



# CADRI

CANADIAN ASSOCIATION  
OF DIRECT RELATIONSHIP  
INSURERS

23 August 2019

Mr. Ron Fullan  
A/Chair, General Insurance Licensing Qualification Review Committee (GILQR)  
Canadian Insurance Services Regulatory Organizations (CISRO)  
5160 Yonge St.,  
North York, ON, M2N 6L9

[cisro-ocra@fsrao.ca](mailto:cisro-ocra@fsrao.ca)

Dear Mr. Fullan:

**RE: Feedback on GILQR June 2019 Stakeholder Meetings**

## 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 product and service innovation so that Canadians can easily choose insurance that serves their needs through the delivery channels of their choice.

CADRI appreciates the opportunity to contribute to CISRO's review of qualifications for general insurance agents.

As we submitted a year ago and have discussed with the Committee since, we continue to call for a wider review of agent licence categories. In our experience, the varying levels of licences among the provinces and territories add administrative layers without necessarily contributing significantly to enhanced consumer protection.

## Value of the direct-relationship model

CADRI members have structured, tiered staffing models to ensure excellent supervision of all employees. Prior to contacting customers, agents undergo thorough background checks and rigorous training to ensure compliance with regulations, company policies and delivery on customer service commitments. Thus, the very nature of direct-relationship insurers' corporate structures' internal controls is to ensure that they comply with regulatory frameworks and protect consumers' interests.

Because direct-insurers' agents frequently work onsite in customer care centres which serve several provinces, the current approach to licensing means an agent may need to secure several different provincial and territorial licences. If qualifications, applications for, or renewals of, any one of these licences is out of sync with the others, an agent may sit idle, unable to answer calls and serve customers as inquiries coming in may be from another part of the country.

In this context, CADRI remains a proponent of steps to harmonize licensing across Canada.

For the purposes of CISRO’s task at hand, a review of general insurance licensing qualifications, we are supportive of GILQR’s proposal to move to a more harmonized curriculum for entry-level agents. The benefits of a common curriculum include:

- Enhanced consumer experience,
- Reductions in training time,
- Labour mobility,
- Ease of integration of fair treatment policies.

As we recommended in 2018, we support changes to the educational curricula which set a base qualification recognized across Canada. Modules covering jurisdictional specifics or specialty knowledge like commercial issues or travel insurance, for example, would be available for agents as required by their insurer employers.

### **Potential Approaches**

CADRI agrees with CISRO that the status quo is not an option.

As we consider the questions outlined in CISRO’s 2019 Stakeholder Consultation, we submit that any future educational program should align with the Canada Free Trade Agreement to encourage labour mobility and have a continuous stakeholder engagement loop.

### **Consultation Questions**

- 1. What are your thoughts on the high-level principles listed? Are there any other principles that should guide the development of an entry-level general insurance licensing qualification program?***

With respect to the principles guiding the development of an entry-level general insurance licensing qualification program, CADRI members agree with all of those listed and suggest the committee add one more to address the efficiency and effectiveness of the program. All industry participants would appreciate the committee considering the amount of paperwork, time required and cost associated with the program.

As nationwide insurers, our biggest challenge is the varying licensing levels in each jurisdiction and the permissions granted to each of those levels. We understand that the mandate of this committee is to address education and examination requirements, but we would appreciate any consideration that could be given to the variations between jurisdictions through this process.

- 2. How could a harmonized curriculum best be achieved, given that currently multiple providers create their own curricula?***

CADRI members suggest that a curriculum should be developed centrally and then shared with many providers. With this approach, insurers would have the option of delivering the curriculum themselves in the context of their own products, policies and customer service expectations, or turn to a third party to deliver the training.

In addition, based on our members’ experience, we would like to recommend that CISRO allow and encourage varying means of delivering the curriculum and learning experience. Two weeks classroom time is one approach, others include virtual, eLearning and a blend of traditional and contemporary means.

**3. A potential program could have common study materials, based on a common curriculum, developed by one party and used by all providers with regulator-administered exams. What advantages and disadvantages might there be for students, course providers and regulators?**

A common curriculum and study materials would give equal opportunity to every potential licensee by ensuring a consistent approach to content across jurisdictions. In addition, our members suggest the creation of a facilitator’s guide to the curriculum to provide guidance to trainers and give learners the best possible opportunity to retain information and successfully pass the exams.

**4. Conversely, the program could allow for multiple providers creating their own study materials based on a common curriculum with regulator-administered exams. What are your thoughts on the advantages and disadvantages of this approach for students, course providers and regulators?**

Allowing multiple course providers to create their own study materials seems contrary to the goal of harmonization – the curriculum might be interpreted differently, affecting learning and outcomes. Standardized study materials based on a common curriculum give all individuals pursuing licences an equal opportunity to succeed, regardless of jurisdiction.

