



14 January 2026

Mr. Dexter John, CEO  
Financial Services Regulatory Authority of Ontario (FSRA)  
25 Sheppard Avenue West, Suite 100  
Toronto, ON, M2N 6S6

Via: <https://www.fsrao.ca/engagement-and-consultations/consultation-fsras-proposed-2026-2027-statement-priorities>

Dear Mr. John,

**Re: 2025-10: FSRA Proposed 2026 - 27 Statement of Priorities (Statement of Priorities)**

## INTRODUCTION

The Canadian Association of Direct Relationship Insurers (CADRI) is the voice of insurance enterprises that offer automobile, home, and commercial insurance directly to Canadians. We advocate for flexible and evolving regulatory and legislative frameworks governing automobile, property, and commercial insurance to enable product and service innovation so that Canadians can easily choose insurance that serves their needs through the delivery channels of their choice.

CADRI is pleased to review and comment on FSRA's *Proposed 2026 – 27 Statement of Priorities* and to work collaboratively with FSRA and the provincial government to improve the insurance system to better serve Ontario families.

CADRI generally endorses a principles-based, risk-based, and outcome-focused approach to regulation, including:

- regulatory resources focused on the marketplace risks with the greatest impact and likelihood,
- a principles- versus rules-based approach allowing organizations to innovate and to meet regulatory intent at lower costs, and
- a focus on consumer benefits encouraging affordability, innovation, and competition.

## OVERVIEW

In reviewing FSRA's Statement of Priorities, CADRI has focused on the priorities of greatest import to its members:

- Modernizing systems which support licensing and regulatory supervision,
- Improving licensing service level standards to the benefit of customers,
- Implementing an even more streamlined process for out-of-province agents,
- Expanding the territory model, and
- Ensuring that agents and brokers engaged in the point-of-sale Test and Learn Environment are licensed and supervised appropriately.

### PROPOSED FIVE-YEAR STRATEGIC FRAMEWORK –

#### ***PILLAR 1. Transform our capabilities***

##### Modernizing systems

We support FSRA's goal to modernize its operations. It would be useful for FSRA to outline how its modernization efforts will reduce regulatory burden.

We believe investment in a new FSRA licensing portal, designed and tested for user needs, and increased automation, will greatly assist with some of the issues with licensing turnarounds described below.

In addition, we are told that several other FSRA priority projects, including **2.3(f) Implementing a new supervisory model for auto insurance rates and underwriting** are dependent on a new IT and data analysis platform. Ontario insurers would like to move ahead with FSRA's visionary supervision and accreditation model, soon rather than pushing implementation out for an indeterminate period.

Since FSRA's creation CADRI has supported FSRA budgets which sought to modernize its IT system while enduring declining service levels for licensing applications. Moreover, FSRA has said that they've only approached their current service level through expanded staffing, which they do not deem "a sustainable solution." Therefore, quick implementation of a new portal is also necessary from a resourcing perspective.

In this context, we encourage FSRA to announce its vendor in Q1 2026 and launch a consultation with industry to identify business requirements, so the system works for both FSRA and insurers.

#### ***PILLAR 2. Embrace and embed principle-based oversight***

#### **Priority 3. Advance FSRA's regulatory approach and strengthen supervisory effectiveness**

##### Insurance licensing processes

We encourage FSRA to prioritize service delivery improvements for all licensing transactions while maintaining protection for consumers.

CADRI appreciates the openness of FSRA's Licensing team to meet and discuss mutual challenges. The creation of a relationship manager system has smoothed the process of licensing new agents and renewing the licences of seasoned professionals.

Still, FSRA adjusted its service level agreements to a 20-business-day turnaround for applications that largely meet the regulator's requirements. [According to FSRA](#), these constitute about 75% of insurance companies' applications. The remaining 25%, which require further review and additional time to process and assess the applicant's suitability, take much longer and service levels on this segment of applications are not transparent.

CADRI's members are national and international companies that screen, hire and train prospective employees destined for customer service in cohorts. These individuals complete up to three months of formal facilitated training, ongoing coaching and skills upgrading throughout their terms of employment. Most are licensed in their home jurisdiction before going on to earn licences for multiple jurisdictions across Canada.

When there is a delay in an employee's first licence, it means that they do not progress in the training process at the same pace as the colleagues with whom they began the employment journey. The insurer, having invested in the employee, and continuing to support them, cannot deploy them to full customer service. Similarly, when there is a delay in the renewal of a seasoned professional's licence, that individual is prevented from doing business in Ontario, and reduces an insurer's capacity to serve its customers in Ontario and elsewhere.

When it comes to exclusive agents, if the licence is not renewed in time, the entire office shuts down. Their value proposition is that they provide trusted, known, at times face-to-face service to their clients. Licensing delays violate that trust, and undermine consumer confidence in the sector, contrary to FSRA's statutory mandate.

