

Institute set to continue MGA program roll-out next year

THE INSURANCE Institute has opened registration for the first course in its MGA program that will be officially launched in January.

The rest of the agenda will be rolled out after that, the institute's director of academic programs and product development said.

John Stathakos noted that the first course, which focuses on commercial insurance essentials, has been offered since January 2019 as part of the institute's commercial insurance and certified insurance professional programs.

"(That course) focuses on the foundational concepts of commercial insurance, which are very relevant in the MGA space," he said. "We are currently building the remaining courses in the MGA program, which are more MGA-specific."

Mr. Stathakos said the second MGA course, which starts in September 2020, is Fundamentals of Managing General Agents and Delegated Authority. Registration for that is slated to open June 1, 2020.

The third course, which will launch in January 2021, focuses on applied MGA pract-

ices. Registration for that course is scheduled to open Oct. 1, 2020. The final exam date is still to be decided, he added.

"The final exam required to achieve the MGA designation will be offered subsequent to our first cohort completing course three," Mr. Stathakos said.

The course is the result of roughly two years of collaboration by the institute and the association known as Canadian Managing General Agents (CAMGA).

"CAMGA views education as an important part of MGA regulation and we are delighted to see the Insurance Institute announce they are on track to launch the MGA lessons and curriculum in January 2020," said Gary Hirst, founding member of CAMGA and CEO of Ches Special Risk.

He said education is part of CAMGA's code of ethics, to which it encourages members to adhere.

He said the course could help draw more people to the MGA sector of the Canadian insurance industry, the size of which has remained stagnant for a long time. There are

now roughly 100 to 120 p&c MGAs operating in Canada.

"There have been several high profile acquisitions of domestic insurers and Lloyd's syndicates which has reduced the number of MGAs here in Canada," Mr. Hirst said.

The institute said the Canadian Managing General Agent course is designed for professionals at various levels in their career, including those working in the MGA space who want more training and a formal credential, those with passion for entrepreneurship and underwriters who want a role that is challenging, fast-paced and evolving.

More info is available at www.insuranceinstitute.ca/en/insurance-education/CMGA.

Many MGAs choose to be licensed

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Mr. Hirst said that while MGAs are not bound by federal or provincial regulation, many choose to be licensed as brokers.

He said his company, Ches Special Risk, applied for and was granted a broker license in Ontario.

"Other MGAs have done that and as far as I'm aware the majority of p&c MGAs are in some way registered or licensed with the authorities."

He said CAMGA is open to discussion with FSRA and will likely approach the regulator once it has settled into its regulatory role.

"They are a newly formed body so I'm sure they have a lot of other things on their agenda, but we are open to having that discussion."

White concerned with framework proposals

THE CEO of the Financial Services Regulatory Authority of Ontario said the new body has no intention of adopting the federal regulator's proposed new reinsurance framework, said the CEO of Ontario's new regulator.

Speaking at the recent Insurance Institute of Ontario At the Forefront event in Toronto, Mark White said that while FSRA is the prudential regulator of only a handful of insurers, he is nevertheless concerned with the trickle-down effect it could have for all p&c insurers.

As reported recently in *Thompson's*, the Office of the Superintendent of Financial Institutions has proposed amendments to the federal reinsurance framework that could force companies to drastically increase capital levels.

"I'm concerned with what the framework will do," Mr. White said.

"With how much more capital will be required of the industry and how much capacity would have to be reduced — that is a very serious concern," he said.

"Insurance has to be available, it's necessary for the economy to function.

"I think there is a potential for some ripples from these (proposed) policies, especially around some capacity issues."

He noted OSFI has not closed off discussions surrounding the amendments.

"I'm hopeful, I have great respect for the OSFI team — they are thoughtful individuals," Mr. White said.

"But, like all regulators, we can sometimes be academic and it's the industry's job to work with regulators so we can see the practical

implications."

Meanwhile, Mr. White said FSRA intends to release a clarified version of the Financial Services Commission of Ontario's fair treatment of customers guidance.

He said there has been confusion about which guidance multi-provincial insurers should be using because another set of guidelines was published by the Canadian Council of Insurance Regulators around the same time as FSCO's.

"Right now I don't think you are far off if you follow that FSCO guidance, and we will try to bring clarity," Mr. White said.

The THOMPSON'S TSX TICKER

■ Closing prices for shares of Canadian p&c-related companies trading on the TSX.

COMPANY	SYM.	MARKET VALUE	SEPT 17	SEPT 24	OCT 1	OCT 8	YR. HIGH	YR. LOW
Co-operators Gen.	CCS.PR.C	97m	23.85	24.25	24.51	24.50	25.10	21.11
Echelon Financial	EFH	74m	6.26	6.20	6.14	6.15	14.57	5.01
Fairfax Financial	FFH	15,268m	588.52	577.02	571.00	560.92	708.83	559.84
Genworth MI Can.	MIC	4,460m	51.40	51.42	52.06	52.25	53.54	38.18
Intact Financial	IFC	18,891m	130.97	132.32	133.33	134.49	135.90	95.75
Trisura Group	TSU	267m	28.91	29.30	29.95	30.25	30.68	24.58
Westaim Corp.	WED	351m	2.36	2.36	2.49	2.46	3.20	2.29

All figures in Canadian dollars. Market value is approximate, in millions, as of Oct. 8, 2019.