



Canadian Life & Health
Insurance Association
Association canadienne des
compagnies d'assurances
de personnes

January 14, 2026

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

Re: FSRA's Proposed 2026-27 Statement of Priorities and Five-Year Strategic Framework

Thank you for the opportunity to provide feedback on the Financial Services Regulatory Authority's (FSRA) *Proposed 2025-26 Statement of Priorities and Five Year-Strategic Framework*.

We appreciate the opportunity to gain insight into FSRA's five-year strategic framework and the industry is generally supportive of the priorities identified. In particular, we appreciate that FSRA will be prioritizing investment in modern processes and internal tools and technologies to deliver better service for licensees. We also look forward to the development of a FSRA-wide stakeholder engagement strategy.

Below we provide a more detailed response to select 2026-27 priorities that are relevant to the life and health insurance sector.

Proposed 2026-27 Strategic Priorities

Priority 1. A: Continue development of FSRA Forward solutions, including Market Conduct Business Solution, and the enhancement of FSRA's e-discovery solutions

We appreciate that FSRA is investing in the transformation of legacy systems with an integrated, multi-sectoral solution. Over the past few years, FSRA has faced delays in the processing of individual and corporate / partnership life agent licences. FSRA has been able to address these issues through increased staffing, however a better long-term solution would include a technology upgrade.

This initiative could also serve as an opportunity to improve the efficiency of the licensing system for those with multiple licenses who are managing multiple renewal dates and associated fees. The industry would be pleased to collaborate on the identification of business requirements for the new technology system so that it works better for both FSRA and insurers.

Priority 3. A: Continue development of a regulatory approach to individual segregated funds, in alignment with other Canadian jurisdictions

Insurers are actively collecting the 2026 data needed to provide enhanced annual statement reporting to segregated fund contract holders starting in 2027. We look forward to working closely with FSRA in 2026 to support the final implementation of total cost reporting and the launch of this important rule. We commend FSRA for creating a rule which recognizes the unique requirements for segregated fund contracts.

We acknowledge FSRA's goal to harmonize with other Canadian jurisdictions to ensure insurers and agents put customer's interests first and manage conflicts of interest appropriately when they design, sell and administer segregated funds contracts.

We look forward to collaborating with FSRA as they implement the CCIR/CISRO Consolidated Segregated Fund Guidance. Implementation of the principles outlined in the Guidance should ensure that insurers and intermediaries can continue to serve their clients effectively, providing suitable advice based on client needs through appropriately trained agents.

We commend FSRA for taking a principles-based approach to regulatory supervision and encourage FSRA to use this lens as the new segregated funds guidance is implemented.

Priority 3. B: Implement the licensing regime for life and health managing general agents (MGAs)

The industry remains strongly committed to supporting the development of a MGA licensing framework that achieves the Government's policy goals and stated objectives in the 2025 Ontario Budget: **to better protect Ontario consumers**. We also understand that the government remains committed to achieving the implementation of the L&H MGA framework by June 1, 2026.

However, the September 2024 amendments to the *Insurance Act* were cast too broadly and unintentionally capture thousands of individual and corporate / partnership and individual agents. This will impose costly, duplicative, and burdensome licensing requirements on small businesses who are not MGAs without delivering better consumer protection benefits.

If the activities-based definition of an MGA in the *Insurance Act* is not narrowed, FSRA is prevented from developing a Rule that achieves the overall goal to better protect Ontario consumers. A fit-for-purpose framework should set strong regulatory standards for traditional MGAs without relying on insurer-MGA contracts to do that. The tiered approach FSRA proposed is overly complex and confusing and will cause operational challenges across the life and health insurance industry. With the right authority in legislation and regulation, FSRA should also clarify roles and responsibilities of insurers and MGAs.

We look forward to continuing to work with FSRA and the government to amend the *Insurance Act* to narrow the definition of MGA, limiting it to entities that act as intermediaries between insurers and agents facilitating insurance distribution, and who do not provide advice directly to the public.

