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## Consultation Summary

April 26, 2022

Consultations on FSRA's proposed [Fiscal Year \(FY\) 2022-2023 Statement of Priorities and Financial Plan](#) included meetings with FSRA's Stakeholder Advisory Committees (SAC), Consumer Advisory Panel (CAP) and public consultation via the FSRA website from October 7, 2021, to October 29, 2021.

The table below provides a summary of comments submitted to FSRA and our responses. To review the full submissions provided please visit the [consultation page](#).

The feedback from the consultations were incorporated in FSRA's FY2022-2025 Annual Business Plan, which was submitted to the Minister for approval on February 28, 2022.

Stakeholder	Sector	Summary of Comments/Feedback	FSRA's Response
<p>Alterna Savings and Credit Union Limited (Alterna Savings)</p>	<p>Credit Unions</p>	<p><b>2022-2023 Priorities</b> We support FSRA priorities for 2022-23 in particular the efforts to implement the new credit union (CU) legislative framework and risk-based supervision.</p> <p>We appreciate FSRA working with the CU sector to prioritize the many rules that are required to support the new CUCPA.</p> <p>We suggest that FSRA provide sufficient time for meaningful consultation on rules and other matters and approach them with an innovation mindset (in alignment with FSRA's cross-sectoral priority) to help the sector grow and thrive.</p> <p><b>Financial Outlook</b> We are concerned with the escalating costs associated with regulation given the proposed 10.6% increase in assessment fees for the CU sector.</p> <p>We are also concerned that the cumulative assessment fee increase (30% over 2021-2023) will add strain to CUs particularly with any increase to deposit insurance costs that may be forthcoming. Revenue is not growing as quickly, and some CUs are anticipating a difficult year ahead.</p> <p>We ask that FSRA look at possible avenues to reduce or delay its expenses.</p>	<p>FSRA thanks Alterna Savings for their support of the 2022-23 credit union priorities. Engaging with industry partners is an integral part of the regulatory process and a key element of FSRA's mandate and business plan. As part of FSRA's legislative mandate, we take a transparent and collaborative approach to engagement and aim to ensure that the diverse voices of our constituent stakeholders inform our direction and decision making.</p> <p>FSRA will engage with CU stakeholders to review the existing multi-year work plan on rules and guidance and prioritize the development of additional rules and guidance.</p> <p>The F23 Plan cost increase of 15.4% which resulted in a 10.0% increase to the Fee Assessment is a necessary investment to address: FSRA<i>Forward</i>, CUCPA and Principles-Based Regulation (PBR) support and Year 3 of 5 years IT transition. There will be a year over year increase of \$0.5M; however, this is a saving of \$0.7M compared to the fully allocated method.</p> <p>FSRA will be utilizing \$5.0M of cumulative surplus to reduce fee assessment in F23. CUs will receive \$1.1M of this amount which is reflected in the \$17.1M Fee Assessment for F23.</p> <p>Although there is an increase in the year over year cost, the rate of increase over the past few years has been declining.</p>

			<p>The cost projection from F21 to F23 increased by 30%. This is for the delivery of: development, implementation, and on-going support of PBR, enhanced financial stability structures, enhanced CU market conduct supervision, support and modernization of CU framework, protection of consumer rights and interests, enhanced public knowledge and confidence, and implementation of user centric FSRA website.</p>
<p>Canadian Credit Union Association (CCUA)</p>	<p>Credit Unions</p>	<p><b>Support modernization of CU framework</b> We are looking forward to FSRA’s response to the feedback received during consultation on the CU rules and inclusion of sector recommendations into the final versions of each rule.</p> <p><b>Enhance Deposit Insurance Reserve Fund (DIRF) and sector liquidity framework</b> We are concerned that the DIRF adequacy outcome will mirror the previous proposition. New liquidity guidance and the introduction of a new capital rule reduces the potential exposure to the DIRF but is not factored into what constitutes adequacy as it relates to the DIRF. We request that FSRA, at a minimum, consult on any changes before they are “locked in” and proactively communicate how it is using the feedback it receives.</p> <p>We recommend FSRA begin decreasing premiums on CUs that have a demonstrated history of sound business and financial practices.</p> <p>We are concerned about FSRA’s process to post responses from the DIRF Adequacy Review consultation.</p> <p>We support FSRA advocating for a provincial indemnity and recommend that FSRA and the sector work in collaboration on sectoral structural liquidity.</p>	<p>FSRA thanks the CCUA for their support of the 2022-23 credit union priorities.</p> <p>Engaging with industry partners is an integral part of the regulatory process and a key element of FSRA’s mandate and business plan. As part of FSRA’s legislative mandate, we take a transparent and collaborative approach to engagement and aim to ensure that the diverse voices of our constituent stakeholders inform our direction and decision making.</p> <p>FSRA appreciates how engaged the sector was during the public consultations on the CU rules and the valuable input we received. FSRA will be revising the CU rules based on feedback received during the public consultations and continue to engage with key stakeholders, including the CCUA before the rules are finalized.</p> <p>FSRA will continue to engage through the TAC and CU sector consultations to refine the DIRF adequacy model. This includes building off the March 4, 2021, Town Hall, May 7, September 3 and September 23, 2021, TAC meetings and public consultation (August 3 to September 9, 2021) that have taken place. The recent TAC meeting provided updates on the results of the</p>

	<p><b>Continue to design and develop the integrated Risk-Based Supervisory Framework (RBSF)</b> We are interested in learning more about operational impacts on CUs. We suggest that FSRA provide sufficient time during the consultation and that the comments received are considered by FSRA for incorporation into the final framework.</p> <p>Distinguish what will be different under the new RBSF and to not penalize CUs which are not immediately compliant with the new framework. CUs should not be surprised by their risk profile score and level of supervision under the new RBSF. We have not seen work to date on the framework and want to be engaged prior to RBSF being operationalized.</p> <p><b>New Regulatory Framework</b> This is a sector priority to develop a regulatory framework that will incorporate CU’s expanded business powers under the new Act and support all efforts to complete this work. We suggest that ongoing feedback on priorities from CUs continues as this is mutually beneficial.</p> <p>There is no need to have rules for all 60 areas with legislative rule-making authority. Items of mutual interest can continue to be prioritized via the workplan process. We recommend that the investment, business powers and subsidiaries rule, be completed as soon as possible to enable the sector to further grow their businesses.</p> <p><b>Recovery Planning</b> We propose a phased approach to adopt the recovery planning guidance.</p> <p><b>Market Conduct Supervision</b> We propose amending the market conduct supervisory program deliverable to focus on the adoption of the Market</p>	<p>DIRF adequacy review consultation, results of the stress testing, and the overall project timeline and next steps. Although this is a multi-year priority, FSRA has a statutory requirement to file a report with the Minister annually on the adequacy of the DIRF. The input received from the sector during the consultation process will be included in next year’s planning.</p> <p>FSRA notes that under the new RBSF, we will be assessing capital and liquidity as components of the risk profile of individual CUs that will feed into the new differential premium system (DPS) score methodology, which is currently under development. FSRA to ensure that consultation on the RBSF guidance allows for an appropriate amount of time for the CU sector to provide comments. The RBSF guidance describes FSRA’s internal methodology for determining CU risk profiles and it is intended to inform CUs and be transparent of our internal practices and procedures. This approach guidance will not create compliance obligations for CUs. The objective of the RBSF is to accurately and consistently assess the risk profile of CUs and there will be a transition period to assess all CUs under the RBSF.</p> <p>Currently, FSRA’s process for determining differential premiums includes governance (e.g., sound business and financial practices) and strong governance practices will be reflected in a CU’s overall composite risk rating. Corporate governance (Senior Management and Board) will be assessed under the new RBSF, using a more dynamic and continuous approach than under the current framework, that will better reflect the risk</p>
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	<p>Conduct Code. They see it as premature to refine the market conduct supervisory program before it has begun. There is concern that multiple FSRA teams are responsible for determining sector stability and CU viability, which is seen as a burden on CUs to respond and adhere to regulatory requests.</p> <p><b>Other Priorities</b> We propose that FSRA continuously evaluate the burden it imposes on all regulated sectors. Talent acquisition and retention should be an ongoing multi-year priority for all sectors.</p> <p><b>Impact Assessment and Cost of Regulation</b> Recommend adding additional measures to FSRA's service standards through consultation with the CU sector. Recommend including service standards and levels as a standing item at an annual SAC meeting.</p> <p><b>Modernize Systems and Processes</b> The level of budgetary detail provided on IT Renewal is insufficient and request that more information be provided. Utilize the TAC for CU Data Strategy and Digital Transformation to share more information on the IT business and procurement plan.</p> <p>We reiterate our comments from the 2021-22 Statement of Priorities and Budget that the level of budgetary detail provided on IT Renewal is insufficient. Given the high dollar amount budgeted, it is the sector's position that more information should be provided. As a start – the business plan should be shared forthwith.</p> <p>Furthermore, we urge FSRA to leverage the expertise of the TAC for CU Data Strategy and Digital Transformation and share more detail on the IT business and procurement plan so that there is confidence that the new infrastructure will serve the needs of both FSRA and the sector.</p>	<p>profile of each CU at any given point in time; the results will drive the new DPS methodology.</p> <p>Under the RBSF, FSRA will streamline and reduce contact points between CUs and FSRA through internal integration of its supervisory activities.</p> <p>FSRA to continue to engage with the sector on the most effective ways to improve structural liquidity for the CU system, to promote efficiency and reliability.</p> <p>FSRA will consult with the CU sector on the business and investment activities guidance that is currently being developed, both through FSRA's TAC on Regulatory and Supervisory Initiatives and a public consultation process.</p> <p>FSRA to engage with CU stakeholders to review the existing multi-year work plan on rules and guidance and prioritize the development of additional rules and guidance.</p> <p>FSRA is providing CUs with an opportunity to receive feedback as they develop their recovery plans during the transition period. Based on feedback that we received during our recovery planning information sessions with the sector, FSRA has extended interim submission timelines for CU recovery plans.</p> <p>FSRA will regulate market conduct activities on a more fulsome basis including assessment of market conduct risks as part of the RBSF. FSRA will assess a CU's adherence to its market conduct framework requirements in a manner that</p>
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			<p>is proactive and risk-based; is principles-based and outcomes-focused; and promotes strong CU governance.</p> <p>FSRA aims to continue to improve regulatory efficiency by reviewing guidance and methodologies used, while continuing to carry out its objects relating to promoting safety, soundness and stability of CUs and the sector. The focus on risk-based supervision will result in long-term regulatory efficiency and burden reduction for the sector.</p> <p>Talent acquisition and retention is a key priority for FSRA across the organization. We are committed to and engaged in several initiatives under our HR strategic framework to support both priorities.</p> <p>FSRA will look for opportunities to consider CCUA’s recommendation to add additional measures to FSRA’s service standards. In addition, FSRA acknowledges CCUA’s recommendation to provide updates annually at a SAC meeting.</p> <p>FSRA appreciates CCUA’s interest in the <i>FSRAForward</i> (formerly referred to as Digital Transformation) program. FSRA is actively working with TAC CU Data Strategy and Digital Transformation, and TAC’s sub-committee on Enhanced Data Collection Strategy. FSRA has shared the <i>FSRAForward</i> key drivers for change, expected benefits, transformation journey, timelines, and plans for communication and engagement with the sector. <i>FSRAForward</i> is not only about IT Renewal, rather it is about optimizing regulatory processes and modernizing</p>
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			<p>technology that enables those processes. As FSRA advances with detailed system design we will engage with the sector in a collaborative and transparent manner.</p>
<p>Desjardins</p>	<p>Multi-Sectoral</p>	<p><b>Principles-based Regulation</b> We support FSRA’s SOP and budget. A successful transformation to principles-based regulation is a substantial change management exercise for FSRA and regulated sectors and we emphasize the importance of establishing a common understanding of principles-based regulation across all levels of FSRA and regulated entities.</p> <p><b>Collaboration and Best Practices</b> We support FSRA’s approach to build stronger relationships, share best practices, and collaborate with other regulators</p>	<p>FSRA thanks you for your submission and the support it expresses for the 2022-2023 Statement of Priorities and Financial Plan.</p> <p>We appreciate Desjardin’s feedback regarding principles-based regulation. FSRA has committed to transition to the use of principles-based regulation since its inception as a regulator. We remain committed to this objective.</p> <p>For the past two years, FSRA’s principles-based regulatory priority has focused on developing its internal frameworks and capabilities. This work will continue as part of FSRA’s regular, ongoing operations reflected in its regulatory, supervisory and enforcement activities.</p> <p>The 2022-2023 Statement of Priorities reflects a new focus by FSRA to operationalize principles-based regulation in each of our regulated sectors.</p> <p>Continued efforts to effectively communicate and implement principles-based regulation are embedded throughout the sectoral priorities.</p> <p>Engaging with industry partners is an integral part of the regulatory process and a key element of FSRA’s mandate and business plan. As part of FSRA’s legislative mandate, we take a transparent and collaborative approach to engagement and aim to ensure that the diverse voices of our constituent stakeholders inform our direction and decision making.</p>

	<p>Credit Unions</p>	<p><b>New Regulatory Framework</b> We are looking forward to collaborating with FSRA on the rules and guidance making workplan. We suggest the workplan be considered a best practice to be shared with other regulators.</p> <p><b>Enhance Financial Stability Structures</b> We support FSRA’s efforts to ensure adequate liquidity sources for the CU sector but stated that any path leading to adequate liquidity sources must recognize Desjardins’ unique financial cooperative group structure and the means of support available to the Desjardins Ontario Credit Union.</p> <p><b>Disruptive Innovations</b> Open Banking and Digital Identity will significantly impact the CU sector, but it is unclear if these innovations are addressed in the second cross-sectoral priority “Enable innovation,” or the third “Modernize systems and processes,” or the CU priority 5.1 “Implement the new credit union legislative framework.” The sector should have a clear understanding of FSRA’s approach to these upcoming disruptive innovations.</p>	<p>FSRA to engage with CU stakeholders to review the existing multi-year work plan on rules and guidance and prioritize the development of additional rules and guidance.</p> <p>FSRA to continue to engage with the sector on the most effective ways to improve structural liquidity for the CU system, to promote efficiency and reliability.</p> <p>FSRA is monitoring Open Banking approaches taken in other jurisdictions and will consult with regulated sectors as appropriate on ways to address relevant issues.</p> <p>FSRA welcomes Desjardins’ feedback regarding digital identity and the significant impacts it may have on your sector. As FSRA continues this <i>FSRAForward</i> journey we will be engaging in stakeholder consultation/feedback throughout the process.</p>
	<p>P&amp;C (Auto) Insurance</p>	<p><b>Reforming Regulation of Auto Insurance Rates</b> We emphasize the importance of a competitive market based on consumer-choice as the best regulator of insurance rates and recommended adopting “use and file” as a transitional step.</p> <p>We suggest that consumers be allowed the right to choose to have their credit information used by insurers for the purpose of determining their premium.</p> <p><b>Reforms of the Auto Insurance System</b> We suggest that recommendations to the Ministry of Finance on reform to the auto insurance system include product reform.</p>	<p>FSRA will consider your recommendations on FSRA’s strategy to transform the regulation of rates and underwriting as work advances.</p> <p>FSRA will continue supporting the implementation of legislative changes to reform auto insurance regulation and provide expert advice to government on key trends and opportunities to improve regulatory effectiveness, efficiency, and outcomes for consumers. FSRA’s proposed Auto Insurance Product Technical Advisory Committee will also provide an occasion to explore recommendations for product reform.</p>

		<p>To address cost drivers in the system stemming from health care costs, we suggest that FSRA introduce a default “Care not Cash” clause to ensure that insurance coverage pays for treatment rather than legal fees and work with MOF to appoint an agency to provide independent and credible medical assessment process with recommendations binding on insurers and claimants. We encourage continued work on HCAI including with MOF on the development of a fraud and abuse strategy.</p> <p><b>Fair Treatment of Consumers</b> For the purpose of consumer protection, we recommend relying solely upon the adoption of the Canadian Council of Insurance Regulators’ Fair Treatment of Customers Guidance (instead of the current UDAP Reg or proposed FSRA UDAP Rule).</p> <p><b>Insurance Prudential Supervision</b> We support the priority of implementing insurance prudential supervision.</p>	<p>FSRA thanks you for supporting FSRA’s commitment to strengthening consumer protection and will continue to explore opportunities to promote the fair treatment of consumers. FSRA also thanks you for supporting the insurance prudential supervision priority.</p>
<p>The Co-Operators</p>	<p>Multi-Sectoral</p>	<p>We support FSRA’s three cross-sectoral priorities: strengthen consumer focus, enable innovation, and modernize systems and processes.</p> <p><b>Principles-based Regulation</b> There is concern regarding the removal of the transition to principles-based regulation and requested an explanation as to why.</p> <p><b>Modernizing Systems and Processes</b> Delays in the processing of new license applications and the renewals of licenses are a serious challenge, impacting our agents’ ability to work with clients. Given the ultimate client impact, we are pleased to see FSRA’s focus on modernizing its systems and processes, with a key deliverable of improving turnaround time for licensing processes. Improving the licensing process and</p>	<p>FSRA thanks you for your submission and the support it expresses for the 2022-2023 Statement of Priorities and Financial Plan. FSRA will consider your recommendations on how to improve as part of next year’s Annual Business Planning cycle.</p> <p>FSRA has committed to transition to principles-based regulation since its inception as a regulator. We remain committed to this objective.</p> <p>For the past two years, FSRA’s principles-based regulatory priority has been focused on developing its internal frameworks and capabilities. This work will continue as part of FSRA’s regular, ongoing operations.</p>

