

November 12, 2024

Karyn Kasperski, Board Secretary and EOC Chair, The Canadian Association of Financial Institutions in Insurance

Cc: Keith Martin, Executive Director, The Canadian Association of Financial Institutions in Insurance

20 Richmond St E #600-25  
Toronto, ON M5C 2R9

Dear Ms. Kasperski,

Subject: Restricted Insurance Agency Performance Requirements Framework ("Performance Requirements")

Thank you for taking the time to carefully consider the proposed elements of the Insurance Council of BC's (Insurance Council) Restricted Insurance Agency Performance Requirements Framework. Your perspective is important for the Insurance Council to consider as we develop this regulatory program.

Our team has reviewed the specific feedback you have about the Performance Requirements and have adjusted some indicators and flagged other sections for review with our Licensing Committee for their consideration. If any items require additional clarification, please let us know.

Specific areas we have reevaluated and addressed:

- (1.1.1) Redundant indicators and the need to understand the structure of the *insurance industry*. We determined that the indicator may imply a deeper understanding of the industry than is required. Therefore, we believe that *organization* is a more suitable term, as it highlights the roles within the sector.
- (1.2.1) Amendments to the indicator to *support clients* in making an insurance decision rather than *assist* as we agree the term *assist* may imply providing advice.
- (3.1.1) Amendment to the indicator to acknowledge that it is not the individual representative's licence and clarify that the agency licence is subject to limitations.
- Recommendations were brought forward to our Licensing Committee for consideration of other additional descriptive words to clarify requirements.

Regarding unlicensed representatives of restricted agencies, who are facilitating the sale of insurance products, the Insurance Council believes they should have at least a basic understanding of the

product(s) they are offering to consumers. The knowledge requirements being considered are simply aimed at providing representatives with this baseline level of knowledge about the insurance product(s) being offered. The Designated Representative and the agency are ultimately responsible to ensure those who are interacting with insurance products are adequately trained and knowledgeable about the products they are interacting with.

As a regulator we're encouraged to hear CAFII's members have substantive systems and processes in place to support compliance with regulatory obligations. This should allow for an efficient transition to the new regime and any new requirements that may apply. We expect once the Performance Requirements are set, it will be up to individual course providers to determine their own course structure, including knowledge measurement. The Insurance Council's involvement is expected to be only with respect to approving courses for accreditation purposes.

We agree regulation for the sake of regulation is not an effective strategy to ensure the public's protection and we support harmonization where possible and well-reasoned. To that end, we met with our regulatory counterparts with restricted licensing regimes to gain their advice about our proposed Performance Requirements and their insights and perspectives have been considered. There is alignment amongst regulators that we must ensure consumers are working with individuals that maintain a minimum standard of knowledge to ensure the public's protection.

We understand the importance of the public having access to credit protection insurance products and we do not foresee the Performance Requirements, or any part of the restricted licensing regime, negatively impacting access to these products.

We appreciate your acknowledgement of the broad spectrum of industries and businesses that will potentially fall within the restricted licensing regime. It is our intention to establish balanced and appropriate regulatory oversight for these diverse products and businesses. Once regulations are published outlining the products and businesses captured within the regime, we will be adding more context to the performance requirements.

We truly appreciate you and your members analyzing and familiarizing yourselves with the initial core pieces of this licensing regime and value your participation. We have attached the most recent version of the Performance Requirements with indicators for your information.

As we work on developing additional elements of the restricted licensing regime, we look forward to your continued participation and perspective to ensure we develop fit for purpose regulation.

Sincerely,

A handwritten signature in black ink, appearing to be 'Brett Thibault', written in a cursive style.

Brett Thibault, Director, Governance and Stakeholder Engagement  
Insurance Council of BC