



**Insurance Brokers
Association of Ontario**

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February 8th, 2019

Mr. Mark E. White
Chief Executive Officer
Financial Services Regulatory Authority of Ontario
130 Adelaide Street W, Suite 800
Toronto, ON M5H 3P5

Re: Proposed FSRA Priorities and Budget Consultation Document

Dear Mr. White:

Thank you for providing the public and key stakeholders the opportunity to comment on the Proposed FSRA Priorities and Budget Consultation Document.

IBAO represents over 12,000 insurance brokers who service 6 million policyholders throughout the Province of Ontario. Insurance brokers are highly-trained professionals with very strong community ties. Our brokers are also business people, mainly small and medium-sized businesses located in all parts of the province. IBAO members represent over 500 businesses in 1,200 locations in Ontario. Our member businesses range in size from sole operations to some of the largest brokerages in North America.

Brokers always work with the best interest of the consumer in mind, and they provide choice and individualized guidance. Insurance brokers have access to a wide variety of products that are able to suit a customer's specific, unique needs and will shop the market to find the best available product. Insurance brokers act as trusted and objective advisors to the clients they serve. Ontarians build long-lasting relationships with their insurance brokers and look to their brokers to help make complex decisions easy in providing stress relief and comfort when they are making important decisions regarding their insurance needs. The IBAO not only represents our members, but also advocates on behalf of consumers, as we are not tied to any one specific insurance company.

It should be noted that IBAO is engaged with the provincial government on leading public policy developments in a number of areas concerning the insurance industry. In addition, we look forward to continuing to build our working relationship with FSRA in our capacity as a key stakeholder in the Insurance Industry throughout Ontario.

IBAO would like to congratulate FSRA on a very solid document and set of plans, and are very pleased to confirm our association's agreement with your stated operational strategy and documented priorities. IBAO gains confidence from your intent to engage with stakeholders and enhance that collaboration in a transparent manner. As an association, IBAO is confident it can continue to add value to FSRA as its mandate is further developed and implemented.

The following are items IBAO would specifically like to bring to FSRA's attention.

With respect to the financial projections and funding proposal whereby input was requested, IBAO considers FSRA's approach and recommendations to be sound; however, this should be taken in the context that licensed members of IBAO do not directly contribute to the finances of FSRA, but do contribute directly to the funding of RIBO.

In this regard, IBAO is somewhat surprised that there was no mention of RIBO in the document, specifically in the section on Insurance Conduct. As a strong supporter of consistent regulation and conduct oversight, IBAO would suggest there is certainly an opportunity to leverage RIBO practices as the industry approach is developed. IBAO would welcome any further insight into this subject that may be able to be shared.

Innovation is always of keen interest to IBAO, and we greatly welcome continued involvement with FSRA in the development of a framework to encourage innovation across the industry. It should be noted that IBAO has been actively involved in a number of Ministry of Finance working groups and meetings specifically focused on innovation in the financial sector.

On Auto insurance specifically, IBAO has had a history of detailed engagements with government and FSCO. Having advised past governments on a number of initiatives and sitting on FSCO's various industry stakeholder advisory groups, IBAO would very much look towards FSRA to continue, if not build upon, these past practices. As stated above, IBAO agrees with FSRA's stated priorities in the Auto Insurance Sector.

With respect to the Credit Union Sector, it is worth noting that IBAO and its sister organization, the Insurance Brokers Association of Canada (IBAC), have been very proactive in its lobbying activities regarding the Bank Act and the rules within which financial institutions are restricted from selling insurance and the point of granting credit. This is a subject IBAO is very passionate about and would be willing to debrief FSRA further on the matter.

IBAO certainly supports FSRA's intent to harmonize the approach to Treating Financial Services Consumers Fairly Guidance. There is some confusion between the different approaches and also how certain guidance should be applied in a practical manner. IBAO is a strong advocate for consumers and as such, fully supports the move to creating the guidance; however, we must ensure that from a practical standpoint, IBAO continues to focus on the consumer experience and not overburden the industry with bureaucracy or non-value adding processes.

Other than these few comments, IBAO believes the document as presented was clear, to the point, and addressed the priorities IBAO anticipated.

If you have any comments or further questions on the above please do not hesitate to contact me.

Regards,



Colin Simpson
Chief Executive Officer