



## Market Conduct

# Life and Health Insurance Agent: 2024-25 Supervision Report and 2025-26 Supervision Plan

**October 2025**

# Table of contents

<b>Executive summary</b> .....	<b>3</b>
<b>Context – Life agent supervision</b> .....	<b>4</b>
Number of examinations and LAMRs – Year-over-year.....	6
About the life agents reviewed .....	9
Sponsored life agent transfers .....	10
Industry call to action .....	10
<b>Supervision findings and trends</b> .....	<b>11</b>
Examinations – Business best practice issues identified .....	11
Industry call to action .....	14
LAMR misconduct reported by insurers and MGAs .....	14
Industry call to action .....	16
Key trends identified from LAMRs.....	17
Comparison of trends.....	21
<b>Actions taken by FSRA</b> .....	<b>22</b>
Examination actions .....	22
LAMR actions.....	24
Industry call to action .....	26
<b>Enforcement action</b> .....	<b>27</b>
<b>2024-25 supervision findings and concluding comments</b> .....	<b>28</b>
<b>2025-26 Supervision Plan</b> .....	<b>29</b>
LAMRs – Improve effectiveness of program .....	29
Rolling bad apples: Life agents switching insurers/MGAs.....	30
Proactive supervision: Sharing trends and preparing for the MGA framework.....	31
<b>Appendix 1 - LAMR misconduct reported by insurers and MGAs</b> .....	<b>33</b>

## Executive summary

In Ontario, The Financial Services Regulatory Authority of Ontario (FSRA) supervises over 60,000 licenced life and health insurance agents (life agents), who sell and service insurance products on behalf of approximately 70 licensed insurance companies.

This report outlines FSRA's 2024–25 supervision activities and the 2025–26 Supervision Plan for life agents. FSRA proactively examines life agents and also receives reports of unsuitable agents from insurers and managing general agents (MGAs).

In 2024–25, FSRA identified the following life agent behaviour that does not serve consumer interests:

- Engaging in intentional deception and document falsification.
- Concealing or distorting critical information provided to insurers.
- Providing inaccurate information to consumers about products and services.
- Failing to act with the integrity expected in their role.

In response, FSRA revoked, refused, or suspended some life agent licences, and imposed administrative monetary penalties. FSRA also employs a range of tools which include education and collaborative problem-solving with life agents and insurers.

In addition, FSRA has observed a high incidence of life agents not adhering to business best practices in support of the fair treatment of customers. These practices include selling products that do not suit consumer needs and failing to show product illustrations. FSRA responds by communicating these findings and regulatory expectations to life agents.

FSRA will continue its supervisory work through its 2025–26 Supervision Plan, which builds on the 2024-25 findings and focuses on:

- Enhancing reporting processes and its efficiency and transparency.

- Monitoring frequent transfers of sponsored life agents.
- Sharing supervision trends and preparing for the implementation of the MGA framework.
- Launching a Business Practice Compliance Questionnaire pilot questionnaire to assess life agent conduct and inform regulatory strategies.

FSRA expects insurers and MGAs to continue to strengthen oversight, improve reporting accuracy, and properly train and monitor life agents.

## Context – Life agent supervision

FSRA licenses and regulates over 60,000 life agents in Ontario. In 2023, over 80% of individual life insurance policies in Canada were purchased through a life agent<sup>1</sup>, highlighting the industry’s continued reliance on in-person advice-driven sales.

Under Ontario Regulation 347/04 (regulation) of the *Insurance Act* (“Act”), pursuant to section 12, insurers are required to establish and maintain a system that is reasonably designed to ensure that each life agent representing an insurer complies with the Act, the regulations, FSRA rules, and the requirements under their life agent licence. This insurer obligation exists for all distribution channels, including MGAs. Insurers are also required to report if they have reasonable grounds to believe that a life agent who acts on behalf of the insurer is not suitable to carry on business as a life agent.<sup>2</sup> Since March 2023, FSRA has been receiving reports from insurers and MGAs on the Life Agent Misconduct Report (“LAMR”) online portal.

FSRA supervises the insurance sector to ensure that it is upholding high standards of business conduct and protecting consumers’ rights and interests. FSRA expects life agents to treat consumers fairly, help understand what they are purchasing, and recommend

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<sup>1</sup> “Canadian Life & Health Insurance Facts – 2024 Edition”, page 12, the Canadian Life & Health Insurance Association.

<sup>2</sup> S. 12(3) of Ontario Regulation 347/04 of the *Insurance Act*.

products that meet consumers' needs. To meet these expectations, life agents are expected to clearly explain a product's features as outlined in the Canadian Council of Insurance Regulators (CCIR) *Conduct of Insurance Business and Fair Treatment of Customers* (FTC) Guidance<sup>3</sup> and industry best practices.

Through its [Life Agent Supervisory Framework](#), FSRA conducts:

- Proactive risk-based examinations of life agents, and
- Priority examinations of life agents reported as unsuitable by insurers and MGAs through the LAMR portal.

FSRA examinations monitor life agents:

- For compliance with the Act, the regulations, and FSRA rules, including the Unfair or Deceptive Acts or Practices (UDAP) Rule, and
- For practices that demonstrate they are treating consumers fairly - as outlined in FTC Guidance and industry best practices—which includes offering appropriate advice, managing conflicts of interest, and prioritizing consumers' interests.

As a principles-based regulator, FSRA adopts a risk-based, outcomes-focused approach. It prioritizes transparency by clearly communicating examination results to life agents. Each year, FSRA outlines its expectations, goals, and outcomes to the industry. To address non-compliance, FSRA employs a range of tools—from education and collaborative problem-solving skills with life agents and insurers, to enforcement actions such as monetary penalties and licence revocations.

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<sup>3</sup> [CCIR Conduct of Insurance Business and Fair Treatment of Customers Guidance](#)

