



Market Conduct: Life and Health Insurance Agent Supervision Framework

March 2022

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Executive summary

People buy life insurance to protect themselves and their families from the unexpected. They put their savings into life insurance and insured wealth products to achieve security during retirement or in the face of unforeseen events. In 2020, there were 8.4¹ million people in Ontario with life insurance coverage through individual insurance policies or workplace benefit plans. That's nearly 60% of the province's population. A total of \$8.2² billion in individual life insurance premiums was paid in 2020. The average size of a new individual policy was \$483,000³.

Many Ontarians buy life insurance and insured wealth products through a life and health insurance agent ("life agent"). The Financial Services Regulatory Authority of Ontario (FSRA) regulates over 55,000 life agents in Ontario. The number of life agents licensed with FSRA increased 10% between December 31, 2020 and December 31, 2021.

How does FSRA protect life insurance consumers?

FSRA's key objects of supervision include promoting high standards of business conduct and protecting consumers' rights and interests. Consumers should expect life agents to treat them fairly. They should understand what they're buying and receive product recommendations that are suitable for their needs. That's why agents are expected to appropriately inform consumers about the characteristics of a product, as outlined in the *Guidance: Conduct of Insurance Business and Fair Treatment of Customers*⁴. Supervision is critical to ensuring that agents are doing this and putting consumers first.

A new approach to supervising life agents in Ontario

In 2014 the International Monetary Fund's review of Canada's observance of the Insurance Core Principles (ICPs) under the Financial Sector Assessment Program included two Ontario-specific recommendations. Those were: (1) to ensure the regulator has adequate resources for effective supervision of intermediaries; and (2) to conduct proactive

¹ [Canadian Life and Health Insurance Facts 2021 Edition](#), Appendix: 2020 Provincial Data

² Ibid

³ Ibid

⁴ [Guidance: Conduct of Insurance Business and Fair Treatment of Customers](#), Disclosure to Customer

conduct supervision. Prior to FSRA's formation, agent supervision in Ontario was primarily conducted on a reactive basis. A proactive desk review was last conducted in 2018.

FSRA has prioritized the development of a life agent supervision function. Specifically, in late 2020, FSRA established a new dedicated Life and Health Insurance Agent Unit ("Life Agent Unit") within its market conduct area. Throughout 2021, the Life Agent Unit has worked to develop a proactive Life and Health Insurance Agent Supervision Framework (the "Framework") to supervise life agents.

The Framework is rooted in the ICPs of the International Association of Insurance Supervisors ("IAIS") standards. This is the first ever supervision framework for life agents in Ontario. The Framework consists of:

- life agent risk profiling
- life agent examinations
- communications and enforcement actions
- reporting

FSRA's Life Agent Unit is responsible for carrying out supervision activities under the Framework. In 2021, the team examined 70 life agents through two pilot programs using a risk-based approach. Action was required in 49 cases (70%) suggesting a need for improvement in life agent compliance. These actions included licence surrenders, escalating to a Regulatory Discipline Officer ("RDO") for potential administrative monetary penalty ("AMP"), issuing letters of warning, and red-flagging on FSRA systems.

What's next

With a new Framework and a dedicated team, FSRA expects to conduct more proactive examinations on life agents in 2022-2023. The goal is to reach a reasonable and proportionate volume based on the number of licensed agents in Ontario. Later in 2022, we will consult with stakeholders on how to improve the life agent reporting process, the target examination volume that FSRA should ultimately work toward, and how to best integrate industry best practices for agents into the Framework.

Introduction

FSRA is an independent regulatory agency that places a strong emphasis on improving consumer protection in Ontario. FSRA promotes high standards of business conduct and good administration of wealth and insurance products by regulating financial services sectors, including life and health insurance.

Life and health insurance agents (“life agents”) are intermediaries who sell and service insurance products on behalf of approximately 70 insurance companies licensed in Ontario. FSRA licenses and supervises over 55,000 life agents who play a vital role in ensuring Ontarians have access to the advice and products they need to financially protect themselves and their families.

On January 1, 2021, FSRA implemented *Guidance: Conduct of Insurance Business and Fair Treatment of Customers* (“FTC Guidance”) adopted by the Canadian Council of Insurance Regulators (“CCIR”) and the Canadian Insurance Services Regulatory Organizations (“CISRO”). The FTC Guidance sets expectations for the conduct of insurers and other entities FSRA regulates under the *Insurance Act* with respect to the fair treatment of customers.

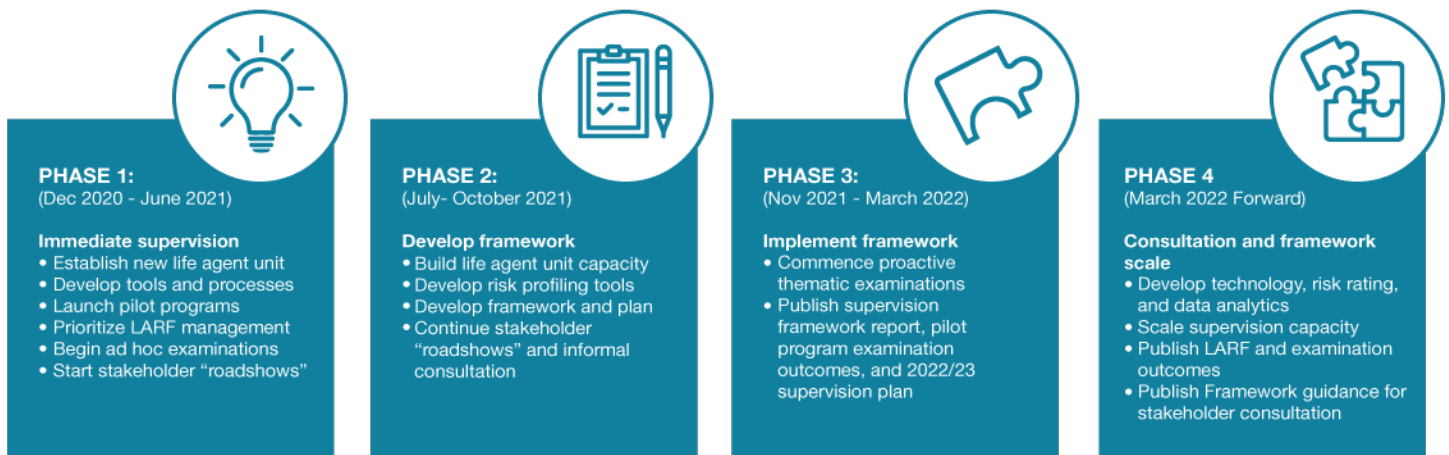
The FTC Guidance requirements and expectations apply to all insurance licensees, including life agents. Life agent suitability is essential in achieving fair treatment of customers. This starts with screening life agents for suitability, and it continues with monitoring their business practices throughout their careers.

