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Mr. Jim Fox

September 30, 2013

Senior Policy Analyst

Licensing and Market Conduct Division

Financial Services Commission of Ontario

5160 Yonge Street, Box 85

Toronto, Ontario

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Re: Consultation paper on new model for disciplinary hearings.

Dear Mr. Fox;

Please find enclosed CAILBA's comments on the above mentioned proposals relating to the disciplinary hearings for Insurance agents and adjusters in Ontario.

On behalf of CAILBA members, I want to thank you for providing us with an opportunity to review the Consultation Paper and to work collaboratively with FSCO. We note that great care has been taken in drafting the Consultation paper and respectfully submit the following comments.

Sincerely;

A handwritten signature in black ink, appearing to read "Arnold Scheerder", with a long horizontal flourish extending to the right.

Arnold Scheerder CFP

Chair Regulatory Affairs



Question 1: Would the substitution of the AB with the FST provide a more fair and streamlined disciplinary process for insurance agents and adjusters?

The Advisory board(AB) consists of at least two industry representatives and a Chair the industry representatives have hands on experience and product knowledge of a licensed representative and in our opinion understand the sales process to a larger extend because of this. A lot of cases deal with agent conduct where this sales process experience and product knowledge we believe is of great benefit to the Advisory Board.

The Financial Services tribunal (FST) although very distinguished does not have this experience in the sales process and interaction with clients. It is this area that is often at the centre of a complaint and we feel thus very important to the process of a hearing.

Overall, although having the FST substitute the AB may make the process more streamlined in that the dealings are with one body we do not believe it will be a fairer process or even a speedier process as the element of experience in product knowledge and sales process at the licensee level is lost.

Question 2: Does the proposal to clarify the Superintendent's authority to issue interim orders achieve an appropriate balance between protecting consumers, and providing agents and adjusters access to justice?

In giving the Superintendent that authority we believe it provides additional protection to the public in that a license can be suspended or revoked in short order. We would like to see in these circumstances that if the licensee requested a hearing priority be given to this hearing as to balance the process in fair dealing.

Question 3: Are there any other factors that the Superintendent should consider when approving licence surrender requests from agents and adjusters?

We cannot think of any other factors besides the ones mentioned in the proposals. We find the one referring to what arrangements have been made to ensure services continue an interesting statement as the contract/policy is between the policyholder and the insurance company where the insurance company appoints a new agent upon departure of the existing agent whatever the reason. We do not believe that the agent surrendering his/her licence has the authority to appoint another agent for servicing without the approval of the insurance company in particular for those Insurers with a captive agency force.