

July 31, 2020

Ms. Kandace Hopkins  
Director, Practice and Quality Assurance  
Insurance Council of British Columbia  
1040 West Georgia Street, Suite 300  
P.O. Box 7  
Vancouver, BC V6E 4H1

Sent via email: [consultation@insurancecouncilofbc.com](mailto:consultation@insurancecouncilofbc.com)

Dear Ms. Hopkins,

**Re: Consultation on Continuing Education Guidelines**

On behalf of Advocis, The Financial Advisors Association of Canada, we are pleased to provide our comments in regards to the Insurance Council of British Columbia's ("Council") Consultation on its Continuing Education Guideline (the "Guideline"). Our comments relate specifically to the Program for Life and/or Accident and Sickness Insurance Agents.

**1. ABOUT ADVOCIS**

Advocis is the association of choice for financial advisors and planners. With more than 13,000 members across the country, Advocis is the definitive voice of the profession, advocating for professionalism and consumer protection. Our members are provincially licensed to sell life, health and accident and sickness insurance, as well as by provincial securities commissions as registrants for the sale of mutual funds or other securities. Members of Advocis are primarily owners and operators of their own small businesses, creating thousands of jobs across Canada. Advocis members provide advice in several key areas, including estate and retirement planning, wealth management, risk management, tax planning, employee benefits, critical illness and disability insurance.

Professional financial advisors and planners are critical to the ongoing success of the economy, helping consumers to make sound financial decisions that ultimately lead to greater financial stability and independence both for the consumer and the country. No one spends more time with consumers than advisors and planners, educating them about financial matters and helping them to reach their financial goals. Advocis works with decision-makers and the public, stressing the value of financial advice and striving for an environment in which all Canadians have access to the advice they need.



## 2. INTRODUCTION

Overall, we support Council’s consolidated Guideline. We agree that the development of comprehensive continuing education (“CE”) policies will make CE requirements easier to understand, provide better support for licensee obligations by addressing inconsistencies, and provide more specific direction and resources. We are also pleased that Council’s proposal introduces new measures that will grant British Columbia’s licensees more flexibility in how they earn and report their CE activities.

We fully endorse Council’s objective of enhancing consumer protection by increasing licensee awareness of their CE obligations. One of Advocis’ key beliefs is that education is an ongoing process and that the completion of CE is central to maintaining high standards of professionalism. It is by continually updating skills and knowledge that one can continue to meet the needs of their clients in an evolving market. We note that Council’s Guideline is, in principle, closely aligned with Advocis’ own CE practices.

## 3. OUR COMMENTS

Our specific comments on the Guideline are as follows:

### a) Requirement for all licensees to complete 15 CE credits

Advocis believes that requiring all licensees to complete 15 CE credits annually – and eliminating Council’s previous stance on reductions or exemptions based on a licensee’s industry experience or holding of particular designations – is a reasonable reform that would bring the province generally in line with the requirements of other provincial regulatory bodies, professional membership associations and designation-granting bodies.

For example, Life and/or Accident and Sickness licensees in Alberta, Saskatchewan and Manitoba are required to complete a minimum of 15 CE hours annually; in Ontario, life insurance agents are required to earn a minimum of 30 CE hours every two years. Advocis members and CLU designation holders are required to complete 30 CE hours – inclusive of one ethics credit – annually as a requirement of maintaining their membership status or designation in good standing. Similarly, PFA<sup>1</sup> and CHS designation holders are required to complete 20 and 10 CE credits, respectively and inclusive of an ethics credit, every year in order to maintain their designation in good standing.

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<sup>1</sup> The PFA, or Professional Financial Advisor, designation was launched by Advocis in 2019 to meet the everyday demands of the professional advisor. With practice-based training in a real-world environment, the PFA focuses on practice development, financial planning and compliance and ethics to help newer advisors get a successful head start while also empowering existing advisors to fine-tune the primary building blocks of their business.



b) Accreditation

Completing CE credits should not be an administrative exercise of merely tallying credit hours, but an opportunity for licensees to further their knowledge and skills in a meaningful way. Accreditation serves to filter the morass of programming available so licensees can focus on substantive, current and accurate content. Therefore, we believe that Council should require its licensees to take accredited CE to satisfy its program. This will give licensees the assurance that a CE program both satisfies their licensing obligations and provides the tools they need to enhance client service.

*Who does the accreditation?*

Most jurisdictions in Canada (outside of the Atlantic Provinces, which have no CE requirements whatsoever) require CE to be accredited; British Columbia and Ontario do not. However, requiring accreditation does not mean that British Columbia needs to establish its own accrediting body – multiple models exist that could be considered by the province.