As a key deliverable of FSRA’s *Statement of Priorities*, a new dedicated Life and Health Insurance Agent Unit (“Life Agent Unit”) was created within FSRA’s market conduct area in late 2020 to develop and implement the Life and Health Insurance Agent Supervision Framework (the “Framework”). The Framework is rooted in existing regulatory requirements and expectations of life agents and comprises the following four key elements:

1. life agent risk profiling
2. life agent examinations
3. communications and enforcement actions
4. reporting

Over the course of 2021, FSRA developed the Framework in phases while staffing the Life Agent Unit. This phased approach allowed FSRA to actively supervise life agents while also developing the risk profiling and examination tools required under the Framework. This phased approach to the development and implementation of the Framework is detailed below.

Phased approach to framework development



December 2020 – June 2021: Phase one - Life agent supervision 2021/22

Prior to the formation of the Life Agent Unit in 2020, there had not been proactive agent supervision in Ontario since 2018. Recognizing the need for life agent supervision activities, FSRA commenced pilot programs in January 2021 and June 2021 to conduct examinations of risk-identified life agents that had been the subject of a Life Agent Reporting Form ("LARF") or consumer complaint since FSRA's inception in June 2019. At

the same time, FSRA built operational tools to support agent examinations, increased staffing for the Life Agent Unit, and began stakeholder outreach and engagement.

The pilot examinations utilized a *Life and Health Insurance Agent Market Conduct Questionnaire*⁵ (“Questionnaire”), and the following six-step process⁶:

1. notice of Examination, with instructions to complete and attest to the Questionnaire
2. review the completed Questionnaire
3. request for life agent client files
4. review life agent client files to verify compliance with Insurance Act and industry best practices
5. life agent interview
6. closing letter confirming life agent examination outcomes

Based on the pilot program outcomes, this process was an effective method of verifying life agent licensing and business practice compliance, and process tools such as the Questionnaire, with attestation from the life agent, promoted efficient response or enforcement by FSRA. The outcomes of the pilot programs are set out below.

Examination pilot program 1

The first pilot program included 45 life agents from an initial pool of 98 who had been the subject of a LARF between FSRA’s inception on June 8, 2019, and December 31, 2020. Of the 52 life agents excluded from this pool, 15 were no longer licensed with FSRA, and 37 had active cases before FSRA’s Legal and Enforcement Unit or a Regulatory Discipline Officer (“RDO”).

After commencement of the first pilot, 2 examinations (4%) were suspended due to voluntary licence surrender, and 7 (16%) were administratively withdrawn due to a lapsed

⁵ See Appendix “B”: Pilot Program Life and Health Insurance Agent Market Conduct Questionnaire

⁶ See Appendix “A”: Life and Health Insurance Agent Examination Pilot Program Process

or unsponsored licence, death, or LARF escalation to RDO. Life agents who were excluded or withdrawn from the pilot were red-flagged by the Life Agent Unit for risk profiling purposes.

Of the remaining 36 life agents examined in the first pilot, FSRA reviewed a total of 153 client files, determined 44 contraventions of the *Insurance Act*, and identified 218 instances of life agents not following industry best practices. Twelve life agents (27%) received closing letters confirming a satisfactory examination outcome, 14 (31%) received closing letters identifying best practice issues only, 5 (11%) received warning letters identifying contraventions of the *Insurance Act*, and 5 (11%) were escalated to RDO for potential administrative monetary penalties (“AMP”). Of the 5 cases escalated to RDO, 1 life agent received a letter of warning, 1 voluntarily surrendered their licence, and 3 are under review.

Pilot program 1 examination pool	
Total LARF cases received by FSRA from June 8, 2019 to December 31, 2020	100
Total LARF cases excluded from examination pool	52
Total LARF cases included in examination pool	48
Total LARF agents included in examination pool	45
Agent client files examined	
Total Agent Files Examined	153
Total <i>Insurance Act</i> Contraventions Identified	44

Total Business Practice Issues Identified	218
Agent examination dispositions	
Examination Withdrawn	7
Examination Suspended – Licence Surrendered	2
Closing Letter: No <i>Insurance Act</i> Contraventions or Business Practice Issues	12
Closing Letter: Business Practice Issues Identified	14
Closing Letter: Warning for <i>Insurance Act</i> Contraventions; Business Practice Issues Identified	5
Closing Letter: <i>Insurance Act</i> Contraventions Referred to RDO; Business Practice Issues Identified	5
RDO Dispositions as of February 1, 2022	2
<ul style="list-style-type: none"> • Under Review 	3
<ul style="list-style-type: none"> • Letter of Warning 	1
<ul style="list-style-type: none"> • Voluntary Surrender 	1

A detailed summary of examination pilot program 1 outcomes is appended to this report⁷.

Examination Pilot Program 2

The second pilot program included 17 life agents who had received a letter of warning from an initial pool of approximately 350 life agents who had been the subject of a consumer complaint between FSRA's inception on June 8, 2019, and May 15, 2021.

The second pilot also captured 8 life agents from an initial pool of 19 who had been the subject of a LARF between the launch of the first pilot on January 1, 2021, and May 15, 2021. The 11 life agents excluded from this pool had active cases before FSRA's Legal and Enforcement Unit or an RDO and were red-flagged by the Life Agent Unit for risk profiling purposes.

After commencement of the second pilot, 1 examination (4%) was suspended due to voluntarily licence surrender, and 3 (12%) were administratively withdrawn due to a lapsed or unsponsored licence. Life agents who were withdrawn from the pilot were red-flagged by the Life Agent Unit for risk profiling purposes.

Of the remaining 21 agents examined in the second pilot, FSRA reviewed a total of 87 client files, determined 61 contraventions of the *Insurance Act*, and identified 116 instances of life agents not following industry best practices. Nine life agents (36%) received closing letters confirming a satisfactory examination outcome, 5 (20%) received closing letters identifying best practice issues only, 2 (8%) received warning letters identifying contraventions of the *Insurance Act*, and 5 (20%) were escalated to RDO for potential AMP, and are currently under review.