		<p>modernizing other key systems such as ARCTICS will enable us to best serve our clients.</p>	<p>The 2022-2023 Statement of Priorities reflects a new focus by FSRA to operationalize principles-based regulation on a sector-by-sector basis. Continued efforts to effectively communicate and implement principles-based regulation are embedded throughout the sectoral priorities.</p> <p>FSRA welcomes the Co-Operator’s feedback regarding improvements to the licensing process, as we work through the <i>FSRAForward</i> journey.</p>
	<p>Credit Unions</p>	<p><b>Implement the new credit union legislative framework</b> We support the passage of CUCPA, 2020, allowing credit unions to sell insurance within branches and on their websites. In addition, we welcome changes that allow consumers greater access and more choice.</p> <p>We look forward to continuing to work closely with the Ministry of Finance and FSRA to develop regulations, rules, and guidance for the new legislation by focusing on greater choice and fairness for consumers, and a level playing field for all industry and credit union stakeholders.</p>	<p>Stakeholder consultation/feedback is planned throughout the process.</p> <p>FSRA thanks The Co-operators for their support of priority 5.1.</p>
	<p>P&amp;C (Auto) Insurance</p>	<p>We support FSRA to improve turnaround times for licensing processes.</p> <p>We are interested in seeing a detailed roadmap of milestones and key deliverables for priorities.</p> <p>We support FRSA’s role in educating consumers about how rates are set, how profits are assessed, and how short-term changes impact prices.</p> <p><b>Implement a new strategy for reforming the regulation of auto insurance rates and underwriting</b> We suggest that FSRA continue transforming the rate regulation process to reduce red tape.</p>	<p>With respect to FSRA’s strategy to reform the regulation of auto insurance rates and underwriting, we look forward to further discussing with the sector and note that one of the strategies’ key planned outcomes is promoting market health through efficient regulation. FSRA will engage with the sector on plans to develop a new rule and guidance framework for the regulation of rates and underwriting as work advances.</p> <p>FSRA appreciates your interest in ongoing work in support of the development of a fraud and abuse strategy. The government and FSRA concluded a joint consultation on the Fraud and Abuse strategy in Summer 2021 and FSRA is prepared to</p>

		<p>We support the transformation of Regulation 664 into a FSRA rule. We would like to see improvements to the benchmark review process and seeing the standard filing approach extended to commercial and recreational vehicles.</p> <p>We recommend that FSRA rescind the territory rating bulletin to allow insurers to segment using a number and distribution of territories that better align rates with risk.</p> <p><b>Develop recommendations and act on reforms of the auto insurance system</b></p> <p>We request more information respecting FSRA’s fraud strategy and would like to see FSRA take more action on fraud complaints raised by insurers, including details respecting FSRA’s role in curtailing fraud and abuse and related investigation and enforcement powers.</p> <p>There is a concerning increase in frequency and severity of client and service provider threats against offices and staff. Discussions need to happen about tools for insurers to address violence and intimidation.</p> <p>We support the improvement of the Health Claims for Auto Insurance (HCAI) system as a deliverable.</p> <p>We are disappointed that priorities related to comprehensive auto insurance reform committed to in the government’s 2019 budget have not been addressed. Recommended that FSRA prioritize work with the Ministry of Finance to enable the use of credit history as a rating factor.</p> <p><b>Ensure the fair treatment of P&amp;C/Auto consumers</b></p>	<p>implement appropriate changes to support government direction resulting from that consultation.</p> <p>FSRA is concerned to hear that your staff have been subject to violence and intimidation. FSRA is aware that the problem of fraud and abuse in Ontario’s auto insurance system goes beyond adding costs to the system and sometimes involves criminal behavior. The government and FSRA concluded a joint consultation on the Fraud and Abuse Strategy in Summer 2021 and FSRA is prepared to implement appropriate changes to support government direction resulting from that consultation.</p> <p>Respecting 2019 financial plan commitments, FSRA continues to work with government on reforms to Ontario’s auto insurance system. FSRA will further consider prohibitions on the usage of credit information by insurers as part of the broader strategy to reform the regulation of rates and underwriting.</p> <p>FSRA has a risk-based framework in place for prioritizing and targeting compliance issues of high risk to consumers and continues to explore options for enhancing consumer protection and promoting the fair treatment of consumers</p> <p>FSRA welcomes your support for the creation of a Technical Advisory Committee focused on the Auto Product and looks forward to engaging the sector on its mandate and scope.</p> <p>Respecting former language on data and analytics in FSRA’s 2021-2022 priorities, FSRA has</p>
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	<p>We recommend that this priority should be further developed to provide more detail on FSRA’s intentions and changes under development.</p> <p>We recommend that Take All Comers work be done in parallel with the fraud and abuse strategy to ensure accessibility while also protecting consumers. Suggested a clear focus on affordability through product design and reform must be incorporated into FSRA’s priorities.</p> <p><b>Additional Considerations</b> FSRA must serve as the expert and advocate to the government, providing recommendations on reform that will increase innovation and competition.</p> <p>We support establishing an auto insurance product Technical Advisory Committee.</p> <p><b>Additional Recommendations</b> Committees should align with guiding principles; Auto Insurance Product Technical Advisory Committee Terms of Reference should be clear and meeting materials should be distributed earlier to members.</p> <p>We support Principle Based Regulation and the necessity of proceeding with stage two rulemaking on Unfair or Deceptive Acts or Practices (UDAP) and recommended adding stage 2 UDAP work to FSRA’s 2022-23 priorities.</p> <p>We recommend that FSRA not remove “develop a comprehensive auto insurance data and analytics strategy” from the 2022-20223 priorities, particularly as discussions continue with FSRA’s Data and Analytics Technical Advisory Committee.</p>	<p>embedded ongoing data and analytics deliverables into priorities 4.1 and 4.2 as an essential part of FSRA’s strategy to transform the regulation of rates of underwriting and to improve the Health Care for Auto Insurance system. These deliverables are intended to include applying learnings from the Data and Analytics Technical Advisory Committee. Data analytics work is also advancing in connection with broader transformations being carried out through the <i>FSRAForward</i> project.</p>
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<p>Libro Credit Union</p>	<p>Credit Unions</p>	<p><b>Cross-Sector Priorities</b> We support FSRA’s cross-sector priorities as there are benefits gained from working across sectors.</p> <p><b>Environmental Scan</b> FSRA must remain flexible in their approach as the general recovery remains fragile in nature. FSRA can better connect to the sectors it regulates through insights and data.</p> <p>We are requesting FSRA’s viewpoint on the fragility of the sector and also making available any data collected, and peer sector learnings, to help build a more resilient CU sector.</p> <p><b>Emerging Issues – Climate Change Risk</b> We support FSRA’s view that it is important to begin sector discussions on climate impact and associated risk. Collaborative efforts from both FSRA and the sector will be needed on this important emerging issue. We recommend that FSRA consult regularly with the sector on climate change risk.</p> <p><b>Consumer Advisory</b> We request that FSRA provide the work, research, insights, and priorities of the Consumer Office. An opportunity is being missed from FSRA to provide valuable service to the sector from the Consumer Office and hopes in the future there will be more activity and reporting from FSRA. A consumer focus approach is critical to the CU sector in decreasing risk to depositors.</p> <p>We caution FSRA against providing any group, committee, or stakeholder (such as the CAP or other stakeholders) with increased input into the rule development process over another, as it could present bias and a lack of fairness. The CAP perspective should be valued as part of the</p>	<p>FSRA thanks Libro Credit Union for their support of the 2022-23 credit union priorities.</p> <p>FSRA is committed to using data to drive our insights and strategy. Furthermore, FSRA is mandated to monitor and evaluate developments and trends in the regulated sector. When a certain trend that FSRA has been monitoring requires regulatory action, FSRA will respond accordingly, and this can include sharing insights with its regulated entities.</p> <p>We appreciate Libro’s comments regarding this important and emerging risk. FSRA is committed to engaging with the sector on climate risk and other developing risks.</p> <p>FSRA thanks Libro Credit Union for highlighting the opportunity to profile the work of the Consumer Office. FSRA appreciates the feedback that both the work of its Consumer Advisory Panel (CAP) and Office can contribute to improved confidence and better outcomes for depositors and members. We will consider how best to describe this work moving forward. The CAP is advisory to FSRA management, as such it does not exercise any decision-making authority over any regulatory tool.</p> <p>Engaging with industry partners is an integral part of the regulatory process and a key element of FSRA’s mandate and business plan. As part of FSRA’s legislative mandate, we take a transparent and collaborative approach to engagement and aim to ensure that the diverse voices of our constituent stakeholders inform our direction and decision making.</p>
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		<p>consultation in an advisory capacity, no more or less than any other participant.</p> <p><b>Implementing New CU Legislative Framework</b> We support FSRA’s desire to consult with the sector on critical rules and guidance related to the new CUCPA.</p> <p>There is a concern that pre consultation work may not be reflected in formal public consultation drafts. Early feedback should be made a priority for FSRA moving forward, as it can help dispel issues and challenges during public consultation. They believe it also can make the process more efficient for both FSRA and the sector.</p> <p>We look forward to working with FSRA on the workplan priorities for rules and guidance to underpin the new CUCPA.</p> <p><b>CU Workplan</b> We suggest that FSRA look for opportunities to reduce total volume of guidance, streamline rules, and create simple and effective principles-based approaches.</p> <p>We recommend that discussions begin soon on the workplan to ensure a smooth 2022/23.</p> <p><b>Enhance Financial Stability Structures</b> We look forward to working with FSRA on the differential premium system methodology and the DIRF. Both are critical to the continued stability of the credit union sector. The process must rely on principles of transparency and open feedback. The sector should have the ability to understand the methodologies used, and to provide appropriate thoughts, questions, and feedback through a collaborative approach.</p> <p><b>Emergency Lending Assistance</b></p>	<p>FSRA will be revising the CU rules based on feedback received during the public consultations and continue to engage with key CU stakeholders as the rules are being finalized.</p> <p>FSRA to engage with CU stakeholders to review the existing multi-year work plan on rules and guidance and prioritize the development of additional rules and guidance.</p> <p>FSRA will continue to engage through the TAC and CU sector consultations to refine the DIRF adequacy model. This includes building off the March 4, 2021, Town Hall, May 7, September 3 and September 23, 2021, TAC meetings and public consultation (August 3 to September 9, 2021) that have taken place. The recent TAC meeting provided updates on the results of the DIRF adequacy review consultation, results of the stress testing, and the overall project timeline and next steps. Although this is a multi-year priority, FSRA has a statutory requirement to file a report with the Minister annually on the adequacy of the DIRF. The input received from the sector during the consultation process will be included in next year’s planning. FSRA notes that under the new RBSF, we will be assessing capital and liquidity as components of the risk profile of individual CUs that will feed into the new differential premium system (DPS) score methodology, which is currently under development.</p> <p>Currently, FSRA’s process for determining differential premiums includes governance (e.g., sound business and financial practices) and CUs with strong governance practices will be reflected</p>
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		<p>We appreciate the work that FSRA is doing to support CUs in gaining access to emergency lending assistance (ELA) through the Bank of Canada (BOC). Continued advocacy and discussions will be needed between all parties to ensure that access is both simple and an effective process for CUs.</p> <p>We are open to working with the province should the BOC option not come to fruition, and trust that FSRA is considering every possible avenue and channel for ELA support.</p> <p><b>Resolution Regime</b> We request clarity on what FSRA means by exploring with the Ministry of Finance how it will enhance FSRA's resolution regime and would like more specifics on the deliverables.</p> <p><b>Implement Risk-Based Supervision</b> FSRA should contemplate how the RBSF will build a stronger and more resilient sector, while ensuring it allows for continued growth and innovation for credit unions. Balancing depositor needs, risk, burden reduction and growth opportunities are possible through the RBSF.</p> <p>We seek to support RBSF, but we need clarification as to how will FSRA determine the group of test CUs to ensure limited bias, diversity in size and scope, and open transparent results and data that can be shared back to the sector.</p> <p><b>Market Conduct Framework</b> The Market Conduct Code Framework is still in its infancy and CUs will be receiving initial feedback from FSRA as they implement the framework over the course of 2021/22.</p>	<p>in their overall composite risk rating. Corporate governance (Senior Management and Board) will be assessed under RBSF, which will use a more dynamic and continuous approach that will better reflect the current risk profile of each CU; the results will drive the new DPS methodology.</p> <p>FSRA to continue to engage with the sector on structural liquidity.</p> <p>FSRA will engage its TAC on Regulatory and Supervisory Initiatives as it develops draft Resolution Planning guidance to receive pre-consultation input. FSRA will also work with the Ministry of Finance to consider opportunities to modernize FSRA's resolution powers in the CUCPA, 2020.</p> <p>FSRA will ensure that consultation on the RBSF guidance allows for an appropriate amount of time for the CU sector to provide comments. The RBSF guidance describes FSRA's internal methodology for determining CU risk profiles and it is intended to inform CUs and be transparent of our internal practices and procedures. This approach guidance will not create compliance obligations for CUs. The objective of the RBSF is to assess the risk profile of CUs accurately and consistently and there will be a transition period to assess all CUs under the RBSF.</p> <p>FSRA will communicate how test CUs for RBSF were determined and its methodology. FSRA will regulate market conduct activities on a more fulsome basis including assessment of market conduct risks as part of the RBSF. FSRA will assess a CU's adherence to its market</p>
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		<p>We ask for clarity on what CUs should expect from FSRA's work on "refining" the market conduct framework during the infancy stage of the code?</p>	<p>conduct framework requirements in a manner that is proactive and risk-based; is principles-based and outcomes-focused; and promotes strong CU governance.</p>
<p>Sun Life Financial (Sun Life)</p>	<p>Multi-Sectoral</p>	<p><b>Consumer Focus</b>                  We are pleased to see the enhancement of complaints resolution systems and their navigability included as a priority. Our Client Advocacy team has created a comprehensive complaints process that enacts best practices and makes things simple and fair for our clients. We would be happy to share more about our process to inform FSRA's direction on this file.</p> <p>Sun Life asks that a thorough consultation with the financial services industry is conducted if any product or distribution changes are being considered within credit unions.</p> <p><b>Enable Innovation</b>                  Sun Life continues to innovate and find new ways to serve Clients. This includes embracing new technology and digital business models, of which the pandemic has accelerated adoption. In March 2020, Sun Life launched Lumino Health Virtual Care (LHVC) to Clients as part of their group benefits plans. The aim of LHVC is to complement the existing universal healthcare system, particularly at a time when Canadians are facing numerous obstacles in obtaining routine and urgent care. With the rising health care costs for governments, we believe that there is a space for partnerships that leverage the experience and strengths of governments, insurers, and digital innovators.</p> <p>We ask that any new regulation around digital distribution or digital platform remain technology neutral and support effective member communication and engagement strategies including automatic features such as automatic enrolment and contributions.</p>	<p>FSRA thanks Sun Life for their interest in complaints resolution. FSRA's next steps are to articulate a set of principles and gather intelligence on the current environment. FSRA welcomes input from stakeholders on these issues.</p> <p>Engaging with industry partners is an integral part of the regulatory process and a key element of FSRA's mandate and business plan. As part of FSRA's legislative mandate, we take a transparent and collaborative approach to engagement and aim to ensure that the diverse voices of our constituent stakeholders inform our direction and decision making.</p> <p>FSRA welcomes innovation initiatives and the adoption of digital technologies by market participants and would reiterate its commitment on innovation facilitation across FSRA-regulated financial services sectors.</p> <p>FSRA does not plan on dictating what innovation should look like in the sectors. Rather, the soon to be launched Test and Learn Environments (TLEs) would validate proposed innovation opportunities (products, services, or business models that are novel in nature) even if the scope on which exemptions from specific requirements may be granted was pre-defined, it is ultimately up to market participants to make use of such a scope in ways that would prove beneficial to consumers.</p>