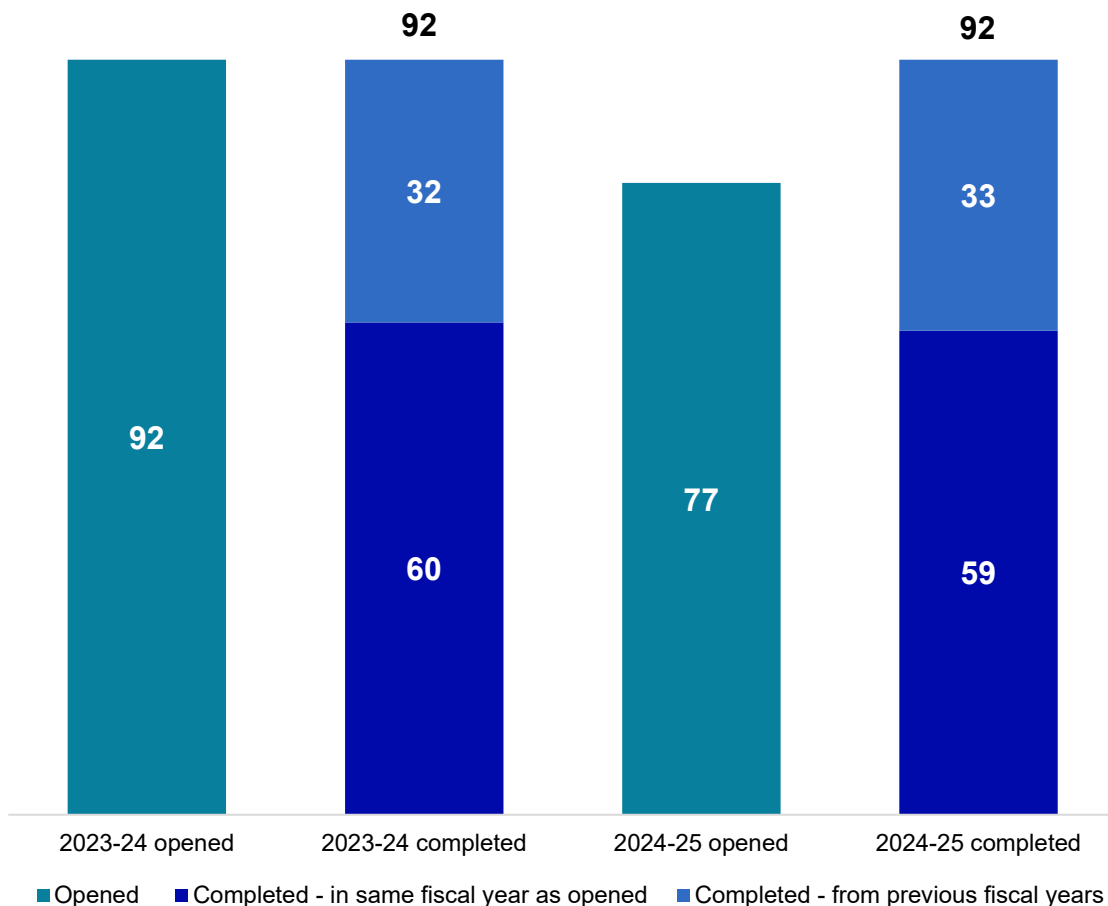
## Number of examinations and LAMRs – Year-over-year

In 2024-25, the Life Agent Unit commenced evaluations of 163 life agents resulting in 77 examinations. The sources were:

- 10 referrals from other areas of FSRA, all of which were examined.
- 153 reviews initiated for life agents identified as high-risk due to a LAMR filing, which resulted in 67 examinations.

Details on the volumes of the evaluations are set out below, followed by details of supervision findings, trends and actions.

### Examinations conducted (year-to-year) comparison



The Life Agent Unit opened examinations for 77 life agents in 2024-25, a 16% decrease from the 92 it opened in 2023-24. The decline reflects FSRA's decision to redirect resources towards addressing the increase in the number of LAMRs reviewed, as detailed later in this report. An additional breakdown of the examinations opened is as follows:

- 10 (13%) examinations were opened following referrals from other areas of FSRA.
- 67 (87%) of the examinations were opened as a result of life agents being identified as high-risk due to a LAMR filing<sup>4</sup>.

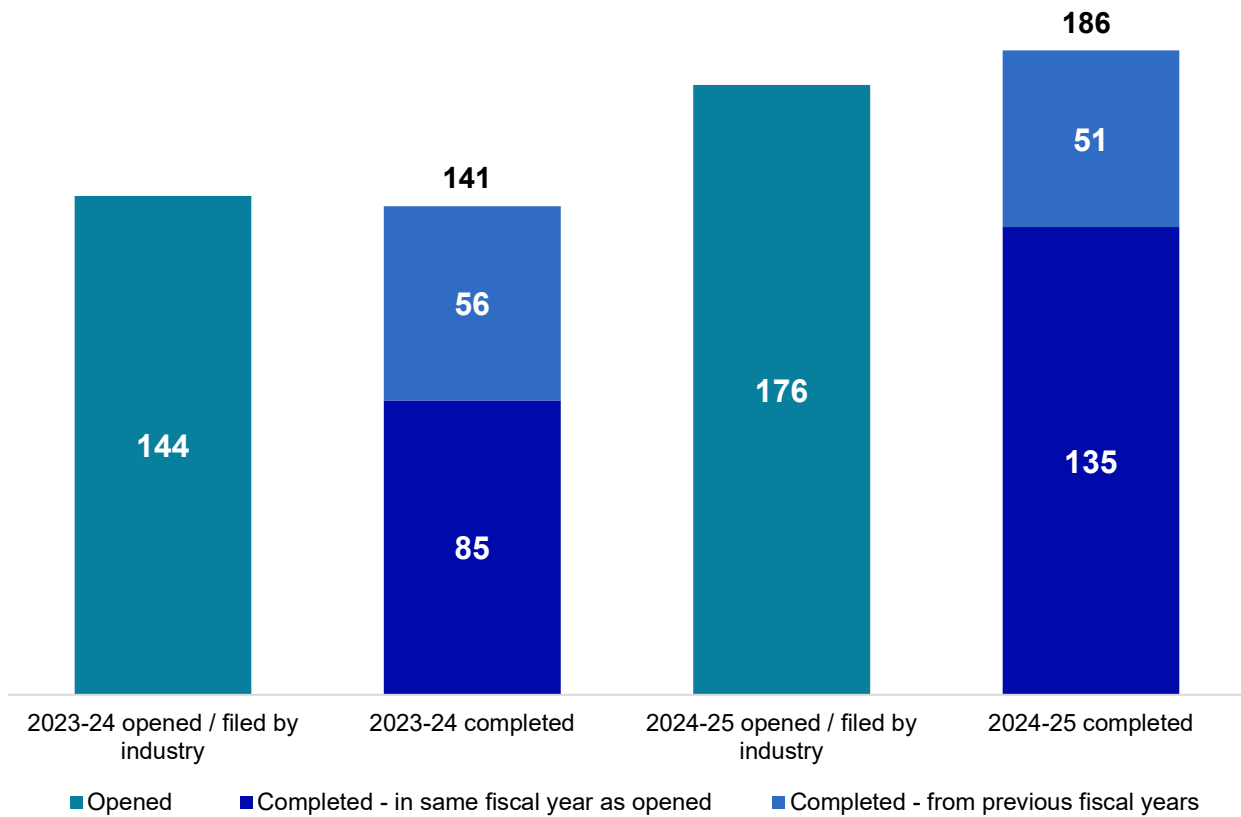
In total, the Life Agent Unit completed 92 examinations in 2024-25

- It opened and completed 59 of the 77 examinations opened in 2024-25.
- It completed 33 that were carryovers: 30 from 2023-24 and 3 from 2022-23.