⁷ See Appendix "C": Pilot Program One Examination Summary

Pilot program 2 examination pool

Total agents who received a letter of warning from a consumer complaint June 8, 2019 to May 15, 2021	17
Total LARF cases received by FSRA from January 1, 2021 to May 15, 2021	19
Total LARF cases excluded fro examination pool	11
Total LARF cases included in examination pool	8
Total agents included in examination pool	25

Agent client files examined

Total Agent Files Examined	87
Total <i>Insurance Act</i> Contraventions Identified	61
Total Business Practice Issues Identified	116

Agent examination dispositions

Examination Withdrawn	3
Examination Suspended – Licence Surrendered	1
Closing Letter: No <i>Insurance Act</i> Contraventions or Business Practice Issues	9

Closing Letter: Business Practice Issues Identified	5
Closing Letter: Warning for <i>Insurance Act</i> Contraventions; Business Practice Issues Identified	2
Closing Letter: <i>Insurance Act</i> Contraventions Referred to RDO; Business Practice Issues Identified	5
RDO Dispositions as of February 1, 2022	0
<ul style="list-style-type: none"> • Under Review 	5

A detailed summary of examination pilot program 2 outcomes is appended to this report⁸

LARF management and *ad hoc* examinations

To align with previous industry recommendations, FSRA prioritized LARFs in the development of the Framework and moved LARF management to the Life Agent Unit during phase one. Under the Life Agent Unit, *ad hoc* examinations were conducted concurrently with LARF reviews using the six-step process of the pilot programs outlined above. As in previous years, the outcomes of LARFs reviewed in 2021/22 will be published in FSRA’s third annual LARF report, which is upcoming. The outcomes of the LARF associated *ad hoc* examinations will also be included in the upcoming LARF report.

July – October 2021: Phase two - Framework development

The Framework design was informed by the pilot programs, LARF reviews, and *ad hoc* examinations commenced in phase one, and included the following four key components:

1. life agent risk profiling

⁸ See Appendix “D”: Pilot Program Two Examination Summary

2. life agent examinations
3. communications and enforcement actions
4. reporting

Life agent risk profiling

In view of over 55,000 life agents in Ontario, risk profiling is vital to providing efficient and effective proactive supervision. The Framework's risk profiling utilized internal FSRA data captured through licensing applications, licensing renewals, consumer complaints, LARFs, and life agent enforcement activity reported by other regulatory bodies across Canada. The data allows FSRA to take an efficient and risk-based approach to supervision by focusing on agents with the highest risks.

Life agent examinations

The compliance requirements and expectations considered within the Framework design are not new to life agents, insurance companies, Managing General Agencies ("MGAs"), or other intermediaries. The Framework has been used to test and verify life agent compliance with the *Insurance Act*, its regulations, and FTC Guidance, which includes providing appropriate advice, managing conflicts of interest, and putting the best interests of the customer first.

In addition to the pilot programs and LARF related *ad hoc* examinations, in phase two of the Framework development, the Life Agent Unit commenced *ad hoc* examinations of life agents risk-identified and referred by FSRA's Licensing Compliance Unit (life agent licensing management) and Complaints and Risk Assessment Unit (consumer complaints management).

Communications and enforcement action

The examinations conducted under the Framework included formal responsive communications to life agents who have participated in the examination process. Upon completion of an examination, a closing letter was emailed to the life agent confirming one of the following six outcomes:

1. no contraventions of the *Insurance Act*, its regulations, or FTC Guidance

2. no contraventions of the *Insurance Act*, or its regulations, but contraventions of business practices not enforceable by FSRA
3. contraventions of the *Insurance Act*, or its regulations, resulting in a formal letter of warning
4. contraventions of the *Insurance Act*, or its regulations, resulting in a formal letter of warning and identifying contraventions of business practices not enforceable by FSRA
5. contraventions of the *Insurance Act*, or its regulations, resulting in escalation to the Legal and Enforcement Unit or an RDO for potential enforcement action
6. contraventions of the *Insurance Act*, or its regulations, resulting in escalation to the Legal and Enforcement Unit or an RDO for potential enforcement action and identifying contraventions of business practices not enforceable by FSRA

Any contraventions of the *Insurance Act* or its regulations that were identified by the Life Agent Unit were escalated to a FSRA RDO for review.

Publications and reporting

The Framework helps achieve FSRA's statutory objects by contributing to public confidence through promoting transparency, disclosure of information, and deterring deceptive or fraudulent conduct, practices, and activities.

During phase one of the Framework development, FSRA published the second annual LARF Report⁹, and two industry notices identifying potential consumer harm^{10 11}. These types of publications are of key importance to protecting Ontario consumers and signalling to insurers and intermediaries any inappropriate or unfair practices FSRA identifies in the

⁹ Visit [FSRA Second Annual LARF Report May 10, 2021](#) for more information

¹⁰ Visit [FSRA Industry Notice February 17, 2021](#) for more information

¹¹ Visit [FSRA Industry Notice April 23, 2021](#) for more information

life and health insurance sector. Now, through this Supervision Report, FSRA is sharing the outcomes of the pilot agent examinations conducted under the Framework in 2021/22.

In addition, FSRA has engaged regularly with industry associations and other stakeholders over the past year through a series of “roadshows” to introduce the Life Agent Unit and socialize the Framework development. This informal consultation has provided FSRA with industry feedback that has both informed and reinforced the Framework.

November 2021 – March 2022: Phase three - Framework implementation

FSRA has now implemented the Framework and operationalized proactive thematic life agent examinations utilizing available risk profiling. In December 2021 FSRA launched the following thematic examination campaigns:

1. Examination of 21 life agents who are dually licensed with FSRA as mortgage brokers and who were subject to disciplinary action by another regulator since FSRA inception in June 2019.
2. Examination of 16 life agents who were the subject of a consumer complaint and received a letter of warning from FSRA after May 15, 2021 (i.e., after the second pilot program).

March 2022 forward: Phase four - Framework scale and 2022/23 supervision plan

A key objective of the Framework is to ensure that a reasonable and proportionate volume of examinations are conducted annually. This objective contributes to public confidence in the life and health insurance sector by not only identifying areas of non-compliance for remediation, but by also confirming positive life agent compliance behaviour. In furtherance of this objective, the Life Agent Unit has developed and matured the Framework operational tools, processes, and risk profiling, to support thematic examinations.