Priority 3. D: Undertake a review of FSRA’s supervisory activities and regulatory approach for Ontario-incorporated insurance companies and reciprocals to identify any potential areas for further improvement

We are interested to learn more about this priority including what areas FSRA is considering for further improvement and whether this initiative is focused on P&C or L&H or both and timelines for the review.

Priority 4. C: Support the government in its efforts to remove trade barriers within Canada

As Canada faces growing economic and competitive pressures, the need to reduce interprovincial barriers is more urgent than ever. Having disparate and duplicative regulatory frameworks diminishes Canada’s ability to be competitive and does not advance consumer protection.

Our industry is supportive of the government’s efforts to reduce interprovincial barriers and welcomed the government’s inclusion of licensed insurance agents as part of the “as of right” framework. While these changes are a good first step, there is an opportunity to build upon this work to promote greater consistency in the licensing rules across Canada and reduce fragmented and redundant requirements that lead to unnecessary administrative burden.

For example, our industry strongly supports the development of a mutual recognition framework whereby insurance agents licensed in one province can operate in any province in Canada, if they meet minimum standards. Licensed agents would continue to pay licensing fees for each jurisdiction they operate in. Our industry would also ensure consumer protection rules remain in place where advisors are working across provinces.

Mutual recognition would help provide regulators and the industry with a predictable, efficient model, avoid unnecessary license applications, and reduce administrative burden on both regulators and advisors. In absence of a mutual recognition model, regulators would continue to be challenged to meet service standards for processing license applications. As part of the mutual recognition framework, a single licensing system could also be considered, similar to the system that exists in the securities space. This would allow insurance advisors to apply through a single portal to be licensed in multiple provinces. We encourage FSRA to work with other provincial and territorial regulators and CCIR/CISRO to implement a mutual recognition framework.

We also strongly support harmonization of existing licensing requirements. While there are some jurisdictional differences in licensing requirements across provinces, the obligations and qualifications of a licensee are essentially the same in spirit. Having consistent rules across provinces would promote greater consistency in the licensing rules and eliminate confusion for advisors and consumers.

Our industry would appreciate the opportunity to work closely with FSRA to develop a mutual recognition framework and to harmonize licensing requirements, in collaboration with other regulators.

Priority 4. D: Support the government in the implementation of a pharmacy preferred provider network (PPN) framework for group drug insurance plans

Preferred provider networks (“PPNs”) are important tools for managing drug costs, especially for specialty drugs. Less than two per cent of claimants are for specialty drugs, yet specialty drug spending accounts for over 30% of total private drug spending in 2024. Without PPNs, the cost of comprehensive drug coverage may be unsustainable for employers. They are also a critical tool for elevating care by connecting Ontarians with wraparound health services. These services aim to give patients more support in managing their health beyond just providing medications. This is especially critical for patients with complex, specialty health needs that need coordinated, expert driven support.

It is important that any regulations or rules being developed to govern PPNs ensure that PPNs remain effective tools for employers to manage drug costs through reduced markups at in-network pharmacies and offer wraparound health supports. These savings also help protect the long-term sustainability of health benefit plans. The role and importance of PPNs are further explained in our responses to the government’s consultations on [regulating PPNs](#) and [PPN policy options](#).

Given our industry’s role in supporting drug care and managing drug costs for Ontarians, we strongly encourage FSRA to work closely with our sector to implement the PPN framework. We would be pleased to collaborate further as this work develops.

Conclusion

Thank you again for the opportunity to share the industry’s feedback on FSRA’s Proposed Priorities.

Sincerely,



Lyne Duhaime, President Quebec Affairs and Senior Vice-President, Market Conduct Policy and Regulation

About the CLHIA

The Canadian Life and Health Insurance Association (CLHIA) is a voluntary association whose member companies account for 99 per cent the life and health insurance business in Canada. These insurers are significant contributors to Ontario and its economy. In 2024 they provided financial security to 11.1 million Ontarians and make over \$62 billion in benefit payments (of which 90 per cent goes to living policyholders as annuity, disability, supplementary health or other benefits). In addition, life and health insurers contributed \$45 billion in taxes to Ontario in 2024. A large majority of life and health insurance providers are licensed to operate in Ontario, with fifty-seven headquartered in the province.

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