



**Independent Financial Brokers of Canada**

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August 10, 2021

Financial Services Regulatory Authority of Ontario (FSRA)  
25 Sheppard St. W., Suite 100  
Toronto ON M2N 6S6

Submitted via the [FSRA website](#)

**Subject: Request for Further Comment - Proposed Rule 2020-002 Unfair or Deceptive Acts or Practices (UDAP)**

Independent Financial Brokers of Canada (IFB) is providing comment on FSRA's revised UDAP Rule which, when approved, will replace Ontario Regulation 7/00 in the *Insurance Act*.

As noted in our response to the initial UDAP consultation, IFB supports FSRA's intention to move to a more principles-based approach to insurance regulation. A principles-based framework can encourage innovation, while requiring regulated entities to focus on achieving positive consumer outcomes.

IFB had expressed concern that the UDAP Rule in its original form would have permitted rebating in the life and health insurance sector – a practice that has long been banned in Ontario because of its potential to result in unfair consumer outcomes. Specifically, the previous draft of the Proposed Rule would have retained the rebate prohibition for agents and brokers, while permitting life/health insurers to engage in rebating practices. In our view, this would have introduced an unfair competitive advantage for insurers. We are pleased that FSRA has been receptive to such comments and has republished the Rule retaining the prohibition on rebating for the life/health insurance sector. Products in the life/health insurance sector are designed to address a different need than those in the P&C sector, as they are purchased by policyholders to secure their long-term financial well-being and/or the well-being of their beneficiaries. In our view, the decision to revisit the ban at a future date is prudent.

In general, IFB views the revisions made to the UDAP Rule to be positive and will further the goal of enhancing innovative strategies for the benefit of consumers. IFB looks forward to continued discussion in the future on issues related to the life and health insurance sector.

Please contact the undersigned, or Susan Allemang, Director, Policy & Regulatory Affairs (email: [sallemang@ifbc.ca](mailto:sallemang@ifbc.ca)) should you have questions or wish to discuss our comments further.

Yours truly,

A handwritten signature in black ink that reads 'Nancy Allan'. The signature is written in a cursive, flowing style.

Nancy Allan  
Executive Director  
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