

Agenda Item 7(d)
April 27/21 EOC Meeting

Outcomes of March 24/21 Special FSRA-Called Meeting With CLHIA and CAFII Around Concerns Raised By Group Insurance/Employee Benefits Advisors Related To How Section 7 (Incentives) of Proposed UDAP Rule Would Apply To Their Sector Within Life and Health Insurance

From: Jennifer Chan <Jennifer.Chan@fsrao.ca>

Sent: March-25-21 1:57 PM

To: Lyne Duhaime <LDuhaime@clhia.ca>; Brent Mizzen <bmizzen@clhia.ca>; Brendan Wycks <brendan.wycks@cafii.com>; Keith Martin <Keith.Martin@cafii.com>; Justin Glinski <jglinski@clhia.ca>

Cc: Stuart Wilkinson <Stuart.Wilkinson@fsrao.ca>

Subject: Thank you / Action items - FSRA-UDAP discussion

Good afternoon everyone,

Thank you for participating in the yesterday's discussion on FSRA's Unfair or Deceptive Acts or Practices (UDAP) proposed rule. We appreciate you sharing your concerns in more detail.

There were a few actions from the meeting, in the context of section 7 Incentives:

- CAFII to bring back to members to consider and provide feedback on whether it would be appropriate for the following two situations to be an unfair or deceptive act or practice: 1) offering an inducement to a person who is ineligible, and 2) offering an inducement to someone who is outside of the target market;
- CLHIA to bring back the same situations as above to its members in its group insurance committee and credit insurance and alternative distribution committees for consideration. Additionally, two other items: 1) CLHIA to bring back the tax administration question around a rebate as taxable income to its tax colleagues. 2) CHLIA to solicit members' thoughts on how they may split the return of a rebate in a group insurance product (e.g., between the master policy holder and the certificate holder).

During the meeting, we had expressed the hope to receive this information as soon as possible – we understand this may present a challenge, and after reflecting on what we heard in our meetings with you and other groups, we think we have enough information right now to report back to our Board. We would still be happy to receive your response at a later date. Please let us know what a realistic timeline would be for your response.

Please do not hesitate to reach out if you have any questions.

Jennifer (Jenn) Chan

Senior Policy Analyst

Market Conduct Policy Division

Financial Services Regulatory Authority (FSRA)

C: 416.627.1314

E: Jennifer.Chan@fsrao.ca

Change of address

Effective February 1, 2021 our new address is:

25 Sheppard Avenue West, Suite 100, Toronto, ON M2N 6S6