		<p><b>Modernize Systems and Processes</b> We are pleased to see continued commitment to modernizing systems and processes and support expanded functionality on including enhancements to the Pension Services Portal.</p>	<p>Given FSRA’s TLEs only validate innovation opportunities proposed by market participants as opposed to preemptively admitting technological solutions or modules and encouraging sector adoption, the regulation will remain technology neutral.</p>
	<p>Financial Planners and Advisors</p>	<p><b>Title Protection Framework</b> We support consistency and oversight of the financial titles used in the industry. However, we believe the adequacy of training, certification of knowledge, and oversight has been achieved through licensing. We request that regulators coordinate and harmonize their efforts in this area, as consumers will be better served through an approach that is consistent across the financial services industry (including Wealth and Insurance) and across regulatory bodies.</p>	<p>FSRA thanks Sun Life for its continued engagement on the design of the title protection framework. One of FSRA’s key principles in designing the title protection framework is to achieve regulatory effectiveness and efficiency.</p> <p>FSRA intends to leverage existing regimes for licensing and designating financial professionals. This approach will allow for existing licenses/designations to be recognized as meeting minimum standards for title usage, and to enable certain individuals to continue to conduct business using the FP and FA titles without significant disruption.</p> <p>FSRA’s requirements under the title protection framework will complement existing regulatory frameworks without imposing duplicative or overlapping regulatory requirements on individual title users.</p>
	<p>Life and Health Insurance</p>	<p><b>Deliverable: “Publish for Consultation a proposed framework and supervisory approach for MGAs</b> “Considering the complete insurance supply chain, from the manufacturer to the advisor, is critical in ensuring adequate consumer protection. Building a supervisory framework that holds all players involved to account is critical”</p> <p><b>Additional priorities: Harmonization</b> The national cooperative approach taken by FSRA on most of the 2022-23 deliverables has been helpful in advancing key files; namely, Fair Treatment of Customers, total cost</p>	<p>FSRA will propose a principles-based outcomes-focused framework and supervisory approach for licensed insurance distribution. It will clearly outline the responsibilities of insurers and all licensed agents with respect to fair treatment of customers.</p> <p>FSRA recognizes the value of greater harmonization in achieving consistent regulatory expectations across Canadian jurisdictions. We will continue to work with our partner regulators</p>

		<p>reporting and segregated fund recommendations. We hope that FSRA will continue to elevate our views on these important files and influence their priority with all regulators, including the CCIR.</p> <p>We encourage FSRA to play a greater role in promoting consistent regulatory expectations across the provinces re market conduct expectations.</p> <p><b>Implement new credit union legislative framework</b> We ask that any product or distribution changes being contemplated within credit unions include a thorough consultation with the financial services industry.</p> <p><b>Budget: Increase</b> Proposed L&amp;H Conduct fees represent a significant increase, up over 60% from last year.</p> <p>We would appreciate greater clarity on fee allocation and expected impact on current initiatives.</p> <p>We hope FSRA will concentrate its efforts on high-risk activities.</p>	<p>across Canada to engage stakeholders on these important initiatives.</p> <p>FSRA will work with the government and other stakeholders to develop regulations, rules and other guidance as needed to implement new requirements with respect to credit unions and the sale of insurance.</p> <p>Increased investment in Legal and Market Conduct resources is required to protect the public interest and enhance market conduct oversight in the Life and Health insurance sector. To those ends, FSRA is enhancing its supervision of distribution channels and agents who are licensed to sell life and health insurance. Effective enforcement action is critical to ensure that non-compliant conduct is adequately sanctioned and deterred. Robust resources are required to deliver an effective enforcement program for the life and health sector.</p>
	<p>Pensions</p>	<p><b>Protect Pension Plan Benefits</b> We support continued work on reducing the number of missing plan members. We also support and look forward to participating in consultations on a PBGF annual performance and financial report including sharing insights on how the Fund's long-term viability and financial sustainability could be improved.</p> <p><b>Risk Management</b> We encourage FSRA to include supporting better risk management for DB pension plans in its 2022-23 Statement of Priorities. We also Support FSRA continuing to explore measures that reward DB plan sponsors that follow good risk management.</p>	<p>FSRA thanks Sun Life for its support on pension sector priorities and shared focus on improving outcomes for plan members. FSRA welcomes ongoing engagement with Sun Life and others as work continues missing members, ESG and PBGF oversight.</p>

		<p>We are highly supportive of FSRA’s proactive approach to monitoring climate change risk and welcome focus on collaboration through the CAPSA Proposed ESG committee.</p> <p>We support the development of guidance on ESG investment and risk management practices.</p>	
<p>Advocis, The Financial Advisors Association of Canada (Advocis)</p>	<p>Multi-Sectoral</p>	<p><b>Consumer Focus</b> We support strengthening, further enabling the Consumer Advisory Panel (“CAP”).</p> <p>We encourage FSRA to consider whether consumer-facing financial advisors should be added to the CAP.</p> <p>We support FSRA’s dedication to improving the consumer experience, particularly re developing safeguards for vulnerable clients.</p> <p><b>Enable Innovation</b> We are pleased to see FSRA is encouraging technology and innovation to improve client service.</p> <p>It’s important for FSRA to strike the right balance between protecting consumers and reducing barriers that may hamper adoption of technological tools, platforms that could benefit consumers</p> <p>Technologies that improve access to financial products do not necessarily result in better access to financial advice. Advisors play an important role. We urge FSRA to be mindful of distinction between access to products and access to advice. Recommends FSRA promote innovative technologies that “complement the advisory relationship” to truly enhance the customer experience.</p>	<p>FSRA appreciates Advocis’ support of enabling the Consumer Advisor Panel. FSRA agrees consumer-facing financial advisors have a unique perspective on areas of consumer confusion and misperception for the insurance industry and will consider ways to engage these stakeholders.</p> <p>We agree that FSRA must strike the right balance between protecting consumers and reducing barriers to innovation. With this in mind, our innovation ambition is guided by ‘responsible innovation’, wherein FSRA will proactively manage risk to consumers and members as a central imperative while facilitating innovation.</p> <p>We also agree that improving access to financial products does not inherently translate to better financial advice. In supporting access to innovative financial products, we will bear in mind that these products and financial advice should be complimentary, not substitutes for one another.</p> <p>Regarding a meeting with FSRA to discuss the impact of technology in the life and health insurance sector, FSRA’s Innovation Office welcomes this discussion and will reach out to initialize a meeting.</p>

		<p>Advocis' Technology and Innovation Committee would like to speak with FSRA about the impact of technology in the life and health insurance sectors.</p>	<p>For an outline of how FSRA will support innovation in Ontario's financial services sectors, we invite you to review our Innovation Framework, which launched on January 24, 2022.  <a href="https://www.fsrao.ca/media/4621/download">https://www.fsrao.ca/media/4621/download</a></p> <p>FSRA acknowledges that consumers' accessibility of financial services products (often through disintermediation by technology) and the on-demand access to fit-for-purpose financial advice and financial literacy benefit consumers from different angles and serve complementary purposes. FSRA's Innovation process welcomes proposals on products, services, and business models proposed by market participants and advocacy groups to FSRA for contemplation and will actively tackle those prescriptive regulatory requirements that are proven, through tests, no longer fit for purpose; and would, in today's rapidly changing context, constrain modernization and innovation in the sectors.</p>
	<p>Financial Planners and Financial Advisors</p>	<p><b>Title Protection Framework</b>                  We continue to support FSRA's leadership in developing and refining the Title Protection Framework. This regulatory framework can promote confidence and reduce consumer confusion by restricting the use of the Financial Planner ("FP") and Financial Advisor ("FA") titles to qualified individuals who meet the minimum professional standards.</p> <p>We re-emphasize that the competency profiles and qualification standards for both the FA and FP titles should equally reflect a client-centric and product-agnostic approach. As we have stated in our consultation responses, while the scope of an FA's immediate mandate may be narrower relative to an FP's, the FA's work is often deeper</p>	<p>FSRA thanks Advocis for its continued support and engagement on the design of the title protection framework.</p> <p><b>Minimum Standards For FP/FA Title Use</b>                  Currently, there are no minimum education standards for individuals who use the Financial Advisor (FA) title.</p> <p>The primary objective of the proposed Financial Planner/Financial Advisor (FP/FA) title protection framework is to create minimum standards for title usage so that consumers can have confidence in the quality of the services they receive from individuals using these titles.</p>

		<p>and more impactful within that mandate. Regardless, from the consumer’s perspective, both titles are ubiquitous and FSRA’s own research demonstrates that consumers rely on, and expect similar services and standards from, users of both titles. Therefore, clients of both FAs and FPs must be able to enjoy substantially similar levels of professionalism, technical expertise, and knowledge.</p> <p>CSA’s work re: vulnerable persons, including the Trusted Contact Person rule and ability to put a Temporary Hold on a transaction.</p> <p>“We would suggest that FSRA consider whether similar tools might be appropriate in the life and health sector – particularly in the context of segregated funds.” Advisors are in a unique position to identify signs of potential financial abuse, diminished mental capacity in clients. However, they are not formally trained in this.</p> <p>If FSRA is to enact rules re TCPs and THs in L&amp;H, we strongly recommend that it also provide a safe harbour that will shield advisors from regulatory and civil liability when they discharge these duties. Absence of safe harbour in the CSA rules gives us “serious pause about how widely the tools will be adopted” re securities.</p>	<p>FSRA is proposing different sets of minimum educational standards for the FP and FA titles to establish a benchmark in relation to the technical knowledge, professional skills and competencies that would be expected for FP and FA title users.</p> <p>Financial planners (FP) should have the breadth and depth of knowledge to develop integrated financial plans for clients. These financial plans would include a holistic analysis of a client’s financial circumstances and suitable investment options. Financial advisors (FA) should have the knowledge necessary expertise and experience to develop suitable financial and investment recommendations for retail clients, based on their specific type of license or designation. FSRA appreciates Advocis’ support for FSRA’s work on vulnerable and disadvantaged consumers. As FSRA continues working on this priority, it will engage with industry and consumers for further discussion.</p> <p>FSRA’s principle-based and outcome-driven regulation approach intends to address the situation in your feedback.</p> <p>Corresponding colleagues in charge of L&amp;H insurance would be notified about the invitation and will likely reach out in due course.</p>
Life and Health Insurance		<p><b>Deliverable: “Publish for Consultation a proposed framework and supervisory approach for MGAs”</b> We share the concerns found by FSRA in its recent review of delegation of advisor screening and monitoring functions through the Insurer-MGA relationship. We support FSRA’s efforts in developing frameworks to address these concerns and delineating the roles and responsibilities shared among insurers, MGAs, and advisors re FTC.</p>	<p>FSRA will propose a principles-based, outcomes-focused framework and supervisory approach for licensed insurance distribution. FSRA will clearly outline the responsibilities of insurers and all licensed agents with respect to fair treatment of customers.</p>

	<p><b>Deliverable: Build supervision capacity in insurance distribution re L&amp;H, including agents</b> We support the agent conduct and supervision initiatives</p> <p><b>Additional priorities: agent post-licensing training</b> Encourage FSRA to improve initial education of L&amp;H licensees, ongoing education</p> <p><b>Initial Education</b> Notes Advocis has helped ICBC by developing a course that instructs new licensees on their responsibilities under ICBC’s rules, etc. This is now a pre-licensing requirement in BC.</p> <p>“We urge FSRA to consider whether a similar program could be implemented to boost the proficiency and ethics of Ontario’s new licensees.”</p> <p>“Happy to discuss how we can leverage our experience with the Council Rules Course to the benefit of Ontarians”</p> <p><b>Continuing Education</b> We believe the existing continuing education requirements should be enhanced. Suggest that CE be accredited to satisfy licensing requirements. Consider models like Alberta’s where the Alberta Accreditation Committee approves CE course PROVIDERS. FSRA can leverage the existing accreditation infrastructure, achieve benefits of CE accreditation with little need for additional infrastructure.</p> <p><b>Miscellaneous – General</b> We are interested in working closely with FSRA through industry working groups re LARF reporting issues, delegation of advisor screening and monitoring functions through the Insurer-MGA relationship. We support FSRA’s efforts in developing frameworks to address these concerns</p>	<p>FSRA appreciates your suggestions, and we will take them into consideration as we review our Statement of Priorities.</p> <p>FSRA appreciates input from stakeholders when developing guidance and frameworks. As work continues to progress on these items, FSRA will conduct public consultations.</p>
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		<p>and delineating the roles and responsibilities shared among insurers, MGAs, and advisors re FTC.</p>	
<p>The Canadian Foundation for the Advancement of Investor Rights (FAIR Canada)</p>	<p>Financial Planners and Financial Advisors</p>	<p><b>Principles-based Regulation</b>            Within the cross-sectoral priorities, we are concerned to see the removal of the priority to transition to principles-based regulation and would appreciate an explanation of why it has not been an included priority for 2022-23. Given the work FSRA has underway—including the development of the new Unfair or Deceptive Acts or Practices (UDAP) rule—and your commitment to flexibility and innovation to support consumer protection, we firmly believe an ongoing commitment to transition to principles-based regulation with associated outcomes and deliverables is necessary to achieve an effective transition and maintain collaboration with industry on this fundamental shift in regulatory approach.</p> <p><b>Title Protection Framework</b>            Further to our comment letter on the most recent FSRA FP/FA title protection consultation, we note that both Saskatchewan and New Brunswick have introduced, or will be introducing, their version of an FP/FA title protection framework in their respective province.            When operationalizing the Ontario framework, and to reduce regulatory fragmentation and burden, we would urge FSRA to look to the frameworks in these provinces for opportunities to harmonize and adopt similar important consumer protections currently missing in the Ontario model. For example:</p> <ol style="list-style-type: none"> <li>1. Saskatchewan’s decision to put the “client’s interest first” in a manner that aligns with the requirements imposed on dealers and advisers under the Canadian Securities Administrators’ Client Focused Reforms</li> </ol>	<p>FSRA has committed to transition to principles-based regulation since its inception as a regulator. We remain committed to this objective.</p> <p>For the past two years, FSRA’s principles-based regulatory priority has been focused on developing its internal frameworks and capabilities. This work will continue as part of FSRA’s regular, ongoing operations.</p> <p>The 2022-2023 Statement of Priorities reflects a new focus by FSRA to operationalize principles-based regulation on a sector-by-sector basis. Continued efforts to effectively communicate and implement principles-based regulation are embedded throughout the sectoral priorities.</p> <p>FSRA thanks FAIR Canada for its continued engagement on the design of the title protection framework. FSRA understands the importance of harmonizing with other jurisdictions to reduce regulatory burden. FSRA continues to engage with other jurisdictions to discuss potential for harmonization on various elements of the proposed title protection framework. While harmonization is an important objective, FSRA is mindful that other jurisdictions may take varying approaches that suite their existing regulatory frameworks and public policy positions.</p> <p><b>Client’s Interest First</b>            Following feedback received during the second public consultation on the proposed Financial Professionals Title Protection Rule (FPTP Rule), FSRA updated the proposed Application</p>

2. New Brunswick’s stated preference for adopting the Quebec approach to confusing titles, where financial professionals are prohibited from using titles specified as being too similar to the title of Financial Planner; and most importantly,
3. Saskatchewan’s approach to enforcement, whereby the province’s Financial and Consumer Affairs Authority (FCAA) retains direct authority to impose significant fines and penalties to address misconduct by FPs and FAs in that province. It will also be able to act in situations where the interests of the consumers in Saskatchewan may be harmed.

As such, we believe it is imperative for FSRA to consider resolving these issues as part of its efforts to operationalize what, in effect, was intended to be a consumer protection framework for Ontarians.

**Consumer Focus**

We urge FSRA to go beyond merely identifying opportunities to respond and set out the specific actions that will be implemented.

For instance, the tools currently being deployed by Canadian securities regulators to help protect vulnerable consumers could be adapted by FSRA as appropriate.

These could include mechanisms whereby consumers can nominate a “trusted contact person,” and temporary holds can be placed on accounts in circumstances where a consumer may have become vulnerable.

FSRA could also establish an advisory committee focused on the needs of vulnerable consumers and adopt a vulnerable consumer strategy and action plan, similar to the Seniors Strategy established by the Ontario Securities Commission in 2018.

Guidance to clarify that an approved credentialing body’s code of ethics should include a requirement for credential holders to put the client’s interest first.

**Titles that Could Reasonably be Confused with FP/FA**

The FPTPA introduces title protection in Ontario relating to the use of the FP and FA titles. This includes abbreviations, equivalents in another language, and titles that could reasonably be confused with the FP and FA titles.

Based on feedback received during the second consultation on the FPTP Rule, FSRA also amended the proposed Supervision Guidance and removed the list of titles that could be considered out of scope of the framework and will focus on use of the FP/FA titles and titles that are very similar.

Post-implementation, FSRA will monitor the market response to the new requirements and any changes to title use that occur, and as necessary, consider providing additional interpretation of the FPTPA to protect consumers and support the intent of the framework.

