

REGULATION TO AMEND THE REGULATION RESPECTING THE ISSUANCE AND RENEWAL OF REPRESENTATIVES' CERTIFICATES

Act respecting the distribution of financial products and services
(chapter D-9.2, s. 200, pars. (1), (3), (5) and (9), s. 203, par. (3), and s. 216)

1. Section 13 of the Regulation respecting the issuance and renewal of representatives' certificates (chapter D-9.2, r. 7) is amended by replacing "complied with" in paragraph 5 by "satisfied".

2. Section 16 of the Regulation is amended by replacing "3 years within the past 10 years" in paragraph 4 by "30 months".

3. Section 26.1 of the Regulation is amended:

(1) by replacing "as many supplemental examinations as necessary" in the first paragraph by "3 supplemental examinations";

(2) by deleting the second paragraph;

(3) by replacing the third paragraph by the following:

"A candidate who fails a third supplemental examination must wait for a period of 1 year as of the date of this failed attempt before registering again for an examination."; and

(4) by deleting the fourth paragraph.

4. Section 26.2 of the Regulation is revoked.

5. Section 26.3 of the Regulation is amended by adding the following paragraphs at the end:

"A candidate who fails a third supplemental exam must wait for a period of 1 year as of the date of this failed attempt before registering again for an examination.

Notwithstanding the third paragraph of section 16.1, a candidate referred to in the second paragraph must complete the minimum qualifications prescribed under that section again before registering for an examination."

6. Section 27 of the Regulation is amended:

(1) by deleting "during the examination session" in the first paragraph; and

(2) by replacing, in the French version of the second paragraph, "est" by "peut être".

7. Section 32 of the Regulation is replaced by the following:

"32. The trainee may, notwithstanding section 12 of the Act respecting the distribution of financial products and services (chapter D-9.2), offer financial products and services under the supervision of his supervisor and the firm or independent partnership on whose behalf he pursues activities, in which case, he must perform the following acts:

(1) in the insurance of persons sector or the group insurance of persons sector or any sector class thereof, inquire into the client's situation to assess his needs and propose to his supervisor the products or services that meet the client's needs, before proposing and selling them to the client;

(2) in the personal-lines damage insurance sector class or the damage insurance sector, where he offers products and services pertaining to personal-lines damage insurance, inquire into the client's situation to assess his needs, and propose and sell to the client the products, coverages or guarantees that meet his needs;

(3) in the commercial-lines damage insurance sector class or the damage insurance sector, where he offers products and services pertaining to commercial-lines damage insurance, inquire into the client's situation to assess his needs and propose to his supervisor the products, coverages or guarantees that meet the client's needs, before proposing and selling them to the client;

(4) in the claims adjustment sector or any sector class thereof, gather information, propose to his supervisor the components of a claims investigation, the assessment of damage or the negotiation of a settlement, present to the insured the components of the negotiation of a settlement once they are approved by his supervisor and assist his supervisor in negotiating a settlement; and

(5) in the mortgage brokerage sector, suggest to his supervisor the proposed loan and any other recommendation pertaining to the mortgage brokerage transaction before proposing the loan or making the recommendation suited to the client's situation and needs, and forward the mortgage loan application to the lender after it has been approved by the supervisor."

8. Sections 34 and 35 of the Regulation are replaced by the following:

“34. The probationary period pertaining to a sector must last a minimum of 336 hours. It must be completed at a pace of no more than 40 hours a week and must last no longer than 24 weeks.

35. The probationary period pertaining to a sector class must last a minimum of 168 hours. It must be completed at a pace of no more than 40 hours a week and must last no longer than 12 weeks.”

9. Section 38 of the Regulation is amended by replacing the second paragraph by the following:

“The probationary period is continued after it is interrupted only if the time requirements in sections 34 and 35 can be met. Otherwise, the probationary period terminates.

The firm, independent partnership or independent representative on whose behalf the trainee acts must promptly notify the trainee if the probationary period is interrupted, informing him of the conditions referred to in the second paragraph for continuation or termination of the probationary period.”

