

Life Insurance Agents in Ontario Aren't Qualified to Make Recommendations About Life Insurance

Description

Bottom line: Ontario's new title regulations along with statements on the Financial Service Regulatory Authority of Ontario make one thing abundantly clear. When they license someone to sell life insurance or related products to the public, that individual doesn't have the, *necessary expertise and experience to develop suitable financial and investment recommendations for retail clients*.

The mess that is Ontario title regulation (and it is pretty damn good actually as far as title regulation goes in North America):

1. Today in Ontario a person has to meet certain educational criteria to use either the terms financial advisor or financial planner.
2. That is unless you were calling yourself a financial advisor or financial planner before 2022. Then you don't require any education or qualification to call yourself a planner or an advisor.
3. A financial planner is senior to a financial advisor.

As per the [government's website](#):

Financial Planners should have the breadth and depth of knowledge to develop integrated financial plans for clients. These financial plans would include a holistic analysis of a client's financial circumstances. Financial planners are expected to be proficient in all of the core personal finance areas, which include estate planning, tax planning, retirement planning, investment planning and alternatives, finance management, and insurance/risk management.

While

Financial Advisors should have technical knowledge about at least one common investment product, as well as the necessary expertise and experience to develop suitable financial and investment recommendations for retail clients, based on their specific type of licence or designation.

4. [Here](#) is the list of approved credentials for calling yourself a financial advisor or financial planner in Ontario.
5. Now to make things more complicated (and to illustrate the inanity of our system) it states on the [FSRA website](#) about working with someone allowed to use the financial advisor or financial planner titles:

If you decide to work with a Financial Planner or Financial Advisor, you will have greater confidence knowing that the individual you are dealing with has a minimum standard of education, is being actively

supervised by an approved credentialing body and is subject to a complaints and discipline process,â?•

And then in the very next question about people who donâ?•t have the title:

â?•Not all financial services professionals are required to have a credential from a FSRA-approved credentialing body. Also, financial services professionals are not required to use the Financial Planner or Financial Advisor titles in order to provide financial planning / advisory services.

The financial services professional you are working with may be registered/licensed with one or more regulatory bodies, who are responsible for setting rigorous conduct and proficiency standards.â?•

6. To be clear the FSRA is one of those regulatory bodies responsible for providing rigorous conduct and proficiency standards. Just not rigorous or proficient enough to qualify the people they authorize to sell proficient in giving advice about the products they allow them to sell. Why has the FSRA not met the standard of, *â?•â?•necessary expertise and experience to develop suitable financial and investment recommendations for retail clients, based on their specific type of licence or designation,â?•* in its own licensing processes?

To summarize:

1. I am, by virtue of getting credentials with a third party, able to say I am a financial advisor & financial planner.
2. This means I have passed exams and am subject to a complaint and discipline process.
3. The criteria and administration of who may use the terms financial advisors and financial planner is managed by the Financial Services Regulatory Authority of Ontario.
4. Separately being responsible for those titles The Financial Services Authority of Ontario is a regulatory body that determines who may sell certain financial products by registering/licensing individuals and provides a complaint and discipline process applicable to them. In this case for the purpose of selling life, accident & sickness insurance products.
5. Yet being licensed by them to sell life insurance does not apparently meet their own standards of a licensee or applicant having the, *â?•technical knowledge about at least one common investment product, as well as the necessary expertise and experience to develop suitable financial and investment recommendations for retail clients, based on their specific type of license or designation.â?•*

CATEGORY

1. Financial Planning

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Date Created

August 4, 2022

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