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<sup>4</sup> FSRA does not conduct an examination for each life agent who has a LAMR filed. The LAMRs Action section of this report shows that some life agents let their licences lapse, surrender them, or fail to respond so FSRA cannot proceed with an examination.

### LAMRs reviewed (year-to-year comparison)



In 2024-25, 176 LAMRs were filed with FSRA by 14 insurers and 5 MGAs<sup>5</sup>, marking a 22% increase from the number filed in 2023-24

- These LAMRs reported on the conduct of 153 life agents, with FSRA receiving multiple LAMRs for 17 life agents.

<sup>5</sup> Since 2020-21, when FSRA incorporated the LAMR reviews under the Life Agent Supervisory Framework, 26 insurers and 11 MGAs have submitted LAMRs. FSRA estimates that 14 insurers representing 32% of those who declared having contracted agents have never submitted a LAMR. Insurers reported having “life agent contracts” is based on 2023 data filed by insurers through the CCIR Annual Statement of Market Conduct.

In total, the Life Agent Unit completed 186 LAMR reviews in 2024-25.

- Of the 176 LAMRs filed, 135 reviews were started and completed in 2024-25.
- 51 reviews were carryovers – 45 from 2023-24 and 6 from 2022-23.

## About the life agents reviewed

As noted, in 2024-25, the Life Agent Unit initiated evaluations of 163 life agents<sup>6</sup>. Below are the characteristics of the life agents reviewed<sup>7</sup>:

- 25% of the life agents examined self-reported as being part-time.
- 52% (80) of the 153 life agents reported through LAMRs remain licenced.
- Almost 37% (57) of the 153 life agents reported through LAMRs were sponsored at the time of reporting, most of them being licenced for no more than two years.
- Approximately 31% of the 153 life agents reported through LAMRs have held a licence for 2-5 years; close to 26% have held a licence for over five years; and about 11% have been licenced for more than 20 years.

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<sup>6</sup> FSRA received LAMRs on 153 life agents and opened an additional 10 examinations for life agents, following referrals from other areas of FSRA.

<sup>7</sup> Approximate numbers and numbers may not all add, given, for example limitations to licencing system, when life agents leave and re-apply for a licence.

## Sponsored life agent transfers

FSRA has heard from industry stakeholders that life agents frequently switch between insurers and MGAs after termination. Creating challenges in oversight and accountability, this practice is often referred to as “rolling of bad apples”. Among the 57 life agents who had sponsorship when they were reported in a LAMR, 51% (29) transferred their sponsorship to a new insurer during their sponsorship period. Of those, 76% (22) transferred once, 17% (5) transferred twice, and 2 life agents transferred three times. As of March 31, 2025, 13 or 22%, of the sponsored life agents remain sponsored and authorized to sell.

In 2025–26, FSRA will implement new processes to monitor sponsorship transfers, as outlined in the Supervision Plan later in this report.

### Industry call to action

When sponsoring life agents who are already licenced and subject to sponsorship requirements, insurers should carefully review each life agent request. They should ask the life agent whether they are aware of any consumer complaints or LAMRs filed against them and consider contacting previous sponsors of the life agent.

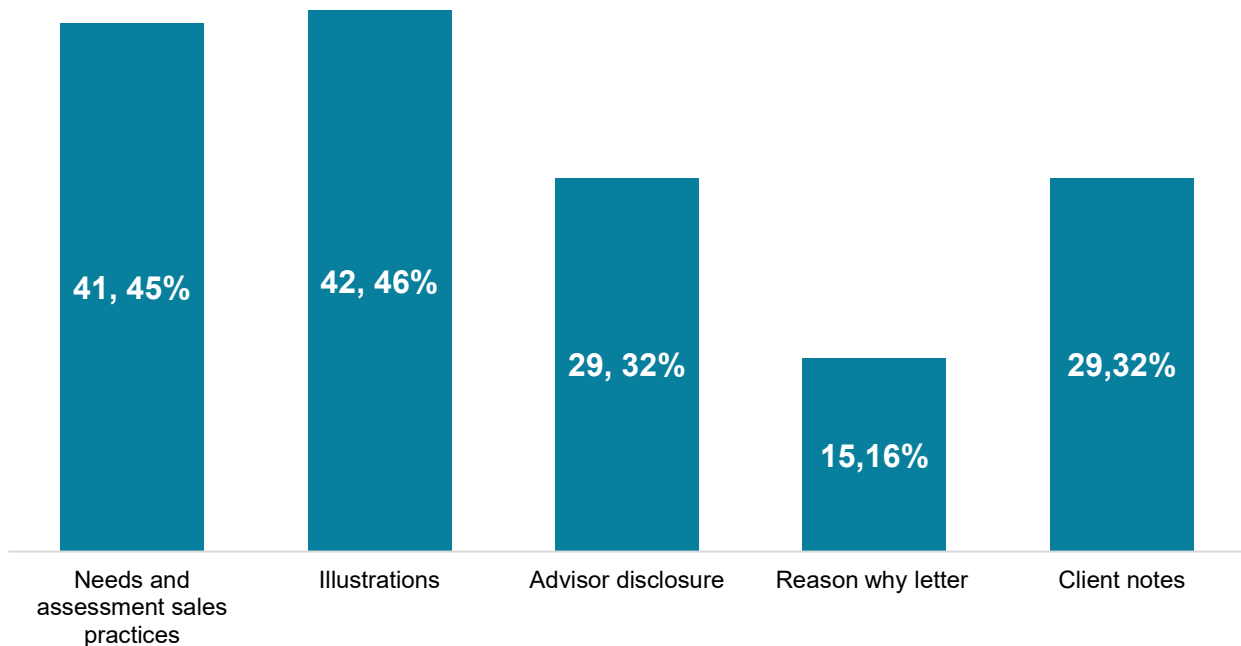
## Supervision findings and trends

### Examinations – Business best practice issues identified

Life agents who follow compliance requirements and business best practices<sup>8</sup> help ensure that consumers receive insurance products suited to their needs. These practices guide life agents in providing advice and recommendations to consumers. When life agents fail to follow business best practices there is a greater risk of consumers purchasing products that do not meet their financial or coverage needs.

The chart below highlights six key business best practice issues identified by FSRA during 92<sup>9</sup> life agent examinations completed in 2024-25:

**Life agent business practice issues – 2024-25**



<sup>8</sup> The Approach (Serving the Client Through Needs-Based Sales Practice) by the Canadian Life & Health Insurance Association is used as reference for Best Practices. Best Practices are reviewed when looking at client files during an examination.

<sup>9</sup> The breakdown of the 92 examinations is 59 opened and completed in 2024-25, and 33 carried over and completed from 2023-24 and 2022-23.

