



December 21, 2021

Insurance Council of British Columbia  
1400-745 Thurlow Street  
Vancouver, BC V6E 0C5

Submitted by email: [consultation@insurancecouncilofbc.com](mailto:consultation@insurancecouncilofbc.com)

Dear Sirs/Mesdames:

**Subject: Consultation on Continuing Education Accreditation for Individual Courses and Guideline for Life and/or Accident and Sickness Agents**

Independent Financial Brokers of Canada (IFB) welcomes the opportunity to comment on the Insurance Council's (Council) proposals regarding accrediting individual courses for continuing education (CE), and the CE guideline for life/and or accident and sickness insurance agents.

*About IFB*

IFB is a national, not for profit, professional association representing approximately 3,000 licensed advisors and planners. IFB is the only Canadian association which exclusively represents independent financial professionals, and has done so for over 35 years.

IFB members are members by choice. To qualify, they must be licensed by a Canadian financial regulator, agree to adhere to IFB's Code of Ethics and Standards of Professional Conduct<sup>1</sup>, and not be restricted by an employment or other exclusive contract with a single financial services company or institution.

IFB supports its members, and the financial services community more widely, by offering high quality accredited educational opportunities, a comprehensive professional liability insurance program for individuals and corporations, and access to professional business tools such as compliance support and regulatory updates. IFB advocates on behalf of its members and is an active stakeholder on issues related to the financial services sector.

Independent financial advisors provide consumers with personalized advice and choice of products from various sources. They are an important alternative to the financial advisory services offered by proprietary or integrated financial firms, such as retail banks. IFB members often choose to become independent after beginning their careers with proprietary firms or a larger financial institution. They are typically owners of small to medium-sized financial practices in their home community.

The majority of IFB members are both life insurance licensees and mutual fund registrants. Many have other financial licenses or accreditations that permit them to address the broader needs of the individuals, families, and businesses they advise. These other financial services may include general (P&C) insurance, mortgages, securities/investment products, estate/tax planning, financial planning, and

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<sup>1</sup> [Independent Financial Brokers of Canada](#): Code of Ethics and Standards of Professional Conduct.



access to deposit instruments. Independent advisors acquire these additional licenses/accreditations voluntarily, and at their own expense.

#### *Comments on the proposals*

As mentioned, IFB has been a respected education provider in the financial services industry for over 35 years, with a specific focus on the life/health insurance sector. IFB believes CE should be delivered in a professional way to reflect the needs of today's life insurance advisor. IFB has never viewed activities such as reading magazines or news articles as an appropriate way to earn CE credits.

Prior to the COVID-19 pandemic, IFB regularly offered in-person educational opportunities in multiple locations across Canada several times per year. Council representatives were regular speakers at the IFB BC Summit. At in-person events, IFB tracked attendance by way of a barcode on delegate badges using scanning equipment. This professional approach reflects our view that high quality, verifiable, CE is essential for those who provide consumers with life/health insurance coverage and other types of financial advice.

When in-person events became impossible, IFB quickly expanded its online learning platforms so we could continue to offer IFB members and non-members opportunities to earn accredited CE and keep their life/health insurance licenses in good standing. These online events and webinars have proven popular with many advisors, especially those located outside of major urban centres, for whom the cost of travel and time away from the office has been a barrier to accessing educational opportunities.

At IFB virtual events, attendees register online, and their attendance is monitored electronically. CE certificates are only provided to those who attend a session in full. Currently, most jurisdictions do not require that attendees pass a quiz for virtual events unless the session is offered on-demand (i.e., not 'live'). The exception to this is the Registered Insurance Brokers of Ontario (RIBO). Those who attend IFB events to earn RIBO-accredited CE have access to an online quiz.

Council is proposing that attendees successfully complete a quiz/test regardless of the CE format (i.e., live virtual events, on-demand online, or in-person). It is our view that a quiz component is an appropriate tool for on-demand CE, such as is offered on IFB's CE Central platform. This type of learning is less interactive, and a higher degree of monitoring is appropriate. For education that is offered live, whether it is a group of individuals gathered in the same room or virtually using meeting technology, there is a higher level of engagement, and ample opportunity to track attendance, making the administration of a quiz an unnecessary extra step.