Under the 2022/23 Supervision Plan, the Life Agent Unit will continue to use the tools developed under the Framework to examine life agents. It is anticipated that through process efficiencies and technology builds, the number of examinations the Life Agent Unit can conduct in any given year will increase. However, FSRA intends to consult with

stakeholders on what examination volume should be considered reasonable and proportionate in the Ontario marketplace. Similarly, FSRA will consult on how to improve the life agent reporting process, and how to integrate industry best practices for life agents into the Supervisory Framework. Finally, FSRA will continue to report on the outcomes of life agent examinations.

Conclusion

Through market conduct supervision and enforcement activities, FSRA has worked to ensure that life agents are compliant with legislation, regulations, and FTC Guidance in order to enhance market conduct oversight to protect consumers. As summarized in the table below, FSRA acted in 49 cases (70%) under the pilot program examinations. These actions included licence surrenders, escalating to an RDO for potential AMP, issuing letters of warning, and red-flagging on FSRA systems.

Pilot program 1 and 2 summary	#	%
Total Agents Examined	70	
Total Agent Client Files Examined	240	
Total <i>Insurance Act</i> Contraventions Identified	105	
Total Business Practice Issues Identified	334	
Examination Withdrawn (licence lapsed or unsponsored) – Agent Red-Flagged	10	14
Examination Suspended – Licence Surrendered	3	5

Closing Letter: No <i>Insurance Act</i> Contraventions or Business Practice Issues	21	30
Closing Letter: Business Practice Issues Identified	19	27
Closing Letter: Warning for <i>Insurance Act</i> Contraventions; Business Practice Issues Identified	7	10
Closing Letter: <i>Insurance Act</i> Contraventions Referred to RDO; Business Practice Issues Identified	10	14

FSRA identified 105 contraventions of the *Insurance Act* resulting in formal regulatory findings against 20 life agents (29%). Of the 240 life agent client files examined, FSRA identified 334 instances of industry best practices not being followed by 39 life agents (56%). These outcomes suggest that life agents need to improve their overall business practices, and that the insurers who are obligated to monitor the intermediaries authorized to sell their products¹² need to review their life agent compliance programs. Since industry best practices help demonstrate that a policy sale or change is both suitable and in the best interests of the consumer, FSRA intends to consult with the industry on integrating best practices enforcement into the Supervision Framework in support of fair treatment of customers.

The examinations carried out under the Framework have contributed to public confidence, promoted transparency and disclosure of information, deterred deceptive or fraudulent conduct, practices, and activities. These activities promoted and reinforced FSRA's statutory objects and align with ongoing FSRA oversight initiatives in the life and health insurance sector by:

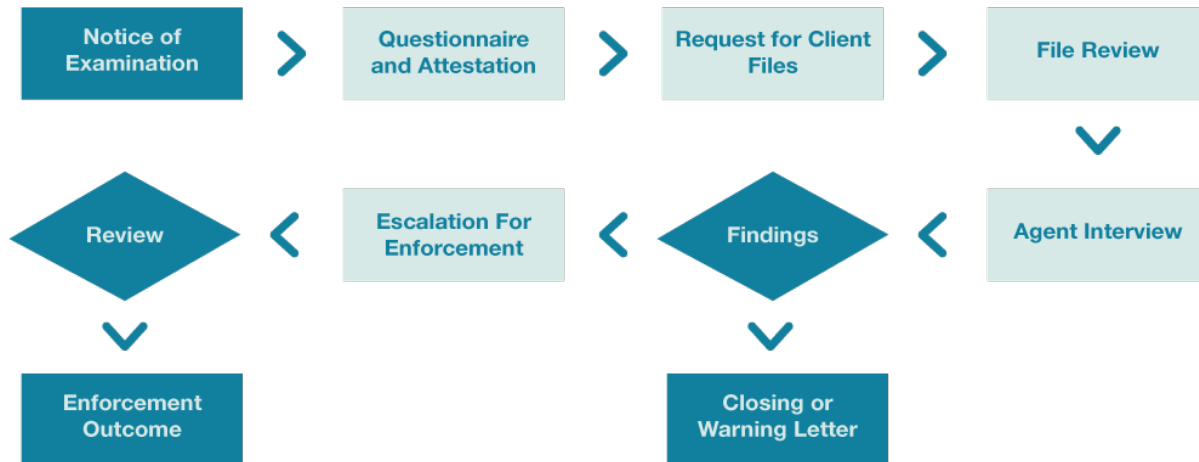
- promoting consumer protection and FTC Guidance
- promoting life agent regulatory compliance and industry best practices
- informing thematic examinations of life agents

¹² [Insurance Act, R.S.O. 1990 O. Reg. 347/04\(12\)](#)

- informing licensing suitability, policy initiatives, and enforcement actions
- informing oversight initiatives of life insurance companies and managing general agencies
- demonstrating FSRA's regulatory effectiveness

Appendix “A”: Six-step pilot program examination process

Life and Health Agent Examination Pilot Program Process (Virtual)



Step 1: Notice of examination and questionnaire

- A Notice of Examination and Life and Health Insurance Agent Market Conduct Questionnaire (“Questionnaire”) was emailed to the life agent stating the examination process and FSRA’s *Delegations of Authority* under Sections 443 and 442.3 of the *Insurance Act*.
- The Questionnaire included an attestation and the requirement to provide FSRA with supporting continuing education and errors and omissions insurance documents within 10 business days

Step 2: Review questionnaire

- Assessed potential licensing and suitability risk based on Questionnaire responses (e.g. continuing education, errors and omissions insurance, outside business activities, other professional licences or designations, regulatory complaints or proceedings in any jurisdiction, civil or criminal proceedings, bankruptcy or consumer proposal, commission charge-back debt, etc.)

- Assessed distribution channels (e.g. contracts with insurance companies, managing general agencies, securities firms, and captive versus independent or national account status, etc.)
- Assessed book of business (e.g. types of life and wealth products sold and currently under management by estimated percentage, total value of wealth assets under management, number of sales in the previous two years by product type, etc.)
- Confirmed compliance processes are in place for FINTRAC and privacy legislation.

Step 3: Request for client files

- A Request for Documentation was emailed to the life agent stating FSRA's *Delegation of Authority* under Sections 442.3 of the *Insurance Act*.
- Instructions to provide electronic copies of 5 to 10 client files (by product type and year of sale, as determined by FSRA upon review of the Questionnaire) through FSRA's secure file transfer system within 10 business days.
- Instructions to provide further supporting documentation, if required.

