
Service Standards Consultation Summary Report

Original Consultation: <https://www.fsrao.ca/engagement-and-consultations/fsra-service-standards>

Comment Due Date: October 23, 2020 [ID: 2020-012]

Purpose of Consultation

FSRA is putting in place an internal system to measure and publicly report on its performance against proposed service standards. Service standards are essential to good public service. They reflect a pursuit of a measurable level of performance, which stakeholders can expect under normal conditions. FSRA has created standards to set clear service expectations and targets. The public consultation was held to seek feedback on its proposed standards.

What We Heard

FSRA is appreciative of the effort that went into the thoughtful comments we received from contributors about the proposed service standards. The comments from stakeholders were supportive of FSRA creating service standards and generally supportive of the individual, sector-specific standards. The comments focused on the following themes: service standard reporting and communications, ongoing stakeholder engagement, the development of a modern regulatory culture, processing of licences, auto insurance rate filings, complaint handling, credit union standards and pension standards.

We thank all commenters for the views expressed.

List of Contributors

1. Ontario Mutual Insurance Association
2. Desjardins General Insurance Group
3. Canadian Association of Direct Relationship Insurers (CADRI)
4. Canadian Life and Health Insurance Association (CLHIA)
5. WFG (Independent Broker)
6. DV Capital Corporation
7. Mainstreet
8. Primerica Life Insurance
9. iA Financial Group
10. Meridian CU
11. The Association of Canadian Pension Management
12. Canadian Credit Union Association
13. Insurance Bureau of Canada
14. Public

Recommendation

FSRA carefully considered all comments received. The proposed service standards were calibrated based on current resources and [budget for F2021-22](#). Specific recommendations for changes will be considered as part of our assessment of FSRA's performance against the current targets. In addition, FSRA is committed to engaging key stakeholders as part of the service standards review process in January 2022.

For the Credit Union sector, FSRA is reviewing the data-collection process for Credit Union applications and will add the recommended 15-day interim contact to the standard, effective April 1, 2021.

Comments on the Service Standards

ID	Stakeholder	Full name	Summarized Comment	FSRA's Response
1	Ontario Mutual Insurance Association (OMIA)	John L. Taylor President	<p>OMIA believes the standards set out are reasonable as a starting point. However, the true effectiveness of the standards will become more apparent after the initial reporting in early 2021 and the subsequent review after two years of measuring the standards.</p> <p>Both stakeholder compliance with the standards and FSRA's effectiveness in providing guidance to insurers are important. FSRA's challenge when assessing effectiveness will be ensuring that the regulated entity does not become focused on rigid compliance and lose flexibility and quality of response on many of the complex regulatory issues faced by both consumers and insurers.</p> <p>The stakeholder suggests that in previous years, unexplained delays in direction and guidance on pension applications and amendments had significantly impacted beneficiaries and created unnecessary administrative costs.</p>	<p>FSRA thanks the OMIA for their feedback on our service standards and looks forward to continued engagement.</p> <p>FSRA recognizes that the shift to a risk-based supervisory approach and implementation of Principles-Based Regulation (PBR) require new skills. FSRA staff undergo Learning and Development programs each year, and specific PBR training is being developed. Stakeholder education is an important component of PBR, as it is in today's regulatory environment, and FSRA will keep OMIA's feedback in mind.</p>

2	Desjardins General Insurance Group	<p>Sam Palmerio</p> <p>Christian Jobidon Vice-President, Actuarial & Underwriting Services, and Analytics</p>	<p>Desjardins agrees with FSRA that service standards are essential to good public service and is comfortable with service performance targets that have been proposed by FSRA. It is pleased to see that FSRA will be publicly reporting on its performance quarterly starting January/February 2021.</p> <p>The stakeholder supports the target set for at least 80% of insurance agent licences to be issued within 10 days from receipt of a complete application. Agent licensing processing times have been a source of concern and significant negative impact for the stakeholder.</p>	<p>FSRA thanks Desjardins for their supportive comments on our service standards and looks forward to continued engagement.</p>
3	Canadian Association of Direct Relationship Insurers (CADRI)	<p>Catherine Allman</p> <p>Alain Thibault Chairman and CEO</p>	<p>CADRI offered its appreciation of FSRA’s transparency, specifically the publication of its performance targets, its commitment to quarterly reporting starting in 2021, and the review of its service standards and process. FSRA is ensuring that insurers and Ontario drivers can have realistic expectations for important regulatory processes.</p> <p>In the cases of non-personal-passenger auto filings, minor filings, major rate filings, and underwriting rules, endorsement and form filings, FSRA expects to meet its standards between 80 and 90% of the time. For the 10 to 20% of filings that do not meet the standard, CADRI recommends that</p>	<p>FSRA acknowledges CADRI’s recommendation regarding rate filing standards and timelines. FSRA is currently evaluating the actual results from these standards and will be seeking input from the Technical Advisory Committee for Transforming Auto Insurance Rate Regulation, on which CADRI members participate, to explore this specific recommendation further.</p> <p>FSRA thanks CADRI for their supportive comments and looks forward to continued engagement.</p>