From a practical standpoint, the sheer size of in-person events often makes a quiz component impractical. At an event with several hundred attendees, and composed of both plenary and breakout sessions, the logistics of administering this testing would be costly and administratively challenging. We are concerned that it may well lead to a reduction in the number and size of the learning opportunities available to BC life/health agents in the future. To avoid this possibility, we recommend that a quiz requirement be limited to courses offered on-demand.

#### *Specific comments*

Our comments address the Life & Accident and Sickness CE guideline, and the terms for accreditation.



### Accreditation proposals

In general, IFB supports the proposed approach Council is suggesting – specifically, that education, or course providers, can be accredited but making an application for the accreditation is voluntary. This is a reasonable and flexible approach that provides a variety of options for a range of education providers.

IFB recognizes that today's clients often demand a more holistic approach to the advice they seek, one which entails a more comprehensive review of their personal and/or business circumstances. Such a review is, by its nature, a more complex and diversified exercise. Today's 'typical' client may have family or business interests in other countries, blended family responsibilities, or may be providing for multiple generations of family members. Today's 'typical' advisor needs not only product knowledge, but must keep abreast of the current regulatory expectations on treating clients fairly, and evolving societal issues related to addressing the needs of, and effectively communicating with, aging clients and their family members. These could include dealing with clients who exhibit reduced cognitive abilities, mental health and/or addiction issues, as well as understanding government assistance programs, tax, and estate issues.

To address these many challenges, IFB has always strived to offer a variety of CE content – ranging from industry specific topics, to evolving regulatory standards, to legal expectations, and updated industry best practices. This broad-based approach to education balances the need for technical competence with the need to understand the equally important societal issues affecting clients, and thus, the delivery of professional financial advice. A well-informed life insurance agent or broker is unquestionably better positioned to provide more meaningful advice and guidance to clients.

IFB appreciates the flexibility in the proposed framework Council has put forward. It permits educational providers to be self-accredited, individual courses can be accredited on a voluntary basis, and/or licensees can take an unaccredited course with the proviso that they will need to demonstrate to Council that the course meets Council's CE guidelines. We agree that the onus should not always be on the licensee to determine if a course will qualify. This can leave licensees unknowingly short on appropriate CE credits and jeopardize their license. IFB supports accredited education so licensees, and Council itself, can be assured that the education being delivered is high quality and relevant. Too often, licensees are offered courses which aim to promote individual product sales and incentives with no real educational value.

As an educational provider, IFB also recommends that Council's expectations for course content be set out in a way that providers, such as IFB, can have confidence that the course will qualify. It is our hope that any costs associated with the accreditation process will be reasonable for providers. If the process is overly onerous and/or expensive it will limit the number of providers that can participate and drive competition down and costs up, to the detriment of licensees who ultimately will bear these costs or suffer from reduced access to quality education.

Council is proposing that to be eligible to be an Accredited Course Provider (ACP), a course provider must:

- Offer a minimum of five industry courses at any given time that meet course content requirements outlined in the *Continuing Education Guidelines*; **OR**



- Offer insurance designation programs or courses that lead to a recognized insurance designation.

IFB does not offer an insurance designation program. However, we do offer a variety of life/health insurance industry courses at in-person and streamed live events, webinars, and recorded sessions on our online educational platform, IFB CE Central ([www.ifbcecentral.ca](http://www.ifbcecentral.ca)), which would meet the course content requirements.

IFB supports the proposal that Council will accredit providers for a 3-year period. We would appreciate more information on the anticipated cost of self-accreditation for providers.

#### Individual Course Accreditation

Based on Council's outline, individual courses will be accredited by the Accreditation Committee. Where a course accreditation is denied, Council has outlined the process for appealing the decision and resubmitting the course for subsequent accreditation. Generally, IFB supports this approach.

