



February 8, 2011

Dear Stakeholder:

Re: Release of *Managing General Agencies Life Insurance Distribution Model*

We are pleased to announce the release of a CCIR issues paper entitled *Managing General Agencies Life Insurance Distribution Model*.

This is the first issues paper from the Agencies Regulation Committee (ARC). This first paper deals specifically with MGA and Associated General Agency (AGA) distribution models in life insurance, and, in particular, individual life insurance.

Its purpose is to stimulate debate about the issues noted in this paper and launch a process of consultation on those issues as well as to educate and to build a common understanding of the topic and issues for both regulators and stakeholders.

Over the past two decades, the distribution of life insurance has changed dramatically including a significant shift away from the traditional career agency model to MGA and AGA distribution models.

Canadian insurance regulators, being concerned that current licensing and regulatory regimes were not developed with the type of delivery mechanism these entities represent in mind, set up ARC, with participation from members of the Canadian Insurance Services Regulatory Organization (CISRO), to identify and address risks to consumers and legislative and regulatory issues that may be arising from the activities of these entities.

The issues paper is attached to this e-mail. It is also available on the CCIR website (www.ccir-ccrra.org). CCIR encourages all interested parties to review and comment on the paper. We ask for comments to be submitted by March 31, 2011.

Electronic submissions would be preferred. Please note that CCIR intends to publicly release all submissions received pursuant to this consultation process by posting them on the CCIR web site.

All submissions should be forwarded to the CCIR Secretariat e-mail: ccir-ccrra@fscs.gov.on.ca

Sincerely,

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CCIR Chair

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