



January 14th, 2026

Financial Services Regulatory Authority of Ontario

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RE: Consultation on Proposed 2026-2027 Statement of Priorities

Primerica Financial Services (Canada) Ltd. (Primerica, we or our) is pleased to respond to the Financial Services Regulatory Authority of Ontario's (FSRA) consultation on the proposed 2026-2027 Statement of Priorities. We appreciate FSRA's efforts to modernize and strive for principles-based regulation. Our comments are outlined below.

About Primerica

Primerica Financial Services (Canada) Ltd. is a leading distributor of basic financial savings and protection products to middle-income households throughout Canada, serving the Canadian public since 1986. Part of our Canadian corporate group includes our life insurance company, Primerica Life Insurance Company of Canada (PLICC) and our mutual fund dealer, PFSL Investment Canada Ltd. PLICC is represented by more than 6,000 licensed life insurance agents across Ontario, and approximately 4,000 of our life insurance agents are dually registered as mutual fund representatives.

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. Through our digital FNA (Financial Needs Assessment), clients can view a snapshot of their financial situation and a road map to set and achieve financial goals. Our objective is to empower Canadians to make informed financial choices through an educational approach.

We pride ourselves on our high customer satisfaction and retention. We also value and prioritize collaboration with regulators as we believe in strong consumer protection. Our strong compliance record speaks for itself.

One of the distinguishing features of our business model is that we continue to distribute our products through 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.

We offer our comments through this lens, drawing on nearly forty years of experience successfully serving middle-income Canadian families. Our comments are also informed by, and intended to support, the Ministry of Finance's public policy objectives related to affordability, financial participation, consumer protection, and the long-term resilience of Ontario's financial system.

Primerica Client
Services Inc.

Primerica Life Insurance
Company of Canada

PFSL Investments
Canada Ltd.

PFSL Fund
Management Ltd.

Les Services à la Clientèle
Primerica Inc.

La Compagnie d'Assurance-Vie
Primerica du Canada

Les Placements PFSL
du Canada Ltée

Gestion des fonds
PFSL Ltée

General Comments

Primerica supports FSRA's efforts towards transformation and embracing principles-based regulation. We believe that a principles-based approach to regulation is essential to fostering a competitive, innovative, and trustworthy financial services sector. As the sector experiences significant change, agile and transparent regulations will benefit consumers and industry alike in navigating challenges. Further, we are encouraged that FSRA is taking steps to develop a comprehensive framework for engaging stakeholders. Stakeholder engagement is an essential component of policymaking, and we are pleased to see FSRA's work on this front.

As FSRA plans their 2026-2027 priorities, we believe that FSRA must continue to strive for regulations that foster accessibility for all consumers. The financial services industry is increasingly catering to high net-worth consumers at the expense of middle-income consumers who are falling behind. Without a robust industry that serves all markets, middle-income consumers will be left with less options and higher costs. A regulatory framework that supports diverse business models and proportionate oversight is critical to ensuring broad participation in the regulated financial system.

Pillar 1 – Transform Our Capabilities

Use of Data, Advanced Analytics, and Artificial Intelligence – Recommendations

Primerica supports FSRA's focus on strengthening internal systems and enhancing technology and data capabilities. We believe this pillar presents a meaningful opportunity to improve supervisory effectiveness while reducing regulatory burden for compliant firms. To that end, Primerica recommends that FSRA:

- Prioritize the use of data, advanced analytics, and artificial intelligence to enable proactive, risk-based supervision. Enhanced use of supervisory data can allow FSRA to identify emerging risks, patterns of non-compliance, and outlier behaviour more effectively, enabling earlier and more targeted interventions.
- Use technology to differentiate between compliant firms and persistently non-compliant actors. Data-driven supervision can support focused action against poor conduct and repeat issues, helping to address bad actors without imposing unnecessary compliance burdens on firms and advisors with appropriate governance and compliance records.
- Leverage AI and analytics to identify outdated, duplicative, or low-value regulatory requirements. FSRA should consider using technology-enabled reviews to rationalize rules, guidance, and supervisory practices, ensuring regulatory expectations remain relevant as business models and technologies evolve.
- Use supervisory insights to reduce blanket requirements where risks are demonstrably low. As FSRA's data capabilities mature, those insights should support streamlined reporting, documentation, and oversight requirements, allowing regulatory resources to be focused where they have the greatest impact.

- Engage stakeholders on efficient and effective use of supervisory data. Ongoing dialogue with industry will be important to ensure that new tools improve regulatory outcomes without inadvertently increasing administrative burden.