- **Needs and assessment sales practices:** 41 life agents (45%) did not apply needs-based sales practices, which help identify appropriate products and coverages based on each consumer's needs.
- **Illustrations:** 42 life agents (46%) failed to complete product illustrations, which show how a policy's value evolves over time and explain the assumptions behind those values.
- **Advisor disclosure:** 29 life agents (32%) did not provide complete advisor disclosures. Life agents must provide consumers with written disclosures<sup>10</sup> regarding insurer representations and potential conflicts of interest. These disclosures should include information about the agent's licencing jurisdiction, compensation structure, and distribution channels.
- **Reason why letters:** 15 life agents (16%) did not issue "reason why" letters to consumers, which explain the rationale behind recommending a specific financial product or insurance policy.
- **Client notes:** 29 life agents (32%) failed to maintain meeting notes, which document their consumer interactions, the steps that life agents took to inform consumers, and which support the suitability of their advice.

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<sup>10</sup> Ontario Reg 347/04 S.15 (1), (2) and 16.

## Additional findings:

While FSRA does not directly regulate compliance with the *Personal Information Protection and Electronic Documents Act* (PIPEDA)<sup>11</sup> or the *Financial Transactions and Reports Analysis Centre of Canada* (FINTRAC)<sup>12</sup>, it expects life agents to comply with all applicable laws and regulatory requirements.

As part of each examination, FSRA conducts a limited-scope assessment of a life agent's adherence to PIPEDA and FINTRAC obligations. For PIPEDA, life agents are asked about the security safeguards they have in place to protect consumers' personal information, whether they have established privacy policies and procedures, and how frequently they review them. For FINTRAC, life agents are asked if and when FINTRAC training has been received, whether they have policies and procedures, and if the policies and procedures include the correct reporting deadlines for suspicious transactions, terrorist property, and large cash transactions.

Based on the 92 life agent examinations completed in 2024-25, it was found that 61 life agents (66%) are likely not adhering to certain aspects of their PIPEDA and FINTRAC obligations.

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<sup>11</sup> PIPEDA is a Canadian federal law that regulates how private sector organizations collect, use, and disclose personal information in the course of their commercial activities. It applies to businesses across Canada, except for Quebec, British Columbia, and Alberta, which have their own provincial privacy laws.

<sup>12</sup> FINTRAC is Canada's financial intelligence unit and anti-money laundering and anti-terrorist financing supervisor, which ensures the compliance of businesses subject to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and generates actionable financial intelligence for Canada's law enforcement and national security agencies while ensuring the protection of personal information under its control.

## Industry call to action

FSRA urges insurers to review their compliance systems and ensure life agents recommend insurance products that meet consumer needs. Following business best practices and maintaining supporting documentation not only demonstrates compliance but also protects consumers by ensuring they receive appropriate advice and products.

The outcome FSRA is seeking is the fair treatment of consumers - consumers receiving advice that is suitable based on their needs and circumstances from life agents who are appropriately trained and monitored by insurers.

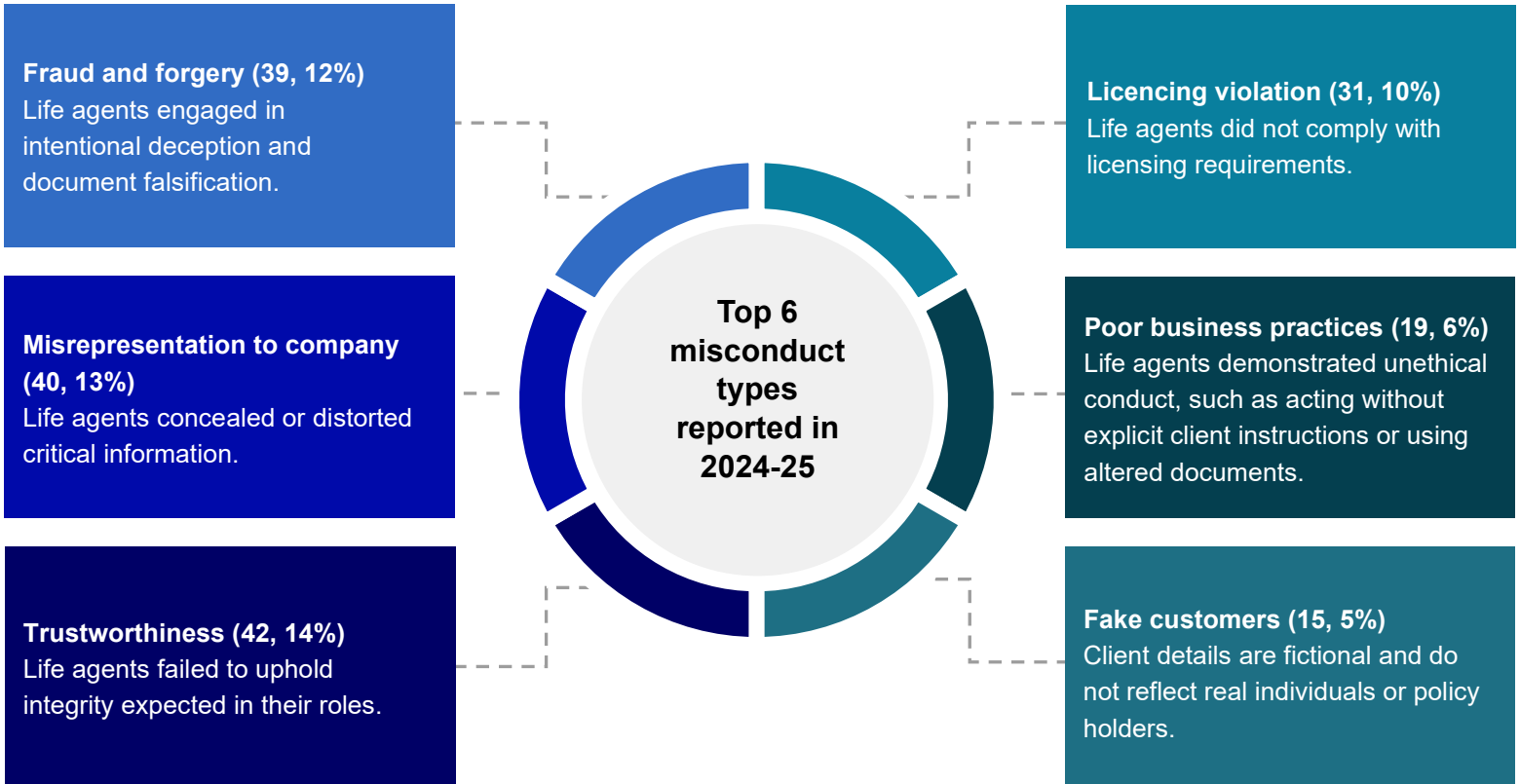
## LAMR misconduct reported by insurers and MGAs

FSRA appreciates the ongoing efforts of insurers and MGAs to identify and report unsuitable life agents. In the 2024–25 reporting period, the most frequently reported misconduct reflects ongoing challenges in maintaining ethical and professional standards across the industry.