**Enforcement Authority**

The Financial Professionals Title Protection Act, 2019 (FPTPA) does not provide FSRA with the authority to oversee the conduct of individual credential holders. Discipline and enforcement of title users who hold an approved credential will be carried out by approved credentialing bodies. Through the application process, FSRA will ensure that credentialing bodies have the

	<p>Beyond strengthening FSRA’s understanding, we think it is important that FSRA take action and outline specific deliverables. The poor consumer experiences with the current complaint handling systems are sufficiently documented and widely known.</p> <p>FSRA’s counterpart in Quebec (the AMF) for example recently published draft regulations for comment which are intended to address numerous consumer concerns (e.g., access barriers, confusion, timeliness) across all provincially regulated financial institutions.</p> <p>The proposed regulations would require all provincially regulated financial institutions in Quebec to, among other things:</p> <ul style="list-style-type: none"> <li>• establish a complaint process that is simple to follow and free to the complainant;</li> <li>• provide assistance to complainants;</li> <li>• deliver a final response to the complainant within 60 days; and</li> <li>• stop using misleading terms such as “ombudsman” to refer to persons engaged in the process on the financial institution’s behalf.</li> </ul> <p>A similar regulation could and should be a priority in Ontario as well.</p> <p>The priority here should be to ensure that engaging the CAP and other consumer stakeholders occurs in all consumer related policy work. This should be formally reflected in relevant governance documents, such as in the CAP’s Terms of Reference. It should also be reflected in FSRA’s policy making process.</p> <p>We note, for example, the mandate of the UK’s Financial Services Consumer Panel includes a positive obligation for the Financial Conduct Authority to consult the Panel</p>	<p>necessary expertise, resources, policies, procedures, and administrative practices to effectively oversee the conduct of their FP/FA credential holders.</p> <p><b>Consumer Protection</b> FSRA agrees that the title protection framework is intended as a consumer protection measure but notes that the legislative authority to make changes to the FPTPA resides with the Ministry of Finance.</p> <p>FSRA thanks FAIR Canada for their shared focus on consumer issues. FSRA appreciates the feedback on vulnerable people, complaints, and the consumer engagement.</p> <p>FSRA appreciates the intelligence on what other jurisdictions are advancing along similar work streams. FSRA is continuing to advance work on all these areas and looks forward to communicating progress in the coming year.</p>
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		<p>“throughout its deliberations on policies and practices that have a consumer impact.”</p> <p>FSRA should establish similar positive duties to engage with the CAP and other consumer stakeholders.</p>	
<p>FP Canada</p>	<p>Financial Planners and Financial Advisors</p>	<p><b>Title Protection Framework</b> FP Canada strongly supports FSRA’s work to date to build out and implement the Financial Professionals Title Protection Act, 2019 (the FPTPA).</p> <p>We recommend FSRA work closely with credentialing bodies to ensure that logistically, each can transition properly into the framework.</p> <p>Consumer education is important to the efficacy of the new framework. It is important not only that consumers are aware of the new framework and know what to look for in choosing a FP or FA, but also that they understand what the titles mean, and what to expect from their FP or FA. We would welcome the opportunity to work with FSRA and other stakeholders on a coordinated strategy and approach to consumer education around the FPTPA.</p> <p>It will be critical that FSRA carefully review applications from applicant credentialing bodies to ensure they can carry out their certification and oversight roles at the high level needed to ensure the protection of consumers.</p> <p>It will be important going forward that FSRA continue to consult with the regulated sector and that credentialing bodies and other stakeholders continue to have opportunities to provide input into the priorities and related budgets.</p>	<p>FSRA thanks FP Canada for its continued support and engagement on the design of the title protection framework and feedback on the 2022/23 Statement of Priorities and Financial Plan.</p> <p>FSRA will continue to work collaboratively with credentialing bodies before and after implementation to ensure a smooth transition into compliance with the title protection framework.</p> <p>FSRA is also in the process of developing an industry and consumer education campaign to support the implementation of the title protection framework.</p> <p>FSRA believes that an effective consumer education campaign will require stakeholders, including but not limited to approved CBs, credential holders, and regulatory bodies, to collaborate and coordinate efforts.</p> <p>Working collaboratively with approve credentialing bodies, FSRA will create educational material to enhance the public and industry’s knowledge of elements of the proposed framework as well as to ensure that all relevant stakeholders have the appropriate information to support this process.</p> <p>The proposed Financial Professionals Title Protection Rule (FPTP Rule) sets out the approval</p>

			<p>criteria that entities would be required to meet to obtain FSRA approval as a credentialing body.</p> <p>The proposed Application Guidance sets out FSRA’s interpretation of the approval criteria and includes the suggested processes and procedures that a credentialing body should have in place to ensure effective governance, oversight and administration of a credentialing program that serve the public interest.</p> <p>Through the application process, FSRA will assess the credentialing program to ensure that it meets FSRA’s minimum standard for approval.</p> <p>FSRA will seek clarification from applicants on the contents of an application where necessary prior to granting their approval.</p> <p>FSRA welcomes continued dialogue with stakeholders on the design and implementation of the title protection framework.</p> <p>A Stakeholder Advisory Committee (SAC) will be established for the FP/FA sector once the framework has been implemented, which will provide advice to FSRA management and the Board of Directors on its priorities and initiatives for the sector.</p>
<p>Independent Financial Brokers of Canada (IFB)</p>	<p>Multi-Sectoral</p>	<p><b>Enable Innovation</b> IFB supports the goal of expanding innovative and competitive financial services options and providing more opportunities for new and innovative solutions to enter the marketplace. Of course, this will have to be carefully managed in light of the increased exposure to cybersecurity threats often associated with emerging technology, as well</p>	<p>FSRA would concur with the emphasis on cyber security and obtaining meaningful consent when handling personal information when it comes to market participants’ adoption and use of digital solutions. We agree that FSRA’s innovation work must keep in mind that cybersecurity is a significant consideration when supporting digital</p>

		<p>as ensuring that any ‘new’ players are held to a consistent, regulatory standard, compared to those in the more traditional market.</p> <p><b>Consumer Focus</b> FSRA says (p. 7) “Affordability continues to be a concern for insurance consumers. ... [T]here is an increased risk they will opt for policies based solely on prices as opposed to those that provide optimal coverage for their unique circumstances. FSRA will also continue to monitor the overall value-for-money insurance consumers receive from their products and whether the products consumers are being sold are suitable.”</p> <p>IFB states that affordability IS an element of suitability.</p> <p>During a Needs Analysis, advisors must determine whether premium is affordable. The industry expects advisors to send clients a Reasons Why letter to support the client’s purchase, including one that does not fully meet the need of the client based on the client’s known circumstances.</p> <p><b>We would appreciate learning more about FSRA’s concerns on this point.</b></p> <p>IFB encourages FSRA (and CCIR) to harmonize approach to vulnerable clients with that of the CSA: e.g., Trusted Contact Person. This will require proper education/training for advisors and compliance staff to help them identify, know how to escalate, possible cases of fraud, issues with vulnerable clients “to insurers or their firm” IFB suggests CAP should share the research it undertakes with all stakeholders. CAP should engage with OSC’s Investor Office and Investor Advisory Panel and look for opportunities to coordinate their consumer protection initiatives.</p>	<p>innovation in Ontario’s financial services sectors. This consideration is one of many that we acknowledge in our pursuit of ‘responsible innovation’, wherein FSRA will proactively manage risk to consumers and members as a central imperative while facilitating innovation.</p> <p>. However, we would stress that cyber security threats are not an issue specific to fintechs or start-ups. They are universal to all market participants with online presence and cloud infrastructure utilization.</p> <p>FSRA’s jurisdiction does not naturally extend to data and personal information protection domains. Nonetheless, FSRA consistently promotes both general cyber security awareness and relevant regulator-approved or industry-adopted best practices to all market participants subject to FSRA’s oversight.</p> <p>We also agree that FSRA must hold new and incumbent market participants to a consistent regulatory standard. While tools like our Test and Learn Environments (TLEs) are created to promote data and evidence-based examination of the risks and benefits of innovation opportunities proposed by any market participant by giving them equal opportunities to test, as well as principle-based, adaptive regulatory response to ensure relevance and proportionality in compliance requirements.</p> <p>Levelling the playing field for incumbents and emerging, especially non-conventional market entrants is one of the key objectives FSRA’s Test and Learn Environments (TLEs), specifically, the</p>
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**Modernize Systems and Processes**

IFB supports moving more services online, and hopes this will improve service levels, particularly the turnaround time for licensing.

Status TLEs, hope to achieve, in light of the prescriptive regulatory framework FSRA inherited that inherently favours traditional brick-and-mortar business models, so to spur more healthy competition and bring Ontarians more choices and better services. Nevertheless, levelling the playing field does not equate providing preferential treatment to the emerging market participants. FSRA's TLEs are designed to prevent the scenario where such testing environments could be used to bypass statutory licensing and registration requirements.

Specifically, the Status TLE is created precisely to ensure regulatory oversight on processes, solutions, and areas that traditionally go beyond FSRA's jurisdiction. A fintech firm, once admitted into a Status TLE based on its innovative business activity proposal, is contractually subject to FSRA's oversight and the terms and conditions imposed on the test. Upon conclusion of a test, the market participant is responsible for obtaining a regular licensee/registrant status, or, subject to FSRA approval, transfer the tested outcome to another licensee or registrant as a prerequisite to the business activity being allowed to carry on.

For an outline of how FSRA will support innovation in Ontario's financial services sectors, we invite you to review our Innovation Framework, which launched on January 24, 2022.  
<https://www.fsrao.ca/media/4621/download>

FSRA appreciates the comments from the IFB on opportunities to engage with partners. This work is underway and FSRA is actively considering how its Consumer Advisory Panel and better engage

			<p>with similar panels or groups in other Offices or Regulators.</p> <p>FSRA thanks IFB for noting opportunities to collaborate with other regulators and for sharing perspectives on how to best protect consumers including suitability versus affordability.</p> <p>FSRA welcomes IFB's feedback regarding improvements to our core technology and processes, as we work through the <i>FSRAForward</i> journey. Stakeholder consultation/feedback is planned throughout the process.</p>
	<p>Financial Planners and Financial Advisors</p>	<p><b>Title Protection Framework</b></p> <p>IFB remains committed to working with FSRA to help ensure that this framework will be implemented in a meaningful and cost-effective way. Central to this will be FSRA's ability to provide robust oversight of accredited credentialing bodies so that consumers can feel confident that their FP or FA has attained a consistent level of proficiency, regardless of the CB which awarded the credential.</p> <p>IFB notes that there is no mention in this section of creating a centralized database, in addition to those maintained by individual CBs. We trust that FSRA intends for this to form part of the framework going forward. FSRA intends to execute a consumer education campaign to increase awareness of the title regime.</p> <p>IFB supports a consumer education campaign with the proviso that any campaign should not inadvertently undermine consumer confidence in properly regulated individuals who choose not to pursue the FP or FA accreditation.</p>	<p>FSRA thanks IFB for its continued engagement on the design of the title protection framework. The proposed Financial Professionals Title Protection Rule (FPTP Rule) sets out the approval criteria that entities would be required to meet to obtain FSRA approval as a credentialing body.</p> <p>The proposed Application Guidance sets out FSRA's interpretation of the approval criteria and includes the suggested processes and procedures that a credentialing body should have in place to ensure effective governance, oversight, and administration of a credentialing program.</p> <p>FSRA will assess the oversight practices and/or professional standards of each applicant credentialing body to ensure that they meet FSRA's minimum standard for approval.</p> <p>FSRA supports the development of a public registry of individuals who hold an approved credential in Ontario.</p>

		<p>As an important financial sector regulator in Ontario, IFB has encouraged FSRA in previous submissions to consider implementing a whistleblower program. The OSC has had a whistleblower program for 5 years and has found that it has enhanced its ability to detect patterns of misbehaviour at an early stage or added to its sector-specific understanding of potential gaps in its market conduct oversight. While FSRA provides the opportunity to submit a complaint or report fraud on its website, it may not be seen as an appropriate option for those who would be more comfortable with the protections built into a whistleblower program.</p>	<p>FSRA is exploring options with respect to the scope of such a public registry and the type of information that would be made available.</p> <p>FSRA is developing an industry and consumer education campaign to support the implementation of the title protection framework.</p> <p>FSRA believes that an effective consumer education campaign will require stakeholders, including but not limited to approved CBs, credential holders, and regulatory bodies, to collaborate and coordinate efforts.</p> <p>Working collaboratively with approved credentialing bodies, FSRA will create educational material to enhance the public's and industry's knowledge of elements of the proposed framework as well as to ensure that all relevant stakeholders have the appropriate information to support this process.</p> <p>With respect to the implementation of a whistleblower program, the Ontario government's recently tabled 2021 Fiscal and Economic Update provides FSRA with the authority to develop a whistleblower protection program. FSRA will be proceeding with this work and will consult with industry as applicable.</p> <p>FSRA has experienced a large increase in new licensing applications in the life and health sector. To combat this increase and ensure service levels are maintained, we are adding to our staff complement who handle the review and approval of licensing applications.</p>
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	<p>Life and Health Insurance</p>	<p><b>Deliverable: “Publish for Consultation a proposed framework and supervisory approach for MGAs</b>          IFB notes the planned outcome re high standards of business conduct is limited to the relationship between insurers and MGAs and developing a supervisory framework for MGAs. Other forms of distribution are also significant.</p> <p><b>IFB encourages FSRA to expand its focus</b> so it can be satisfied that high standards of business conduct are being achieved regardless of the distribution channel</p> <p><b>Deliverable: Build supervision capacity in insurance distribution re L&amp;H, including agents</b>          We agree FSRA must have the resources to effectively oversee its regulated sectors and protect consumers.</p> <p>IFB is pleased FSRA does not intend to increase the licensing fees for life insurance agents</p> <p><b>Deliverable: Develop harmonized total cost reporting</b>          IFB views FSRA’s participating with CCIR and CSA as very important re promoting harmonized national solutions.</p> <p>“We trust the guidance for segregated funds will recognize the key differences between these products, in particular the guarantees on death.”</p> <p><b>Deliverable: Finalize guidance on segregated fund recommendations</b>          “We trust the guidance for segregated funds will recognize the key differences between these products, in particular the guarantees on death.”</p> <p><b>Enhance market conduct oversight to protect consumers</b></p>	<p>FSRA will propose a principles-based outcomes-focused framework and supervisory approach for licensed insurance distribution. It will clearly outline the responsibilities of insurers and all licensed agents with respect to fair treatment of customers.</p> <p>FSRA recognizes the value of greater harmonization across jurisdictions and across the insurance and securities industries, to the extent harmonization is possible. FSRA agrees there are differences between segregated funds and securities products that should be taken into consideration when developing guidance.</p> <p>See previous response to IFB on Total Cost Reporting</p> <p>FSRA agrees that a consumer must be able to afford insurance for that insurance to be suitable for them. FSRA will continue to monitor whether consumers are choosing insurance based on cost and, as a result, purchasing insurance that is not otherwise suitable for their needs.</p>
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Primerica	Multi-Sectoral	<p><b>Consumer Focus</b> We believe that a focus on consumer protection is critical in fulfilling both regulatory and industry responsibilities. Priorities should be driven by real issues and risks in the marketplace. Any resolutions should be impactful and meaningful to consumers and contribute to the fair treatment of customers. We are encouraged by FSRA's commitment to innovation and technology. We believe that when discussing alternative policy approaches to regulating Ontario's financial services ecosystem, limiting barriers to entry and innovation should be top of mind. We ask that FSRA consider the industry's reliance on and the consumers' demand for technology as it reviews and issues guidance. The enhancement of information-sharing systems as well as new data interfaces is a strong objective and would positively impact the industry. This may also help</p>	<p>FSRA appreciates the support from Primerica on consumer-focused issues.</p> <p>FSRA's priority with respect to complaints for the coming year is to learn more about current complaint systems, including what approaches work effectively and those that do not, for all types of insurance.</p> <p>FSRA is a principles-based regulator, with a focus on ensuring consumers are treated fairly. FSRA recognizes the value of harmonization for national stakeholders including federally regulated insurers.</p>

	<p>reduce the information gap across jurisdictions and sectors. We hope to stay involved in the discussion around different models surrounding this deliverable. We would be happy to share our experience implementing client-friendly technologies that assist in operational and compliance efficiency. It is important to note that imposing a one size fits all technology solution for information sharing could lead to unnecessary burden and red tape, and therefore should be avoided.</p> <p>We recommend a data-based review of the current state of complaint resolutions. An insurer-first approach to complaints resolution is the most efficient and should be maintained.</p> <p>Guiding principle should be FTC – imposing rigid timeframes and additional requirements can increase the cost and potentially harm customers.</p> <p><b>Enable Innovation</b> We are encouraged by FSRA's commitment to innovation and technology.</p> <p>Barriers to entry and innovation should be top of mind .</p> <p><b>Modernizing Systems and Processes</b> When reviewing and issuing guidance, we ask FSRA to consider industry's reliance on and consumers' demand for technology.</p> <p>We want to stay involved in the discussion around different models surrounding this deliverable; and are happy to share its experience implementing client-friendly technologies that assist in operational and compliance efficiency.</p> <p>Avoid one-size-fits-all as it could lead to unnecessary burden and red tape.</p>	<p>With respect to your comments on the industry's reliance on and consumers' demand for technology, in the context of FSRA guidance, FSRA remains committed to consulting the regulated sectors and the public when it develops guidance as articulated in our Guidance Framework.</p> <p>We are glad that Primerica is encouraged by FSRA's commitment to support innovation in Ontario's financial services sectors.</p> <p>Barriers to entry and innovation is an issue that we aim to address through our deployment of our Innovation Framework generally and our Test and Learn Environment (TLE) tools specifically. For a fulsome outline of how FSRA will support innovation in Ontario's financial services sectors, we invite you to review our Innovation Framework, which launched on January 24, 2022. <a href="https://www.fsrao.ca/media/4621/download">https://www.fsrao.ca/media/4621/download</a></p> <p>FSRA appreciates Primerica's comments on this priority. Regarding impact of technology in the life and health insurance sector, FSRA's Innovation Office welcomes this discussion and will reach out to initialize a meeting.</p>
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	<p>Financial Planners and Financial Advisors</p>	<p><b>Title Protection Framework</b> We support FSRA's effort to ensure the public is protected by bringing greater clarity and transparency to the use of titles in the provision of financial services and requiring appropriate mandatory credentials and licensing where these are absent, such as in the case of financial planners.</p> <p>It is important to recognize that there are existing programs that offer appropriate training, licensing, and oversight for advisors. Therefore, when operationalizing the new credentialing framework for financial services titles, we continue to recommend the following guiding principles:</p> <ul style="list-style-type: none"> <li>• Maintain existing training, credentialing, supervision, and fees to avoid duplication; and</li> <li>• Ensure that individuals licensed, supervised, and regulated to provide specific services (advice, sales, account maintenance) are not subject to an additional layer of credentialing, membership, regulations, or fees in order to practice in their licensed field.</li> </ul> <p>We are pleased that FSRA's approach appears to be consistent with these principles. An increase in the regulatory burden would reduce access to affordable advice and products without providing additional consumer protection. We believe that credentialing bodies should</p>	<p>FSRA thanks Primerica for its continued engagement on the design of the title protection framework.</p> <p>FSRA is a principles-based regulator, and the title protection initiative is designed to address the absence of a regulatory framework with respect to the expertise and knowledge of individuals providing financial planning and financial advisory services in Ontario.</p> <p>The title protection framework will establish minimum proficiency, competency, and knowledge standards for individuals approved to use the FP or FA title.</p> <p>The FP/FA title protection framework will not result in a new licensing regime for individual title users and will also not regulate the conduct of individuals using the FP or FA titles.</p> <p>FSRA intends to leverage existing regulatory frameworks for granting and supervising FP and FA designations and licenses and does not intend to impose duplicative or overlapping regulatory requirements on individual title users. This will</p>

