

January 14, 2026

Mr. Dexter John, CEO
Financial Services Regulatory Authority of Ontario
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Copy to:

Glen Padassery, Executive Vice President, Policy and Auto/Insurance Products, Public Affairs
Antoinette Leung, Executive Vice President, Market Conduct
Erica Hiemstram, Head, Insurance Conduct
Swati Agrawal, Head, Market Conduct Life and Health Insurance Companies & MGAs

RE: CAFII Feedback on Proposed FY2026-2027 Statement of Priorities

Dear Mr. John:

The Canadian Association of Financial Institutions in Insurance (CAFII) thanks the Financial Services Regulatory Authority of Ontario (FSRA) for the opportunity to provide comments on FSRA's Proposed FY2026-2027 Statement of Priorities.

In this submission, we have restricted our comments to those sections of FSRA's Proposed FY2026-2027 Statement of Priorities that are germane to CAFII members, i.e., the Environmental Scan, and to the FSRA-Wide Strategic Priorities. CAFII members operate nationally across multiple regulatory frameworks, and FSRA's priorities have meaningful implications not only for Ontario consumers but for the broader Canadian insurance system. As the regulator in the Canadian jurisdiction with the largest economy and population, the general principles that guide FSRA's actions are of critical importance to the industry and will have impact on the approach other jurisdictions take.

We are aligned with the broad strokes of your environmental scan. Ontarians and Canadians are facing an unprecedented level of technological change and are worried about its potential impacts on their jobs and lives. Your statement "Technology is rapidly reshaping the financial services landscape" is one we readily agree with. In connection with that reality, in 2025, we released a commissioned research study on technology's impact on credit protection insurance, which found that even large CAFII members have to choose between technology investments available to them. CAFII members prioritize cybersecurity and privacy-protection initiatives—often out of necessity—resulting in deferred investment in other areas such as modernization, automation, or advanced analytics¹. While this is the needed approach given the high risks posed by cyber-attacks, it points to the challenges industry faces in this environment of rapid technological change. In this context, we encourage FSRA to facilitate the use of new technology solutions to optimize product pricing,

¹ A summary of the presentation can be found here: <https://www.cafii.com/exploring-emerging-technology-trends-in-cpi/>

provide more tailored solutions, enhance customer experience, and improve the efficiency of operations, for the overall benefit of Ontario customers.

CAFII and its members also agree that “The global financial services sector has entered a period of sustained uncertainty.” Ontarians are preoccupied with the economy, the cost of living, and housing costs. Of relevance is the fact that insurance is often viewed as a supplemental expense. With household finances under stress, consumers increasingly view insurance—particularly optional coverage—as discretionary. FSRA’s priorities around ensuring fair treatment and transparency will therefore play an important role in maintaining consumer trust and supporting informed decision-making during a time when underinsurance risks are rising. Life insurance offers crucial protection during uncertain times. As an industry, life insurance has an excellent claims payout rate, including credit protection insurance, which can provide stability².

CAFII is keenly interested in engaging in the dialogue on how best to address these issues. One way we do this is through collaboration and dialogue; on June 3, 2025, CAFII had Goldy Hyder, CEO of the Business Council of Canada, speak about Canada’s socio-economic landscape at a reception.³ We also commissioned research with Pollara that we released in 2025 on various segments of Canadian consumers and their different perspectives around obtaining credit protection life insurance.⁴

We support FSRA’s statement that “FSRA’s approach must be clear, predictable, and understandable, while strengthening its knowledge of the perspectives and challenges faced by its regulated sectors and the public.” We believe a key way to do this is to have an open and transparent dialogue with industry, and we commend FSRA’s commitment to such an approach.

CAFII is supportive of FSRA’s five-year strategic framework, particularly the focus on improving regulatory processes and digital capabilities. Efficient regulatory operations enhance timeliness, consistency, and clarity—attributes that directly benefit consumers and reduce administrative friction for insurers. Specifically, we recognize the importance of enhancing your internal systems and believe that you will be able to regulate more effectively with these investments. We strongly support FSRA’s embrace of principles-based oversight and believe that the key to achieving it lies in open dialogue and continued consultation. In that respect, we are cognizant of the openness and accessibility of FSRA’s management and leadership team. Key contacts like Erica Hiemstra and Swati Agrawal are always more than willing to speak with CAFII representatives, and we had two highly successful meetings in 2025 with CEO Dexter John and Executive Vice President Market Conduct Antoinette Leung (on July 23, 2025, and November 6, 2025). CAFII’s Executive Director, Keith Martin, is also a participant in the Sectoral Advisory Committee (SAC) on Life & Health Insurance and has participated in all the meetings of the Committee.