Step 4: Review client files

- Reviewed for compliance with the *Insurance Act* (e.g. disclosure of insurers represented, disclosure or negative confirmation of conflict of interest, presence of Life Insurance Replacement Declaration forms, etc.)
- Reviewed for compliance with industry best practices (e.g. disclosure of how life agent is compensated, life insurance needs analysis, life insurance policy illustrations, financial needs analysis, financial risk assessment, "reason why" letter, contemporaneous notes, etc.)
- Reviewed product sale suitability in view of the *Insurance Act*, industry best practices, and FTC Guidance.

Step 5: Life agent interview

- life agent interview conducted to ensure fairness, transparency, and due process
- opportunity to identify and provide further supporting documentation, if required

Step 6: Closing letter

Upon completion of the examination, a closing letter was emailed to the life agent confirming one of the following six examination outcomes:

1. no contraventions of the *Insurance Act*, its regulations, or FTC Guidance
2. no contraventions of the *Insurance Act*, or its regulations, but contraventions of business practices not enforceable by FSRA
3. contraventions of the *Insurance Act*, or its regulations, resulting in a formal Letter of Warning
4. contraventions of the *Insurance Act*, or its regulations, resulting in a formal Letter of Warning and identifying contraventions of business practices not enforceable by FSRA
5. contraventions of the *Insurance Act*, or its regulations, resulting in escalation to the Legal and Enforcement Unit or a Regulatory Discipline Officer for potential enforcement action
6. contraventions of the *Insurance Act*, or its regulations, resulting in escalation to the Legal and Enforcement Unit or a Regulatory Discipline Officer for potential enforcement action and identifying contraventions of business practices not enforceable by FSRA

Appendix “B”: Pilot program Life and Health Insurance Agent Market Conduct Questionnaire



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Sans frais : 1 800 668 0128

2021 Life and Health Insurance Agent Market Conduct Questionnaire

Insurance Act, R.S.O. 1990, c. I.8 & O. Reg. 347/04: AGENTS

INSTRUCTIONS

- Questionnaire.** Complete and save the Questionnaire in PDF format OR print and complete. Should you require more space, you can attach supplementary content at the end of your Questionnaire.
- Supporting documents.** Attach the required supporting documentation to your email, including: evidence of your current Errors and Omissions insurance coverage and evidence of completion of at least 30 hours of Continuing Education during the previous licensing renewal period (i.e. the two years before your last licence renewal). Note: If you had no insurance sales in 2019 or 2020, include third-party confirmation (i.e. sales report, letter from MGA, insurers, etc.)
- Submit by email.** Email an electronic copy of the completed Questionnaire and Attestation to your assigned Senior Compliance Officer. Should you need assistance or an alternate method to return your Questionnaire, please contact your assigned Senior Compliance Officer directly.

SECTION 1: CONTACT INFORMATION

Last Name (Legal Name):		First Name (Legal Name):		Middle Name:	
Preferred Name if different:					
Residential Address: Street Name and Number, Suite			City/Town	Province	Postal Code

Email:		Phone#:		Website:	

SECTION 2: BACKGROUND INFORMATION

1. Ontario Life Agent Licence #	2. Number of years of work experience as a Life Insurance Agent in Ontario:	3. Are you a Part Time or Full Time Agent? --- ▼
4. Do you have any other occupation or employment other than as an insurance agent? --- ▼		
If yes, specify the type of business and website (if applicable):		
5. Do you conduct business under a trade name other than your FSRA licence name? --- ▼		
If yes, please provide the name:		
6. Are you a Director, Officer or Partner of a corporate insurance agency licensed with FSRA? --- ▼		
If yes, please provide the Corporate Licence # and Name:		
7. Do you hold a Life Agent licence in any other province(s)? --- ▼		
If yes, which province and provide your licence #		
8. Do you hold any other licence(s) in Ontario? --- ▼		
If yes, select all licence(s) you hold:		
<input type="checkbox"/> Mutual Funds (Mutual Fund Dealers Association of Canada)		
<input type="checkbox"/> Securities (Investment Industry Regulatory Organization of Canada)		
<input type="checkbox"/> Property and Casualty (Registered Insurance Brokers of Ontario / FSRA)		
<input type="checkbox"/> Mortgage broker/agent (FSRA)		
<input type="checkbox"/> Real Estate (Real Estate Council of Ontario)		
<input type="checkbox"/> Other (Please specify)		
9. Do you hold any professional designations? --- ▼		
If yes, select all licence(s) you hold:		
<input type="checkbox"/> Certified Financial Planner (CFP)		<input type="checkbox"/> Other (Please specify)
<input type="checkbox"/> Registered Financial Planner (RFP)		
<input type="checkbox"/> Chartered Life Underwriter (CLU)		

... continued Name(s) of insurer(s) that you are/were contracted to represent in the last 5 years:

<u>Insurer:</u>	Start and End Date mm/yyyy		Reason for leaving:
---	▼		
---	▼		
---	▼		
---	▼		
---	▼		
---	▼		
---	▼		
---	▼		
---	▼		
---	▼		

SECTION 3: PRODUCT SALES

13. Please provide an estimated breakdown of your current book of business?

<input type="text"/> % Term	<input type="text"/> % Annuities
<input type="text"/> % Whole Life/Permanent	<input type="text"/> % Long-Term Care
<input type="text"/> % Universal Life	<input type="text"/> % Disability
<input type="text"/> % Critical Illness	<input type="text"/> % Accident & Sickness
<input type="text"/> % Travel	<input type="text"/> % Group
<input type="text"/> % Segregated Funds	<input type="text"/> % Mutual Funds
<input type="text"/> % Other <input type="text"/>	

14. What are your total assets under management? \$

15. Indicate the total number of policies sold in Ontario in 2019 and 2020:				
Note: if you have not sold any policies in either year, please provide confirmation of 0 sales from a third-party i.e. sales report/letter from MGAs/AGAs, insurers, etc.	2019		2020	
	Total number of policies sold:		Total Number of policies sold:	
	Of the number of policies sold in 2019, how many are still in force:		Of the number of policies sold in 2020, how many are still in force:	

