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Submitted via email to: consultation-en-cours@lautorite.qc.ca**RE: Rules Respecting Career Entry and In Particular Probationary Periods**

To Autorité des marchés financiers,

Primerica Life Insurance Company of Canada (“Primerica” or “we”) is pleased to respond to the Autorité des marchés financiers’ (“AMF”) consultation on the rules respecting career entry and in particular probationary periods. These are significant changes for the industry, and our comments follow.

About Primerica

We are a leading distributor of basic financial savings and protection products to middle-income households throughout Canada. Primerica has been serving the Canadian public since 1986 and is represented by 10,000 licensed life insurance agents across the country, 1,095 of whom conduct business in Québec. About 75% of our life insurance agents in Québec are dually licensed as mutual fund representatives through PFSL Investments Canada Ltd. We insure almost 550,000 lives and operate in every province and territory in Canada.

Our products and personal advice help middle-income Canadians establish long-term financial goals. Our representatives guide their clients at life's critical points, helping them avoid common pitfalls to gaining financial independence: higher cost and lower face value insurance that does not protect adequately, starting to save too late, not saving enough and neglecting tax-advantaged savings opportunities, to name a few. Our representatives take a holistic approach with their clients and offer our digital FNA (Financial Needs Assessment), which provides them with a snapshot of their financial situation and a roadmap to achieve their goals.

We have an exclusive sales force of independent contractor representatives, which allows us to put supervision, monitoring, controls, and restrictions in place based on trends and risks we identify.

General Comments

Primerica generally supports the proposed amendments pertaining to Sections 13, 34, 38 and 39. We believe these changes will significantly enhance the recruitment and development of new entrants to Québec’s life insurance industry. By modernizing the probationary period rules, the amendments offer greater flexibility and reduce administrative burdens, thereby facilitating the entry of new agents into the market. Modernizing career entry rules will lead to a more robust supply of qualified life insurance agents, ensuring that consumers in Québec have

access to a broader range of expertise and services. The increased cap on the number of trainees per supervisor and eliminating the minimum weekly hours will allow for a more efficient training process, aligning the industry's commitment to consumer protection and suitable product recommendations.

Withdraw Amendments to Section 26.1

Primerica does not support the proposed amendments to Section 26.1, which would lengthen the waiting period to one year following three unsuccessful attempts to complete the supplemental life insurance exam. If the intent is to require recertification after the three supplemental examinations, then the AMF should modify the requirement to require the recertification rather than imposing what appears to be a punitive waiting period. Primerica requests that the AMF withdraw its amendments to Section 26.1 or reduce the waiting period to 6 months. Primerica is concerned that the proposed amendment will discourage new entrants from pursuing a career in Québec's life insurance industry, limiting the supply of life insurance agents to consumers in the province.

Concerns with Amendments to Section 48

Primerica requests that the AMF clarify Section 48.1. We are concerned about the magnitude of competency requirements. The amendments to Section 48.1 and Section 48.2, as they stand, could result in overly prescriptive competencies and act as a barrier to entry. We believe that a more balanced and practical approach to competency requirements is necessary to encourage individuals to consider a career as a life insurance agent in Québec, thereby ensuring an adequate supply of agents to serve the public.

Regarding Section 48.3, Primerica is concerned that the proposed amendments are too broad in scope and may be overly restrictive and unnecessarily burdensome on training supervisors. The AMF should provide the industry with a template that captures all required competencies, ensuring a clear and consistent understanding of the requirements.

Primerica request the AMF share the competency profiles and engage the industry in discussion prior to finalizing amendments to Section 48. Sharing the profiles with the industry will enhance compliance while ensuring transparency on the competencies the AMF will capture.

Provide Notifiers with 10 Business Days to Notify the AMF

Primerica appreciates the expanded list of possible notifiers to include the firm, but we also request an extension from 5 days to 10 business days. Probationary period terminations involve intricate circumstances, such as performance evaluations, ethical concerns, or legal considerations. Permitting 10 business days provides notifiers sufficient time to thoroughly assess the situation and ensure accurate reporting to the AMF.

Primerica requests the AMF amend Section 50 as follows:

"The supervisor, or the firm or independent partnership on whose behalf he acts, must notify the Authority within 10 business days of becoming aware of the probationary period being discontinued or terminated in accordance with the second paragraph of section 38."

Amendment to Section 53

Primerica supports the AMF's proposed amendment to Section 53. The proposed amendment will facilitate labour mobility and benefit Québec consumers by ensuring access to essential life insurance products. Facilitating labour mobility within Québec's life insurance industry will foster a more competitive market. The increased competition and the diverse experiences of agents already licensed in other provinces will lead to a more resilient market. Growing Québec's supply of life insurance agents with individuals from diverse backgrounds will also enable consumers to seek suitable products and services supporting their financial goals.

Referring to Section 53 (1), Primerica requests confirmation that a candidate from another Canadian province meets the requirement of the amended 2nd paragraph, namely: *"A candidate whose authorization referred to in subparagraph 1 of the first paragraph has been valid for 24 of the 36 months preceding his application for a certificate is considered to satisfy the condition referred to in subparagraph 3 of the first paragraph."* will be authorized to act as a training supervisor in Québec, according to the unchanged section 44 of the regulation, namely: *"A supervisor is a representative authorized to act at the time of the probationary period who, for at least 24 of the 36 months preceding the probationary period, was the holder of a certificate and acted as a representative in the same sector or sector class as that covered by the probationary period applied for."*

Conclusion

Primerica appreciates the opportunity to provide our comments to the AMF's consultation on the rules respecting career entry and in particular probationary periods. We are pleased to discuss any questions or provide additional helpful information upon your request.

Sincerely,

[Original Signed By]

Salvatore Chine
Senior Vice President, Field Distribution Operations