

Most opposition to the CISRO initiative has come from some of the current LLQP course providers who base their business models on publishing and selling their own study materials. The use of standard study materials produced by the AMF will impact their businesses, although the degree and type of impact is uncertain. The market for courses will be increased by the participation of Quebec in the program, and the use of standard materials will conceivably cut down on providers' development costs even though a licensing fee must be paid to the AMF. CISRO has worked with the providers and has revised its original plan of selling materials directly to students to one in which providers obtain a licence to use AMF produced materials to deliver their courses ~~license the material and provide it to their own students.~~ The providers may supplement the material to add value. However, at least two of the providers (Oliver Publishing and Advocis) continue to lobby against the AMF produced standard materials. It is possible that they may lobby the Minister and try to gain sympathy for the potential loss of business.

Questions have also been raised by both industry stakeholders and course providers about the cost of the initiative. CISRO has responded by putting the (maximum) \$4 million cost into context: almost no money has been spent maintaining the LLQP to date, so this \$4 million includes a large amount of work (e.g., updating the Course Curriculum Document and creating new exam questions) that would have had to be done in any case.

CISRO continues to engage stakeholders in the process through quarterly meetings and its web site, as well as responding to individual inquiries.

3. Reputation of FSCO/Ontario: The harmonized program is a huge step forward for Canadian insurance regulators, incorporates a modern governance structure ~~and will enhance~~ FSCO's reputation as a progressive regulator.

FSCO commits in the agreements to participate in the program until at least 2021. Because Ontario accounts for such a large proportion of the projected exam candidates, Quebec requested this be included to avoid any risk that Ontario might withdraw from the program in its early years and leave Quebec with an insufficient revenue base by which to maintain the program.

Other regulators are also looking to FSCO to sign before they commit. If FSCO cannot do so in time for the March 31 deadline, it could signal non-confidence in the program ~~some may have second thoughts. Ultimately, it may be seen as and~~ potentially unravel the harmonization initiative ~~FSCO's/Ontario's fault if the program fails to come into being. Failure to finalize the agreements will result in the Insurance Council of B.C. paying Quebec's development costs to date.~~

## RECOMMENDATION

It is recommended that the Superintendent sign the Participation and Service Agreements in order for FSCO to participate in the program. Stakeholder reaction is being well-managed by CISRO.

## NEXT STEPS