16. If applicable, indicate the types of insurance products you sold in Ontario in 2019 and 2020:						
INDIVIDUAL PRODUCTS Type of policy sold	2019			2020		
	Number of policies sold	Percentage % <small>(This column will automatically populate)</small>	Average Face Value (select applicable range)	Number of policies sold	Percentage % <small>(This column will automatically populate)</small>	Average Face Value (select applicable range)
Term Life		NaN	---		NaN	---
Whole Life		NaN	---		NaN	---
Universal Life		NaN	---		NaN	---
Critical Illness		NaN	---		NaN	---
Travel		NaN	---		NaN	---

If applicable, indicate the types of insurance products you sold in Ontario in 2019 and 2020:						
INDIVIDUAL PRODUCTS Type of policy sold	2019			2020		
	Number of policies sold	Percentage % <small>(This column will automatically populate)</small>	Amount of Initial Investment <small>(select applicable range)</small>	Number of policies sold	Percentage % <small>(This column will automatically populate)</small>	Amount of Initial Investment <small>(select applicable range)</small>
Segregated Funds		NaN	---		NaN	---
Annuities		NaN	---		NaN	---

If applicable, indicate the types of insurance products you sold in Ontario in 2019 and 2020:						
INDIVIDUAL PRODUCT Type of policy sold	2019			2020		
	Number of policies sold	Percentage % <small>(This column will automatically populate)</small>	Average Monthly Benefit <small>(select applicable range)</small>	Number of policies sold	Percentage % <small>(This column will automatically populate)</small>	Average Monthly Benefit <small>(select applicable range)</small>
Long-Term Care		NaN	---		NaN	---
Disability		NaN	---		NaN	---
Accident & Sickness		NaN	---		NaN	---

If applicable, indicate the types of insurance products you sold in Ontario in 2019 and 2020:			
GROUP PRODUCTS			
2019		2020	
	Number of Policies		Number of Policies
Number of Participants less than 10		Number of Participants less than 10	
Number of Participants 10 to 50		Number of Participants 10 to 50	
Number of Participants 51 to 100		Number of Participants 51 to 100	
Number of Participants 100+		Number of Participants 100+	
Total	0		0

17. Do you currently have any outstanding debt/charge back/commission deficit at a MGA(s), AGA(s) or insurance company? NO YES

If yes, please specify which MGA, AGA or insurance company and how much:

AMOUNT: MGA/AGA/Insurance Company Name:

SECTION 4: MORTGAGE ACTIVITY

Complete ONLY if you do not have a mortgage broker/agent licence

18. What type of mortgage product(s) do you refer to mortgage agents/brokers?

Syndicated mortgage investments (SMIs) Private lending
 Borrowing products Not applicable

19. Do you receive a fee for referring clients to a mortgage agent/broker? NO YES

20. If applicable, estimate the total amount of referral fees received in 2020:

\$1 - \$4,999
 \$5,000 - \$9,999
 \$10,000 - \$14,999
 \$15,000 or higher

SECTION 5: PRIVACY

21. Are there policies and procedures that you follow to protect the personal information of clients and ensure compliance with the *Personal Information Protection and Electronic Documents Act* (PIPEDA)?

If yes, briefly describe them. How often are they reviewed to ensure that they are up to date?

22. What security safeguards do you have in place to protect a client's personal information?

SECTION 6: FINTRAC

<p>23. Have you received training on Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) requirements for life insurance agents?</p>	<input type="checkbox"/>
<p>If yes, when was it?</p>	
<p>24. Do you have access to policies and procedures to ensure compliance with FINTRAC requirements?</p>	<input type="checkbox"/>
<p>If yes, when did you last review them?</p>	
<p>25. Do the policies and procedures include an assessment and documentation of the risks of money laundering and terrorist activity financing in your business?</p>	<input type="checkbox"/>
<p>26. Do the policies and procedures include reporting deadlines to FINTRAC in relation to: suspicious transactions, terrorist property, and large cash transactions?</p>	<input type="checkbox"/>
<p>If yes, what are the reporting deadlines?</p>	
<p>27. Please provide the name and title for the person responsible for managing compliance with FINTRAC?</p>	

SECTION 7: CHANGES SINCE LAST LICENSING RENEWAL APPLICATION

<p>28. SINCE YOUR LAST LICENSING RENEWAL, have you ever had a licence or registration to deal with the public refused, revoked, suspended or cancelled or subject to any restrictions or conditions?</p>	<input type="checkbox"/>
<p>29. SINCE YOUR LAST LICENSING RENEWAL, have you ever been successfully sued or has a complaint ever been made against you to a regulatory body in any province, territory, state, or country that was or is, based in whole or in part, on fraud, theft, deceit, misrepresentation, forgery, or similar conduct; or based in whole or in part, on professional negligence or misconduct (including claims paid by your errors and omissions insurance carrier or bonding company)?</p>	<input type="checkbox"/>

30. SINCE YOUR LAST LICENSING RENEWAL, have you ever been subject to discipline or are you currently the subject of an investigation by a regulatory authority in this jurisdiction or elsewhere?	---
31. SINCE YOUR LAST LICENSING RENEWAL, have you ever been declared bankrupt or made a voluntary assignment in bankruptcy or are you currently an undischarged bankrupt?	---
32. SINCE YOUR LAST LICENSING RENEWAL, have you ever been an officer or director or a controlling shareholder in a corporation or partnership that made a voluntary assignment in bankruptcy or is currently an undischarged bankrupt?	---
33. SINCE YOUR LAST LICENSING RENEWAL, are you currently a defendant in any civil proceeding or are there any unsatisfied judgements or garnishment imposed by a civil court, in Canada or elsewhere, against you personally or against a business in which you have an interest of at least ten percent?	---
34. SINCE YOUR LAST LICENSING RENEWAL, have you ever applied for a surety bond, fidelity bond or errors and omissions insurance and been refused or have you ever had a surety bond or fidelity bond revoked or errors and omissions insurance cancelled?	---
35. SINCE YOUR LAST LICENSING RENEWAL, have you ever been convicted or charged, are you currently charged with any offence under any law of any province, territory, state or country, or are you currently the subject of any charges?	---
36. SINCE YOUR LAST LICENSING RENEWAL, has any partnership or company of which you are or were at the time of such an event a partner, officer, director or shareholder, ever pleaded guilty or been found guilty, or is any such partnership or company currently the subject of a charge or indictment, under any law of any province, state or country for contraventions, offences or other conduct relating to the business of insurance, selling of policies or any other activity related to insurance?	---
37. SINCE YOUR LAST LICENSING RENEWAL, have you ever had an employment or business relationship or association with a volunteer organization terminated for breach of confidentiality, breach of trust, fraud, misappropriation of funds, theft, forgery, sexual harassment, or physical assault?	---

SECTION 8: DOCUMENTS TO CONFIRM

I confirm that I have attached the following documents with this Questionnaire:

<input type="checkbox"/>	Evidence of my current Errors & Omissions (E&O) insurance coverage.
<input type="checkbox"/>	Certificates confirming I have completed at least 30 hours of Continuing Education relevant to Life and Health Insurance during the previous licensing renewal period (i.e. the two years before my last licence renewal). Please complete Appendix A and provide copies of certificates.
<input type="checkbox"/>	If you have reported 0 sales in question #15, please provide confirmation of 0 sales from a third-party i.e. sales report/letter from MGA, insurers, etc.