		<p>focus on oversight related to the use of titles. Provisions of oversight on the distribution of products would create a duplication as there already is an existing regulatory framework.</p>	<p>enable certain individuals to continue to conduct business using the FP and FA titles without significant disruption.</p> <p>Financial planning and advising activities/standards that are already subject to regulation will continue to be overseen by the relevant regulatory bodies in Ontario. Establishing such standards, such as those related to conduct, goes beyond FSRA's mandate to set minimum standards for title usage.</p>
	<p>Life and Health Insurance</p>	<p><b>Deliverable: “Publish for Consultation a proposed framework and supervisory approach for MGAs</b> We agree with FSRA that industry distribution methods have evolved but regulatory oversight has not.</p> <p>It's important to establish a framework that offers that 360-degree view and oversight as there is no single insurer with a complete view of that representative's entire book of business in these instances.</p> <p>We encourage FSRA to reconsider CLHIA's solutions to this oversight/supervision dilemma.</p> <p>It's appropriate that every channel of distribution bears responsibility for the fair treatment of their customers. New supervision requirements should be focused on FTC rather than one-size-fits-all, specifically filling existing regulatory gaps.</p> <p><b>Deliverable: Develop harmonized total cost reporting</b> We are supportive of this work. A harmonized approach and timing of implementation is critical to the success of this initiative.</p>	<p>FSRA will propose a principles-based outcomes-focused framework and supervisory approach for licensed insurance distribution that addresses all consumers. It will clearly outline the responsibilities of insurers and all licensed agents with respect to fair treatment of customers.</p> <p>FSRA recognizes the value of greater harmonization for national stakeholders to the extent harmonization is possible between insurance and security industries. FSRA will work with other insurance and securities regulators across Canada to solicit input from stakeholders about the timing of implementation of any new requirements.</p> <p>CCIR and CISRO have spent the past year consulting with industry and obtaining details on their compensation structures. Using this information in conjunction with results of individual regulator's supervisory activities, CCIR and CISRO has developed draft principles-based guidance applicable to all insurance distribution channels aimed at ensuring incentive arrangements align with FTC principles.</p>

	<p>Insurers will need sufficient time to implement any new requirements (such as things that would require systems upgrades).</p> <p><b>Deliverable: Publish for consultation guidance on FTC incentives</b>          We look forward to participating on this. New guidance should be principles based and evidence driven, avoiding prescriptive solutions that bear no regard to differences in distribution models and corresponding risks to consumers.</p> <p><b>Overarching Regulatory Efficiency and Effectiveness (general)</b>          We commend FSRA for commitment to burden reduction and improving regulatory effectiveness</p> <p><b>Mortgage brokering</b>          We ask that FSRA preserves the ability for representatives licensed in other sectors, such as life insurance agents, to continue to provide simple referrals. We believe that there is little risk as representatives pass contact info to licensed mortgage agents.</p> <p>We believe a warm referral can be very beneficial to a consumer seeking credit</p> <p><b>Budget: Increase</b>          This is a significant increase. We ask FSRA to consider the impact of a rapid fee increase on industry and thus the cost of products/services to clients.          We request that FSRA phase in cost increases.</p> <p>Fees should be assessed proportional to cost of regulatory efforts – aka expenses incurred to regulate one sector should not be imposed on other sectors.</p> <p>Avoid increasing fees on individual licenses – could have significant impact on those with small books of business,</p>	<p>FSRA agrees, which is why one of its Strategic Framework Pillars is to transform our regulatory processes to make evidence-based and risk-based decisions.</p> <p>MBLAA review recommendation #4 (Maintaining Current Licensing Exemptions) recommends that the existing licensing exemption for simple referrals be maintained.</p> <p>Increased investment in Legal and Market Conduct resources is required to protect the public interest and enhance market conduct oversight in the Life and Health insurance sector. To those ends, FSRA is enhancing its supervision of distribution channels and agents who are licensed to sell life and health insurance. Effective enforcement action is critical to ensure that non-compliant conduct is adequately sanctioned and deterred. Robust resources are required to deliver an effective enforcement program for the life and health sector.</p>
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	Mortgage Brokering	<p>new in the profession, and could be a barrier to entry into the industry.</p> <p><b>Implement Recommendations from Review of MLBAA</b> As FSRA moves to implement recommendations from the 2019 report on the review of the <i>Mortgage Brokerages, Lenders and Administrators Act, 2006</i>, we ask that FSRA ensure that consumers continue to enjoy access to a variety of lending options. To this end, we ask that FSRA preserves the ability for representatives licensed in other sectors, such as life insurance agents, to continue to provide simple referrals. We believe there is little risk in this process as representatives only pass on contact information to licensed mortgage agents who are credentialed and regulated. On the other hand, a warm referral can be very beneficial to a consumer seeking credit as they will receive professional guidance through a mortgage broker as a result of the referral.</p> <p><b>Licensing</b> We ask that FSRA preserves the ability for representatives licensed in other sectors, such as life insurance agents, to continue to provide simple referrals. We believe that there is little risk as representatives pass contact info to licensed mortgage agents.</p> <p>We believe a warm referral can be very beneficial to a consumer seeking credit.</p>	<p>Recommendation #4 of the MBLAA Review Report recommends “Maintaining Current Licensing Exemptions”, including the existing licensing exemption for simple referrals.</p> <p>MBLAA review recommendation #4 (Maintaining Current Licensing Exemptions) recommends that the existing licensing exemption for simple referrals be maintained.</p>
Canadian Life and Health Insurance Association (CLHIA)	Multi-Sectoral	<p><b>Consumer Focus</b> Insurers have well established processes to resolve complaints efficiently and effectively.</p> <p>Important to preserve insurer-first process for complaint resolution.</p> <p>Other regulators are also working on complaint resolution [e.g., AMF]. Harmonization is key, since complaints</p>	<p>FSRA’s priority with respect to complaints for the coming year is to learn more about current complaint systems, including what approaches work effectively and those that do not, for all types of insurance. We welcome the CLHIA’s participation in this endeavour. FSRA recognizes the value of harmonization for national stakeholders including federally regulated insurers.</p>

		<p>management is a federal requirement under the <i>Insurance Companies Act</i>.</p> <p><b>Transition to Principles-Based Regulation</b> Principles-based regulation protects consumers and allows insurers flexibility to create processes that work with their own internal systems and structures. Notably, client centricity has long underpinned insurers' internal policies and procedures. The CCIR/CISRO FTC Guidance: "Conduct of Insurance Business and FTC" establishes regulator expectations in this area. This will support how internal policies are reviewed over time. As such, while the industry may achieve the stated desired outcomes the underlying documentation of these policies and procedures may need to be updated with reference to the most recent guidance. Therefore, we would encourage FSRA to focus on principles-based regulation.</p> <p><b>Enable Innovation</b> FSRA should assess its regulatory, supervision activities against the importance of innovation.</p> <p>Industry wants more info re: how to use innovation tool kit.</p>	<p>We appreciate the CLHIA's feedback regarding principles-based regulation.</p> <p>FSRA has committed to transition to the use of principles-based regulation since its inception as a regulator. We remain committed to this objective.</p> <p>The 2022-2023 Statement of Priorities reflects a new focus by FSRA to operationalize principles-based regulation on a sector-by-sector basis.</p> <p>Continued efforts to effectively communicate and implement principles-based regulation are embedded throughout the existing sectoral priorities. In other words, those priorities will be achieved through a principles-based approach by FSRA.</p> <p>We agree that FSRA must strike the right balance between our regulatory/supervision activities and reducing barriers to innovation. With this in mind, our innovation ambition is guided by 'responsible innovation', wherein FSRA will proactively manage risk to consumers and members as a central imperative while facilitating innovation.</p> <p>For a fulsome outline of how FSRA will support innovation in Ontario's financial services sectors, we invite you to review our Innovation Framework, which launched on January 24, 2022. <a href="https://www.fsrao.ca/media/4621/download">https://www.fsrao.ca/media/4621/download</a></p>
Life and Health Insurance		<p><b>Deliverable: "Publish for Consultation a proposed framework and supervisory approach for MGAs</b> Set clear regulatory rules, expectations for all stakeholders involved in distribution re FTC, including MGAs</p>	<p>FSRA will propose a principles-based outcomes-focused framework and supervisory approach for licensed insurance distribution. It will clearly outline the responsibilities of insurers and all licensed agents with respect to fair treatment of customers</p>

		<p><b>Deliverable: Build supervision capacity in insurance distribution re L&amp;H, including agents</b> Explore tech solutions to help with oversight and licensing.</p> <p>Consider developing reportable service standards for processing times.</p> <p>Concerned with backlogs of new applicants, license renewal applications</p> <p><b>Enhance market conduct oversight to protect consumers</b> Measure insurer’s adherence to FTC by confirming they have appropriate policies, procedures, not whether any particular customer has a “positive” (satisfactory to them) outcome.</p> <p><b>Additional priorities recommend by stakeholders: Focus on risk</b> Focus oversight on areas of greatest consumer risk</p> <p><b>Additional priorities recommended by stakeholders: Burden reduction</b> “We encourage FSRA to consider regulatory burden on a priority basis ... [be] conscientious of regulatory burden”</p> <p><b>Additional priorities: Harmonization</b> Continue work with CCIR to avoid repetition and duplication</p> <p><b>Deliverable: Work with MOF to support development and implementation of initiatives to reduce fraud and abuse</b> The L&amp;H industry supports efforts to create fraud and abuse reduction strategy. Continue to encourage MOF and FSRA to recognize severity of fraud and abuse throughout the broader insurance industry.</p>	<p>The modernization of FSRA’s systems is intended to improve both turnaround time and reporting capabilities for licensing, filing and registration processes. FSRA appreciates your suggestions regarding this outcome.</p> <p>FSRA will continue to monitor insurer’s adherence to FTC principles, with a key outcome being whether customers are treated fairly. We appreciate the CLHIA’s feedback regarding principles-based regulation.</p> <p>FSRA considers regulatory burden as part of its efforts to focus on regulatory efficiency.</p> <p>FSRA regulates multiple sectors and will review and consult with stakeholders who may be affected by changes in connection with priority 4.2.</p> <p>We will follow up with the CLHIA to further discuss fraud issues in the L&amp;H context.</p> <p>Increased investment in Legal and Market Conduct resources is required to protect the public interest and enhance market conduct oversight in the Life and Health insurance sector. To those ends, FSRA is enhancing its supervision of distribution channels and agents who are licensed to sell life and health insurance. Effective enforcement action is critical to ensure that non-compliant conduct is adequately sanctioned and deterred. Robust resources are required to deliver an effective enforcement program for the life and health sector.</p>
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		<p>Focusing only on auto insurance may have unintended consequences on L&amp;H industry. Sector-specific measures push problems from one sector to another. Health care professionals work with both auto accident claimants and people with group insurance benefits. Fraud seeks weakest link in regulatory chain. Unless an injury is work-related, employer health plans pay first in Ontario for any supplementary health and disability benefits, even for auto accidents. Employer plan pays until its coverage limit (if any) is reached; only at that time does the auto insurer pay anything. Plus, if the person cannot return to work, group disability benefits pay health and disability claims re auto fraud incidents.</p> <p>Strongly recommend engaging L&amp;H insurers in discussions to avoid unintended consequences any anti-fraud initiative should include the broader insurance industry, including L&amp;H insurers.</p> <p><b>Budget: Increase</b> 65% budget increase is large.</p> <p>It can be a problem for issuers; difficult to manage large, unexpected expenses.</p> <p>FSRA should consider phasing in over several years.</p>	
<p>The Canadian Association of Financial Institutions in Insurance (CAFII)</p>	<p>Life and Health Insurance</p>	<p><b>Consumer Issues</b> With respect to consumer issues, we took note of the Proposed Statement of Priorities’ assertion that “FSRA will also continue to monitor the overall value-for-money insurance consumers receive from their products and whether the products consumers are being sold are suitable.” (Page 7)</p> <p>In that connection, CAFII must emphasize that with respect to CPI -- which operates under powers granted by the federal Bank Act and the related Insurance Business (Banks and Bank Holding Companies) Regulations, in</p>	<p>Prior to publication of guidance or supervisory frameworks, FSRA will consult with industry to obtain feedback/comments on the proposed changes.</p> <p>FSRA operates on a current fiscal cost recovery basis and is not able to allocate these costs to future years.</p> <p>FSRA is pleased to be part of the IAIS and looks forward to participating in IAIS initiatives and</p>

	<p>addition to being provincially/territorially regulated – advice cannot be offered in connection with these optional Authorized Insurance Products; and, therefore, they are not offered by licensed individuals at financial institutions (FIs). That being the case, CAFII member customer service representatives are not permitted to assess “suitability” for customers interested in the protection offered by Authorized Insurance Products/CPI; instead, they assess customers’ “eligibility” to be enrolled for coverage under these group insurance products.</p> <p>Also, because the consumer is purchasing/enrolling in optional insurance related to a single and specific borrowing need such as a mortgage, line of credit, or credit card – and that scenario falls within the scope of activity permitted to occur through a non-advisory sales channel – consumers must be provided with sufficient information, which meets provincial/territorial regulations and industry commitments and guidelines, to enable them to make an informed decision.</p> <p><b>Deliverable: Build supervision capacity in insurance distribution re L&amp;H, including agents</b> Asks FSRA to consider whether the industry has been consulted to provide a high degree of acceptance such a regulation gaps exists. Also, whether FSRA determined the gap exists almost exclusively with MGA and licensed insurance advisor channels, whether the steep fee increase could be on those sub-channel(s) and not all entities in the sector.</p> <p>Given the increase in fee and the pandemic financial challenges, is it possible to spread fee increase over two FSRA fiscal years (2022-2023 and 2023-2024)</p> <p><b>Enhance market conduct oversight to protect consumers</b></p>	<p>enhancing FSRA’s profile as a modern regulator on the international stage.</p> <p>FSRA appreciates CAFII's feedback with respect to FSRA's commitment to continue monitoring the overall value-for-money insurance consumers receive from their products and whether the products consumers are being sold are suitable. Suitability goes beyond an assessment which may be made at point of sale.</p> <p>The CCIR/CISRO Conduct of Insurance Business and Fair Treatment of Customers guidance includes expectations that insurers consider the interests of the target consumer group. These expectations apply to all products and distribution channels to ensure the products being sold are suitable for the insurance risk they are intended to cover, and that consumers can make informed decisions about the policy, including whether the insurance product provides sufficient value.</p> <p>We appreciate CAFII's support for FSRA's innovation work and engagement with our Innovation Framework, which launched on January 24, 2022. <a href="https://www.fsrao.ca/media/4621/download">https://www.fsrao.ca/media/4621/download</a></p> <p>We also believe strongly in the benefits of regulatory ‘sandboxes’. Our planned Test and Learn Environments (TLEs) – which we view as more elaborated versions of most standard regulatory sandboxes – will provide testing environments where FSRA and innovators will work together to test innovative products, services, and business models while ensuring</p>
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	<p>We agree and support this priority, noting CAFII members' efforts to support sales practices focused on appropriate products and fair treatment of customers</p> <p><b>Additional priorities: Role in IAIS</b> We are pleased FSRA joined International Association of Insurance Supervisors and believe that FSRA should play a prominent role in the IAIS. References in the SOP indicate FSRA is learning from and aligning with practices of international bodies.</p> <p><b>Additional priorities: Harmonization</b> We re-extend "kudos" to FSRA's approach to adopting the CCIR/CISRO FTC without additional FSRA guidance. We appreciate many connections to FTC in the SOP.</p> <p><b>Miscellaneous: General</b> CAFII fully supports FSRA's fundamental principle of taking an evidence-based approach to regulation.</p> <p><b>Consumer Focus: Outcomes: Strengthen understanding of current complaints resolution system, consumer experiences</b> We support a robust complaint handling systems and ongoing assessment of shifting consumer expectations.</p> <p>We also support consumer's financial education and financial literacy</p> <p><b>Enable Innovation</b> We strongly support efforts to enable innovation, and the deliverables and outcomes specified by FSRA are appropriate</p> <p>We continue to advocate for benefits of regulatory sandboxes, and intend to continue learning about FSRA's Innovation Framework</p>	<p>consumers are protecting and FSRA's regulatory approach can learn from testing results.</p> <p>FSRA welcomes CAFII's feedback regarding improvements to our core technology and processes, as we work through the <i>FSRAForward</i> journey. Stakeholder consultation/feedback is planned throughout the process.</p> <p>FSRA appreciates CAFII's comments on this priority. Regarding impact of technology in the life and health insurance sector, FSRA's Innovation Office welcomes this discussion and will reach out to initialize a meeting</p> <p>Prior to publication of guidance or supervisory frameworks, FSRA will consult with industry to obtain feedback/comments on the proposed changes.</p> <p>Increased investment in Legal and Market Conduct resources is required to protect the public interest and enhance market conduct oversight in the Life and Health insurance sector. FSRA is enhancing its supervision of distribution channels and agents who are licensed to sell life and health insurance. Effective enforcement action is critical to ensure that non-compliant conduct is adequately sanctioned and deterred.</p> <p>Planned investments in the <i>FSRAForward</i> project will continue to reach our modernization objectives.</p>
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**Modernize systems and processes**

We recommend the deliverable related to improving data interfaces and analytics be informed by meaningful consultation with industry as each business has its own definitions around data and its own approach to technology. Understanding the nuances will reduce risk of obtaining data that is difficult to aggregate, analyze and interpret.

