered and tested for in all jurisdictions, which would make it unnecessary for a candidate who wants to become licensed for Quebec to have to visit that province in order to meet the additional course content requirement. The LLQP Committee was receptive to taking action on this.

- Currently there are no plans to tackle harmonization of provincial Continuing Education requirements as an outgrowth from the LLQP modernization effort. At present, most provincial regulators are approaching Continuing Education from a “mutual recognition” model, which goes a long way toward achieving national harmonization.

Ron Fullan stated emphatically that in his opinion, if a nationally harmonized approach to Continuing Education is to be achieved, it must be driven by the industry. So keep up the strong push for that if you want to see it become reality, he advised.

CISRO Request For A CAFII Letter Of Support/Endorsement For LLQP Modernization Initiative

On February 12, Executive Director Brendan Wycks received a call from Pat Chamberlain, Secretary to CISRO’s LLQP Committee.

The purpose of Pat’s call was to ask that CAFII act on its offer (made in two separate meetings) to provide a letter of support/endorsement for the LLQP modernization initiative and the committee’s work. She specifically asked that our letter mention the committee’s transparency and the consultative process it has followed. She asked that we address and send the letter to Ron Fullan asap, as the committee plans to share our letter with Ministers across the country.