² CAFII-commissioned research by Pollara, for example, has found that credit protection mortgage life insurance has a 94% claims payout.

³ A summary of the presentation can be found here: <https://www.cafii.com/summary-of-cafiis-june-bod-reception-event-hosted-by-rbc-insurance-with-president-and-ceo-of-the-business-council-of-canada-goldy-hyder-as-the-keynote-speaker/>.

⁴ A summary of the research can be found here: <https://www.cafii.com/cpi-segmentation-study/>. A webinar on the study and a summary of it can be found here: <https://www.cafii.com/summary-of-cafiis-webinar-on-pollara-segmentation-study-findings-credit-protection-consumer-profiles-2/>.

In terms of supervisory effectiveness, we did have some concerns about the exact meaning of FSRA's statement regarding its intention to "Develop a consistent quasi-criminal enforcement approach to more effectively utilize FSRA's existing legislative authority," and would appreciate clarification on what this entails. Specifically, clarity is needed on:

- the scope of conduct that would fall within this approach,
- how it will interact with existing AMPs and administrative enforcement tools, and
- whether industry consultation will precede implementation.

Given the seriousness of quasi-criminal actions, transparency and prior dialogue will be critical.

We agree that FSRA should continue to align itself with government priorities and objectives, and, in that connection, we feel that the focus on more effective and innovative regulation should be a key priority for FSRA. As the regulator of Canada's largest provincial insurance market, FSRA is uniquely positioned to champion inter-provincial regulatory harmonization. CAFII encourages FSRA to continue working with CCIR, CISRO, and other provincial regulators to reduce duplication, conflicting requirements, and regulatory uncertainty for insurers operating nationally.

We also support the intention to "Achieve meaningful impact through engagement and collaboration," and in that connection, we would note that we have had several such collaborations with FSRA in 2025. These include a webinar with Swati Agrawal on "Fair Treatment for a Wide Range of Consumers" on October 30, 2025, and another webinar on January 30, 2025, with Stephanie Appave, Director, Innovation, and Layial El-Hadi, Executive Director, Fintech Cadence, on Insurance Innovation in Ontario. (Both webinars were recorded and a summary was produced and posted on our website, at [https://www.cafii.com/category/events/.](https://www.cafii.com/category/events/))

There is one important priority that we felt was missing from the FSRA Statement of Priorities, which is a focus on financial literacy. In our meetings with FSRA we were impressed by your commitment to financial literacy, which is something we also heard from regulators and policy-makers we met across the country over the course of 2025 during our Regulatory Tours. We would encourage FSRA to consider an inclusion in this document along the lines that FSRA will "work with industry partners to enhance available resources and communications supporting public financial literacy." Such initiatives are important to CAFII and its members and we would be very interested in exploring ways to work together to promote this important priority, which might fit well under "Priority 5: Achieve meaningful impact through engagement and collaboration."

We appreciate FSRA's continued commitment to openness, transparency, and active consultation. We look forward to making further representations of our Association's views on FSRA's Proposed FY2026-2027 Statement of Priorities through the Life and Health Insurance Sectoral Advisory Committee's meetings, which, as noted, CAFII actively participates in.

Sincerely,



Karyn Kasperski
Board Secretary and Chair, Executive Operations Committee

About CAFII

CAFII is a not-for-profit industry Association dedicated to the development of an open and flexible insurance marketplace. Our Association was established in 1997 to create a voice for financial institutions involved in selling insurance through a variety of distribution channels. Our members provide insurance through client contact centres, agents and brokers, travel agents, direct mail, branches of financial institutions, and the internet.

CAFII believes consumers are best served when they have meaningful choice in the purchase of insurance products and services. Our members offer travel, life, health, property and casualty, and credit protection insurance across Canada. In particular, credit protection insurance and travel insurance are the product lines of primary focus for CAFII as our members' common ground.

CAFII's diverse membership enables our Association to take a broad view of the regulatory regime governing the insurance marketplace. We work with government and regulators (primarily provincial/territorial) to develop a legislative and regulatory framework for the insurance sector that helps ensure Canadian consumers get the insurance products that suit their needs. Our aim is to ensure appropriate standards are in place for the distribution and marketing of all insurance products and services.

Our members are the insurance arms of Canada's major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Insurance; National Bank Insurance; RBC Insurance; Scotia Insurance; and TD Insurance – along with major industry players Canadian Tire Bank, Assurant Canada, Securian Canada, CUMIS Services Incorporated, Manulife (The Manufacturers Life Insurance Company), Chubb, and The Canada Life Assurance Company.