



NEWS RELEASE

CISRO seeking input on new Life Insurance Replacement Declaration (LIRD) form

February 14, 2023

The Canadian Insurance Services Regulatory Organizations (CISRO) and the Canadian Council of Insurance Regulators (CCIR) developed the Life Insurance Replacement Declaration (LIRD) form in 2008. In July 2021, CISRO established the LIRD Working Group to review the current LIRD. The working group determined that improvements are needed to enhance consumer protection and to meet the expectations of the CISRO/CCIR Guidance on Conduct of Insurance Business and Fair Treatment of Customers (FTC) and the CISRO Principles of Conduct for Insurance Intermediaries.

The working group has designed a prototype LIRD that is intended to ensure that customers receive clear and accurate information and explanations before replacing a life or health insurance policy, so that they can make an informed decision. The proposed LIRD places the onus on the agent to provide clear, complete and relevant information to the customer. The proposed LIRD is intended to be sufficiently flexible to cover various life and health insurance products and to not confuse agents or customers with irrelevant information. The working group proposes that the form will be available as an electronic form.

The working group is proposing a separate document that will provide cautions to customers, advising them that, before terminating their existing policy, they should read all relevant documents and information to ensure that they are making an informed decision.

Another document will provide information for agents on the process for completing the forms and to help them discuss the LIRD with customers. This would include advising the agent of the need to send a copy of the form to the insurer within a specific period in jurisdictions where that is required.

CISRO invites all interested parties to review the prototype LIRD and provide feedback. The prototype LIRD is available on CISRO's website at www.cisro-ocra.com. The consultation period will be for 45 days. Respondents should submit comments to cisro-ocra@fsrao.ca by March 31, 2023.

Please note that CISRO may publish all submissions received through this consultation process, on the CISRO website.

About CISRO:

The Canadian Insurance Services Regulatory Organizations is a forum of Canadian regulatory authorities who are dedicated to consistent qualifications and conduct of business standards for insurance intermediaries. CISRO members collaborate on initiatives that support a consistent approach to consumer protection through the regulation of insurance intermediaries.