

December 31, 2021

Ms. Arzina Zaver  
Manager, Education  
Insurance Council of British Columbia  
1400-745 Thurlow Street  
Vancouver, BC V6E 0C5

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

Dear Ms. Zaver,

**Re: Consultation on CE Accreditation Program**

On behalf of Advocis, The Financial Advisors Association of Canada, we are pleased to provide our comments in regard to the Insurance Council of British Columbia's ("Council") Consultation on its CE Accreditation Program (the "Program").

**1. ABOUT ADVOCIS**

Advocis is the association of choice for financial advisors and planners. With over 17,000 member-clients across the country, we are the definitive voice of the profession. Advocis champions professionalism, consumer protection, and the value of financial advice. We advocate for an environment where all Canadians have access to the professional advice they need.

Advocis members advise consumers on wealth management; risk management; estate, retirement and tax planning; employee benefits; and life, accident and sickness, critical illness and disability insurance. In doing so, Advocis members help consumers make sound financial decisions, ultimately leading to greater financial stability and independence. In all that they do, our members are driven by Advocis' motto: *non solis nobis* – not for ourselves alone.

**2. INTRODUCTION**

We commend Council for considering the introduction of a continuing education ("CE") accreditation program. 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 courses available on the market so



licensees can focus on quality content that benefits clients, lives up to regulatory scrutiny and satisfies advisors' annual licensing requirements.

While we are generally supportive of the Program, we have some concerns regarding Council's approach to its implementation. First, we are concerned about the impact that voluntary participation in the Program may have on course providers and licensees. We also believe that Council could work with its provincial counterparts to harmonize key aspects of the Program, thereby reducing costs and barriers to entry. Finally, we believe that Council could leverage existing accreditation infrastructure to more efficiently achieve the aims of the Program.

### **3. OUR COMMENTS**

#### **3.1 Strengthen the Program by making accredited CE mandatory**

The intention of the Program is to ensure that licensees complete high-quality CE that furthers consumer protection. To give this intention stronger effect, we suggest that Council consider making the Program mandatory for licensees by requiring that at least some, if not all, qualifying CE be accredited. For example, of the 30 CE credits that CLU designation holders must complete every calendar year, at least 15 CE credits must be accredited by the Institute for Advanced Financial Education ("IAFE"). For the proposed Program, Council could (for example) require that at least half of a licensee's required annual CE credits be accredited.

##### *a) Impact on licensees*

If licensee participation in the Program is completely voluntary as currently envisioned, and accredited CE courses that are more expensive (due to accreditation fees) must compete with non-accredited CE, we suspect that many licensees will forego accredited CE and take their chances with non-accredited options. This outcome would detract from Council's objective of assuring the quality of CE and would undermine the purpose of having the Program.

##### *b) Impact on course providers*

The voluntary nature of participation in the Program would also impact education providers' interest in participating in the Program. If licensee participation is voluntary, we anticipate that many education course providers may choose not to have their courses accredited in BC because the uncertain market demand for accredited CE will make it less attractive for course providers to invest their time, effort and money in seeking accreditation.

#### **3.2 Harmonization needed in accreditation services and standards**

Exacerbating the uncertainty risk for course providers discussed immediately above is a fragmented accreditation landscape. Currently, education providers submit their programs to



multiple accreditation bodies across the country and pay multiple fees. For example, Advocis currently submits its major programs to 11 accrediting bodies, six of which charge fees. In the past three years, Advocis' CE accreditation costs have increased by over 100 per cent. This situation has forced us, and surely many other course providers, to be selective in choosing accrediting bodies and jurisdictions.

There is a real risk that course providers may forego accreditation in smaller provinces which represent fewer customers for their courses, leaving that jurisdiction's licensees and consumers deprived of the benefits of high quality CE. Council, by making its Program voluntary, makes the British Columbia market smaller than it otherwise would be.

Along with making the Program mandatory, another way of addressing this problem is to have harmonized, interprovincial accreditation practices. The provincial insurance councils and/or regulators across Canada could work together through the Canadian Insurance Services Regulatory Organizations to establish a common oversight body that would be responsible for providing guidance on CE accreditation standards. The goal would be to allow accreditation obtained in one province to qualify in all other participating jurisdictions. A harmonized structure would reduce the number of CE accreditation submissions and their associated administrative and financial costs. It would also open up a wider catalog of CE options to licensees.