ATTESTATION

I am aware it is an offence to make a false statement to the Chief Executive Officer under the *Insurance Act* (the Act). I confirm that the responses I am providing to this Questionnaire are true to the best of my knowledge and represent the practices of my business activity conducted from January 1, 2019 to December 31, 2020.

 A light blue rectangular box with a red arrow pointing right at the top left corner, indicating a redacted signature.

Signature of the Life Insurance Agent

 A light blue rectangular box indicating a redacted date.

Date (MM/DD/YYYY)

This is a request of the Chief Executive Officer pursuant to subsection 442.3(1) of the Act. You are required to give the Chief Executive Officer full information and provide records about activities related to the business of a person who holds a life insurance agent licence, and activities related to the mortgage industry.

Pursuant to subsection 442.3(3), you are required to answer promptly, explicitly and completely when completing the Questionnaire and submit your responses and supporting documents by e-mail to your assigned Senior Compliance Officer within the time period specified. Additionally, providing false, misleading or incomplete information to FSRA is an offence under section 447(2)(a) of the Act.

Appendix “C”: Pilot program one examination summary

Pilot program one examination pool	
Total LARF cases received by FSRA from June 8, 2019 to December 31, 2020	100
Total LARF cases excluded from examination pool	52
<ul style="list-style-type: none"> LARF cases before Regulatory Discipline Officer (RDO) 	4
<ul style="list-style-type: none"> LARF cases before Legal and Enforcement 	33
<ul style="list-style-type: none"> Agent licence expired prior to December 31, 2020 	13
<ul style="list-style-type: none"> Unlicensed individual 	1
<ul style="list-style-type: none"> New licence (not sponsored by insurer, no sales) 	1
Total LARF cases included in examination pool	48
<ul style="list-style-type: none"> Agents with multiple LARF cases 	2
Total LARF agents included in examination pool	45
Agent client files examined	
Total Agent Files Examined	153

• Life Insurance	108
• Disability and Critical Illness	5
• Group Insurance	10
• Segregated Funds	30
Total <i>Insurance Act</i> Contraventions Identified	44
• Continuing Education (CE) Credits	5
• Misrepresentation of CE Credits to FSRA	5
• Errors and Omissions (E&O) Insurance	1
• Misrepresentation of E&O Insurance to FSRA	0
• Life Insurance Replacement Declaration (LIRD)	3
• Agent Disclosure (Relationship with Insurers)	14
• Agent Disclosure (Conflict of Interest)	13
• Misrepresentation to Client	0
• Agent Unresponsive	3

Total Business Practice Issues Identified	218
• Financial Needs Analysis (Wealth)	15
• Insurance Needs Analysis	59
• Risk Assessment (Wealth)	10
• Agent Disclosure (Compensation)	31
• Policy Illustrations	16
• Reason Why Letter	30
• Contemporaneous Notes	48
• Pre-signed Forms	0
• FINTRAC	8
• PIPEDA	1
Agent examination dispositions	
Examination Withdrawn	7
• Agent licence expired after Notice of Examination served	2

<ul style="list-style-type: none"> • Agent not sponsored by an insurer and have no sales or client files 	3
<ul style="list-style-type: none"> • LARF escalated to RDO after Notice of Examination served 	1
<ul style="list-style-type: none"> • Agent deceased after Notice of Examination served 	1
Examination Suspended – Licence Surrendered	2
Agent licence voluntarily surrendered and accepted without conditions	1
Agent licence voluntarily surrendered and accepted with conditions (lifetime surrender)	1
Closing Letter: No <i>Insurance Act</i> Contraventions or Business Practice Issues	12
Closing Letter: Business Practice Issues Identified	14
Total Business Practice Issues Identified	107
<ul style="list-style-type: none"> • Financial Needs Analysis (Wealth) 	15
<ul style="list-style-type: none"> • Insurance Needs Analysis 	36
<ul style="list-style-type: none"> • Risk Assessment (Wealth) 	0
<ul style="list-style-type: none"> • Agent Disclosure (Compensation) 	10

• Policy Illustrations	3
• Reason Why Letter	7
• Contemporaneous Notes	33
• Pre-signed Forms	0
• FINTRAC	3
• PIPEDA	0
Closing Letter: Warning for <i>Insurance Act</i> Contraventions; Business Practice Issues Identified	5
Total <i>Insurance Act</i> Contraventions Identified	26
• Continuing Education (CE) Credits	0
• Misrepresentation of CE Credits to FSRA	0
• Errors and Omissions (E&O) Insurance	0
• Misrepresentation of E&O Insurance to FSRA	0
• Life Insurance Replacement Declaration (LIRD)	1

• Agent Disclosure (Relationship with Insurers)	13
• Agent Disclosure (Conflict of Interest)	12
• Misrepresentation to Client	0
• Agent Unresponsive	0
Total Business Practices Issues Identified	59
• Financial Needs Analysis (Wealth)	0
• Insurance Needs Analysis	13
• Risk Assessment (Wealth)	5
• Agent Disclosure (Compensation)	13
• Policy Illustrations	7
• Reason Why Letter	11
• Contemporaneous Notes	6
• Pre-signed Forms	0
• FINTRAC	3