**Modernize systems and processes: Invest in FSRA's core technology and processes**

We strongly encourage FSRA to continue investing in core technology and processes to make them as efficient as possible

**Deliverable: "Publish for Consultation a proposed framework and supervisory approach for MGAs**

We ask FSRA to consider whether the industry has been consulted to provide a high degree of acceptance such a regulation gaps exists. Also, whether FSRA determined the gap exists almost exclusively with MGA and licensed insurance advisor channels, whether the steep fee increase could be on those sub-channel(s) and not all entities in the sector

Given the increase in fee and the pandemic financial challenges, is it possible to spread fee increase over two FSRA fiscal years (2022-2023 and 2023-2024)

**Budget: Funding Priority "Build new team to address critical regulation gap to protect consumers in Life and Health Conduct sector."**

We note proposed budget calls for significant overall increase in FSRA's fee revenue well above rate of inflation, with some sectors (Life and Health) facing particularly steep fee increases.

		<p>2021 has been a second successive challenging year for the life and health insurance sector, with efforts to respond to heightened consumer need and regulatory expectations. The industry continues to face financial challenges and we ask FSRA to consider whether the industry has been consulted to provide a high degree of acceptance such a regulation gaps exists. Also, whether FSRA determined the gap exists almost exclusively with MGA and licensed insurance advisor channels, whether the steep fee increase could be on those sub-channel(s) and not all entities in the sector. Given the increase in fee and the pandemic financial challenges, is it possible to spread fee increase over two FSRA fiscal years (2022-2023 and 2023-2024).</p>	
<p>The Canadian Association of Independent Life Brokerage Agencies (CAILBA)</p>	<p>Life and Health Insurance</p>	<p><b>Harmonization</b> We have noted FSRA’s recent guidance reflects inter- and intra-national practices and support this continued tracking</p> <p><b>Consumer Awareness</b> As FSRA sets out in pages 6-7 of the Proposed Priorities, “Risks for FSRA to monitor in this space include improper disclosure and lack of transparency; consumers not fully understanding their options; and product suitability.” Along with our colleagues, we have identified this as a barrier to fair treatment of customers, both in the digital space and otherwise, although we agree with the points raised in the Proposed Priorities that digital innovation currently gives rise to potentially significant consumer misunderstandings/issues. In our view this may give rise to an opportunity for more, rather than less, supervision. We are fully supportive of enhanced innovation but recognize the importance of balancing this with fair treatment of customers.</p> <p>We applaud and concur with FSRA’s Proposed Priorities’ reference to and support of disadvantaged consumers. However, we would be interested in gaining a fuller understanding of what this means for the life and health</p>	<p>FSRA appreciates CAILBA’s support for FSRA’s work on vulnerable consumers as well as your comments about how it may be applied within the insurance sector. As FSRA continues working on this priority, it will engage with industry and consumers for further discussion.</p> <p>FSRA will continue to publish reports relating to FSRA’s supervision findings and support the publication of consolidated findings with other regulators. We understand these reports help industry members understand our regulatory expectations and identify areas in which they can improve.</p> <p>Recent reports include FSRA’s Insurer-MGA Relationship Review Report, and the Canadian Council of Insurance Regulators’ Cooperative Fair Treatment of Customers (FTC) Review – Consolidated Observations Report.</p> <p>We agree that FSRA must strike the right balance between our regulatory/supervision responsibilities to protect consumers and our</p>

	<p>insurance sector, particularly any intended guidance for advisors. We assume, based on the Proposed Priorities, that FSRA would continue to undertake thematic reviews as well as agent examinations. In our view, there are gaps that require continual monitoring for improvement and evidence-based reviews will indeed support FSRA’s growth as an outcomes-focused and consumer centered regulator, which will in turn support our members. "</p> <p><b>Miscellaneous – General</b> We would appreciate the opportunity to join FSRA’s proposed advisory panel to assist FSRA and the sector in their review of the issues outlined in the Proposed Priorities”</p> <p><b>Consumer Focus: Vulnerable consumers</b> We concur with support of disadvantaged consumers.</p> <p>“Interest in gaining a full understanding of what this means” for L&amp;H sector, any intended guidance for advisors.</p> <p>“We assume ... FSRA would continue to undertake thematic reviews” [i.e., to support work re vulnerable consumers?]</p> <p><b>Strengthen Consumer Focus (general)</b> We fully support these priorities and would welcome the publication of detailed cross-organizational reviews to identify areas for improvement.</p> <p><b>Enable Innovation</b> Risks for FSRA to monitor in this space include improper disclosure and lack of transparency; consumers not fully understanding their options; and product suitability.” Along with our colleagues, we have identified this as a barrier to fair treatment of customers, both in the digital space and otherwise, although we agree with the points raised in the</p>	<p>ambition to reduce barriers to innovation. With this in mind, our innovation ambition is guided by ‘responsible innovation’, wherein FSRA will proactively manage risk to consumers and members as a central imperative while facilitating innovation.</p> <p>For a fulsome outline of how FSRA will support responsible innovation in Ontario’s financial services sectors will ensuring a high standard for consumer protection, we invite you to review our Innovation Framework, which launched on January 24, 2022. The Innovation Framework details an elaborated process for ensuring that our support for innovation includes robust risk assessment and mitigation requirements and a vigorous consumer protection lens. <a href="https://www.fsrao.ca/media/4621/download">https://www.fsrao.ca/media/4621/download</a></p> <p>FSRA welcomes CAILBA’s feedback regarding improvements to our core technology and processes, as we work through the <i>FSRAForward</i> journey. Stakeholder consultation/feedback is planned throughout the process.</p> <p>FSRA has experienced a large increase in new licensing applications in the life and health sector. To address this increase and ensure service levels are maintained, we are adding to our staff complement who handle the review and approval of licensing applications.</p>
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		<p>Proposed Priorities that digital innovation currently gives rise to potentially significant consumer misunderstandings/issues. In our view this may give rise to an opportunity for more, rather than less, supervision. We are fully supportive of enhanced innovation but recognize the importance of balancing this with fair treatment of customers.</p> <p><b>Modernize systems and processes</b> We agree FSRA's priority of improved turnaround time for licensing, filing and registration processes would be a helpful initial step</p> <p><b>Budget: General</b> We fully support FSRA's need for additional resources</p> <p>[Note that CAILBA's members are not subject to the announced increase in cost]</p>	
<p>Mortgage Professionals Canada</p>	<p>Mortgage Brokering</p>	<p><b>Implement Recommendations from Review of MBLAA</b> MPC is pleased with FSRA's collaborative approach and the evolution of the MBLAA recommendations and FSRA deliverables. MPC notes that FSRA should not unduly burden its members and the community with red tape and additional expense and should continue to consult with the industry. With respect to the introduction of new licensing classes, some members of MPC note that brokers and brokerages that choose not to deal in more intricate mortgage products should have less stringent licensing requirements than those that do.</p> <p><b>Other: Errors and Omissions (E&amp;O) Insurance</b> The submission explains that mortgage brokering E&amp;O policies are issued on a "claims made" basis. The date of a mortgage transaction that results in the claim is irrelevant. For example, if the agent/broker that is being sued has moved onto another brokerage from the brokerage he/she was with when the mortgage transaction in question</p>	<p>FSRA appreciates the industry's valuable feedback and will continue to work collaboratively with the mortgage brokering industry.</p> <p>With respect to the introduction of new licensing classes, "The goal [of this recommendation] is to reduce regulatory burden on those dealing and trading in traditional types of mortgages," while increasing proficiency requirements to provide appropriate consumer protection in respect of more complex mortgages. FSRA will consult with stakeholders on the enhancement of education requirements, as required, for the licensing classes.</p> <p>Section 42 of Ontario Regulation 188/08 and section 27 of Ontario Regulation 189/08, respectively, require mortgage brokerages and administrators to have E&amp;O insurance.</p>

		<p>occurred, it is the new brokerage that would bear the loss experience and increased premium costs, even though it would not have overseen the transaction (and therefore would have no ability to correct the issues) or received any compensation or commission for it.</p> <p>MPC notes that this practice also has the potential to encourage poorly run brokerages to simply eject problem agents rather than educate them. If the brokerage was to uncover any poor practices, they understand their brokerage reputation will not be impacted by any potential future claims.</p> <p>Consequently, MPC requests that FSRA issue guidance to the industry, and specifically to the insurers currently providing E&amp;O coverage, to stipulate that, should a policy that was covering an agent/broker at the time a problematic mortgage was funded is still in force, that policy should bear the responsibility to respond in the event of a claim</p>	<p>FSRA thanks the stakeholder for raising this concern regarding E&amp;O insurance. FSRA will research the issue and consult with stakeholders to inform its position on the issue.</p>
<p>Ontario Teachers' Pension Plan</p>	<p>Pensions</p>	<p><b>General Comments</b></p> <p>We support continued focus on regulatory efficiency and effectiveness across all sectors.</p> <p>We support efforts to enable innovation and implement an engagement strategy that proactively engages stakeholders to identify innovation opportunities in a rapidly evolving landscape.</p> <p>We support the two stated Pension Sector Priorities. We encourage FSRA to ensure that family law Rules facilitate object of promoting good administration of pension plans and represent a principled and risk-based approach to pension regulation.</p> <p>We are supportive of FSRA's mandate to promote education and knowledge of the pension sector and encourage FSRA to approach its objective of protecting</p>	<p>FSRA thanks Teachers' for their support of FSRA's priorities including on issues related to promoting the value of pensions.</p> <p>FSRA welcomes ongoing engagement on ESG issues.</p>

		<p>plan beneficiaries in the context of the current legislative and regulatory framework.</p> <p><b>ESG Guidance</b> We are pleased to comment on guidance relating to Environmental, Social and Governance factors, and to engage with FSRA on Environmental, Social and Governance investment and risk management practices.</p>	
<p>Canadian Association of Direct Relationship Insurers (CADRI)</p>	<p>P&amp;C (Auto) Insurance</p>	<p><b>Principles-based Regulation</b></p> <p>We support FSRA’s commitment to principles-based regulation and focus on protecting consumers.</p> <p>There is a need for streamlined and efficient regulatory processes that can adapt in relation to innovation or changing global circumstances.</p> <p>We support FSRA’s cross-sectoral priorities to strengthen consumer focus, enable innovation, and modernize systems and processes.</p> <p>We support FSRA’s commitment to national dialogue on a harmonized approach to regulation. We are supportive of FSRA continuing its leadership role with pan-Canadian regulatory groups.</p> <p><b>Implement a new strategy for reforming the regulation of auto insurance rates and underwriting</b></p> <p>We support FSRA’s strategy to reform the regulation of rates and underwriting and encourage FSRA to take a new approach to regulating rating criteria, including a less prescriptive approach to factors, modernizing territory-rating frameworks, enabling the use of credit information, and reforming Regulation 664.</p> <p>Moving to a principle-based, outcomes-focused regulatory environment would create a more competitive environment and eliminate the need for the Take-All-Comers rule.</p> <p><b>Develop recommendations and act on reforms of the auto insurance system</b></p>	<p>FSRA thanks you for your submission and the support it expresses for the 2022-2023 Statement of Priorities and Financial Plan.</p> <p>FSRA will engage with the sector on the development of a new rule and guidance framework for the regulation of rates and underwriting. FSRA will further consider factors such as territories and credit information as part of this work.</p> <p>FSRA welcomes CADRI’s feedback regarding improvements to the licensing process work as the <i>FSRAForward</i> project advances. Stakeholder consultation and feedback opportunities are planned throughout the process.</p>

		<p>We encourage FSRA to continue to proactively advise the Ministry of Finance.</p> <p>We would be welcome and support the Ministry expanding FSRA’s rule-making authority.</p> <p><b>Ensure fair treatment of P&amp;C/auto consumers</b></p> <p>We support FSRA taking an outcomes-focused approach to monitoring conduct. We strongly support a principles-based approach to enable insurers to flexibly manage risk and meet consumers’ needs.</p> <p><b>Proposed Financial Plan</b></p> <p>The effectiveness and efficiency of FSRA’s Market Conduct and Licensing group directly and immediately affects the ability of CADRI members to ensure an excellent customer experience.</p> <p><b>General comments</b></p> <p>We support increased transparency for consumers and efficiency for both the regulator and industry.</p> <p>We appreciate FSRA’s effort to increase Licensing branch capacity while FSRA<i>Forward</i> is in early stages and offered to provide advice on how to streamline existing processes.</p>	
<p>Ontario Mutual Insurance Association (OMIA)</p>	<p>P&amp;C (Auto) Insurance</p>	<p><b>Regulatory Efficiency and Effectiveness</b> <b>Strengthen Customer Focus</b></p> <p>We support FSRA’s consumer-focused approach. We recommend continuing to undertake direct public engagement with regulator-led strategies like the Residents’ Reference Panel on Automotive Insurance instead of relying on consumer research from the sector (e.g., mandated customer surveys and reporting).</p> <p><b>Implement a new strategy for reforming the regulation on auto insurance rates and underwriting.</b></p>	<p>FSRA thanks you for your submission and the support it expresses for the 2022-2023 Statement of Priorities and Financial Plan.</p> <p>FSRA appreciates OMIA’s stated focus on consumers and is pleased to hear the Residents’ Reference Panel report was valuable. FSRA hopes to continue to explore vehicles to engage with consumers and continue to prioritize our understanding of consumer attitudes and needs going forward.</p>

