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Expert Committee to Consider Financial Advisory and
Financial Planning Policy Alternatives
C/o Frost Building North, Room 458
4th Floor, 95 Grosvenor Street
Toronto, ON M7A 1Z1

To: Fin.Adv.Pl@ontario.ca

Dear Messrs. / Ms. Heinz, Anand, Bates and Haber:

Thank you for the opportunity to respond to the Ontario Ministry of Finance's June 24, 2015 Consultation Paper, *Expert Committee to Consider Financial Advisory and Financial Planning Policy Alternatives: Initial Consultation Document* ("the Consultation Paper"). Our comments complement the submission made by the Canadian Life and Health Insurance Association (CLHIA).

Sun Life Financial is a leading financial services organization based in Ontario, and dedicated to helping our customers achieve lifetime financial security through our protection and savings products and services, including: life and health insurance, annuities, Guaranteed Investment Certificates (GICs), and mutual funds.

We serve our customers through multiple distribution channels that include nearly 4,000 advisors across Canada (some 1,400 in Ontario) who operate under the Sun Life Financial brand. These advisors are licensed as life insurance agents and regulated by provincial insurance regulators. Many are also registered to offer mutual funds and are regulated by the Mutual Fund Dealers Association of Canada (MFDA) and provincial securities regulators. Our products are also distributed through third-party advisors across Canada. All of these third-party advisors are licensed and regulated by appropriate regulatory bodies [provincial insurance regulators, provincial securities regulators, the Investment Industry Regulatory Organization of Canada (IIROC)], depending on the financial products and services they provide. They are dedicated professionals who establish long-term relationships with their customers, work diligently and ethically to serve those customers' financial needs, and comply with the statutes, regulation, guidelines and best practices applicable to their profession.

Canada's financial services sector is respected internationally for its strength and stability, which rest on the good governance and prudential culture of Canadian financial institutions, and on Canada's comprehensive risk- and principles-based regulatory system. We submit that the practices and

disciplines that the life and health insurance sector upholds with its financial advisors, combined with the longstanding statutes and regulation that govern financial advice channels, largely support high standards of professionalism and consumer protection. We also support the targeted strengthening of those standards, as our sector evolves and in response to regulatory gaps (where identified in the Canadian context and corroborated by evidence).

Our key perspectives, based on our experience, are that:

- Financial advisors licensed as life insurance agents or registered to offer mutual funds are already subject to comprehensive regulation (under their provincial regulators);
- Individuals who self-designate as “financial advisors” and who are not otherwise regulated should be regulated by a government agency established for that purpose; and
- Individuals who hold themselves out as “financial planners” should be obligated to have a recognized financial planning designation, under a common standard.

Financial advice and advisors

As we have noted above, the financial advisors who we deal with are provincially licensed; their licensing and professional services are subject to comprehensive, longstanding legal and regulatory regimes, as well as industry disciplines (including codes of conduct, continuing education) and best practices.

Professional standards for regulated financial advisors are also adjusted and strengthened when and where needed, as the insurance and securities industries evolve. For instance, in our submission to the Expert Advisory Panel reviewing the mandate of the Financial Services Commission of Ontario (FSCO), we maintained that while FSCO’s mandate (which includes the regulation of insurance) remains relevant, more insurance regulatory activities with respect to insurance intermediaries should be carved-out and delegated to an insurance council for Ontario, built on the western Canadian model and accountable to FSCO. However, beyond such improvements within the current regulatory regime, we see no benefit to consumers in imposing an additional regulatory regime on advisors.

In contrast, individuals who self-designate as “financial advisors” and who are not otherwise regulated can currently hold themselves out as “financial advisors” to customers without any regulatory oversight and independent of any given standards or norms of training or customer protection. This leaves customers at risk. We therefore suggest that individuals who designate themselves as “financial advisors” or equivalent titles (e.g. “financial advice expert”, “financial advice professional”, etc.) to customers *and* who are outside regulated channels (insurance, securities, etc.), should be regulated by a government agency established for that purpose. They would be subject to government regulation, including comprehensive proficiency requirements, professional standards and continuing education.

Financial planning and planners

“Financial planner” is not a regulated professional title in most Canadian provinces including Ontario (one notable exception being Quebec). While financial planners may acquire professional designations such as that of Certified Financial Planner (CFP) [administered under the Financial Planning Standards Council (FPSC) of Canada], these designations are voluntary.

In our view, individuals who hold themselves out as “financial planners” should be obligated to have a recognized financial planning designation, and follow the rules and requirements of the designating organization.

We believe there should be a common standard that a designating organization must adhere to in order for their designations to be recognized for this purpose. There are a number of existing designating organizations whose standards could meet an acceptable common standard. All that remains is for the government to consider making these designations mandatory for anyone holding himself / herself out as a “financial planner”.

We thank you for considering our abovementioned perspectives in your consultation, as well as those of the CLHIA, and we look forward to sharing our experience and expertise where they may be helpful through subsequent discussions with your Committee. My colleague David Whyte, Vice-President, Public and Corporate Affairs (E: david.whyte@sunlife.com, T: 416-979-6386) will assist in arranging a possible meeting.

Sincerely,



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