



INVESTMENT INDUSTRY ASSOCIATION OF CANADA
ASSOCIATION CANADIENNE DU COMMERCE DES VALEURS MOBILIÈRES

September 11, 2009

CCIR Secretariat
5160 Yonge St.
Box 85, 17th Floor
North York, Ontario M2N 6L9

Dear Sir or Madam:

**Re: Canadian Council of Insurance Regulators – Consultation Document –
Implementation of the Joint Forum Point of Sale Framework for Segregated Funds
(Consultation Document)**

Thank you for providing us with the opportunity to comment on the Consultation Document. The Investment Industry Association of Canada (IIAC or Association) is the professional association representing over 200 investment dealers in Canada. Our mandate is to promote efficient, fair and competitive capital markets for Canada and assist our member firms across the country. The IIAC has, as one of its committees, an Insurance Committee that is comprised of representatives who have responsibility for the insurance and estate services offered by their firm.

According to the Investor Economics Spring 2009 Report, those members represent a major distribution channel for segregated funds products. In 2008, our largest members generated \$1.5 billion in gross sales of segregated funds, which represents approximately 11% of total gross sales. It is clear then, that our members have a strong interest in the Consultation Document.

The Association generally supports the Joint Forum's initiative to create a meaningful, more simplified form of disclosure for mutual fund and segregated fund investors. On behalf of our members, however, we would like to comment on certain requirements in the Consultation Document, as set out below.

Section 4.3 – Annual Statement to Contractholder

The IIAC suggests that the statement in section 4.3 of the Consultation Document, advising that the current Fund Facts information is available on request, simply be included in the Annual Statement which is currently sent to clients by the relevant insurance company. This would ensure that owners of segregated funds receive the

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appropriate information in a timely manner and would also provide a practical, cost efficient solution for insurance companies.

Additionally, it is suggested that reference to the current Fund Facts information, if included in the Annual Statement, direct clients to a website address at which the Fund Facts can be accessed. Information would also be provided as to alternative methods by which clients may obtain a Fund Facts, for those without Internet access.

Section 5.1 – Delivery of Information Folder at Time of Application

We wanted to specifically commend CCIR for including this provision in the Consultation Document. While segregated fund sales are almost entirely executed in person, it will be helpful that the advisor may also provide the prospective client with the information folder, using the method the client prefers, including by email.

Transition Period for Implementation

For mutual funds, the Canadian Securities Administrators are contemplating in its Point of Sale Disclosure Instrument a two-year delay with respect to the requirement for the delivery of the Fund Facts. However, during this transition period, mutual fund companies would be required to prepare and file the Fund facts and have it posted to their websites.

As one of the Joint Forum’s overall goals is harmonization of requirements for securities and insurance, we would ask that the same delay apply to the requirement to deliver Fund Facts for segregated funds.

In closing, we commend CCIR for taking the initiative to look at ways to create a meaningful, more simplified form of disclosure for mutual fund and segregated fund investors.

We would be pleased to discuss this submission should you have any questions.

Sincerely,

“Morag MacGougan”