### **3.3 Leveraging existing third-party accreditation infrastructure**

The consultation states that in order to manage the accreditation process, Council intends to establish its own Accreditation Committee ("AC"). In our view, establishing the Program does not necessarily mean that Council needs to establish its own AC; multiple models exist that could be considered. We believe that our industry currently has a well-established accreditation infrastructure that Council could leverage in implementing its Program.

For example, there are many existing and well-established third-party accreditation services such as the IAFE. The IAFE conducts impartial reviews of CE programs from multiple course providers across the insurance and mutual fund sectors.<sup>1</sup> It uses a formalized approval process that evaluates a given program against practice guidelines<sup>2</sup> that are relevant to licensee CE requirements, and which meet Council's Continuing Education Guidelines. Upon completion of

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<sup>1</sup> To view the full list of IAFE-accredited courses by education provider please visit <https://secure3.advocis.ca/secureform/ceassess/ceSearch.aspx>.

<sup>2</sup> For more information on IAFE's CE accreditation guidelines and CE accreditation criteria please visit:

- *Practice Guidelines for Financial Advisors and Planners, Continuing Education Accreditation*, at: <http://www.iafe.ca/pdf/Practice-Guidelines-for-Financial-Advisors-and-Planners-Dec2014.pdf>.
- *Accreditation Decision Criteria*, at: <https://www.iafe.ca/pdf/DecisionCriteria.pdf>.



its review, the IAFE issues a detailed CE Accreditation Decision Report.<sup>3</sup> (Please refer to the Appendix for a sample Decision Report)

Many BC licensees are already taking courses that have been accredited by recognized third-party providers to comply with the multiple licensing and professional CE requirements to which they are subject. Rather than having Council's AC re-accredit a course specifically to qualify for BC's Program, we recommend that Council consider formally recognizing the work of qualified third-party accreditors. We would also like to note that the Mutual Fund Dealers Association of Canada's CE program, which commenced in December 2021, contains a fulsome role for third-party accreditors in order to ease the administration of that program.

Based on its proposed Spring 2022 implementation timeline, we ask Council to consider our above recommendation as we believe that leveraging qualified third-party accreditors would provide the most efficient and accessible path to implementing its Program.

### **3.4 Validity period for course accreditations**

We note that in the consultation materials discussed at the Roundtable Meeting in August 2021, the review criteria for accreditation specified that all accredited courses would be valid for one year from the date of approval. However, in the current consultation, the proposed validity period is only referenced in the "Appeals and Resubmissions" section of the Accreditation Program Key Documents<sup>4</sup> which indicate that courses will be valid for three years from the date of approval. Based on this information, we request clarification from Council regarding the validity period for course accreditations. We would note that Advocis would support the three-year accreditation validity period.

### **3.5 The role of Instructors and Facilitators**

We understand that Council will not be accrediting or verifying instructor credentials and that course providers assume the responsibility of verifying instructor qualifications as well as monitoring the delivery and effectiveness of the course. Advocis would like to note our interpretation of the terms "instructor" and "facilitator", as this distinction may impact the manner in which a course is delivered. In our view, while an instructor is typically an expert in the materials taught, a facilitator leads and enables a group discussion.

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<sup>3</sup> These reports include information detailing the specific practice competencies and/or practice behaviours addressed in each education program. Each report contains a unique accreditation identifying code that is to be included in the program's certificate of completion, which is used as supporting documentation by advisors during an audit.

<sup>4</sup> Program Guidelines: Continuing Education Accreditation for Individuals Courses, Section 10 at <https://www.insurancecouncilofbc.com/about-us/engagement/accreditation-consultation/accreditation-program-info/> and Program Guidelines: Continuing Education Accreditation for Course Providers, Section 9 at <https://www.insurancecouncilofbc.com/Website/media/Shared/About%20Us/Engagement/accreditation%20consultation/Program-Guideline-Course-Provider-Accreditation.pdf>



Advocis education programs that are delivered locally through our national 40 Chapter network are largely facilitator-led by volunteer practicing advisor members.<sup>5</sup> At these events, Chapters play back recorded educational segments. While the content of the program – and the certified instructor in the recording – does not change, the local volunteer facilitating the program does, based on the Chapter. Chapter facilitators typically do not have a specific teaching credentials. We believe this structure would be acceptable to Council and we would welcome feedback on any concerns Council may have.

### 3.6 Eligibility to become an Accredited Course Provider

Advocis would appreciate more details about the mandatory training for Accredited Course Providers (for the purpose of accrediting our own courses) before providing our feedback.