10. Section 39 of the Regulation is amended by deleting:

- (1) the last sentence of the first paragraph; and
- (2) the second paragraph.

11. Section 40 of the Regulation is amended by replacing “at least 10 days prior to the proposed change” by “in advance”.

12. The heading of subdivision 5 of Division IV of Chapter II of the Regulation is amended by deleting “and replacement supervisor”.

13. Section 45 of the Regulation is amended:

- (1) by adding the following after subparagraph 3 of the first paragraph:

“(4) where he has a family relationship with the trainee, he has disclosed it to the Authority.”

(2) by replacing “the preceding subparagraphs” in the second paragraph by “subparagraphs 1 to 3 of the first paragraph”.

14. Section 45.1 of the Regulation is amended by adding the following paragraph at the end:

“Furthermore, such supervisor may not act as a supervisor again unless he has successfully completed a professional development activity on trainee supervision that is recognized by the Authority. Any such supervisor that completes such activity will not be eligible for any professional development units related to the activity.”

15. Section 46 of the Regulation is amended by adding the following paragraphs at the end:

“Notwithstanding the first paragraph, a representative who engages primarily in the supervision of trainees may, when acting as supervisor, have up to 10 trainees under his responsibility at any time.

If the representative referred to in the second paragraph will be acting as supervisor for more than 5 trainees, the firm or independent partnership on whose behalf the representative acts must inform the Authority in advance of this fact and the actions taken by the firm or independent partnership to ensure that such representative acts in accordance with sections 48 to 50.”

16. Section 47 of the Regulation is revoked.

17. Section 48.1 of the Regulation is amended:

(1) by replacing the second “and” in the third paragraph by “, including the specific competencies for the sector or sector class covered by the probationary period, to”; and

(2) by adding the following paragraph at the end:

“For the purpose of sections 48.1 to 49, “specific competencies” means the competencies described in the competency profiles established by the Authority and available on its website.”

18. Section 48.2 of the Regulation is amended by adding the following paragraph at the end:

“The presentation must detail the specific competencies for the sector or sector class covered by the probationary period and detail how the supervisor intends to supervise the trainee in order to develop these competencies.”

19. Section 48.3 of the Regulation is amended:

(1) by inserting “including the development of the specific competencies for the sector or sector class covered by the probationary period” in the first paragraph after “period”;

(2) by replacing “date the probationary period is successfully completed” in the second paragraph by “end of the probationary period”; and

(3) by deleting “or discontinued” in the second paragraph.

20. Section 49 of the Regulation is amended by adding the following paragraph at the end:

“Reasons must be given for the recommendation referred to in subparagraph 3 of the first paragraph, particularly with respect to the development by the trainee of the specific competencies for the sector or sector class covered by the probationary period.”

21. Section 50 of the Regulation is replaced by the following:

“**50.** The supervisor, or the firm or independent partnership on whose behalf he acts, must notify the Authority within 5 days when the probationary period is discontinued or terminates in accordance with the second paragraph of section 38.”

22. Section 53 of the Regulation is amended:

(1) in the first paragraph:

(a) by inserting “, other than, as the case may be, the minimum qualification pertaining to legislation applicable to pursuing activities as a representative,” in the introductory clause after “Chapter II”;

(b) by inserting “. He must also furnish proof of residency in that province or territory, unless the second paragraph applies to him” in subparagraph 1 after “website”;

(c) by inserting “after successfully completing any related training recognized by the Authority,” in subparagraph 2 before “he has passed”;

(2) by replacing the second paragraph by the following:

“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.

In the insurance of persons sector or the group insurance of persons sector or in a class of these sectors, a candidate referred to in the second paragraph must also furnish a detailed attestation from a company on whose behalf he has acted stating that he has pursued activities related to any of these sectors or sector class thereof.”

23. Section 55.1 of the Regulation is amended by replacing “for up to an additional 15 days” in the second paragraph by “until the issuance of a representative’s certificate or until a decision of the Authority refusing the issuance thereof”.

24. This Regulation comes into force on (*insert here the date of coming into force of this Regulation*).