<ul style="list-style-type: none"> • PIPEDA 	1
Closing Letter: <i>Insurance Act</i> Contraventions Referred to RDO; Business Practice Issues Identified	5
Total <i>Insurance Act</i> Contraventions Identified	15
<ul style="list-style-type: none"> • Continuing Education (CE) Credits 	5
<ul style="list-style-type: none"> • Misrepresentation of CE Credits to FSRA 	5
<ul style="list-style-type: none"> • Errors and Omissions (E&O) Insurance 	1
<ul style="list-style-type: none"> • Misrepresentation of E&O Insurance to FSRA 	0
<ul style="list-style-type: none"> • Life Insurance Replacement Declaration (LIRD) 	2
<ul style="list-style-type: none"> • Agent Disclosure (Relationship with Insurers) 	1
<ul style="list-style-type: none"> • Agent Disclosure (Conflict of Interest) 	1
<ul style="list-style-type: none"> • Misrepresentation to Client 	0
<ul style="list-style-type: none"> • Agent Unresponsive 	0
Total Business Practice Issues Identified	52

• Financial Needs Analysis (Wealth)	0
• Insurance Needs Analysis	10
• Risk Assessment (Wealth)	5
• Agent Disclosure (Compensation)	8
• Policy Illustrations	6
• Reason Why Letter	12
• Contemporaneous Notes	9
• Pre-signed Forms	0
• FINTRAC	2
• PIPEDA	0
RDO Dispositions as of February 1, 2022	5
• Under Review	3
• Letter of Warning	1
• Voluntary Surrender	1

Appendix “D”: Pilot program two examination summary

Pilot program two examination pool	
Total agents who received a letter of warning from consumer complaint June 8, 2019 to May 15, 2021	17
Total LARF cases received by FSRA from January 1, 2021 to May 15, 2021	19
Total LARF cases excluded from examination pool	11
<ul style="list-style-type: none"> LARF cases before Regulatory Discipline Officer (RDO) 	0
<ul style="list-style-type: none"> LARF cases before Legal and Enforcement 	11
Total LARF cases included in examination pool	8
Total LARF agents included in examination pool	25
Agent client files examined	
Total Agent Files Examined	87
<ul style="list-style-type: none"> Life Insurance 	67
<ul style="list-style-type: none"> Disability and Critical Illness 	0

• Group Insurance	0
• Segregated Funds	20
Total Insurance Act Contraventions Identified	61
• Continuing Education (CE) Credits	4
• Misrepresentation of CE Credits to FSRA	2
• Errors and Omissions (E&O) Insurance	0
• Misrepresentation of E&O Insurance to FSRA	0
• Life Insurance Replacement Declaration (LIRD)	0
• Agent Disclosure (Relationship with Insurers)	30
• Agent Disclosure (Conflict of Interest)	25
• Misrepresentation to Client	0
• Agent Unresponsive	0
Total Business Practice Issues Identified	116
• Financial Needs Analysis (Wealth)	10

• Insurance Needs Analysis	24
• Risk Assessment (Wealth)	3
• Agent Disclosure (Compensation)	11
• Policy Illustrations	11
• Reason Why Letter	23
• Contemporaneous Notes	31
• Pre-signed Forms	0
• FINTRAC	2
• PIPEDA	1
Agent examination dispositions	
Examination Withdrawn	3
• Agent licence expired after Notice of Examination served	1
• Agent not sponsored by an insurer and have no sales or client files	2
Examination Suspended – Licence Surrendered	1

<ul style="list-style-type: none"> • Agent licence voluntarily surrendered and accepted without conditions 	1
Closing Letter: No <i>Insurance Act</i> Contraventions or Business Practice Issues	9
Closing Letter: Business Practice Issues Identified	5
Total Business Practice Issues Identified	28
<ul style="list-style-type: none"> • Financial Needs Analysis (Wealth) 	0
<ul style="list-style-type: none"> • Insurance Needs Analysis 	10
<ul style="list-style-type: none"> • Risk Assessment (Wealth) 	0
<ul style="list-style-type: none"> • Agent Disclosure (Compensation) 	0
<ul style="list-style-type: none"> • Policy Illustrations 	5
<ul style="list-style-type: none"> • Reason Why Letter 	1
<ul style="list-style-type: none"> • Contemporaneous Notes 	11
<ul style="list-style-type: none"> • Pre-signed Forms 	0
<ul style="list-style-type: none"> • FINTRAC 	0

<ul style="list-style-type: none"> • PIPEDA 	1
Closing Letter: Warning for <i>Insurance Act</i> Contraventions; Business Practice Issues Identified	2
Total <i>Insurance Act</i> Contraventions Identified	4
<ul style="list-style-type: none"> • Continuing Education (CE) Credits 	0
<ul style="list-style-type: none"> • Misrepresentation of CE Credits to FSRA 	0
<ul style="list-style-type: none"> • Errors and Omissions (E&O) Insurance 	0
<ul style="list-style-type: none"> • Misrepresentation of E&O Insurance to FSRA 	0
<ul style="list-style-type: none"> • Life Insurance Replacement Declaration (LIRD) 	0
<ul style="list-style-type: none"> • Agent Disclosure (Relationship with Insurers) 	4
<ul style="list-style-type: none"> • Agent Disclosure (Conflict of Interest) 	0
<ul style="list-style-type: none"> • Misrepresentation to Client 	0
<ul style="list-style-type: none"> • Agent Unresponsive 	0
Total Business Practices Issues Identified	23

• Financial Needs Analysis (Wealth)	0
• Insurance Needs Analysis	8
• Risk Assessment (Wealth)	0
• Agent Disclosure (Compensation)	0
• Policy Illustrations	0
• Reason Why Letter	8
• Contemporaneous Notes	6
• Pre-signed Forms	0
• FINTRAC	1
• PIPEDA	0
Closing Letter: <i>Insurance Act</i> Contraventions Referred to RDO; Business Practice Issues Identified	5
Total <i>Insurance Act</i> Contraventions Identified	46
• Continuing Education (CE) Credits	3

• Misrepresentation of CE Credits to FSRA	2
• Errors and Omissions (E&O) Insurance	0
• Misrepresentation of E&O Insurance to FSRA	0
• Life Insurance Replacement Declaration (LIRD)	0
• Agent Disclosure (Relationship with Insurers)	21
• Agent Disclosure (Conflict of Interest)	20
• Misrepresentation to Client	0
• Agent Unresponsive	0
Total Business Practice Issues Identified	65
• Financial Needs Analysis (Wealth)	10
• Insurance Needs Analysis	6
• Risk Assessment (Wealth)	3
• Agent Disclosure (Compensation)	11
• Policy Illustrations	6

• Reason Why Letter	14
• Contemporaneous Notes	14
• Pre-signed Forms	0
• FINTRAC	1
• PIPEDA	0
RDO Dispositions as of February 1, 2022	0
• Under Review	5