



Independent Financial Brokers of Canada

740-30 Eglinton Avenue West, Mississauga, ON L5R 3E7

May 29, 2019

Stephen Frank, President and CEO
Canadian Life and Health Insurance Association

Mark Sylvia, Chair, CLHIA Board of Directors and
President and CEO, The Empire Life Insurance Company

Sent by email: sfrank@clhia.ca
mark.sylvia@empire.ca

Dear Stephen and Mark,

Independent Financial Brokers of Canada (IFB) is writing to convey the continued level of concern created by Guideline 19 (G19), both within the wider community of group benefits brokers, and group benefits brokers who are IFB members.

Unfortunately, G19 has led to a deep sense of mistrust amongst independent brokers, and a view that they are being unfairly targeted in the way compensation is to be disclosed under the guideline. It is clear to us that the steps taken by the CLHIA more recently to reassure these brokers have not alleviated their concerns, and that the rhetoric around this subject has escalated.

It is very troubling that, despite numerous meetings with advisors and advisory groups, the CLHIA and its member companies have not seen the value in setting G19 aside while they take the time to address the many issues raised. It is evident that by developing G19 without input from other stakeholders, as has been its previous practice, the CLHIA Board of Directors approved G19 prematurely.

IFB believes the prudent approach is to withdraw G19 and engage the broker community in further discussion to address their concerns with the current approach. This will, no doubt, be positively received, while at the same time move the industry further toward the goal of improved disclosure for plan sponsors. This would go a long way to repairing the level of distrust that exists today.

Furthermore, it is our hope that the experience of G19 will not be repeated in the development of future guidelines, particularly where such guidelines affect and intrude on an advisor's livelihood, or his/her client relationships.

As a means of reassuring the advisor community, IFB recommends the CLHIA Board adopt a resolution affirming that it will undertake appropriate consultation whenever a guideline affects stakeholders beyond its member companies. This would demonstrate an important level of commitment to those who are entrusted to provide sound advice every day to clients across Canada on the value of

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purchasing individual life and health insurance or sponsoring life and health insurance products for the well-being of their employees.

IFB has had a constructive relationship with the CLHIA, its staff, and member companies for many years. We look forward to continuing to work together for the betterment of the life and health insurance industry.

Yours truly,

A handwritten signature in black ink that reads 'Nancy Allan'. The signature is written in a cursive, flowing style and is positioned over a light grey rectangular background.

Nancy Allan
Executive Director
Email: allan@ifbc.ca

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