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Bulletin

No. G- 06/06
– General

Reliance Model of Reciprocal Licensing

The purpose of this Bulletin is to inform you of the adoption of the reliance model for the reciprocal licensing of insurance agents and brokers. This approach was agreed to by regulators at the spring meetings of the Canadian Council of Insurance Regulators (CCIR) and the Canadian Insurance Services Regulatory Organizations (CISRO) and will be implemented by the Financial Services Commission of Ontario (FSCO).

Complete details of the arrangements are available on the CCIR website at:
www.ccir-ccira.org

NOTE: The bulletins posted on this website are provided for historical reference. Information contained in the bulletins is accurate on the date published, but is subject to change and may have been superseded by a later bulletin. Users should verify the information before making decisions or acting upon it.

The bulletins posted may contain forms that are no longer current. For the current version of any FSCO form, please visit the [forms area](#) of this website.

Under the reliance model, if an agent has met suitability and licensing standards in the province or territory where he or she is already licensed, the Superintendent will rely largely on these measures to determine whether an applicant meets suitability and other licensing standards in Ontario.

With regard to continuing education, the legal requirement that Ontario licensed life agents secure 30 hours of continuing education (CE) every two years is unchanged. However, FSCO will base a non-resident life agent's CE compliance in Ontario on the licence term in the agent's home jurisdiction. If the agent's home jurisdiction requires 30 or more hours of CE, the agent will not be required to obtain further CE credits in Ontario. FSCO intends to rely on the supervision of the regulators in the jurisdiction where the agent resides to determine whether the CE requirements of the home jurisdiction have been met.

The application forms that were developed for FSCO's new online licensing system, known as Licensing Link, mirror the harmonized CCIR forms introduced in 2005. In Ontario, the Licensing Link system must be used for new applications and renewals for life, accident and sickness and general agent licences by Ontario residents.

All new applications for out-of-province agents who are sponsored can be processed via Licensing Link. Non-Ontario resident agents who are not sponsored need to complete the application form and mail it to FSCO. The application form can be downloaded from the FSCO website: www.fSCO.gov.on.ca. We expect that future enhancements to the system will mean that all non-Ontario resident agents will be able to complete an application online through Licensing Link. All renewals for out-of-province agents can be processed via Licensing Link.

To better harmonize the application of errors and omissions insurance (E&O) across Canada, FSCO no longer limits the maximum amount of deductible that an agent might arrange with an E&O insurer provided that under the E&O policy the insurance must pay the claimant from the first dollar. This will apply to E&O policies of both Ontario resident and non-resident licensees.

As the standards for general insurance agents in Ontario are not aligned with the requirements of the

reliance model, the benefits of the model are not yet available to general agents. FSCO is working with the industry to see if the reliance model can be extended to general agents.

For further information about the introduction of the reliance model of reciprocal licensing in Ontario, please contact:

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Ontario agents who want to do business in another jurisdiction should consult the CCIR website noted above and/or the regulator to determine the licensing procedures and requirements for that specific jurisdiction.

Bob Christie
Superintendent of Financial Services
and Chief Executive Officer

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