The diagram below highlights the top six types of alleged life agent misconduct reported to FSRA through the 176 LAMRs filed in 2024-25, as reviewed by the Life Agent Unit.<sup>13</sup> This conduct constitutes serious breaches of the Act, the regulations, or FSRA rules, and often results in significant consumer harm. Insurers and MGAs often report multiple types of misconduct in a single LAMR when reporting a life agent. Most of the LAMRs received by FSRA during the reporting period included more than one allegation, in total 310 misconduct allegations were reported in the 176 LAMRs filed. For a complete list of misconduct types by category, refer to Appendix 1.

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<sup>13</sup> FSRA analyzed the filed allegations to present a clear and useful summary. In some cases, filers selected “Other” as the allegation but provided a written description that matched standard categories. FSRA reclassified these accordingly or created a new category for presentation purposes. The LAMR online platform, used by filers, is periodically updated to reflect new allegation categories.



FSRA also identified several discrepancies between the misconduct types selected during LAMR filing and the outcomes ultimately concluded by FSRA. Some examples include:

- 3 cases were filed as:
  - *Misrepresentation to Company and Trustworthiness*
  - FSRA concluded these cases involved potential *Fraud*

- Although several LAMRs were submitted under the “Other” category, FSRA identified 2 that were miscategorized. FSRA determined the actual issues were:
  - *Improper Paperwork – Pre-signed Forms*
  - *Misrepresentation to Company*
  - *Conflict of Interest*
- 3 LAMRs were reported as:
  - *Inducements, Fraud/Forgery, and Privacy/Confidentiality*
  - FSRA concluded these were cases of Misrepresentation to Company

### **Industry call to action**

These discrepancies highlight the need for consistent application of FSRA’s misconduct definitions by insurers and MGAs during the LAMR filing process. FSRA encourages insurers and MGAs to review the definitions carefully and, if uncertainty remains contact FSRA for clarification.

## Key trends identified from LAMRs

When misconduct is reported through a LAMR, FSRA promptly reviews the matter to determine whether there have been violations of the Act, the regulations, or FSRA Rules. Where appropriate, FSRA takes enforcement action. In addition, a notation is added in the licencing system for each life agent reported through a LAMR. This ensures the matter remains on record and may be subject to future review. See the Enforcement Action section of the report for information on enforcement actions taken by FSRA.

Based on its review of the misconduct reported through LAMRs, FSRA identified several key trends in 2024-25 which are summarized in the table below. With more than 60,000 life licensed agents in Ontario, FSRA is calling on industry to correct these practices which do not serve consumers' interests.

## Trends and industry calls to action

### **Trend: Client policy conversion without consent – Trustworthiness**

- FSRA received reports of life agents transferring clients from employer-sponsored group investment or pension plans into an insurer's investment products without obtaining client consent. These actions were often motivated by bonuses tied to product conversions. This trend tends to occur where client consent verification systems are weak or absent.

### **Industry call to action**

- FSRA encourages insurers to review their verification systems and compensation practices to prevent unauthorized consumer transfers and to report any life agents engaged in this practice to FSRA.

### **Trend: Fake customers – Misrepresentation to insurers**

- FSRA received reports of life agents submitting policies under fake customer names and other false information, including identification, addresses, and phone numbers. Reports also identified situations where premiums were paid from a common bank account for unrelated customers. These policies typically lapse or are cancelled. Life agents appear to be incentivized to increase commissions and obtain other benefits associated with high sales volumes. This trend is most common in sales channels with limited identity verification or underwriting processes.

### **Industry call to action**

- FSRA urges insurers to proactively review their distribution arrangements and strengthen life agent oversight. Insurers should implement point-of-sale controls to prevent issuing policies to fake customers or based on false information. These measures will help avoid financial losses, protect consumers, and uphold the industry's reputation.

### **Trend: Sales in other jurisdictions – Licencing violation**

- FSRA received reports of life agents conducting sales activities for Ontario consumers when they are not licenced in Ontario, or Ontario-licenced life agents not physically being in Ontario when conducting sales.

### **Industry call to action**

- FSRA encourages insurers to ensure that life agents obtain licences in accordance with the law in every province where they serve consumers or conduct business<sup>14</sup>. Unlicensed life agent activity in Ontario should be reported to FSRA.

### **Trend: Fronting – Misrepresentation to client**

- FSRA received reports of life agents misrepresenting their involvement in the sale of insurance policies by either allowing unlicensed individuals to conduct the sale on their behalf, or by listing themselves or other licenced life agents who were not involved in the initial sale as the life agent of record, contrary to regulatory expectations. While changes to the life agent of record during the policy term are permitted under certain conditions, misrepresenting the original sale process remains a concern.
- This is a deceptive, fraudulent practice that can lead to policyholder confusion, the denial of claims, and significant harm as consumers may receive unsuitable advice or be sold inappropriate polices by unlicensed actors.

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<sup>14</sup> Effective January 1, 2026, under the Ontario government's new "As of Right" framework, a life agent licensed in another jurisdiction can apply through a streamlined process to begin working in Ontario. This will allow workers to work for a one-time, six-month period while the regulatory authority makes a full registration decision.

### **Industry call to action**

- FSRA urges insurers to ensure life agent training and monitoring clarifies that consumers should only be working with licenced life agents, and that life agents should accurately report who made a sale on the documents submitted to the insurer. Report any life agents engaged in the practice to FSRA.

### **Trend: Borrowing from clients – Conflict of interest**

- FSRA received reports of life agents borrowing funds from their clients, which is prohibited as undermines the life agent's duty to act in the client's interest. Many of the life agents held multiple financial services licences.

### **Industry call to action**

- FSRA urges insurers to ensure life agents have practices in place to appropriately manage the risks of conflicts of interest and to report any life agents engaged in the practice to FSRA.

## Comparison of trends

FSRA has found that supervision trends seen through examinations and LAMRs closely align with those identified through its consumer complaints process. FSRA's top consumer complaint trends in 2023-24 included:

- Life agents failing to maintain appropriate licencing or meet ongoing regulatory requirements.
- Concerns about the sale and distribution of policies, particularly whether the products are suitable for individual consumer needs.

New emerging complaint trends from 2023-24 were:

- Misrepresentation: Consumers reported receiving incorrect or misleading information at the point of sale.
- Unsuitable advice: Consumers expressing frustration when they discover that the product they purchased does not meet their needs or expectations.
- UDAP issues specifically related to sales conduct and ethical concerns.

