



December 6, 2024

Financial Services Regulatory Authority of Ontario
25 Sheppard Ave W, Suite 100
North York, ON M2N 6S6

Submitted via online consultation portal

Re: Consultation on FSRA’s Proposed 2025-2026 Statement of Priorities

Primerica Financial Services (Canada) Ltd. (“Primerica” or “we”) appreciates the opportunity to provide input on FSRA’s Proposed 2025-2026 Statement of Priorities. We commend FSRA’s commitment to advancing consumer protection, fostering market integrity, and embracing innovation across Ontario’s financial services sectors.

About Primerica

Primerica Financial Services (Canada) Ltd. is a leading distributor of basic financial savings and protection products to middle-income households throughout Canada, serving the Canadian public since 1986. Our Canadian corporate group includes our life insurance company, Primerica Life Insurance Company of Canada (“PLICC”) and is represented by 10,000 licensed life insurance agents across the country, 5,700 of whom conduct business in Ontario where we insure over 270,000 lives. Almost 70% (3,900) of our Ontario life insurance agents are dually licensed as mutual fund representatives through PFSL Investments Canada Ltd. (“PFSL”).

Our products and personal advice help middle-income Canadians establish long-term financial goals. Our representatives guide their clients at life's critical points, helping them avoid common pitfalls to gaining financial independence: higher cost and lower face value insurance that does not protect adequately, starting to save too late, not saving enough and neglecting tax- advantaged savings opportunities, to name a few. Our representatives take a holistic approach with their clients and offer our digital FNA (Financial Needs Assessment), which provides them with a snapshot of their financial situation and a road map to achieve their goals.

General Alignment with FSRA’s Mandate

We support FSRA’s refreshed articulation of its regulatory mandate, particularly the focus on promoting high standards of business conduct, protecting the rights and interests of consumers, while fostering a strong, sustainable, competitive, and innovative financial services sector. This balanced approach recognizes the need for robust consumer protection without compromising accessibility or stifling innovation.

We are especially encouraged by FSRA’s commitment to making evidence-based and risk-based decisions, including its emphasis on addressing the needs of vulnerable consumers. Primerica shares this commitment, with a longstanding focus on serving middle-income Canadians and ensuring they have access to affordable and effective financial products and services.

General Recommendations

Principles-Based Flexibility: FSRA has long championed a principles-based regulatory approach that allows for adaptability and innovation. We strongly encourage FSRA to maintain this focus as it implements new initiatives in licensing, title protection, market conduct and in other areas.

Stakeholder Engagement: Primerica looks forward to engaging with FSRA and industry peers to develop practical, consumer-centered solutions to regulatory challenges. Collaboration is vital to achieving FSRA's objectives while minimizing unintended consequences.

Preserving Accessibility: Primerica underscores the importance of maintaining affordability and access to life insurance and financial guidance for middle-income Canadians. Regulations should support these objectives by avoiding undue complexity, barriers or cost.

Life Insurance Market Conduct

Primerica supports FSRA's objective of enhancing consumer protection. However, any changes to licensing suitability standards should be evidence driven and guided by clear goals.

As FSRA advances any changes to licensing standards, we recommend:

1. **Proportionality in new obligations:** Licensing reforms should remain scalable to avoid unintended barriers for agents serving underserved communities and dealing in simpler products and services.
2. **Clarity in goals:** The implementation of new standards should be accompanied by clear goals that identify what the intended consequences of the proposed changes are and guard against any unintended consequences.

Title Protection

Primerica supports FSRA's efforts to finalize its title protection framework as a means of enhancing public confidence in financial services professionals. Clear and enforceable standards are vital for maintaining consumer trust.

To maximize the effectiveness of this initiative, we recommend FSRA:

1. **Avoid duplicative processes and excessive fees:** Ensuring the framework is streamlined will prevent unnecessary financial or administrative burdens on advisors.
2. **Preserve accessibility:** Flexible credentialing pathways should be maintained to encourage participation from diverse professionals who serve varying market segments.

Primerica views the title protection initiative as an opportunity to enhance consumer understanding and trust without impeding service delivery or affordability.

Serving Vulnerable Consumers

We strongly support FSRA's focus on addressing the needs of vulnerable consumers, particularly those who face barriers to accessing financial products and services. This aligns with Primerica's mission of serving middle-income Canadians and providing affordable, straightforward financial solutions.

To further this goal, we recommend FSRA:

1. **Prioritize accessibility in its regulatory framework**, ensuring that rules do not inadvertently limit access to financial advice or products for underserved populations.
2. **Collaborate with industry stakeholders** to identify practical ways of reaching vulnerable consumers, including education initiatives, and tailored regulatory approaches.

Compliance in Mortgage Brokering

FSRA's proposed measures to enhance transparency and mitigate conflicts of interest in mortgage brokering align with Primerica's values of ethical business practices and consumer protection.

However, FSRA needs to ensure that enhanced oversight does not inadvertently hinder beneficial referral practices between life insurance representatives and mortgage brokers, which play a critical role in serving consumer needs. Clear guidance and risk-based approaches will be essential to achieving this balance.

We recommend FSRA:

1. **Clearly delineate acceptable referral practices** to preserve consumer benefits.
2. **Ensure new compliance measures are proportionate** and tailored to address specific risks without creating undue burdens on cross-sector collaboration.

Conclusion

Primerica commends FSRA for its balanced and principles-based regulatory approach, as reflected in the 2025-2026 Statement of Priorities. We share FSRA's commitment to promoting high standards of business conduct, protecting consumers, and fostering innovation.

We remain committed to collaborating with FSRA and other industry stakeholders to implement practical, consumer-centered solutions that enhance market integrity while preserving accessibility and affordability for middle-income Canadians. Should FSRA have any questions about our submission or wish to discuss these comments further, we welcome the opportunity to engage.

Sincerely,

[Original Signed By]

John A. Adams, CPA, CA

Chief Executive Officer

Primerica Financial Services (Canada) Ltd.