

September 24, 2021

Financial Services Regulatory Authority of Ontario  
5160 Yonge Street, 16th Floor  
Toronto, ON M2N 6L9

Dear Sirs/Mesdames,

The Canadian Association of Independent Life Brokerage Agencies (CAILBA) welcomes the opportunity to comment on the Financial Services Regulatory Authority of Ontario's (FSRA) Proposed Transparent Communication of FSRA Enforcement Actions (the Proposed Approach).

CAILBA is a national industry association of life insurance intermediaries that helps our members to stay abreast of change and effectively implement compliance and regulatory updates. We work with our insurance carrier members to identify their expectations and provide education, knowledge, and tools to our members and their insurance brokers to help them stay current with industry best practices and technology. We provide a platform for our MGA members to collaborate and share ideas and best practices across Canada to better the industry and build unity in the MGA community nationally.

We believe that the Proposed Approach provides helpful clarity respecting FSRA's process. We would encourage you, however, to review the current method of publishing enforcement information on FSRA's site to see if it could be modified to make it easier to navigate for those researching enforcement communications.

We would also ask you to consider that some forms of advisor misconduct may appear to affect carriers and MGAs only, but eventually bring harm to consumers. For example, poor persistency rates or unpaid commission chargeback debts may at first appear to be simple financial issues or disputes between the carrier and advisor, but these may also be indicators of churning or other ways of taking advantage of consumers. Therefore, when deciding when to make an enforcement investigation public, FSRA should consider that informed carriers and MGAs can take heightened steps to increase monitoring of the advisor to protect consumers. This also increases consumer protection across the financial services industry as it pertains to dual-licensed advisors. We note that the Mutual Fund Dealers Association publicly reports conduct investigations, allowing insurers and MGAs with dual-licensed advisors to be aware that an advisor is experiencing an issue with a regulator and to increase monitoring. On the other hand, we have observed cases where the Investment Industry Regulatory Organization of Canada's failure to make investigations public until final resolution has caused damage to carriers, MGAs and consumers in the life insurance space.

On behalf of our CAILBA members, we wish to thank you for the opportunity to comment and look forward to further consultation on this issue.

Best regards,

Earleen Moulton  
CAILBA Board, Regulatory Compliance

Eric Wachtel  
CAILBA Board, Legislative Matters