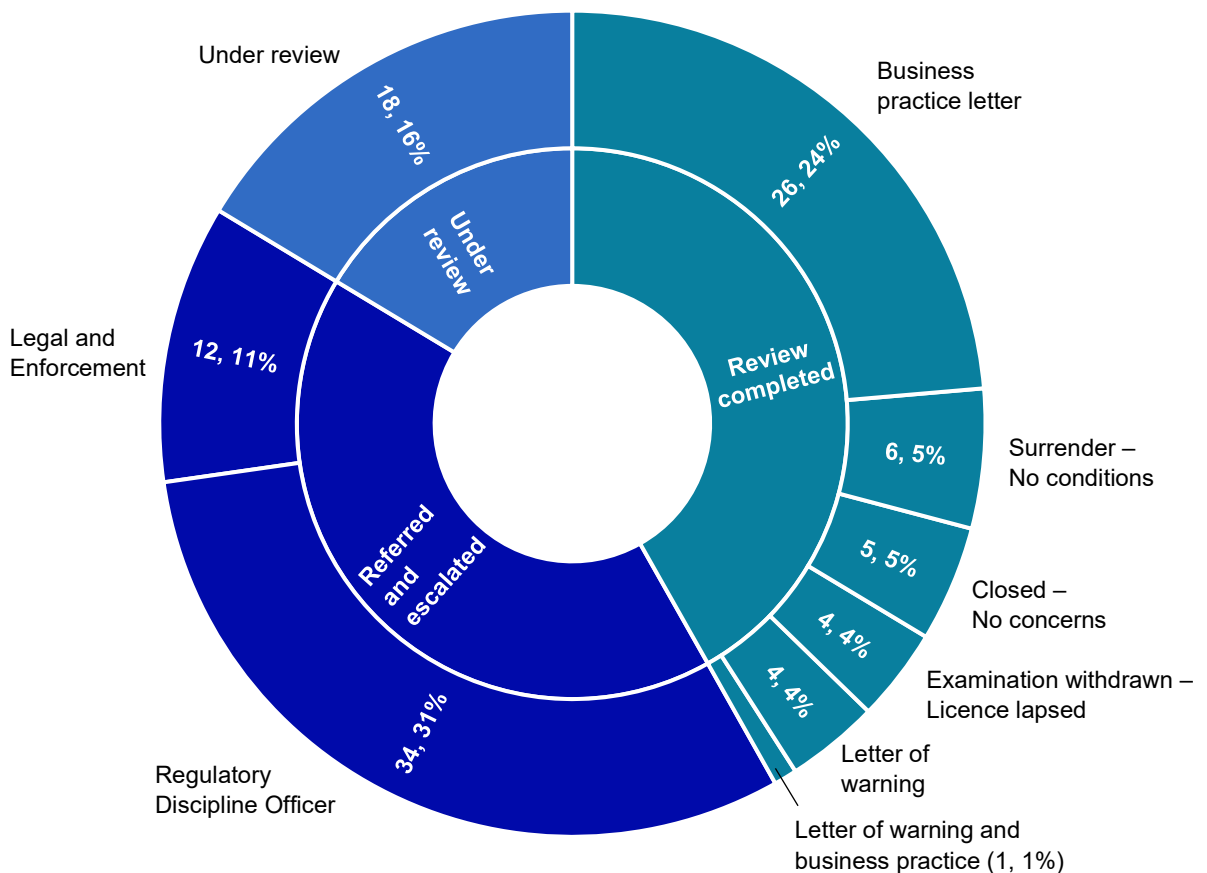
The supervision trends are also consistent with complaints reported to insurers through the CCIR Annual Statement of Market Conduct. For example, in 2023, insurers reported 66 complaints in Ontario related to alleged misleading statements or misrepresentation.

## Actions taken by FSRA

The outcome FSRA is seeking through its life agent supervision activities is the fair treatment of consumers. This means consumers receive advice that is suitable based on their needs and circumstances from life agents who are appropriately trained and monitored. The Life Agent Unit conducts examinations and LAMR reviews that may lead to various actions as described below.

### Examination actions

**Life Agent Unit examination actions – 2024-25**



Total examinations – 110

Total actions taken – 92

The Life Agent Unit completes an examination in a median of 70 business days. The process involves multiple steps and interactions with the life agent, including the life agent completing a questionnaire, FSRA reviewing client files, and conducting an interview of the life agent.

At the end of 2024–25, based on 110 examinations<sup>15</sup>, Life Agent Unit actions included:

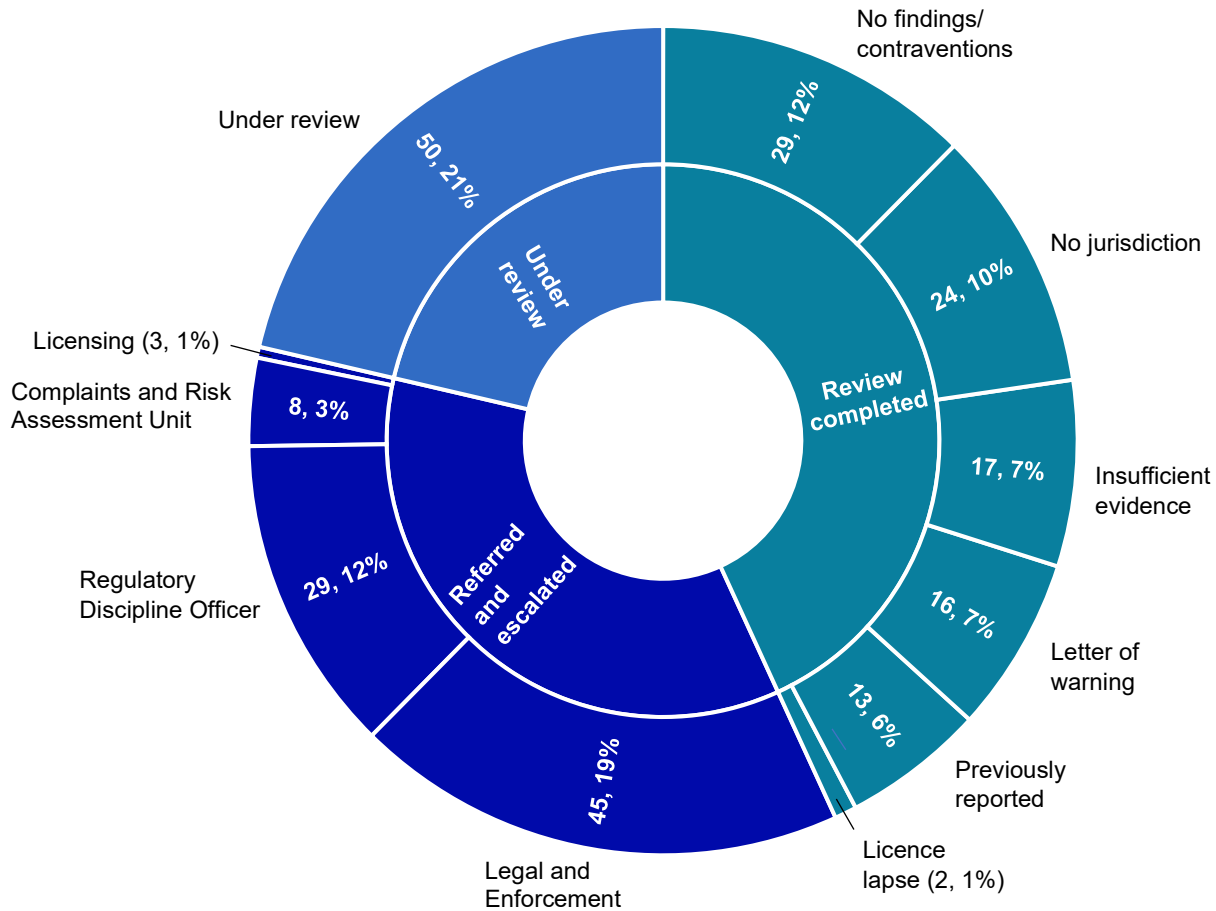
- 46 examinations (42%) were escalated to other units, such as Legal and Enforcement or to a Regulatory Discipline Officer,
- 26 (24%) examinations resulted in Business Practice Letters being issued to the life agents,
- 18 examinations (16%) were under review at the end of the fiscal year,
- 10 examinations (9%) had no findings, as the review could not be completed due to changes in the life agent's licence status. In these instances, life agents either lost their licence (e.g., sponsored life agents whose sponsorship ended) or voluntarily surrendered it at the start of the examination process (either through lapse or unconditional surrender),
- 5 examinations (5%) were completed with no concerns identified,
- 5 examinations (5%) resulted in Letters of Warning<sup>11</sup> being issued to the life agents.

