



Andrew Fitzpatrick
Assistant Vice-President
Government Relations & Public Policy
The Canada Life Assurance Company
330 University Avenue
Toronto, ON M5G 1R8
Tel (416) 552-3137/Cell (647) 938-1640
andrew.fitzpatrick@canadalife.com

December 22, 2022

Kathryn Royal
Manager, Strategic Planning and Reporting
Ontario Securities Commission
20 Queen Street West
Toronto, ON
M5H 3S8

Via email: KRoyal@osc.on.ca

RE: OSC Notice 11-797 – Statement of Priorities

Dear Ms. Royal,

Thank you for providing the opportunity to comment on your Statement of Priorities for the Financial Year to end March 31, 2024.

Canada Life is a leading insurance, wealth management and benefits provider focused on improving the financial, physical and mental well-being of Canadians. For more than 175 years, individuals, families and business owners across Canada have trusted us to provide sound guidance and deliver on the promises we've made. In 2021, we employed more than 11,000 Canadians, paying \$2.9 billion in salaries, commissions and taxes. In the same year, \$8.9 billion in benefits were paid to our customers. We proudly serve more than 13 million customer relationships from coast to coast to coast. We count among our family of companies, securities registrants, a listed issuer and investment fund managers.

In reviewing your proposed priorities, we expect many stakeholders will share our view that the implementation of a new single self-regulatory organization (SRO) is perhaps the most significant. This once in a generation initiative is a rare opportunity to reconsider current practices and create a modern regulatory regime with investors at its center. We commend the process followed thus far and the responsiveness of the Canadian Securities Administrators (CSA) to feedback received during the consultation process on the interim rules. We look forward to further opportunities to engage post-merger when there will be a more substantive review resulting in a single rule book with the potential to improve the client experience across products, while finding synergies for organizations with multiple registrants such as Canada Life.

Throughout our conversations, both internally and with advisors regarding the merger, the subject of directed commissions to corporations is a constant theme. The maintenance of the status quo immediately post-merger, with mutual fund representatives allowed to direct commissions to corporations in certain jurisdictions, is welcome and appropriate. However, we are of the view that directed commissions should be allowed across registration types in all jurisdictions and urge the OSC to work within the CSA to pursue harmonization in this regard. An incorporated salesperson model may be

the ultimate solution to the directed commission issue. We would be pleased to engage in a dialogue with policy makers to advance this objective.

We are also pleased to see the greater flexibility in the final interim rules that allow the movement of clients between affiliated firms without the requirement for a New Account Application Form where the products offered by the firms are “materially the same.” This is a positive step. However, we would ask the OSC to work with CSA colleagues to consider similar provisions for affiliated firms that do not offer an identical product shelf with a view to improving the client experience and facilitating access to the right product as clients’ needs change. Again, we look forward to further dialogue as a single rule book is drafted to ensure this flexibility is tailored to meet client needs.

As an organization that offers both insurance segregated funds and mutual funds, we have a keen interest in the joint CSA/Canadian Council of Insurance Regulators (CCIR), Total Cost Reporting Project. We support the objectives of the initiative and the importance of providing greater transparency to clients. Our overriding concerns throughout this process have been focused on timing and harmonization. We urge the OSC to work with CSA and CCIR colleagues towards a harmonized approach across jurisdictions with an implementation timeline that is realistic given the technical challenges involved.

Facilitating financial innovation is necessary if Ontario is to compete and grow as a financial center and it is appropriate that regulators make fostering innovation a priority. While Canada Life is a centuries-old company, we seek to be a leader in the innovative delivery of financial services. What we believe is important is that all players, be they start-ups or established financial institutions, have an opportunity to compete on the basis of delivering the best solution and experience to the customer and that market outcomes be determined on this basis, not on the basis of special and differential regulatory treatment.

Thank you again for the opportunity to comment on your priorities for 2023-2024. Please do not hesitate to contact us to discuss any of the matters raised herein.

Best regards,



Andrew Fitzpatrick
Assistant Vice-President, Government Relations & Public Policy