In Alberta, responsibility is delegated to the Alberta Accreditation Committee to approve CE course providers, the courses those providers are accredited to provide and the instructional hours of each course.<sup>2</sup> In Manitoba, CE credits must be obtained from an accredited course provider, or (for non-accredited providers) by taking particular courses that are accredited in advance by the Insurance Council of Manitoba (“ICM”).<sup>3</sup> In Saskatchewan, courses must be obtained through accredited course providers, or (for non-accredited providers) either by taking particular courses that are accredited in advance by the Life Insurance Council of Saskatchewan (“LICS”), or accredited post-course at the request of the licensee.<sup>4</sup>

Council could leverage the experience of qualified third-party accreditation organizations such as The Institute for Advanced Financial Education (the “IAFE”)<sup>5</sup>, which conducts impartial reviews of CE programs using a formalized approval process. The IAFE has an extensive history of high-quality accreditation work, and its services have been utilized by leading CE providers

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<sup>2</sup> Alberta Accreditation Committee Guidelines (for self-accredited course providers and single course accreditation) at <https://www.albertaac.ca/faqs-2/#1567113864440-ad735ce6-8924>.

<sup>3</sup> ICM Continuing Education FAQs at [https://www.icm.mb.ca/files/Licensing%20Info/User\\_Guides/FAQs\\_for\\_website.pdf](https://www.icm.mb.ca/files/Licensing%20Info/User_Guides/FAQs_for_website.pdf).

<sup>4</sup> LICS. Life Insurance Council Bylaws Effective January 1, 2020, Part IX, Clauses 9-4 and 9-5 at <https://www.skouncil.sk.ca/download%20files/Life%20Insurance%20Council%20of%20Saskatchewan%20Bylaw%20-%202020.pdf>.

<sup>5</sup> To view IAFE’s *Practice Guidelines for Financial Advisors and Planners, Continuing Education Accreditation*, please visit: <http://www.iafe.ca/pdf/Practice-Guidelines-for-Financial-Advisors-and-Planners-Dec2014.pdf>. To view IAFE’s *CE Accreditation Decision Criteria*, please visit: <https://www.iafe.ca/pdf/DecisionCriteria.pdf>.



across the insurance and mutual fund sectors.<sup>6</sup> Recognizing high-quality third party accreditors could provide an accessible path for British Columbia to quickly implement an accreditation requirement for its CE program.

### *A special consideration for Ethics Credits*

Council has accepted CE programming related to ethics towards a licensee's overall annual CE obligation. However, there has not been a mandatory requirement to specifically complete an ethics-focused credit each year. While we are generally against overly-prescriptive regulation, we believe that ethical considerations are so important in client-facing relationships that Council should prescribe the completion of one mandatory ethics credit each year as part of its CE program.

As indicated earlier, Advocis members, CLU, CHS<sup>7</sup> and PFA designation holders are required to take one ethics credit from a recognized program annually as part of their membership and/or designation requirements. Saskatchewan also has a mandatory ethics requirement: section 9-3(1) of the LICS Bylaws states that "all resident licensees must, within the cycles set out [in clause 9-3(2)(3) and (4)], complete one or more LICS approved ethics courses totalling at least three hours in duration."<sup>8</sup>

We believe that requiring the completion of an ethics credit enhances the professionalism of the advisor-client relationship in a way that cannot be done through technical courses alone.

### *c) Carry-over*

A requirement to complete CE requirements every cycle ensures that a licensee keeps his or her knowledge current. In principle, the ability to carry over CE credits from one cycle to another defeats the "currency of knowledge" object. However, we understand that licensees occasionally earn more credits than required in a licensing cycle and would naturally like to carry-over the excess rather than have those credits go to waste. And if we have learned anything in 2020, it is that unexpected events can impact a licensee's ability to go about

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<sup>6</sup> To view the full lists of IAFE-accredited courses by education provider please visit <https://secure3.advocis.ca/secureform/ceassess/ceSearch.aspx>.

<sup>7</sup> Starting in 2021, one of the 10 CE credits that CHS designation holders must complete annually will need to be from a recognized ethics course.

<sup>8</sup> The LICS Bylaws indicate that their ethics requirements are separate from CE but will be recognized for CE as well. This has been an emerging trend within the accrediting industry and some Insurance Councils whereby ethics training or CE requirements reflect their own Code of Conduct or ethics standards. LICS, for example, has a specific body to examine and approve courses as 'ethics approved', and decline any courses that do not specifically reflect their own code. To view the Life Insurance Council Bylaws please visit <https://www.skouncil.sk.ca/download%20files/Life%20Insurance%20Council%20of%20Saskatchewan%20Bylaw%20-%202020.pdf>.



conducting “normal” business through no fault of one’s own – so it is reasonable to allow for some measure of a carry-over cushion.