We would note that it will be important that Accreditation Committee members be well-versed in understanding the parameters for acceptable course content for the licence sector they are evaluating. For example, it is not clear to us if there will be an Accreditation Committee for life/health insurance courses and a separate Accreditation Committee for general insurance and adjusters. These are two very different areas of expertise.

#### Records and Certification

Under the proposal, licensees are required to maintain valid records of CE course attendance and completion for 5 years as proof of their compliance, and course providers would be required to keep attendance records for 2 years, to meet Council's audit procedures. We recommend the record retention requirement be the same for licensees and providers, for the convenience of licensees and for the efficiency of Council's audits.

#### Guideline on qualifying content for CE

IFB generally supports the categories of technical material that would qualify for life/health insurance agents. We suggest adding an additional category which would capture industry best practices and evolving societal issues that a life/health insurance agent may face in his/her advisory role, but which may not fall into any one of the categories suggested.

As mentioned at the outset, today's life insurance advisor is increasingly expected to provide clients with well-rounded advice that is not tied to a specific product or recommendation. Regulatory expectations are also evolving. For example, the Fair Treatment of Consumers guidance requires insurance industry participants to be cognizant of potential barriers to treating consumers fairly throughout the life cycle of the product. Other examples include expectations that advisors be knowledgeable about working with senior or vulnerable clients, or clients who may be experiencing mental health issues. Advisors are well-positioned to help spot situations of potential fraud or other abuse, and bring attention to such situations to help protect their clients. While these are not necessarily regulatory requirements in the insurance industry, they are recognized as important societal issues.



As advisors age or leave the business it is important that clients' interests are protected. Often advisors leave the business with no succession plan. For many years, IFB has been working to address the importance of succession planning and educate advisors at both our live events and in recorded sessions. Equally important is for advisors to have a plan in the event they must unexpectedly exit from the business. IFB has also been educating advisors on the need to develop a business continuity plan that can be executed under such circumstances, for example, sudden death, disability, or illness. IFB has a succession and continuity planning platform, that we have branded as 'Coming Up Next', which helps advisors deal with these important industry issues.

We raise this because, while some of these topics may fall into financial planning or ethics, it is not entirely clear. Including topics such as these are an important way for the regulator to foster behaviours in the advisor community that will positively benefit consumers. We encourage Council to consider explicitly adding succession/continuity planning, mental health topics, and issues relating to advising senior and vulnerable clients to its definitions of acceptable continuing education.

In a separate initiative, since 2018, four life insurance industry associations representing companies and distributors have collaborated to address issues facing the life insurance industry, and in support of CISRO and the CCIR. One of the issues this Group of 4, or G4, identified was the need for a national, harmonized approach to CE for life/health licensees. In particular, we encouraged establishing a CE framework which would address the needs of advisors and be sufficiently flexible to adapt to a changing marketplace, regulatory environment and consumer expectations.

While Council has captured much of this in its proposal, IFB would welcome clarification that CE which addresses business conduct standards and practice management would qualify for licensees in BC.

#### Council Rules Course

As mentioned in our June 2020 response to Council, some years ago Council awarded proprietary rights for the delivery of the mandatory Council Rules Course for new licensees to two providers: Advocis, for life/A&S and A&S only insurance licensees, and the Insurance Brokers Association of BC for general insurance licensees and insurance adjusters.

As Council is reviewing its CE program, we believe this is an opportune time to revisit how these courses are delivered. There are many well-qualified education providers, including IFB, that could deliver the Council Rules Course. IFB believes that competition in the educational marketplace is important to keep costs down for licensees, and to keep the quality of education high.

This concludes our remarks. IFB would be pleased to discuss our comments with Council at any time. If you wish to do so, please contact the undersigned, or Susan Allemang, Director, Policy & Regulatory Affairs (E: [sallemang@ifbc.ca](mailto:sallemang@ifbc.ca)).

Yours truly,

A handwritten signature in black ink that reads 'Nancy Allan'. The signature is fluid and cursive, with the first name 'Nancy' being larger and more prominent than the last name 'Allan'.

Nancy Allan  
Executive Director

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