

BACKGROUND

Life Licence Qualification Program (LLQP) Option

- The LLQP is a standard for prospective life insurance agents entering the business that has the following components:
 - a mandatory pre-licensing course provided by commercial course providers that meet certain standards (currently there is no requirement for life insurance agents to complete a training course);
 - an examination that tests application of knowledge rather than the recollection of facts; and
 - a single licence standard, rather than the one, two or three licences required in different provinces and territories today.
- To start, the LLQP course and examination will be accepted as alternatives to the existing licensing examinations in participating provinces and territories. Quebec already has an updated agent proficiency program and is not participating in this initiative.
- The LLQP was developed by industry subject matter experts (agents and company staff) who were assisted by educational and statistical consultants to organize the material into a course.
- The LLQP curriculum covers:
 - Insurance industry overview
 - Individual life insurance products
 - Individual disability and accident and sickness products
 - Group insurance products
 - Investment products
 - Other than insurance
 - Individual variable insurance contracts (segregated funds)
 - Underwriting, policy issuance and claims
 - Taxation
 - Retirement
 - Consumer needs analysis and risk management
 - Common and contract law and statutes
 - Professional standards
- The LLQP is being offered optionally to allow agents to receive the benefit of the program while the industry gains some experience with the courses and examination. Each

jurisdiction will make its own decisions about replacing the existing standard with the LLQP. In some jurisdictions, the government will need to consider changes to Regulations.

- The LLQP would enable all agents in Canada to meet the same proficiency standards and have the same form of licence. This will facilitate doing business across Canada and agents moving between provinces. Moreover, consumers will receive the same standard of proficiency and protection, regardless of where they live.
- Transition options will come into effect when the LLQP is mandated. These include a four year transition period when a restricted licence will be offered along with the full LLQP licence. The restricted licence will be granted upon completion of a designated portion of the course work and associated examination and an agreement to abide by certain conditions. This option is available to assist the industry to adjust from the current system to the LLQP.
- Regulators have extended an invitation to the Canadian insurance industry to form a committee to provide advice on the impacts of the LLQP and any operational concerns related to the LLQP.