		<p>We support implementing a new strategy for reforming rate and underwriting regulation.</p> <p>We recommend that the new strategy consider the specific circumstances of the filing insurer so that smaller insurers are not disproportionately impacted (e.g., territory exposure requirements, use of own vs. third party data to update rating differentials, product offerings, expense ratio capping).</p> <p>We recommend publishing a quarterly list of approved rating variables/methods (i.e., other than new rating variables/methodologies so as not to discourage innovation or impact competitive advantages) and publicly listing group relationships (c.f. filing guidelines section 4.n).</p> <p><b>Develop recommendations and act on reforms of the auto insurance system</b></p> <p>We support reforms to the auto insurance system. There are concerns about resources spent by industry refining coverage wording and making coverage unduly restrictive in efforts to ensure that actual coverage provided matches what was intended.</p> <p>We recommend improved limitation of coverage and control of claims costs, indemnification management, assisting courts with understanding the concept of indemnity, and reforms to the tort system more generally.</p> <p>We support recent changes to oversight of the towing industry and welcome continued attention to fraud.</p> <p>We recommend that there be clear consultation with insurers about the role of data in the broader fraud and abuse strategy. The strategy should account for the data</p>	<p>FSRA will consider your recommendations, including with respect to proportionality, as work advances on the development of a new rule and guidance framework for the regulation of rates and underwriting.</p> <p>FSRA’s proposed Auto Insurance Product Technical Advisory Committee will also provide an occasion to explore recommendations for product reform.</p> <p>FSRA will also consider your recommendations respecting the publication of rating variables and group relationships as part of the broader transparency strategy that is included as a deliverable under proposed Priority 4.1.</p> <p>FSRA appreciates your interest in ongoing work in support of the development of a fraud and abuse strategy. The government and FSRA concluded a joint consultation on the Fraud and Abuse Strategy in Summer 2021 and FSRA is prepared to implement appropriate changes to support government direction resulting from that consultation.</p> <p>FSRA thanks you for your supporting our risk-based framework for prioritizing and targeting compliance issues of high risk to consumers. FSRA continues to explore options for enhancing consumer protection and promoting the fair treatment of consumers.</p> <p>FSRA appreciates your support for the insurance prudential supervision priority. FSRA plans to have bilateral discussions to further understand</p>
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	<p>capabilities of different insurers, data reporting requirements should be limited in scope, and there should be defined reporting timelines.</p> <p><b>Ensure the fair treatment of P&amp;C/auto consumers</b> We support risk-based targeting of compliance initiatives. We recommend that FSRA provide clear instructions about how unfair treatment will be assessed and quantified.</p> <p>There is concern with the challenges of principles-based regulation, including creating new administration systems and increased expenses to meet a broadened level of expectations. We are interested about the proportionality of those effects on smaller insurers.</p> <p><b>Implement insurance prudential supervision</b> We support the implementation of insurance prudential supervision priority but raised several considerations.</p> <p>There are fundamental differences among the three categories of insurers and that the approach to prudential supervision must acknowledge and address those differences.</p> <p>Priorities should protect policyholders, promote financial stability, and provide a choice for Ontarians.</p> <p>We suggest that recognition be given to the fact that over the last twenty years no Ontario farm mutual has failed; no policyholder has suffered a loss due to the financial difficulties experienced by a company.</p> <p>The diversity of market options has provided stability and safety for mutual policyholders and has been enabled through the innovative approach to both solvency and guarantee.</p>	<p>and consider the implications of our planned changes to Prudential supervision on your model.</p>
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<p>Intact Insurance</p>	<p>P&amp;C (Auto) Insurance</p>	<p><b>Reforming Regulation of Auto Insurance Rates</b> We support FSRA’s focus on reforming the regulation of auto insurance underwriting rules, risk classifications systems and rates; rules and guidance rather than legislation and regulation; principles-based regulation, and simplified filing processes, such as the file-and-use system.</p> <p>There is a need for greater clarification regarding the new supervisory framework that monitors and enforces compliance with rates and underwriting requirements.</p> <p><b>Fair Treatment of Consumers</b></p>	<p>FSRA thanks you for your submission and the support it expresses for the 2022-2023 Statement of Priorities and Financial Plan, including our strategy to transform the regulation of rates and underwriting.</p> <p>FSRA looks forward to engaging the sector on the development of a new supervisory framework for rates and underwriting.</p> <p>FSRA continues to conduct its Take All Comers review and will continue to engage the industry</p>

		<p>We are interested in seeing transparent and timely communications on the Take All Comers review. We suggest that FSRA should have the right tools to leverage collected data to support underwriting regulation transformation and auto insurance reform and should provide transparency about how insurer data will be used. We support the ongoing measures to address auto insurance fraud.</p> <p>FSRA should play a more active role in auto insurance reforms and acting on government reforms.</p> <p><b>Enabling Innovation</b> We recommend the following: electronic Notice of Termination should be prioritized; and sandbox (testing environment for insurers) should be accessible to incumbent insurers and new market entrants.</p> <p>FSRA should ensure financial fairness when new insurers enter the market by reviewing fees and assessments associated with innovation to ensure incumbents are not subsidizing new entrants.</p>	<p>and further communicate its expectations. FSRA plans to finalize the thematic review in 2022.</p> <p>FSRA is pleased to note that electronic notice of termination will be permitted as of January 1, 2022, and that FSRA's Innovation Framework, which considers the use of Test and Learn environments and innovation-related fee structures, was launched on January 24, 2022. The proposed Test and Learn environment are intended to provide an accessible and level-playing for incumbent insurers and new market entrants alike. Further details may be accessed at: (<a href="https://www.fsrao.ca/engagement-and-consultations/fsra-releases-its-innovation-framework-public-consultation">https://www.fsrao.ca/engagement-and-consultations/fsra-releases-its-innovation-framework-public-consultation</a>).</p>
<p>Ontario Trial Lawyers Association</p>	<p>Multi-Sectoral</p>	<p>We support FSRA's 2022-2023 SOP and Budget and emphasize the importance of consumer education and transparency across all areas.</p> <p><b>Consumer Focus</b> We support FSRA's priorities of strengthening consumer focus and recommend that FSRA provide greater detail regarding how goals are to be met, including timelines and parties targeted for consultation.</p> <p>We recommend better education for consumers on optional benefits, including explaining their importance in plain language.</p> <p><b>Enabling Innovation and Modernizing Systems and Processes</b></p>	<p>FSRA thanks you for your submission and the support it expresses for the 2022-2023 Statement of Priorities and Financial Plan.</p> <p>FSRA acknowledges the broad applicability of the cited goals and implementation in the SOP. Such broad applicability is purposefully articulated because of two reasons:</p> <ol style="list-style-type: none"> <li>1. Different statutes and regulations there under administered by FSRA grant FSRA different powers and authorities and the timeline the Government intends to grant FSRA additional authorities, such as exemptive relief and</li> </ol>

OTLA supports technological innovation and the modernization of systems to improve efficiencies, service, and the user experience. However, the goals and implementation outlined in FSRA’s Statement of Priorities are vague and it is unclear how the proposed changes will be implemented and how the planned outcomes will be achieved. Transparency is of utmost importance, specifically as it relates to the collection of data and implementation of online and electronic processes. If the intended goal is to streamline and simplify the user experience, we submit that the consumer must be aware, and properly informed, of how their engagement in the process may affect their insurance coverage. The concern is that what might appear as a simple “self-service” consumer choice at the time insurance is purchased can have a greater consequence to the insured if they are involved in an accident and that specific coverage is needed but not provided because of that initial choice. The consumer must appreciate the purpose and value of an optional benefit to be in position to make an educated and responsible choice. We reiterate the concerns highlighted in Section 1 of these submissions. With respect to the proposed implementation of advanced online/web-based information sharing and transactional processing tools, we submit that this implementation must be mindful of consent and security issues. Consumers should be informed of what personal information is being collected or exchanged and for what purpose their personal information will be used. There are also inherent concerns with electronic methods of communication with consumers. Privacy issues arise in web-based systems. Electronic correspondence is also perceived to be informal, less reliable, and more susceptible to interference than traditional methods. E-mail filters and security settings may prevent the e-mail correspondence from appearing in the insured’s inbox or being brought to their attention. We submit that there should be informed and meaningful consent to every online

expressly authorized discretionary powers, is not unison.

2. FSRA is not in the business of dictating what innovation should look like in sectors we regulate. Thus, FSRA may work with the Government on pre-defining scopes (e.g., sections of applicable statutes and regs) to encourage innovation in such areas, at the end of the day, FSRA will examine every application submitted by market participants to FSRA for contemplation and apply relevant, adequate, yet in excessive safeguards and compliance obligations.

FSRA shares your view that transparency and consumer education must be essential to the transformation of Ontario’s Auto insurance system, which is reflected in the deliverables and intended outcomes of FSRA’s strategy to transform the regulation of rates and underwriting under proposed Priority 4.1.

FSRA appreciates the transparency recommendations made in the submission and will consider these as work on consumer education, the development of a transparency strategy and improvements to the Auto Insurance Consumer Hub advances.

FSRA appreciates the in-depth analyses on potential consequences prejudicial to the public interest that may be brought about if no safeguards were applied and would like to share that precisely because of our concurring concerns, every innovation opportunity must go through an elaborated risk evaluation process with five steps, revealing risk items, alignment between

		<p>system that affects the consumer, especially as it pertains to digital document processing and digital signatures. OTLA outlined similar concerns in our response to the proposed amendments to the Insurance Act and Regulations 777/93, 34/10, 676 and 95, regarding electronic communication with insureds and the delivery of electronic notices to terminate coverage. Those submissions can be found here.</p>	<p>benefit and risk-taking, and uncertainties/areas of attention for the tests. The objective of conducting an elaborated risk assessment is not to provide a simple fail or pass dichotomy, but is for FSRA and the market participant to collaboratively understand what risks the innovation opportunity entails, propose potential risk mitigation strategies, and examine if the risk distribution proportionately aligns with the claimed benefits for each risk actor. With regards to electronic communication and adequate consumer disclosure and notice, FSRA’s Consumer Office has developed a Disclosure Framework and will guide FSRA’s work in the future to ensure necessary obligations are imposed.</p> <p>In the context of “Modernizing systems and processes” priority, “end users” are regulated entities. As such, consumers will not be directly affected by this priority.</p>
	<p>P&amp;C (Auto) Insurance</p>	<p><b>Auto Insurance Rates</b>                  We recommend transparency in auto insurance rates and insurer profits, including clear data on insurer profits and information on how rates are improved. Factors considered, including profitability and data submitted by insurers, should be made public while clear and detailed explanations should be provided in justification of rate/premium increases.</p> <p>We support innovation and modernization of systems/user experience but note it was unclear how the proposed changes will be implemented and how the planned outcomes will be achieved.</p> <p>Respecting online/web-based information sharing and transactional processing tools, we note that implementation must be mindful of consent and security issues, including</p>	<p>FSRA acknowledges your support and recommendations respecting priorities 4.2 and 4.3. FSRA will consider these suggestions as part of ongoing work in support of government reforms and efforts to ensure the fair treatment of consumers.</p> <p>FSRA acknowledges the broad applicability of the cited goals and implementation in the SOP. Such broad applicability is purposefully articulated because of two reasons:</p> <ol style="list-style-type: none"> <li>1. Different statutes and regulations thereunder administered by FSRA grant FSRA different powers and authorities and the timeline the Government intends to grant FSRA additional authorities, such as exemptive relief and</li> </ol>

		<p>information on collection of personal information and how it will be used. Informed and meaningful consent should accompany all online systems that affect consumers, especially in terms of document processing and digital signatures.</p> <p>We support priority 4.1, including the outcome of enhancing the ability of consumers to make informed decisions. Commented that the new reporting structure through the Auto Insurance Consumer Hub makes it more difficult for consumers to compare rates in comparison to quarterly releases of rate approvals under FSCO.</p> <p>We support priority 4.2 and note the importance of providing a clear definition of fraud and quantification on the extent of the problem in the system. We recommend that up-to-date data on fraud be made public on an ongoing basis and providing consumers with details on how fraud is being tracked and prevented by FSRA and industry. We agree with the proposal to develop HSP supervisory reforms provided that consumer choice regarding providers is maintained.</p> <p>We support priority 4.3 but note that consumer protection efforts must be accompanied by clear and straightforward enforcement mechanisms with clearly defined timelines and consequences. We recommend that consumers be provided with accessible information on enforcement processes, certainty in response to complaints, clarity on investigation process, as well as clear and expected punitive measures.</p>	<p>expressly authorized discretionary powers, is not unison.</p> <p>2. FSRA is not in the business of dictating what innovation should look like in sectors we regulate. Thus, FSRA may work with the Government on pre-defining scopes (e.g., sections of applicable statutes and regs) to encourage innovation in such areas, at the end of the day, FSRA will examine every application submitted by market participants to FSRA for contemplation and apply relevant, adequate, yet in excessive safeguards and compliance obligations.</p>
<p>FAIR Association of Victims for Accident</p>	<p>P&amp;C (Auto) Insurance</p>	<p><b>Consumer Focus</b> We support FSRA’s consumer-focused approach and strengthening the Consumer Office.</p>	<p>FSRA thanks you for your submission and interest in reforming the auto insurance system in the interest of consumers. FSRA shares your commitment to advancing the interests of</p>

<p>Insurance Reform</p>		<p>We are interested in FSRA addressing insurance premiums in light of the drop in claims costs and increase in insurers' profits in 2020. We suggest that action should result in premium adjustments for consumers. Anti-fraud measures, which put additional pressure on health care providers, will contribute to attrition in the auto insurance rehabilitation resource sector.</p> <p>We recommend that FSRA address consumer privacy issues and determine how to limit and protect consumers' personal information collected through UBI, during the claims process, and through the OCF-1 Application for Accident Benefits form.</p> <p>We recommend that FSRA continue to monitor insurers' compliance with their obligations to consumers and ensure the timely enforcement of regulations.</p> <p>Consumer impacts of issues in the current regulatory system, including worsened medical and financial outcomes caused by delayed claims processes, delays in the civil court system and at the License Appeal Tribunal (LAT), and low rates of claimant success at LAT hearings.</p> <p>There is concern that consultations are not sufficiently accessible to and inclusive of consumers, including with respect to the short timelines for submissions and limited advertising of consultations.</p>	<p>consumers and will take your recommendations into consideration as work advances.</p> <p>FSRA also shares your commitment to holding open, representative, and meaningful consultations. We will seek opportunities to continue improving our approach</p> <p>During the pandemic, there has been an unprecedented drop in the number of collisions and claims. This has resulted in higher than usual 2020 auto insurance profits.</p> <p>In response, FSRA's supervision enabled auto insurers to voluntarily provide consumer relief during the pandemic. FSRA emergency guidance was used by insurers to make available ~\$1B to their customers in the way of rate reductions, rebates, and other means.</p> <p>FSRA has extended the availability of our <a href="#">Emergency Rate Reduction Guidance</a> to insurers. In addition, policyholders who renewed at the lower emergency rate will continue to pay the lower rate for the remainder of their policy term. You can see all emergency filing approvals at <a href="#">2020/21 Emergency Filing Approvals and Auto Insurance Rebates</a>.</p> <p>FSRA continues to monitor the market and work with those it regulates to maximize consumer benefits.</p> <p>FSRA does not approve profits. FSRA approves auto insurer's rate filings. FSRA permits insurers to include up to a 5% profit provision in their pricing, which is not guaranteed. Actual profit can</p>
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			<p>be higher or lower depending mostly on the total cost of claims, which are always uncertain at the time prices are set by the company and approved by FSRA.</p> <p>FSRA is committed to a consistent approach and transparency in the enforcement of regulations. For more information on the communication of enforcement actions, please see FSRA's <a href="#">Proposed transparent communication of FSRA enforcement actions Approach Guidance</a>.</p> <p>FSRA will continue supporting the implementation of legislative changes to reform auto insurance regulation and provide expert advice to government on key trends and opportunities to improve</p>
<p>The Canadian Automobile Association (CAA)</p>	<p>P&amp;C (Auto) Insurance</p>	<p>We support FSRA and note numerous synergies between FSRA's mandate and CAA's principles, particularly in the areas of consumer protection and innovation.</p> <p><b>Implement a new strategy for reforming the regulation of auto insurance rates and underwriting</b></p> <p>We support FSRA'S approach to reforming the regulation of auto insurance rates and underwriting. Success of reforms is dependent on the prioritization of open stakeholder consultations and should include representation from the entire insurance industry no matter the size of company.</p> <p>We encourage FSRA to consider more dynamic systems and processes to allow for real-time adjustments as part of its framework.</p> <p>We are content that FSRA allowed the auto insurance industry to provide relief for consumers during the</p>	<p>FSRA thanks you for your submission and the support it expresses for the 2022-2023 Statement of Priorities and Financial Plan.</p> <p>FSRA shares your commitment to holding open, representative, and meaningful stakeholder consultations. We look forward to receiving submissions from all stakeholders with respect to FSRA's strategy to transform the regulation of rates and underwriting.</p> <p>FSRA is pleased to note that one of the strategies' key planned outcomes is promoting market health with efficient regulation. FSRA shares your view that product accessibility is an important consideration alongside affordability.</p> <p>FSRA also thanks you for your support of the insurance prudential supervision priority.</p>

		<p>pandemic in ways that would have otherwise been prohibited.</p> <p>While affordability is a critical factor to auto insurance, so is accessibility to different products.</p> <p><b>Insurance Prudential Supervision</b> We support FSRA’s intended approach and planned efforts around insurance prudential supervision.</p>	
<p>Health Advocate</p>	<p>P&amp;C (Auto) Insurance</p>	<p><b>Fraud</b> With respect to the auto insurance sector, the regulatory priorities harm car accident victims* who need healthcare. Since at least 2010 the excessive and misguided emphasis on fighting fraud has generated a strong yet unacknowledged bias against the interests of accident victims in Ontario. This bias has been manipulated by certain insurers as a pretext to routinely engage in abusive and unfair claims adjustment practices that harm access to legitimate healthcare. These abusive practices receive the unconditional approval of the regulator and all other stakeholders because they are falsely and groundlessly justified on the basis of fraud prevention which appears to remain top priority for auto insurance sector. These insurers invest heavily in public relations initiatives that indoctrinate the public and all other stakeholders in a false belief that abusive claims practices are in the public interest. This biased narrative favours treating legitimate claims as fraudulent and discourages the regulator from pursuit of any initiatives that support the effective and efficient delivery of healthcare to accident victims. Meanwhile certain insurers are allowed to regularly violate the rights of accident victims in a regulatory culture that grants insurance claims adjustment practices an exemption from any oversight or critical examination as long as they adopt the appearance of investigating and fighting fraud. Below are examples of initiatives that should be pursued by FSRA to better serve the public interest, by improving</p>	<p>FSRA thanks you for your input and will consider recommendations for action within our purview as work advances. FSRA notes that many of the issues commented upon will be explored further as part of planned consultations, including with respect to the proposed Auto Insurance Product Technical Advisory Committee, Fraud and Abuse, Data and Analytics, HCAI and measures to improve the supervision of Health Service Providers.</p> <p>Matters of healthcare funding and reform should be directed to Ministry of Health, SABS reform to the Ministry of Finance and matters of LAT reform to the Ministry of the Attorney General.</p> <p>If you believe an insurer has violated Ontario’s Insurance Act, its regulations, or FSRA Guidelines and guidance, we invite you to make that complaint on-line: <a href="https://www.fsrao.ca/ask-question-file-complaint-or-report-fraud">https://www.fsrao.ca/ask-question-file-complaint-or-report-fraud</a>.</p>

transparency and accountability for effective and efficient funding of healthcare for accident victims. These important initiatives will be opposed by insurers dominated by bloated legal departments, consultants, and claims adjustment executives whose careers and compensation depend upon a distorted exaggeration of the extent and nature of insurance fraud. The initiatives below should be promoted by FSRA on the basis of principles that fairly prioritize the interests of accident victims who need healthcare. These proposed initiatives promote the value of efficient and effective delivery of healthcare rather than only promoting a monolithic bureaucracy that opposes access to healthcare and favours the financial interests of the insurance claims adjustment and insurer legal defense industry. Improved prioritization of the interests of accident victims and their need for healthcare is required to support any improvement in this sector along with an acknowledgement of the harm that has resulted from excessive historical emphasis on fighting fraud.