This said, we are of the opinion that allowing licensees to carry-over the full annual allowance – 15 CE credits – is too generous. We recommend that Council follow the Alberta Insurance Commission’s (“AIC”) approach which “provides a mechanism to carry forward up to a maximum of 7.5 hours of credits from one certificate term to the next.”<sup>9</sup> This change would also align with the IAFE’s provision to permit CLU and CHS designation holders to carry-over up to 15 CE credits and 5 CE credits respectively,<sup>10</sup> which is half their total annual requirement, from one cycle to the next. We believe that allowing British Columbia licensees to carry-over half the total annual requirement, 7.5 credits, strikes the right balance between flexibility and currency of knowledge.

d) Partial credits

We welcome Council’s proposal to grant partial credits in 15-minute increments for courses lasting less than one hour. Presently, only British Columbia, Saskatchewan and the Chambre de la sécurité financière do not allow licensees to claim partial CE credits. This proposed change will open the possibility for B.C.’s licensees to take advantage of educational materials that are valuable in content, but do not qualify due to their length.

For example, Advocis has been offering its members several 30-to-45 minute IAFE-accredited modules during the COVID-19 pandemic that cover important topics such as how to connect virtually with clients, identifying money laundering and dealing with older and vulnerable clients. We believe the length of these seminars is right for a virtual seminar, but under current Council guidelines, these modules do not qualify for CE.

e) Prorating

We support the proposal to allow individuals who obtain their license between March 1 and May 31 to be exempted from completing CE requirements during their first licensing period. This will provide new licensees with the ability to focus on building their business in those initial months.

This change would also align with the AIC requirement that exempts “[a]gents who apply for a certificate of authority (license) with 3 or less months remaining in the certificate term [from] complet[ing] the Continuing Education requirement.”<sup>11</sup> Similarly, ICM allows individuals who

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<sup>9</sup> AIC, *Ongoing Education Requirements* at <https://www.abccouncil.ab.ca/ongoing-education-requirements/>.

<sup>10</sup> For more information on the carry-over criteria for CLU and CHS designation holders please visit: <https://www.iafe.ca/Continuing-Ed-FAQ.aspx>

<sup>11</sup> AIC, *Continuing Education FAQs* at <https://www.abccouncil.ab.ca/faqs/continuing-education/>.



“successfully complete the LLQP Provincial examination and obtain [their] licence in the same licensing period [to be] exempt from the required annual CE for that licensing period.”<sup>12</sup>

Harmonization across jurisdictions, whenever possible, is a worthwhile objective.

f) Double credits

Council currently allows licensees who develop and/or present a course, seminar or program to claim double the credits in a licensing cycle,<sup>13</sup> provided they are qualified in the subject they are presenting. The proposed Guideline eliminates this allowance, which we believe is the incorrect direction to go. The double credit recognized the tremendous work that goes into preparing the course which is often a greater effort than delivering the program itself.

Preparatory work includes conducting research, putting together notes and slide decks for delivery, anticipating questions and so on. In recognition of this work, and to continue encouraging licensees to be engaged in developing and delivering programs, we request that you reconsider this provision and continue to allow licensees to avail themselves of the double credit option.

g) Tracking

We appreciate the direction provided to help licensees track their CE credits. While licensees are not being required to submit evidence of CE when renewing their license, the proposed template for CE record-keeping will be a helpful tool should a licensee be audited. As an additional resource for CE tracking, we would like to highlight that Advocis offers advisors (members and non-members alike) an accessible tool for tracking their CE credits. The online tracking service provides a straightforward way to record an individual’s CE credits, whether or not the courses have been accredited by the IAFE. The Advocis CE tracking database provides users with a central database where records can be recorded, saved and accessed to demonstrate compliance for licensing and designation requirements.<sup>14</sup> We would be happy to discuss our tracking system further should you have any questions.

h) Timeframe

Finally, we request that you reconsider the targeted implementation date for the new Guideline. Rather than implementing the new Guideline on January 1, 2021, we recommend that the start date align with the current licensing reporting cycle (June 1 to May 31). We

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<sup>12</sup> ICM, *Continuing Education FAQs* at [https://www.icm.mb.ca/files/Licensing%20Info/User\\_Guides/FAQs\\_for\\_website.pdf](https://www.icm.mb.ca/files/Licensing%20Info/User_Guides/FAQs_for_website.pdf).

<sup>13</sup> Other jurisdictions that permit licensees who develop or present a course, seminar or program to claim double credits once per licensing cycle include Alberta and Manitoba.

<sup>14</sup> Tracking Your CE Credits. Online at <http://www.advocis.ca/ALC/TrackingYourCECredits.aspx>.



believe that a January 1 start would create needless transition issues as licensees would be forced to navigate two sets of CE obligations over the course of one cycle.

#### 4. CONCLUSION

We thank Council for the opportunity to provide our comments on its proposed Guideline and ask that it consider the recommendations we have put forward in this submission. We believe that Council's CE program would be strengthened by adopting these recommendations and it would better serve the needs of licensees and their clients. Should you have any questions, please do not hesitate to contact the undersigned, or James Ryu, Senior Director, Legal and Regulatory Affairs at [jryu@advocis.ca](mailto:jryu@advocis.ca).

Sincerely,

Greg Pollock, M.Ed., LL.M., C.Dir., CFP  
President and CEO

Abe Toews, CFP, CLU, CH.F.C., CHS, ICD.D  
Chair, National Board of Directors