## 4. CONCLUSION

We support the objective of Council’s Program to increase licensee awareness of their CE obligations by requiring that their CE be accredited. In moving forward, we ask Council to consider making its Program mandatory for licensees and take advantage of the existing accreditation infrastructure to avoid duplication and unnecessary administrative and accreditation costs. We believe that Council would benefit from this approach as it offers a straightforward option to implementing the Program within Council’s proposed timeframe.

We thank Council for the opportunity to provide our comments on its proposed CE accreditation program. We would be happy to discuss our recommendations further and work with you in the development of the Program. Should you have any questions, please do not hesitate to contact the undersigned, or James Ryu, Vice- President, Advocacy and General Counsel at [jryu@advocis.ca](mailto:jryu@advocis.ca).

Sincerely,

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

Rob Eby, CFP, RRC  
Chair, National Board of Directors

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<sup>5</sup> For a facilitator to lead a course, the person must be a member of Advocis in good standing, which includes adhering to our Code of Professional Conduct; hold a license and/or designation in good standing; and have the required experience.

# CE ACCREDITATION DECISION REPORT



Decision: **3.50 CE Credit(s)**

Education Provider:

Accreditation Code:

Valid until: **October 24, 2018**

**Summary of Findings:** The Continuing Education program has been reviewed and approved against The Institute's *Practice Guidelines for Financial Advisors and Planners*. The following practice competencies & behaviours have been confirmed:

## 1. Practice Competencies

Practice Discipline - Job Duty - Job Task

### F - Estate Planning

#### 1. Gathering Facts

F.1.1 Review the legal agreements and documents that impact estate planning, including type of ownership, beneficiary designations, wills, trusts, enduring powers of attorney and personal directive or documents related to personal care

F.1.4 Gather all relevant information regarding the client's current family, including "extended" family members that are financially dependent upon the client

F.1.6 Obtain information relating to the business interests of the client

#### 2. Identifying Objectives

F.2.1 Identify the client's general attitudes towards estate planning

F.2.3 Consider objectives for business owners

F.2.5 Consider other estate planning objectives

#### 3.1 Designing the Plan - Identifying potential opportunities and constraints

F.3.1.15 Address the needs of the spouse and other family members within the context of business succession planning

F.3.1.17 Determine how to address business succession within the family

family

## 2. Knowledge

### Taxation

D.1 Income Tax Administration

D.4 Adjusted Cost Base

D.14.1.3.1 Property transferred at Fair Market Value (FMV)

D.26.4 Dividends

D.38.3 Capital dividend account (CDA)

### Law

H.4.2 Business Interests

H.4.2.2 Keeping the business in the family

H.4.2.2.2 Business Continuation

H.14 Charitable giving

## 3. Ability Areas

### Ability to Communicate

A.1 explain financial terms and investment concepts in plain language

A.4 present information and ideas verbally

A.8 explain rationale for various options

A.9 explain the impact of options on clients' financial objectives

A.10 communicate the need for specific strategies and solutions

A.11 address relevant concerns

### Ability to Analyse

C.1 analyse information for issues, obstacles and relevance

C.7 assess client's personal, family and financial situation

C.8 assess benefits and limitations of current and potential plans

### Ability to Plan

D.3 identify appropriate options for plans

D.5 apply technical knowledge to client specific data to formulate possible solutions

## 4. Practice Behaviours

Attribute - Behaviour

### Practice Management

B.4 Provide clients with all the information and disclosure requirements to make an informed decision

B.7 Use a well-defined client engagement process

B.8 Educate clients using examples and illustrations showing the importance of particular financial strategies

B.9 Provide objective explanations that the client needs to understand in evaluating the product or services that she/he is proposing or that she/he provides to the client

B.11 Provide logical rationale for courses of action

B.14 Consider the relative costs and benefits of potential actions

B.17 Describe services to the target clients

B.19 Set realistic expectations for all aspects of the financial plan and planning process

## Comments

Documented attendance for the duration of the session requirements qualifies for 3.5 CE credit(s). In the opinion of The Institute, the content of this session aligns with the FPSC's CE requirements for the category of 'Financial Planning', however, it remains the responsibility of the CFP Professional to confirm this.

**Important notes:** Advisors are responsible for ensuring that CE credits are applicable to the individual regulatory, licensing, designation, and professional membership bodies under which they are governed. Should the CE applicability of this Institute-accredited course be questioned in an audit situation, please contact us at [accreditation@iafe.ca](mailto:accreditation@iafe.ca) for assistance.

Stephen Boyd Manager, Accreditation and Audit