Pillar 2 – Embrace and Embed Principles-based oversight

Primerica strongly supports FSRA’s objective to embrace and embed principles-based, proportional, risk-based, and outcomes-focused oversight across its regulatory activities. We believe this approach is essential to maintaining effective consumer protection while enabling innovation, competition, and access within a rapidly evolving financial services landscape. Clear principles, combined with the effective exercise of regulatory judgment, allow supervision to be tailored to actual risk and consumer impact rather than compliance with prescriptive processes. When applied consistently, principles-based oversight strengthens accountability, improves regulatory efficiency, and supports better outcomes for consumers and market participants alike. We offer the following comments and recommendation two of the policy areas identified in your Statement of Priorities:

Segregated Funds

One of the stated priorities is developing the regulatory approach to individual segregated funds. As FSRA seeks to implement CCIR/CISROs consolidated segregated funds guidance, we believe there are opportunities to address prescriptive regulations. The final guidance maintains extensive procedural, documentation, and oversight rules that do not foster proportionality and flexibility:

- **No Clarification of Roles Across the Distribution Chain:** Distinguishing between manufacturer, distributor, MGA, and advisor responsibilities was not addressed in the final Guidance issues by the CCIR. The Guidance continues to treat “Intermediary” as a single category. FSRA should remedy this as it adopts the Guidance for its licencees.
- **Disclosure Requirements are Not Harmonized with Mutual Funds:** Fund expense ratio remains mandatory in Quick Facts, diverging from the NI 81-102 regime.
- **Leveraging Strategy (Borrowing to Invest):** The final Guidance reforms terminology (“Leveraging Strategy”) but retains all prescriptive requirements, without carve-outs for RRSP loans, despite demonstrable differences in risk for the latter. This approach is also inconsistent with mutual funds sales.

Licensing Regime for Life and Health Managing General Agents (MGA)

- Primerica supports the introduction of an MGA licensing regime that enhances consumer protection and regulatory clarity. To ensure the framework is effective and proportionate, we recommend that FSRA:
- **Narrow and clarify the definition of an MGA** through an amendment to the Insurance Act to reflect the original public policy intention of closing the regulatory and oversight gap of MGAs. The current definition risks capturing business models that do not present MGA-like risks, including exclusive sales force arrangements, and creates uncertainty that cannot be fully addressed through rule-making alone.
- **Differentiate between exclusive and multi-insurer distribution models.** Regulatory expectations should reflect differences in supervision, accountability, and risk.

- Simplify the proposed tiered licensing structure. A more streamlined framework focused on material risk factors and licencing entities that are currently **not licenced** would improve clarity and support effective compliance.

Financial Inclusion and Access to Advice – Recommendation to Include in Priorities

Primerica encourages FSRA to explicitly recognize financial exclusion and affordability challenges as emerging risks within Ontario’s financial services landscape and to reflect financial inclusion as a cross-cutting objective in its strategic priorities.

Consumers with modest incomes or assets, newcomers to Canada, and households experiencing financial vulnerability may face barriers to accessing regulated financial advice and products. As segments of the industry focus increasingly on higher net-worth clients, there is a growing risk that these populations will be underserved, limiting participation in the regulated financial system.

To support affordability, participation, and long-term financial resilience, Primerica recommends that FSRA:

- Recognize financial exclusion as a consumer protection and system-wide risk. Limited access to advice and foundational financial products can increase vulnerability and reduce confidence in regulated markets.
- Support a range of advice models that reflect differing consumer needs. Financial advice should be proportionate to consumer circumstances, with regulatory approaches that support simple, needs-based guidance for consumers with straightforward needs.
- Enable needs-based sales of simple, foundational financial products. Guidance focused on essential products, such as term life insurance, can help consumers address immediate protection needs while building confidence in the financial system.
- Acknowledge the role of foundational products in promoting broader financial participation. Initial engagement with basic protection and savings solutions can encourage participation in tax-advantaged programs, including RRSPs and TFSAs, supporting longer-term financial stability.
- Ensure regulatory expectations support access and affordability. Overly complex or resource-intensive requirements may unintentionally reduce access to advice for middle-income and emerging consumers. Proportional, risk-based oversight can help balance strong consumer protection while promoting financial inclusion.

Pillar 3 – Promote Proactive and Collaborative Partnerships

Reducing Inter-Provincial Trade Barriers

Primerica welcomes FSRA’s recent steps to reduce barriers for interprovincial licensing effective January 1, 2026, Further progress toward full mutual recognition would allow licensed agents to operate across provinces without duplicative licensing processes, while maintaining appropriate regulatory oversight.

We also support harmonization of existing licensing and continuing education requirements. While provinces may differ in their licensing requirements and CE, the obligations, qualifications, curriculums, and timelines are very similar, and the jurisdictional differences

create unnecessary regulatory burden. Harmonizing requirements with mutual recognition would alleviate this burden and allow for more consistency across provinces.

Conclusion

Primerica commends FSRA for advancing a principles-based regulatory approach in their 2026-2027 Statement of Priorities. We believe that industry and consumers benefit when regulation is flexible, proportional, and predictable.

We also encourage FSRA to explicitly address financial inclusion and affordability by supporting proportionate regulatory approaches that preserve access to advice and foundational financial products for consumers with modest incomes or assets, including newcomers to Canada.

This year will feature key regulatory decisions around MGAs, Segregated Funds, and more. We remain committed to collaboration and engagement with FSRA and industry stakeholders in the coming year. We welcome any questions about our submission from FSRA and we would be pleased to discuss further.

Sincerely,

[Original Signed By]

John Adams, CPA, CA
Chief Executive Officer, Primerica Canada