**5. Currently, some licensees may be authorized to sell products for which they have not acquired technical knowledge. Conversely, licensees may have technical knowledge of products that they are not permitted to sell under the authority of their licence (e.g., A&S insurance, travel insurance, commercial insurance, etc.). What issues may arise from this? How do you recommend this CISRO initiative might address these? Are there other issues that arise from the current licensing qualification framework?**

CADRI’s agents not only acquire the qualifications required to be licensed for a jurisdiction that they serve, but they are also subject to additional, company-specific training on policies, procedures, specific products and fair treatment of customers. Given this scenario, CADRI’s members’ agents sell only products they are licensed and qualified to sell.

CADRI believes that if a common curriculum is kept to the basics required for jurisdictions across the country, then agents could acquire additional training for other products through learning modules and additional testing.

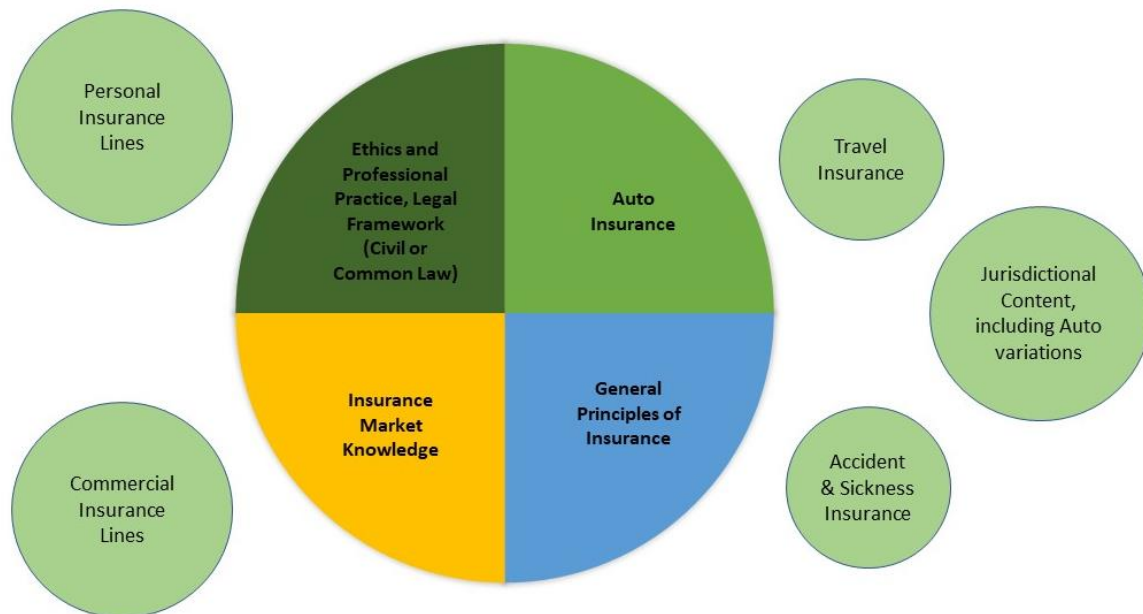
We believe that agents should learn about products that they will be working with, rather than learning about products they will never work with because that knowledge is required to acquire a licence.

That said, CADRI members understand that deciding what’s required by each jurisdiction to obtain an entry-level licence is beyond the scope of this review, but we suggest that an entry-level agent performs the same function regardless of jurisdiction and harmonizing not just education requirements but also

qualification requirements would enable us to provide a consistent, seamless experience for customers across Canada.

**6. What are your thoughts on the two approaches identified by CISRO? Are there other approaches that CISRO should consider?**

After careful consideration of CISRO’s options, CADRI recommends a modified version of Option 1. We call it **Modified Option 1**:



Only a small amount of auto insurance content varies from one jurisdiction to another, so CADRI members recommend incorporating the common auto insurance content into the core of Option 1 and addressing jurisdictional variations in a separate module. This will simplify multi-jurisdictional licensing and ensure consistency of content and instruction across the country.

**7. To what extent do you believe that auto insurance content could be harmonized?**

CADRI members suggest that common auto insurance content should become part of the core curriculum required for an entry-level licence, simplifying the jurisdictional modules available for those who require multiple licences.

We make this case because most of the auto insurance curriculum could be harmonized. While there are minor jurisdictional variations, in every case the perils are the same, as are the fundamentals (liability, etc.).

**8. To what extent should travel insurance be included in a program (given that this may include components of accident & sickness insurance)?**

CADRI recommends that, rather than including travel and accident and sickness into the core curriculum, they be incorporated into jurisdictional modules where those jurisdictions require this

knowledge for an entry-level licence.

Thank you again for inviting CADRI to participate in your consultations.

We would be pleased to discuss this submission, particularly, our recommendation for a Modified Option 1.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Alain Thibault', written in a cursive style.

Alain Thibault  
Chairman and CEO

cc:

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