1. Examine the value and need for accident victims to have access to healthcare and the harm that results from deterring access to healthcare
2. Critically examine the regulatory ideology that promotes a wholesale and continued assault on the legitimate rights of accident victims to healthcare, in favour of the fight against fraud. Examine the lack of cost and benefit analysis that has so far favoured fighting fraud regardless of the harm to legitimate access to healthcare
3. Survey accident victims regarding how their respective insurers treat them with respect to their healthcare funding needs
4. Examine the culture of FSRA that views reduced access to healthcare facilities and providers as an indicator of regulatory success rather than failure.

		<ol style="list-style-type: none"> <li>5. We need unbiased analysis and interpretation of claims data that does not rely so heavily on stakeholders whose livelihood and job security benefits from an exaggeration of the extent and nature of insurance fraud. Allow unbiased access to data from an independent academic professor for example, who does not rely upon consulting fees from insurance industry. Ensure that seasoned healthcare providers who have extensive experience serving accident victims as their patients have the opportunity to examine, probe and question the details of any observations of implied wrongdoing, so as to ensure meaningful and knowledgeable interpretation of observations by people who understand healthcare in the context of Ontario MVA victims.</li> <li>6. Analysis that recognizes how historic systemic changes to models for funding healthcare and supervision of healthcare have the potential to harm or promote access to legitimate healthcare funding for accident victims. Examine how these systemic changes, can profoundly alter observed claims experience over time. In this way, we can finally stop mindless and excessive attribution of fluctuations of claims experience (beyond inflation) to fraud.</li> <li>7. Comparison of approaches to funding healthcare across different provinces or countries to see if more efficient and effective systems can be considered that favour better outcomes for the health and wellbeing of accident victims. Also compare to public agencies that fund healthcare for accident victims, like WSIB</li> <li>8. Commit to examining over time, the fundamental logic or absence of logic supporting SABS healthcare provisions, an onerous and biased LAT system that rewards abusive insurers, outdated HCAI forms and procedures, many of which systematically obstruct and delay healthcare for accident victims. Question the prevailing assumption that every additional bureaucracy</li> </ol>	
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		<p>is in the public interest because it reduces access to healthcare. What evidence is there that each element of that bureaucracy actually deters fraud vs primarily results in obstruction of legitimate access to healthcare?</p> <p>9. Why are some MVA healthcare guideline fees at least 50% below market rates and what impact does that have on access to healthcare?</p> <p>10. Examine how statutory declarations are routinely used by certain insurers without reasonable grounds to unfairly obstruct funding for healthcare in the absence of specific evidence that they serve any genuine public interest or any meaningful relevance to determining the insurer's liability.</p> <p>11. Why is there not a simpler way of coding healthcare services to be billed rather than using an outdated and obscure coding approach for which there is no consensus within certain healthcare fields as to how to code procedures? Examine how certain insurers use this diversity of administrative approaches to falsely infer wrongdoing among providers and pressure healthcare colleges to take needless actions against healthcare providers for trivial administrative nuances.</p> <p>12. Why does FSRA invest excessive resources and attention on trivial administrative issues regarding how healthcare facilities operate in the absence of any logical justification in terms of the public good?</p> <p>13. Examine the extent to which the Ontario system deters healthcare providers from serving accident victims and causes facilities to abandon healthcare licenses because of a punishing bias against providers who serve accident victims.</p> <p>14. Examine how healthcare services are concentrated in smaller and smaller number of providers and facilities who remain to serve accident victims in the face of monumental deterrents that have caused so many providers and facilities to exit the industry.</p>	
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<p>Dawson Young (Investment Planning Counsel)</p>	<p>Financial Planners and Financial Advisors</p>	<p>Hi I am a 20-year financial advisor and a mortgage agent. if I were to change anything they would be</p> <ol style="list-style-type: none"> <li>1. the education requirements for financial advisors are embarrassing. A high school dropout can take a couple courses and get in the industry (banks love this). At min a everyone should have a 3–4-year business degree before they can take licensing courses. Adding rules are great but we need to attract educated professionals.</li> </ol>	<p>Currently, there are no minimum education standards for individuals who use the Financial Advisor (FA) title.</p> <p>FSRA agrees that anyone using the financial planner or financial advisor title should meet a minimum level of proficiency that qualifies them to provide financial planning/advisory services.</p> <p>The primary objective of the proposed Financial Planner/Financial Advisor (FP/FA) title protection framework is to create minimum standards for title usage. Under the framework, individual FP and FA title users will be required to hold an approved credential from a FSRA-approved credentialing body.</p> <p>The new requirements will establish minimum standards for use of the FP and FA titles so that consumers can have confidence in the quality of the services they receive from individuals using these titles.</p>
<p>Diana Bristow</p>	<p>Financial Planners and</p>	<p>Where is the representation of registrants in this process? Is there a registrant advisory committee? How many female registrants are on the Board?</p>	<p>FSRA is committed to openness, transparency and collaboration with stakeholders and has established several Stakeholder Advisory and</p>

	<p>Financial Advisors</p>	<p>It is very important that creating Fairness, Equity, Transparency and Discrimination policies are a top priority. Discrimination in this industry is rampant and ignoring that is the same as facilitating its continuation.</p>	<p>Technical Advisory Committees. These Committees provide expert advice and insight to FSRA’s Board of Directors and management, which inform FSRA’s priorities, financial plan, and other regulatory initiatives. Membership on the Committees is by appointment through a transparent application process.</p> <p>FSRA has also established a Consumer Advisory Panel. The Panel provides a consumer perspective to help inform FSRA’s work, including proposed policy changes and related activities, including consumer-based research, policy support and consumer outreach.</p> <p>A Stakeholder Advisory Committee (SAC) will be established for the FP/FA sector once the framework has been implemented.</p>
<p>Al Poulin Financial Services</p>	<p>Financial Planners and Financial Advisors</p>	<p>Good day, here are my comments. More and more compliance, administration, and information technology (IT) are the big brothers of this industry, whereas good customer service and plain language are dying a slow and painful death. We have too many regulators who overlap each other all day long, client service departments (for every company) who take too long to address a situation (weather simple or complex), by transferring our calls to another department or another person etc. where we need to start our story over and over again. All in the name of compliance, administrative procedures and of course conform with IT platform changes (which seem to change every 5 minutes). How come is it the online or self-directed sites don't have to go through all this? Several of my clients tell me and have shown me that either Wealth Simple or iTrade is way easier, and their right! It's super easy! If I had one form that encompassed all the</p>	<p>One of FSRA’s key principles in designing the FP/FA title protection framework is to achieve regulatory effectiveness and efficiency.</p> <p>FSRA intends to leverage existing regimes for licensing and designating financial professionals to ensure efficient and effective regulation. This will mean introducing requirements that will complement existing regulatory frameworks without imposing duplicative or overlapping regulatory requirements on individual title users.</p> <p>Establishing new standards, such as those related to conduct, goes beyond FSRA’s purview to set minimum proficiency standards for title usage.</p>

		<p>disclosures my clients would be much happier, and I would be able to serve them better. There're my 2 cents.</p>	
<p>Bellwether Investment Management</p>	<p>Financial Planners and Financial Advisors</p>	<p>"Why is there no registrant advisory committee?</p> <ol style="list-style-type: none"> <li>1. I would like to see policies against discrimination and harassment and the licensing bodies be responsible to protect their registrants.</li> <li>2. I would like to see transparent processes and registrant access to the NRD.</li> <li>3. Ideally registration will be separate from or a division of the licensing bodies and commissions. Their sole purpose is to protect the public and despite registrants being part of the public, they have no policies, procedures, or transparency in the registration process.</li> <li>4. Ideally, titles for advisors will be much better for the public to understand. For instance, you can easily recognize Doctor, nurse, PSW, orderly. The financial industries should be that streamlines and easily recognizable.</li> <li>5. Registration should not be dependent on a firm sponsoring it. If a doctor works 15 years to become a doctor, they should be employable whether they are currently with a firm or not.</li> <li>6. Registrants should be able to work through a company just as any others use a professional corp.</li> <li>7. Registrants need to be represented at the Board level of securities commissions with a minimum of 50% voting. Other government agencies post their board positions however the OSC does not.</li> <li>8. Ideally the commissions' policies will be back by the Fairness Commissioner." </li></ol>	<p>FSRA is committed to openness, transparency and collaboration with stakeholders and has established several Stakeholder Advisory and Technical Advisory Committees. These Committees provide expert advice and insight to FSRA's Board of Directors and management, which inform FSRA's priorities, financial plan, and other regulatory initiatives. Membership on the Committees is by appointment through a transparent application process.</p> <p>A Stakeholder Advisory Committee (SAC) will be established for the FP/FA sector once the framework has been implemented.</p>

<p>Assante/AEIS</p>	<p>Financial Planners and Financial Advisors</p>	<p>"Working with very few HNW clients and usually with clients of more modest means, it constantly seems ridiculous to me that the same emphasis and accreditation must be submitted regarding ID, PEPs, AML and similar compliance requirements. Often these items are required from clients we have known well for several years. Yet we must take the time to submit once more.</p> <p>Should there not be a lower transaction limit, such as \$50,000 - \$100,000 with less stringent requirements?</p> <p>It is these medium and lower income clients often most in need of financial advice and help, yet the time to care for them takes as much or more time to conclude any new plans than it does for the higher income client. As a result, the push is always to seek out those who have the most.</p> <p>Regulators and the financial industry need to be seeking ways to service and assist those with fewer means. The regulator's fixation on AML, PEPs etc. doesn't help the modest investor or encourage the advisor to take the time to help them.</p> <p>Surely some streamlining is in order."</p>	<p>One of FSRA's key principles in designing the title protection framework is to achieve regulatory effectiveness and efficiency.</p> <p>FSRA intends to leverage existing regimes for licensing and designating financial professionals. This approach will allow for existing licenses/designations to be recognized as meeting minimum standards for title usage, and to enable certain individuals to continue to conduct business using the FP and FA titles without significant disruption.</p> <p>FSRA's requirements under the title protection framework will complement existing regulatory frameworks without imposing duplicative or overlapping regulatory requirements on individual title users.</p>
<p>Maia &amp; Associates</p>	<p>Life and Health Insurance</p>	<p>In regard to your proposed increased market oversight for Life &amp; Health to protect consumers: Contrary to popular belief the life and health industry is not in fact a pack of hungry wolves looking to prey on the flocks of sheep they service. Increasing oversight and paperwork does nothing to make them safer. It in fact does the exact opposite. By increasing the cost of doing business for stakeholders in the Life &amp; Health sector you are in fact incenting the less scrupulous participants to cut corners and act in a way which may conflict with the client's best interest. Paperwork does absolutely nothing to impede the small % of advisors who are operating contrary to clients' best interests. Proof of this is demonstrated very clearly in</p>	<p>FSRA appreciates your suggestions, and we will take them into consideration as we review our Statement of Priorities.</p>

		<p>the mutual funds arena where billions of client assets have been moved into inappropriate investments in order to avoid the greater scrutiny of that platform.</p> <p>A much smarter and effective way to protect clients is to INCREASE BARRIERS TO ENTRY INTO THE INDUSTRY. Anecdotal it makes no sense to let a bunch of criminals into a business and then spend millions in resources and time to regulate, enforce and paper them when you can simply do an upfront background check and put hurdles in place where they will trip themselves up BEFORE they enter the business and become a problem.</p> <p>Secondly you should regulate the TIMELINE for which entrants may hold themselves out as planners/advisors. It's not at all enough to meet whatever criteria you have in place for credentials. Make them only able to be referred to as "Junior Planners/Advisors" for 5 years. Usually by that time 90% of the people who entered the business have failed (by industry standards adjusted for corporate number fudging through re-hires, legacy hires etc.) THOSE are the advisors who cause 90% of the client issues and complaints. It makes absolutely zero sense to burden established excellent professionals with reams of senseless paperwork and even less sense to subject clients to it. I could care less how many studies and polls and thinktanks/consultants you have hired that tell you otherwise. I guarantee less than 1% of clients read any of those forms. Clients do NOT want more forms or regulation. Start providing real protection and effective protection for consumers before it's a problem.</p> <p>Thanks</p>	
Mortgage Intell	Mortgage Brokering	<p>Hi I am a 20-year financial advisor and a 15-year mortgage agent. for the mortgage industry I would like to see the following</p> <p>1) Mortgage fees especially on private mortgages are out of control. a lawyer typically would charge 900\$ for a transaction (and they have a university degree) and the</p>	<p>The <i>Mortgage Brokerages, Lenders and Administrators Act, 2006</i> (MBLAA) and its regulations do not discuss mortgage brokerage fee charges (i.e., do not regulate fee dollar amount or percentage). Sections 21 and 22 of Ontario Regulation (O. Reg.) 188/08 require brokerages to disclose</p>

		<p>mortgage broker charge a flat fee/ a percentage of the amount being borrowed. example a \$500,000 deal a good agent would charge \$5000 (1%) and an expensive agent would charge \$10,000 (2%). I think both numbers are extremely high, and they are taking advantage of people when they are down.</p> <p>2) For bank deals the compensation needs to be the same across all lenders. lenders currently pay extra based on volume up to 30% extra. This is a clear conflict of interest. I have attended many conference calls throughout the years, and someone always asks who is paying the most today. there should be no bonuses. Just like the investment world about 19 years ago this was eliminated</p>	<p>whether fees are payable to the brokerage or by the brokerage to others, the identities of those paying or receiving fees, and the basis for calculating the amount of the fees. Section 23 of O. Reg. 188/08 requires a brokerage to disclose fees receivable by the brokerage for referrals.</p> <p>The amount of the fee, and its overall impact on the cost of borrowing, however, is a factor that an agent/broker should consider when assessing the suitability of the mortgage for the borrower and/or lender/investor. As per section 24 of O. Reg. 188/08, a mortgage brokerage must take reasonable steps to ensure the suitability of the mortgage / mortgage investment that it presents for the consideration of its client.</p> <p>The MBLAA and its regulations do not apply to financial institutions. As per s. 21 of O. Reg. 188/08, brokerages must disclose arrangements for volume bonuses with lenders to clients. As per s. 27 of O. Reg. 188/08, brokerages must also disclose any actual/potential conflicts of interest, including those posed by bonus arrangements.</p>
LdG, CFP	Mortgage Brokering	<p>I believe much more needs to be done to oversee or stop mortgage brokers who sell syndicated mortgages to clients who are not accredited. These agents have no investment training or fiduciary duty, yet they are locking people's money away for years. They state they are not qualified to give tax or investment advice, yet they initiate transfers and implement investment products with significant tax and cash flow implications. The public faces a serious threat from predatory agents and products in this space.</p>	<p>Effective July 1, 2021, responsibility for regulation of Non-Qualified Syndicated Mortgage Investments with Non-Permitted Client investors was transitioned to the Ontario Securities Commission (OSC).</p> <p>“Permitted Client” is defined in section 1 of O. Reg. 188/08 and includes entities and individuals that are presumed to have significant experience and knowledge regarding financial matters, including investments, and robust financial means.</p>

Robert Therien	Mortgage Brokering	I would like to see increased investigation activity and reporting of fraud in the mortgage broker industry. FSRAO has been overly lax in this regard for decades. I personally have reported fraud to the regulator, significant in a couple of cases for big industry players with plenty of evidence: zero action was taken. This is unacceptable and this lack of action is perceived by me and many others as acceptance and tolerance of fraud in the mortgage broker industry.	<p>Questions about our regulated sectors, reports of potential cases of fraud, or complaints against a FSRA regulated company or professional can be submitted at: <a href="https://www.fsrao.ca/ask-question-file-complaint-or-report-fraud">https://www.fsrao.ca/ask-question-file-complaint-or-report-fraud</a>.</p> <p>FSRA assesses these submissions and takes appropriate regulatory action.</p>
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