

THE
**BENEFITS
ALLIANCE**
GROUP

Mr. Mark White, CEO
The Financial Services Regulatory Authority
25 Sheppard Ave, Suite 100
Toronto ON
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December 13, 2021

Dear Mr. White,

Thank you for the opportunity to provide further comments as the Financial Services Regulatory Authority ("FSRA") works toward the launch of the new title protection regime in Ontario.

The Benefits Alliance Group ("BA") would like to thank the FSRA for their broad engagement with all stakeholders, and their focus on principles based drafting and enhanced consumer outcomes through the introduction of the *Financial Professionals Title Protection Act*, rules and guidance ("Act").

A primary purpose of the Act is to minimize the risk to consumers who rely on titles as a proxy for the skill and professionalism of their adviser. The titles Financial Advisor ("FA") and Financial Planner ("FP") will now become clear indications of individuals within the financial services distribution chain who have committed to higher standards of professionalism through continuing education and the achievement of meaningful designations that will allow them to hold out by these titles.

Credentialing bodies will play a pivotal role in the oversight of title holders and must be unconflicted and focused on the task of ensuring that appropriate levels of professionalism are maintained through their gatekeeper role.

While consumer protection is a primary purpose underlying the Act, the FSRA has appropriately recognized that market and business interests are also relevant. Recognition of the need to strike the right balance between consumer interest and market stability are clearly evident.

This most recent consultation document notes the intention on the part of the FSRA to work with the insurance industry with respect to a “top up” that could qualify LLQP licensees for the use of the titles FA or FP. While supportive of the ongoing dialogue with the insurance industry, we would note the following:

- when one reflects on the evolution of financial services it is clear that change is coming at an ever-increasing pace, and that there is an increasing convergence in both product and regulation between the insurance and securities sectors;
- that increasingly, the trend to dual licenced advisers is a significant development that must be considered in any policy discussion; and,
- that there is increased focus on consumer protection and adviser oversight in both the insurance and securities sectors.

This suggests to BA that any discussion with respect to “top ups” will require broad based consultations as the implications of any change will impact consumers across sectors.

Further, BA believes that it is important that licencing standards in both sectors be harmonized as best as possible. Certainly, sector specific needs will arise due to structural and product uniqueness, but in terms of educational rigour, a gap exists that must be addressed. A comparative analysis performed by an independent industry expert may assist the FSRA with initiating such a review.

Structural differences between the sectors are also relevant. The role of SROs and dealers in the oversight of licensees in the securities sector is more robust than the oversight provided by the companies and MGAs in the insurance sector. As a longer-term objective we believe that a detailed analysis of oversight is needed, in addition to a number of conflicts of issues that should be discussed and addressed through the lens of the best interest of the consumer.

Thank you for the opportunity to provide our thoughts and BA looks forward to ongoing dialogue with the FSRA on this and future issues. Should you have any questions or require any clarification, please don't hesitate in contacting the undersigned.

Sincerely,



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