

***Read Only Agenda Item 7(c)
July 26/22 EOC Meeting***

From: Adrienne Warner <Adrienne.Warner@fsrao.ca>
Sent: June-28-22 3:03 PM
To: Brendan Wycks <brendan.wycks@cafii.com>
Cc: Keith Martin <Keith.Martin@cafii.com>; Jacob Eric <Eric.Jacob@lautorite.qc.ca>; Fullan, Ron (ICS) <Ron.Fullan@skcouncil.sk.ca>; Stadnek, April (ICS) <April.Stadnek@skcouncil.sk.ca>; CISRO-OCRA <CISRO-OCRA@fsrao.ca>
Subject: CISRO Industry Survey on Life Insurance Replacement Declaration (LIRD)

Hi Brendan,

Thank you for your email communicating CAFII's polite decline of CISRO's invitation to participate in the pre consultation on the LIRD review. The LIRD Working Group fully understands CAFII's position.

We look forward to future opportunities to collaborate with CAFII on CISRO initiatives.

Regards,
Adrienne

Adrienne Warner
Policy Manager
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From: Brendan Wycks <brendan.wycks@cafii.com>
Sent: Tuesday, June 28, 2022 12:34 PM
To: CISRO-OCRA <CISRO-OCRA@fsrao.ca>; Adrienne Warner <Adrienne.Warner@fsrao.ca>
Cc: Keith Martin <Keith.Martin@cafii.com>; Jacob Eric <Eric.Jacob@lautorite.qc.ca>; Fullan, Ron (ICS) <Ron.Fullan@skcouncil.sk.ca>; Stadnek, April (ICS) <April.Stadnek@skcouncil.sk.ca>
Subject: CISRO Industry Survey on Life Insurance Replacement Declaration (LIRD)

Hi, Adrienne.

Thank you for CISRO's May 24 invitation to CAFII, and your reminder note of June 23, to participate in a pre-consultation survey related to modernizing/enhancing/aligning (with the 2018 CCIR/CISRO "Guidance: Conduct of Insurance Business and Fair Treatment of Customers") the current Life Insurance Replacement Declaration (LIRD) form.

CAFII has carefully and thoroughly considered this consultation opportunity and determined that the LIRD is out-of-scope for our Association because it comes into play only for the individually underwritten forms of life and health insurance which are sold by individually licensed advisors.

Our view that the LIRD is not germane to credit protection insurance/creditor's group insurance, travel insurance, and alternate distribution – and is therefore out-of-scope for CAFII – is supported by many Insurance Act and related legislative/regulatory provisions in provinces and territories across the country, all of which are nicely summed by the following excerpt from Sun Life's Advisor website:

What is not considered a replacement?

- A replacement of an annuity, including an endowment contract.
- An amendment made to an existing contract.
- A replacement of group insurance, including creditor and bank mortgage insurance.
- A replacement of a maturing life insurance or endowment policy, or an expiring life insurance policy.

Therefore, the purpose of this message is to communicate CAFII's polite decline of CISRO's invitation to participate in this particular pre-consultation survey and the related full public consultation on the LIRD to follow later this year; and to outline our Association's rationale for that decision.

Best regards,

Brendan Wycks, BA, MBA, CAE

Co-Executive Director

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From: CISRO-OCRA <CISRO-OCRA@fsrao.ca>
Sent: Tuesday, May 24, 2022 1:05 PM
To: 'brendan.wycks@cafii.com' <brendan.wycks@cafii.com>
Cc: CISRO-OCRA <CISRO-OCRA@fsrao.ca>; 'keith.martin@cafii.com' <keith.martin@cafii.com>
Subject: CISRO Industry Survey on Life Insurance Replacement Declaration (LIRD)

Dear Brendan,

The Canadian Insurance Services Regulatory Organizations (CISRO) and the Canadian Council of Insurance Regulators (CCIR) developed the harmonized Life Insurance Replacement Declaration (LIRD) form in 2008. CISRO is reviewing the LIRD to determine if improvements are needed to enhance consumer protection and to meet the requirements of the CISRO/CCIR Guidance on Conduct of Insurance Business and Fair Treatment of Customers (FTC) and the CISRO Principles of Conduct for Insurance Intermediaries.

CISRO's LIRD Working Group has identified potential fields/items that could be part of a new LIRD. The working group is conducting a survey of key stakeholders to obtain feedback on the fields/items for the new form. The results of the survey will help the working group to develop a prototype of the new form, for public consultation later this year.

Please see the attached document outlining the objectives of the LIRD review. Some questions are included at the end for CAFII's feedback.

Kindly provide your written feedback **by July 8, 2022**. Please send comments to the CISRO Secretariat at cisro-ocra@fsrao.ca.

NOTE: If you require a French version of the survey, please contact the Secretariat at cisro-ocra@fsrao.ca.

Thank you for your continued collaboration and support.

Regards,

Adrienne Warner

Policy Manager

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