



NEWS RELEASE

For Immediate Release

CLHIA RESPONDS TO ADVISOR CONCERNS OVER NEW COMPENSATION DISCLOSURE GUIDELINE G19

(Toronto, May 31, 2018) – Following discussions with advisors and their associations last winter, the Canadian Life and Health Insurance Association (CLHIA) has analysed and considered all the extensive and constructive feedback received from the advisor community, and is now pleased to announce it is making a number of changes to its approach towards Guideline G19, *Compensation Disclosure in Group Benefits and Group Retirement Services*.

“We are pleased that so many in the group advisor community have taken such a keen interest in G19 and I am confident that the insurers and advisors can continue to partner together in the best interest of consumers,” states CLHIA President and CEO Stephen Frank. “Our ultimate goal is to ensure fair outcomes for all stakeholders” he adds.

The changes to the approach that the CLHIA is making are the following:

- Considering the relationship between the advisor and the end client, the CLHIA agrees with advisors that they should have the ability to deliver the disclosure to the client.
- A reasonable and appropriate materiality threshold will be established for tracking and disclosing in-kind compensation, with input from advisors.
- The implementation timeline for group benefits is being extended by one year to start January 1, 2020, to allow sufficient time to address advisors’ concerns. For group retirement services, disclosure for new contracts will remain January 1, 2019.

Partnering with advisors is key to the successful implementation of G19. As the next step in this process, the CLHIA and its members will lead an in-depth consultation on G19 through an Advisory Group with participation by both advisors and insurers. “We are looking forward to working very closely with advisors in this next phase to ensure that advisors’ concerns are taken into account and that the process for compensation disclosure to plan sponsors works well for all stakeholders”, concluded Mr. Frank.

About the CLHIA

The CLHIA is a voluntary association whose member companies account for 99% of Canada’s life and health insurance business. The industry provides a wide range of financial security products such as life insurance, annuities (including RRSPs, RRIFs and pensions) and supplementary health insurance to more than 28 million Canadians. It also holds over \$810 billion in assets in Canada and employs nearly 155,000 Canadians.

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