			<p>FSRA set a maximum time to decide on these filings.</p> <p>CADRI’s includes members with front-line, customer service employees who often hold agents’ licences from provinces and territories other than Ontario and service customers in multiple jurisdictions. Licensing processing delays within FSRA may limit their ability to serve customers until the licence is approved. In the interest of having as many qualified agents as possible available to meet consumer demand, CADRI would welcome 10-day processing of complete licence applications and renewals, and a maximum time to decide on some rate filing standards.</p>	
4	<p>Canadian Life and Health Insurance Association (CLHIA)</p>	<p>Brent Mizzen</p> <p>Lyne Duhaime Senior Vice-President, Market Conduct Policy and Regulation</p>	<p>CLHIA supports the service standards and believe that they demonstrate FSRA’s commitment to accountability and transparency.</p> <p>Timely processing of new licensing applications is important to the industry and to customer service, due to the number of licensees approaching retirement and the challenges that new entrants face in establishing their practices. Retention of new advisors is challenging overall.</p> <p>The submission suggests three areas for FSRA to consider setting performance standards:</p>	<p>FSRA thanks CLHIA for their supportive comments on our service standards and looks forward to continued engagement.</p> <p>With respect to the three considerations put forth by CLHIA, please find FSRA’s responses below:</p> <p>LLQP Exams – COVID-19 presented enormous challenges for the continuation of the LLQP examination platform. All in-person examinations were paused for almost six months. During this time, pre-licensing courses continued virtually, creating an unprecedented backlog of exam candidates. That backlog has significantly decreased with the use of virtually</p>

- A number of LLQP exam seats that is proportional to the number of certified candidates
- Standards for how long it takes to renew a life licence
- Standards relating to agent suitability issues, particularly in cases where a Life Agent Reporting Form (LARF) has been submitted

proctored exams that are held 22 hours per day, 6 days per week, offering 300 exam modules per day. FSRA believes that the online examination offering will clear the backlog of applicants and accommodate future certified applicants when the situation normalizes. FSRA will continue to work with the examination provider to build capacity for future unforeseen events.

Life Licence Renewal Standard – FSRA intends to publish further information on the renewal process. Certain legislative requirements must be met before a new or renewed licence may be issued. The licensing system is designed to expedite renewal applications that clearly meet all the required criteria. Applications that are unclear or do not meet the required criteria will not be expedited. These renewals will fall into the 10-day service level standard. We make every attempt to work with the licensee to obtain the required information of clarification to meet that standard.

Agent Suitability Issues – Agent suitability is the foundation of the requirements to obtain and continue to hold a licence. Insurers submit [Life Agent Reporting Forms](#) (LARFs) to FSRA when serious misconduct is alleged to have occurred, which contain information about the alleged misconduct. Each is reviewed for a range of possible regulatory outcomes. FSRA anticipates reviewing the suitability standards in FY 2021-22 to make this process, the criteria and the range

				of outcomes clearer.
5	WFG (Independent Broker)	Terrance Dubois	WFG's comment regarding business practices of Credit Unions with respect to the discharge fees and penalties clauses Credit Unions hold.	FSRA's service standards outline the expected level of service the public or regulated entity can expect when interacting with FSRA. Your comment outlines a business practice you are questioning. The comment was forwarded to FSRA's Credit Union Market Conduct group for review.
6	DV Capital Corporation	Daniel Vyner	Concerning licensing efficiencies in the mortgage brokering sector, the stakeholder suggests that FSRA implement standards for existing licensees that wish to transfer their licence to another mortgage brokerage. This would expedite a common process for mortgage agents, brokers, and brokerages.	FSRA regrets any issues experienced with respect to transferring a licence from one brokerage to another and will review its process. This is a common process and is not intended to be protracted.
7	Mainstreet	Janet Grantham	Representatives of Mainstreet suggest increasing the target for the final report on examinations within 60 days from 65% to a minimum of 80%.	The recommendation has been forwarded to the FSRA Credit Union group for consideration. FSRA developed the service standards based on its expected ability to fulfill the service with the current staff and time resources available. It will work to achieve the targets and approach stretch targets and revise the standard, as appropriate, during the established review intervals.
8	Primerica Life Insurance	Beethoven Crasco	Representatives of Primerica Life Insurance noticed that FSRA does not allow financial advisors to attach in their name their license codes unlike with mortgages agents and brokers. Also noted by representatives	FSRA is developing the Financial Professionals Title Protection Framework. We have recently concluded the public consultation and have noted your comment.

