



Independent Financial Brokers of Canada
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Submitted via FSRA Portal

Financial Services Regulatory Authority of Ontario (FSRA)
100-25 Sheppard Ave. West
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Toronto, Ontario

Re: FSRA — 2026–27 Proposed Statement of Priorities (SOP)

To whom it may concern,

Independent Financial Brokers of Canada (IFB) is pleased to provide feedback on FSRA's 2026–27 *Proposed Statement of Priorities (SOP)*.

About IFB

Independent Financial Brokers of Canada (IFB) is a national, not for profit association representing approximately 2,000 licensed professionals across Canada. Many IFB members are licensed by FSRA as life/health insurance agents.

IFB members must agree to adhere to IFB's Code of Ethics and Standards of Professional Conduct as a condition of membership. Often, they hold additional licenses or accreditations which permit them to address the broader financial needs of today's clients. These can include securities/investments, mortgages, P&C insurance, deposit instruments, estate/tax services, and financial planning.

FSRA's 2026–27 SOP

We recognize that the SOP is intended to help shape FSRA's *FY2026–29 Annual Business Plan (ABP)* following public consultation and submission to the Minister of Finance. We appreciate the opportunity to contribute to that process.

FSRA's stated direction—that it must provide stability and build trust through a regulatory approach that is clear, predictable, and understandable, and that reflects the perspectives and challenges of regulated sectors—aligns with what L/H advisors need in order to deliver high-quality consumer outcomes. We also acknowledge FSRA's focus on technology and innovation,

including the risks associated with AI-enabled models, privacy, bias, fraud, and reduced interaction with licensed professionals.

Against that backdrop, our submission highlights several priorities that, in our view, are essential to ensure that FSRA's FY2026–27 initiatives improve consumer protection without creating unintended disruption to advice-based distribution in the life and health insurance sector.

1) Apply an "Advice and Access" lens to all distribution-impacting initiatives

Life and health insurance is fundamentally advice driven. Consumers benefit when they can access qualified, licensed professionals who can assess needs, explain trade-offs, and provide ongoing service over time.

Accordingly, we recommend that FSRA apply an explicit "Advice and Access" lens to initiatives that affect distribution, including rule implementation, licensing, and enforcement. In practical terms, this means assessing whether changes will:

- Improve consumer outcomes and market conduct.
- Avoid unnecessary burden—especially for smaller firms; and
- Preserve consumer access to advice and service, including for underserved or complex needs.

2) Life/health MGA licensing implementation: prioritize clarity, proportionality, and transition stability

We note FSRA's intent in FY2026–27 to implement the licensing regime for life and health MGAs. This initiative will have direct, immediate effects on distribution relationships and operational processes in the L/H sector. We further note that, at the time of this writing, the stakeholder responses to *Proposed Rule 2025-01: Life and Health Managing General Agents* have not yet been posted to the FSRA website. We look forward to reading the responses of our industry peers and learning how this input will shape the final rule when implemented.

In our view, the version of the Rule circulated in FSRA's recent consultation risks uncertainty, inconsistent interpretation and enforcement, and the unintended capture of entities that do not perform core MGA functions but may have corporate structures or limited contractual relationships with other agents.

We look forward to seeing the final version of this Rule, and have the following recommendations to assist in its implementation and adoption.

Recommendations

To reduce implementation risk and avoid disruption to consumers and advisors, we recommend that FSRA:

1. Publish an implementation plan for L/H MGA licensing that sets out: transition timing, regulatory expectations, supervisory posture during transition, and service standards for processing and inquiries.
2. Issue clear interpretive guidance that is operationally usable for licensees and that distinguishes MGA activity from other models in distribution (including smaller corporate

structures and advisor-led entities that operate primarily as agents).

3. Commit to proportionality in requirements and supervisory expectations, calibrated to function and risk, consistent with FSRA's stated principles-based approach.
4. Establish a working group comprised of advisors, small agencies, MGAs, and insurers to validate guidance and identify operational issues early, which is consistent with FSRA's proposed emphasis on stakeholder engagement and collaboration.

3) Technology and AI: mitigate risks without diminishing advisor-consumer interaction

FSRA's environmental scan appropriately highlights that technological advancement—including AI, chatbots, advanced analytics, and digital platforms—can improve efficiency and personalization, but also introduces material risks such as data privacy concerns, algorithmic bias, fraud, and reduced interaction with licensed professionals.

In the L/H sector, reduced interaction with licensed professionals is not a theoretical concern: it can lead to misunderstandings about coverage, suitability issues, poor persistence, and inadequate claims expectations—outcomes that harm consumers.

Recommendations

We recommend that FSRA:

1. Set clear expectations and guardrails for AI-enabled distribution and marketing practices, including accountability for outcomes and risk controls addressing the risks FSRA identified (privacy, bias, fraud, and diminished professional interaction).
2. When modernizing supervisory approaches and data collection, ensure requests are privacy-protective, proportionate, and feasible for smaller firms, and demonstrably targeted to improving consumer outcomes and reducing regulatory burden over time.

4) Quasi-criminal enforcement: pair consistency with transparency and due process

We note FSRA's stated FY2026-27 initiative to develop a consistent quasi-criminal enforcement approach to more effectively use existing legislative authority.

Enhanced enforcement tools can support consumer protection, but to maintain confidence among licensees and avoid chilling effects on legitimate practice, the approach must be transparent, proportionate, and accompanied by clear guidance.

Recommendations

We recommend that FSRA:

1. Publish clear escalation criteria and explain the circumstances in which quasi-criminal tools will be considered, including factors that will drive supervisory versus enforcement responses.
2. Provide plain-language guidance for licensees that highlights common risk areas, expected controls, and practical compliance measures for small firms.

5) Engagement and communications: design for front-line usability

We support FSRA's stated objective to improve external communications and redesign its website, and to develop a comprehensive framework for engaging stakeholders.

For L/H advisors, “usable guidance” means materials that are clear, practical, and built around real distribution workflows.

Recommendations

We recommend that FSRA:

1. Include life and health distribution stakeholders—especially independent advisors and smaller firms—as a priority group in its engagement framework.
2. Pilot-test new guidance and processes with front-line licensees before broad rollout to reduce implementation friction and avoid interpretive uncertainty.

6) KPIs and accountability: measure what matters for life/health distribution

We note FSRA’s intention to integrate KPIs aligned with its strategic framework into the ABP to reinforce accountability and enable transparent reporting.

We encourage FSRA to include KPIs that matter directly to distribution and consumer outcomes in the L/H sector, such as:

- Licensing implementation service standards (timeliness, backlog, inquiry resolution times);
- Guidance effectiveness (volume of interpretive issues resolved; reductions in repeat inquiries; stakeholder satisfaction measures);
- Burden reduction outcomes (measurable reductions in duplicative reporting or time-to-comply for smaller firms); and
- Consumer outcome indicators linked to digital distribution risks (fraud trends, misrepresentation drivers, complaints tied to reduced advisor interaction).

Closing

We appreciate FSRA’s continued focus on building trust through a regulatory approach that is clear, predictable, and grounded in the realities of regulated sectors. We would welcome the opportunity to discuss these recommendations and support practical implementation planning that protects consumers while maintaining access to licensed advice.

Sincerely,

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