







**Independent Financial Brokers of Canada**  
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iii) Advisors want more involvement in the design and delivery of the compensation report. The current proposal leaves the advisor out of the delivery process. The insurer will provide the report directly to the plan sponsor, leaving the advisor – who has cultivated and retained the client – out. This process makes disclosure simply a transaction and ignores the value of the relationship between the plan sponsor and advisor. A more palatable solution would permit advisors to present the compensation report to the client. The information can be put in context, and plan sponsors can weigh this information against the value of the service received.

iv) Lessons from CRM2. CRM2 requires compensation disclosure for the securities industry. Recognizing the potential for industry disruption, mutual fund companies, consultants, associations, and other industry related groups were very active in educating and assisting dealers and advisors well in advance of the new reports, providing advice and tips on how to explain the reports to clients and explain their value for that compensation. This type of guidance and support has been missing from the G19 discussion. Worse, there's not even a template of the report yet available.

The advisor's worth to a client goes beyond compensation. Insurers must be part of the conversation to support their sales force.

v) There may be better solutions to achieve the results insurance companies want, while addressing advisor concerns. For example, in addition to the advisor committee, CLHIA could spearhead a technology committee which could explore the possibilities of fintech in this context. IFB has associates in this field with expertise we believe could be very valuable.

In conclusion, IFB supports a professional standard of advice for insurance. Transparency and disclosure for consumers of financial products, including compensation disclosure, are important elements. However, it is essential that the process be successfully managed alongside well thought out communication and educational plans for advisors and the plan sponsors who are their clients.

We respectfully suggest that G19, as currently drafted, will not achieve its stated goals. Further, it is our recommendation that G19 be set aside in its current format and alternative solutions sought. We look forward to continuing this discussion

Yours truly,

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