In this context, CADRI calls on FSRA to set more ambitious standards and promise a 10-business-day turnaround of new applications and renewals, as well as make a commitment to transparent measurement and faster service levels of the remaining 25% of licences that currently fall outside that service level agreement.

**PILLAR 3. *Promote proactive and collaborative partnerships***

**Priority 4. Support government priorities and objectives, and specifically  
(c) Support the government in its effort to remove trade barriers in Canada.**

We encourage FSRA to work with its regulatory colleagues to remove barriers to agent and adjuster mobility across Canada.

Recently, Canadian policymakers have been alert to the internal trade barriers between provinces that impede the mobility of goods and services from one jurisdiction to another. CADRI has supported various pieces of legislation, memoranda of agreement and regulations that seek to remove these barriers – particularly to the movement of people, or mutual recognition of professional credentials. In fact, we are a founding member of an industry coalition advocating for these changes.

That said, we believe that FSRA could go further to enable labour mobility than its recently announced [policy](#). As set out, out-of-province applicants must pass the Ontario Auto Equivalency exam from the Insurance Institute of Canada and submit to a Triton criminal check.

We question:

- why these time consuming and costly steps are necessary if an agent holds an eligible licence elsewhere in Canada, and
- how they represent a material change from the status quo given the principles outlined by the government.

By recognizing another jurisdiction's equivalent licence, FSRA does not reduce oversight. Consumers remain protected through various existing mechanisms, including FSRA supervision, rules against Unfair or Deceptive Practices, and the *Guidance on the Conduct of Insurance Business and Fair Treatment of Customers*, among others. When the insurance agent is employed by the insurer, the regulator has many levers it can pull with the employer to ensure compliance.

Moreover, in the absence of a better system of true mutual recognition, labour mobility will place further pressure on FSRA's licensing team; jeopardize the ability to meet its service level agreements, and put consumer outcomes at risk.

**Priority 5. Achieve meaningful impact through engagement and collaboration, specifically (c) Diversify and enhance how FSRA supports innovation by leveraging insights from ... findings from a review of FSRA's approach to using Test and Learn.**

There are two Test and Learn projects underway that are of interest to CADRI members:

- one on territories in the GTA launched July 2024, and
- one in development exploring a point-of-sale pilot.

#### Territories pilot

The Minister of Finance directed FSRA to review its territorial rating framework to enable lower cost savings for many Ontario families in 2022. Subsequently, FSRA commissioned and received advice from [Pinnacle Actuarial Resources](#) to remove:

- contiguity requirements for territory definitions and
- the cap on the number of territories, among other recommendations.

Further, the Auditor General recommended FSRA establish an updated territory framework for greater equity in insurance rates, also in 2022.

CADRI recommends that FSRA move ahead to expand insurers' ability to define territories by risk factors, rather than geographic areas, outside of the Greater Toronto Area. At this point, the regulator has more than a year's worth of data to assess the success of the experiment and four years have elapsed since being directed to improve the situation from both the Ministry of Finance and Auditor General.

#### Point-of-sale Test and Learn Environment

Relative to the point-of-sale Test and Learn environment to launch in July 2026, it is imperative that sales agents and brokers understand what is being offered so that consumers' needs are met. This becomes even more important as the government introduces more choices for Ontario drivers.

As national companies who employ licensed agents in several jurisdictions, our members invest in formal facilitated training. While on the job, agents receive ongoing coaching and skills upgrading; demonstrate self-sufficiency and develop a strong record for underwriting and productivity. Moreover, our members and their agents are subject to regulatory oversight at many touchpoints including CISRO-CCIR's *Guidance on the Conduct of Insurance Business and Fair Treatment of Customers*.

If, as proposed, the TLE explores the addition of another set of stakeholders to the distribution process, questions of which code that they would adhere to and who would regulate them should be addressed. Any insurance agent or broker engaged at point of sale should be subject to the same or equivalent regulatory supervision as colleagues elsewhere. Consumers must be clear on the potential for conflict of interest and tied selling must be averted. For the protection of consumers, the plan to monitor and measure the pilot must be transparent from the onset.

## **CONCLUSION**


CADRI appreciates the opportunity to review FSRA's *Proposed 2026 – 27 Statement of Priorities*.

Specifically, we call for:

- Modernizing systems which support licensing and regulatory supervision,
- Improving licensing service standards to the benefit of customers,
- Implementing an even more streamlined process for out-of-province agents.
- Expanding the territory model outside the GTA, and
- Ensuring that agents and brokers engaged in the point-of-sale Test and Learn Environment are licensed and supervised appropriately.

We would be pleased to explore these considerations at your convenience.

Yours sincerely,



Geoffrey Beechey  
Chairman and CEO, CADRI

cc:  
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