			during a review of mutual fund license, FSRA prohibits use of ‘license.’ attached to their names. In fairness to all sectors, will FSRA allow everyone to put their license codes in their names for the public to know they are authorized to do business?	
9	iA Financial Group	Real Gagne	The stakeholder suggests that the standard of 45 days to respond to plan-specific, non-plan-specific and general inquiries is not reasonable. In business days, this amounts to more than two months, not including holidays. General inquiries should be answered within 15 business days.	<p>FSRA appreciates Industrial Alliance’s comments. This service standard was developed based on FSRA’s expected ability to fulfill the service with the current staff and time resources available. FSRA will consider whether the service standard for general inquiries can be adjusted.</p> <p>FSRA has established review intervals to assess standards and targets against quarterly performance. A full review of all the standards is planned for January 2022.</p>
10	Meridian CU	Ras, Michael Director, Government & Stakeholder Relations	<p>Meridian thanks FSRA for taking this important step to improving, quantifying, and measuring itself against these service standards. The regulator should be held to a high standard, particularly when it comes to speed and quality.</p> <p>The stakeholder considers the 30-day processing standard for all credit union regulatory applications to be reasonable in most cases. However, for regulatory applications that are based on long-established precedents or considered minor changes to existing rulings, there could be a faster turnaround standard if the credit</p>	<p>FSRA thanks Meridian for the thoughtful comments on its service standards and looks forward to continued engagement.</p> <p>With respect to the considerations put forth by Meridian, please find FSRA’s responses below:</p> <p>The 30-day Standard and Additional Information Requests– FSRA is currently reviewing the data collection process for the Credit Union application standard and will add the recommended 15-day interim contact point to the standard.</p> <p>Regular Review and Improvement of the</p>

union and FSRA could agree that the application is a relatively simple matter early in the process.

There are concerns that the qualifying statement “after all required information received” can be abused in practice by regulators to delay the process, by requesting further information just before the deadline in order to reset the processing time. Meridian suggests setting an interim deadline at the 15-day mark where FSRA and the credit union would agree that all relevant information has been received, or that more information is needed. Alternatively, FSRA could put in place a guideline to only allow one request for additional information that resets the processing time.

The stakeholder recommends that FSRA present an annual report of its service standards performance to FSRA’s Credit Union Stakeholder Advisory Committee for discussion and improvement.

Meridian recommends a FSRA e-mail distribution system where credit union officials could opt-in for specific news on initiatives, directives or consultations, which are presently shared in a seemingly ad hoc fashion. The FSRA website is generally a good source of information and is well organized, but not all credit union officials

Service Standards – FSRA is committed to engaging its Stakeholder Advisory Committees and Consumer Advisory Panel regularly to assess its performance and improve the standards. A full review of the FSRA service standards is planned for January 2022.

Information Sharing – The suggestion has been passed to FSRA’s Public Affairs group for consideration.

Net Promoter Score – FSRA will remain mindful of these tools as it expands its technological capabilities.

Training and Knowledge Standards – FSRA recognizes that the shift to a risk-based supervisory approach and implementation of PBR require new skills. FSRA is mindful that to achieve PBR will require training for staff and a continued collaborative approach with the sector. FSRA staff undergo Learning and Development programs each year, and specific PBR training is being developed and will be provided to FSRA staff before the new principles-based supervisory framework is implemented.

			<p>check it regularly.</p> <p>The stakeholder invites FSRA to adopt a net promoter scoring system. This relies on a variety of tools such as customer interaction surveys to improve the customer experience, identify service trends and instill a discipline in staff who will know that they are being “measured” by their customers. FSRA should also consider training and knowledge standards as they relate to the credit union business and recruiting from within the credit union sector for critical roles. As financial institutions become more sophisticated, and as FSRA and the sector move toward collaborative principles-based regulation (PBR), the shift requires a higher standard of skills and continuous training for staff who interact with credit unions. The stakeholder also suggests promoting a culture change that is supportive of regulatory reform and modernization. That culture requires a more nuanced understanding of credit union risks and relies heavily on knowledgeable, creative people within industry and regulatory entities.</p>	
11	The Association of Canadian Pension Management (ACPM)	Danelle Parkinson Chair, Ontario Regional Council (ACPM)	The Ontario Regional Council (ONRC) of ACPM commends FSRA’s service standards initiative. The stakeholder agrees that providing clear expectations regarding FSRA’s response timeframes, and reporting on its progress towards meeting those expectations, will help improve service	FSRA thanks the ONRC of ACPM for their thoughtful comments on our service standards and looks forward to continued engagement.