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<sup>15</sup> The total number of examinations opened in 2024-25 was 110, however, 18 examinations were not completed by fiscal year end. The percentages are based 110 examinations.

# LAMR actions

## Life Agent Unit LAMR actions – 2024-25



Total LAMRs – 236      Total actions taken – 186

At the end of 2024–25, the Life Agent Unit had reviewed 236 LAMRs<sup>16</sup>, including 77% (135) of the 176 LAMRs filed with FSRA for 2024-25. Actions taken include:

- 74 LAMRs (31%) were escalated:
  - 29 (12%) to a Regulatory Discipline Officer.
  - 45 (19%) to Legal and Enforcement for action based on potential contraventions of the Act, its regulations or FSRA rules.
- The Life Agent Unit referred 11 (3%) LAMRs to other FSRA units, because the reported misconduct fell outside its mandate:
  - 8 (3%) were transferred to the Complaints & Risk Assessment Unit.<sup>17</sup>
  - 3 were transferred to the Licensing Unit<sup>18</sup> for appropriate review. Outcomes included licensing surrenders with conditions.
- 46 LAMRs (19%) of the LAMRs reviewed had no findings or there was insufficient evidence of non-compliance with the Act, the regulations, or FSRA rules. For these LAMRs, either the filer failed to provide supporting documentation, or the evidence did not substantiate a contravention. FSRA's actions for these LAMRs is a notation in the licencing system, which is done for each life agent reported through a LAMR. This ensures the matter remains on record and may be subject to future review.

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<sup>16</sup> The total number of LAMRs reviews in 2024-25 was 236, however, 50 LAMR reviews were not completed by fiscal year end. The percentages are based on the actions taken for 236 LAMRs.

<sup>17</sup> FSRA's Complaints & Risk Assessment Unit is responsible for reviewing and responding to consumer complaints, as well as risk assessments related to licences other than Life and A&S insurance licences.

<sup>18</sup> FSRA Licensing is responsible for reviewing and approving new and renewal licence applications across the five FSRA regulated sectors.

The Life Agent Unit takes a median of 110 business days to review a LAMR and decide on the appropriate action. This timeline reflects:

- The frequent communication with the filer to gather additional information, and
- Potential outreach to other insurers, MGAs, policyholders, other individuals and the life agent involved.

Reviews may take longer when allegations are complex or when filers and others involved need more time to provide supporting evidence. When FSRA receives a LAMR, we promptly review the supporting evidence.

When the Life Agent Unit completes its review of a LAMR, it notifies the filer and outlines any applicable next steps. If FSRA takes enforcement action, it publishes the information on its website and informs the filer of the public notice.

### **Industry call to action**

To ensure a thorough assessment by FSRA, insurers and MGAs must provide all relevant records and information that support their analysis and report. FSRA may request additional information as necessary.

It is also essential that insurers and MGAs conduct a comprehensive investigation into the circumstances surrounding the misconduct before filing a LAMR, so that both insurers and MGAs, and FSRA, fully understand the associated risks and the appropriate action can be undertaken to address them.

## Enforcement action

FSRA takes a progressive and proportionate approach to enforcement, tailoring its actions to the evidence and unique circumstances of each case. Where appropriate, FSRA may propose licence sanctions (licence revocation, refusal, suspension, or conditional licence), compliance orders, or administrative monetary penalties. Enforcement sanctions proposed by FSRA may be subject to a hearing at the Financial Services Tribunal.

FSRA may consolidate related supervision information, including LAMRs, complaints, and other reports, to support comprehensive action. In some cases, FSRA handles multiple LAMRs together, resulting in a single enforcement action and proportionate sanction against the life agent and others involved in the misconduct.

FSRA reports enforcement action and outcomes in its Annual Reports<sup>19</sup>. In fiscal 2024-25:

- Legal and Enforcement imposed 27 sanctions in the life and health insurance sector, including 16 licence sanctions and 6 administrative monetary penalties totalling \$232,000. Overall, this marked a material increase from the prior fiscal year where 15 sanctions were imposed and reflects increased LAMR submissions and supervisory scrutiny.
- Legal and Enforcement proposed 28 sanctions in the life and health insurance sector, including 21 proposals to revoke or refuse a licence and 7 proposals to AMP, compared to 11 initiated actions in the prior year.

Enforcement actions resulting from LAMRs and otherwise are available in FSRA's public searchable [enforcement database \(Enforcement actions and warnings\)](#).

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<sup>19</sup> FSRA Annual Reports include information on enforcement actions taken by Legal and Enforcement and Market Conduct.

## 2024-25 supervision findings and concluding comments

FSRA's 2024–25 supervision activities underscore the importance of robust oversight in the life and health insurance sector. The findings reveal ongoing challenges in life agent conduct and highlight the need for continued vigilance by insurers, MGAs, and FSRA alike.

