CCIR

Canadian Council of Insurance Regulators

Conseil canadien des responsables de la réglementation d'assurance

Canadian Council of Insurance Regulators approves proposals for regulatory harmonization

Fredericton - (October 3, 2001) – Harmonization proposals for a national life agent proficiency standard were approved last Friday by the Canadian Council of Insurance Regulators (CCIR) at its semi-annual meeting in Fredericton. Standardizing licensing education requirements across Canada will reduce regulatory complexity and enhance internal trade while ensuring consumers are protected throughout Canada.

The model is expected to be phased in over the next four years, subject to final ratification by individual jurisdictions. The model will not be implemented in Quebec where a similar program already exists.

At its fall meeting, the Canadian Insurance Services Regulatory Organizations (CISRO), which has been instrumental in the development of the model, also endorsed the program.

"As insurance regulators we believe that enhancing and standardizing licensing education for life agents will ensure that all life agents have the same base level of proficiency across Canada," said Winston Morris, Chair of CCIR and Superintendent of Insurance for Newfoundland and Labrador.

"The new proficiency model provides for a one-step licensing system, a mandatory pre-licensing training course and an enhanced regulatory licensing examination that requires individuals to demonstrate their ability to apply the knowledge they gained in the mandatory pre-licensing training course," said Mr. Morris.

CCIR also elected a new executive committee. The new Chair, Jim Hall, Superintendent of Insurance in Saskatchewan, will begin his appointment on April 1, 2002. Catherine Smith, Superintendent of Financial Services in Nova Scotia, was elected as a Vice-Chair. Phillip Howell, Acting Superintendent of Financial Services in Ontario, continues as a Vice-Chair.

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Contacts:
Winston Morris
(709) 729-2571

En français: Jacques Henrichon
(418) 528-9140

Backgrounder

The national life agent proficiency standard

The proposed implementation date for the new proficiency standard is early 2002. The majority of regulators from jurisdictions that are members of CCIR have indicated their intention to implement the new standard. A transition model has been established with input from the life insurance industry.

In partnership with the Canadian Insurance Services Regulatory Organizations (CISRO), a new life insurance agent proficiency standard was developed. Under the new proficiency standard, a one-step life agent insurance licensing system will become operational.

Pilot testing of the curriculum and examination questions for the pre-licensing course was conducted this past summer in Alberta, British Columbia and Ontario with the help of 300 volunteers.

Ten accredited course providers representing top educational facilities in Canada have been approved through a screening process to offer the pre-licensing course.

Once a person has completed the course, he or she would then be eligible to write an enhanced regulatory licensing examination which tests the person's ability to apply the knowledge learned in the pre-licensing course.

To coordinate harmonized implementation of the new proficiency standard, CCIR has established a committee consisting of representatives from British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Newfoundland, Prince Edward Island, Yukon, Northwest Territories and Nunavut. Quebec, which already has a similar program in place, is monitoring the activities of this committee.

The new proficiency standard will apply only to new entrants to the life insurance field. Current Level I agents will be given a reasonable time to obtain a Level II licence under the existing standards.

About the Canadian Council of Insurance Regulators

CCIR is an inter-jurisdictional association of regulators of insurance whose mandate is to facilitate and promote an effective regulatory system in Canada to serve the public interest. Members of CCIR are superintendents of insurance from jurisdictions across Canada. CCIR works cooperatively with other financial services regulators to enhance consumer protection and to develop insurance policy and regulation across jurisdictions.

The latest edition of the CCIR newsletter is available at www.ccir.org.