		Ric Marrero Council Chief Executive Officer ACPM	delivery and accountability.	
12	Canadian Credit Union Association (CCUA)	Nick Best Director-Government Relations (Ontario)	<p>CCUA welcomes FSRA’s commitment to collect data and report on its performance every quarter as a positive step in building a regulatory culture that is responsive to the needs of credit unions. In addition to reporting on whether a target was met, CCUA recommends that FSRA report, at least annually, on the variance between its performance and targets, and the reason for any shortcomings.</p> <p>The stakeholder also recommends that FSRA develop and report annually on qualitative measures to supplement the already identified quantitative measures, such as a satisfaction score informed by surveys and in-depth interviews with FSRA stakeholders.</p> <p>The stakeholder suggests that the regulatory approvals service standard would be strengthened if FSRA could commit to requesting supplemental information within the first 30 days, so that regulatory approvals would occur within 60 days.</p> <p>The member/public inquiries standard and target are appropriate but would be</p>	<p>FSRA thanks CCUA for its support of the service standards and looks forward to continued engagement.</p> <p>With respect to the considerations put forth by CCUA, please find FSRA’s responses below:</p> <p>Variance to Target Reporting – As part of the Service Standards Framework, FSRA has implemented a quality control phase during which FSRA’s risk department reviews the results and variance to targets. It then works with internal teams to build actionable mitigation plans when variances exceed the acceptable tolerance. FSRA’s public reporting will show a rolling four-quarter average of the performance for each service standard and the variance of the performance score to the target.</p> <p>Qualitative Measures – FSRA will remain mindful of these tools as it expands its technological capabilities.</p> <p>Supplement Information Requests – This recommendation was passed to the Credit Union group for their consideration.</p> <p>Member/Public Inquiries – The credit union</p>

			<p>strengthened by FSRA defining what it considers a “member inquiry,” such as a question emailed to a relationship manager, a follow-up on submitting action plans, or a phone call to the FSRA call centre.</p> <p>The examination reports service standard itself is appropriate, but the target goal of 65% does not provide predictability for credit unions and should be increased to at least 80%. While an examination can result in many findings that may require over 60 days to document and process, from the perspective of credit unions this is an intensive period and anything that can be done to add predictability to this process is welcome.</p>	<p>member/public inquiries include all telephone and email inquiries made through the FSRA Credit Union group. FSRA’s contact centre is also available to receive inquiries from credit union members and the public. The contact centre’s service standards are listed under the Enterprise category.</p> <p>Examination Reports – Thank you for pointing out CCUA’s concerns over the target percentage. FSRA developed its service standards based on its expected ability to fulfill the service with the staff and time resources available. FSRA will work to achieve the targets and approach stretch targets, and revise the standards as appropriate during regular review intervals.</p>
13	<p>Insurance Bureau of Canada (IBC)</p>	<p>Kim Donaldson Vice President Ontario</p>	<p>IBC believes that quality and predictability of service are legitimate expectations of Ontarians when interacting with the government. By establishing service standards, FSRA is creating a more transparent and predictable system that will make it easier for all who engage with FSRA to know what to expect, and will help drive service delivery and a results-based approach to management.</p> <p>Ontario’s property and casualty insurers look forward to the first set of results in January/February 2021.</p>	<p>FSRA thanks IBC for their thoughtful comments on our service standards and looks forward to continued engagement.</p>

14	Public	Kuldip Sharma	What mechanism is FSRA planning to control Non-License agents working from coffee shops? The stakeholder expressed concern about insurance fraud resulting from a client providing a remote area address to receive lower insurance rates.	<p>This comment was forwarded to FSRA Market Conduct.</p> <p>FSRA takes complaints of fraud and unlicensed activity seriously. Complaints that we receive of this nature are actioned and reviewed by our Complaints and Risk Assessment Team. Where there is sufficient evidence to investigate, the most serious cases are escalated to our Enforcement Team for further review.</p>