As FSRA moves into 2025–26, it will enhance its supervisory tools, deepen engagement with industry stakeholders, and focus on high-risk areas to ensure that life agents act in the best interests of consumers. The planned initiatives, including improved LAMR processes, monitoring of life agent transfers, and proactive examinations, reflect FSRA's commitment to transparency, accountability, and consumer protection.

By fostering a culture of compliance and ethical conduct, FSRA aims to strengthen public trust in the life and health insurance industry and ensure that Ontarians receive fair, suitable, and informed advice from licenced life agents.

## 2025-26 Supervision Plan

Since launching the Life and Health Insurance Agent Supervisory Framework in March 2022, FSRA has made progress in working with industry to ensure consumer protection. The number of LAMRs FSRA received each year have steadily increased, along with the number of insurers and MGAs submitting these reports. FSRA also targets high-risk life agents through its proactive examination program and has piloted thematic reviews, for uncovering broader trends in the industry.

As a principles-based regulator, FSRA applies a risk-based, outcome-focused approach to supervision. It aligns its regulatory activities and resource allocation with the level of risk to consumers and its regulatory objectives. The 2025–26 Supervision Plan reflects this approach and builds on a comprehensive review of the life agent supervision program, which FSRA has operated since establishing the Life Agent Unit in 2021.

The supervision priorities for 2025-26, focus on three main areas.

### LAMRs – Improve effectiveness of program

Description	Target outcome
<p><b>LAMR process improvements, FSRA will:</b></p> <ul style="list-style-type: none"> <li>• Adopt a more interactive approach at the initial stage of LAMR filings, engaging with filers early to clarify details and provide guidance on supporting information.</li> <li>• Enhance transparency with the industry by providing more frequent updates on review timelines and the status of LAMR reviews while with the Life Agent Unit.</li> </ul>	<p>Improved efficiency and effectiveness of program</p>

- Strengthen internal coordination to support more efficient escalation to FSRA enforcement or other teams for review and potential action.

**Engagement with industry, FSRA will:**

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Publish an annual supervision plan and enhance the information included in its supervision reports.</li> <li>• Pilot holding meetings with certain LAMR filers to review and discuss the outcomes of FSRA’s work.</li> <li>• Improve the feedback loop with LAMR filers by clearly communicating enforcement actions and outcomes.</li> </ul> | <p>Strengthening transparency and improving the feedback loop with industry stakeholders</p> |
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**Rolling bad apples: Life agents switching insurers/MGAs**

FSRA has heard from industry stakeholders that life agents often switch between insurers and MGAs following terminations, creating challenges in oversight and accountability.

Description	Target outcome
<ul style="list-style-type: none"> <li>• In 2025-26, FSRA will monitor the movement of over 200 life agents identified through the LAMR program since 2023, with a particular focus on those that are sponsored. FSRA will report the aggregate data on these movements.</li> <li>• When reviewing a LAMR, FSRA contacts all insurers the life agent currently works with or has worked with to request any information that may assist in the review.</li> </ul>	<p>Helping ensure life agents are suitable to be conducting business</p>

- FSRA’s actions do not replace the insurer’s obligation to ensure that sponsored or contracted life agents are suitable to be licenced.

## Proactive supervision: Sharing trends and preparing for the MGA framework

Description	Target outcome
<p><b>Sharing of trends</b></p> <ul style="list-style-type: none"> <li>• Based on the supervision trends identified in 2024-25 (shared earlier in the report), FSRA urges the industry to review their business practices and prevent similar trends from emerging within their life agent population. FSRA also invites the industry to proactively share any emerging trends.</li> </ul>	<p>Industry action on identified trends</p>
<p><b>Risk-based examination program:</b></p>	
<ul style="list-style-type: none"> <li>• FSRA will continue its established practice of conducting examinations based on referrals from the licencing, complaints, and life companies units. It will also examine life agents identified through the LAMR program. Additionally, FSRA will consider examining life agents whom consumers identify as failing to comply with the title protection framework.</li> </ul>	<p>Reviewing life agents identified as higher risk</p>
<ul style="list-style-type: none"> <li>• In 2024–25, over 80% of LAMRs involved life agents contracted with MGAs. In response, and in light of proposed legislative amendments to regulate MGAs, FSRA is prioritizing examinations of these life agents.</li> </ul>	<p>Deepening FSRA’s understanding of life agent conduct in the MGA channel</p>

## **Business Practice Compliance Questionnaire (BPACQ)**

The BPACQ is a life agent questionnaire that serves as a supervisory attestation tool, distinct from an examination. It communicates regulatory expectations directly to life agents, and FSRA will use the data it collects to inform and support its regulatory initiatives.

- FSRA will launch a BPACQ pilot of some life agents that have previously been subject to a LAMR or thematic review. FSRA will compare BPACQ results with findings from previous supervision activities.

Learn about BPACQ outcomes, resource implications for FSRA, and transparency for industry on the business practices of previously reviewed life agents.

FSRA is of the view that the supervisory focus areas and targeted outcomes above align with current marketplace risks for consumer harm and priority areas identified by industry. FSRA will continue to be transparent in its work by engaging with stakeholders throughout the course of the Supervision Plan and reporting on the outcomes of the planned work.

## Appendix 1 - LAMR misconduct reported by insurers and MGAs

FSRA analyzed the filed allegations to present a clear and useful summary. In some cases, filers selected “Other” as the allegation but provided a written description that matched standard categories. FSRA reclassified these accordingly or created new categories for presentation purposes. The LAMR online platform, used by filers, is periodically updated to reflect new allegation categories.

Allegation reported	Count,% <sup>20</sup>	Allegation reported	Count,%
Trustworthiness	42, 14%	Churning	4, 1%
Misrepresentation to Co.	40, 13%	Replacements	4, 1%
Licensing violation	31, 10%	AML/terrorist financing	3, 1%
Fraud	22, 7%	Holding out violation	3, 1%
Poor business practice	19, 6%	Criminal charges/convictions	3, 1%
Forgery	17, 5%	Rebating	3, 1%
Fake customers	15, 5%	Inducements	2, 1%
Conflict of interest	15, 5%	Premium rebating	2, 1%
Misrepresentation to client	15, 5%	Twisting	2, 1%
Other <sup>21</sup>	15, 5%	Coercion	1, 0%
Life agent non-cooperative	12, 4%	Product suitability	1, 0%
Fronting	11, 4%	Tied selling	1, 0%
Privacy/confidentiality	10, 3%	Trafficking in insurance	1, 0%
Improper paperwork	7, 2%	Undue influence	1, 0%
Termination due to business decision	7, 2%	Bankruptcy or consumer proposal	1, 0%

<sup>20</sup> Numbers may not add due to rounding

<sup>21</sup> Undisclosed, terminated by another Insurer/MGA, no investigation done by insurer, disciplinary action, previously reported.

