

June 30, 2023

Mr. Huston Loke  
Executive Vice President, Market Conduct  
Financial Services Regulatory Authority of Ontario (FSRA)  
25 Sheppard Ave West, Suite 100  
Toronto, ON M2N 626

***RE: Amendment 2 to the Unfair or Deceptive Acts or Practices Rule for Deferred Sales Charges***

Dear Mr. Loke:

Primerica Financial Services (Canada) Ltd. (“Primerica” or “we”) is pleased to respond to the Financial Services Regulatory Authority of Ontario’s (FSRA) consultation on Amendment 2 to the Unfair or Deceptive Acts or Practices (UDAP) Rule for Deferred Sales Charges.

**About Primerica**

Primerica Financial Services (Canada) Ltd. is a leading distributor of basic financial savings and protection products to middle-income households throughout Canada. Our Canadian corporate group includes our life insurance company Primerica Life Insurance Company of Canada (PLICC). Primerica has been serving the Canadian public since 1986. PLICC is represented by over 10,000 licensed life insurance agents across the country. About 60% of our life insurance agents are dually licensed as mutual fund representatives through PFSL Investments Canada Ltd. (PFSL). We insure almost 550,000 lives and operate in every province and territory in Canada.

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

We have an exclusive sales force of representatives, which allows us to put supervision, monitoring, controls, and restrictions in place based on trends and risks we identify.

**Implementation Timeline**

Primerica has implemented the requirements to comply with the current UDAP Rule. We will need sufficient time to implement the requirements of Amendment 2 following the publication of the final rule. Primerica is currently working to meet the requirements for Total Cost Disclosure for segregated funds. This is a large project requiring considerable internal and external

resources for programming, compliance and training. We also await the regulators' decision on further guidance on upfront compensation and the advisor chargeback model. With these significant projects underway as well as other guidance anticipated that may change the programming and compliance requirements for segregated funds, Primerica requests an implementation timeline of 18 to 24 months to allow for the phase-out of the deferred sales charge option from existing IVICs that were put in place before June 1, 2023.

Primerica appreciates the opportunity provided by FSRA to comment on the Second Amendment to the UDAP Rule for Deferred Sales Charges.

Best regards,

ORIGINAL SIGNED BY

John A. Adams CPA, CA  
Chief Executive Officer  
Primerica Financial Services (Canada) Ltd.

cc: Erica Hiemstra, Head Insurance Conduct, Market Conduct, FSRA  
Chris Caldarelli, Senior Policy & Technical Lead Policy, Market Conduct, FSRA