Initial investment

The initiative of the Canadian Insurance Services Regulatory Organizations (CISRO) to harmonize the Canadian life insurance qualification process (including group insurance) will result in development and implementation costs approximating $3,775,000, and shall not exceed $4,000,000 (four million dollars). These expenses constitute the Initial Investment required to put in place the national harmonized Life Licensing Qualification Program (the Program) and will be fully incurred by the Service Provider responsible for the implementation (the Autorité des marchés financiers) between September 1, 2012 and March 31, 2017, approximately. The Service Provider will recover or be reimbursed the Initial Investment pursuant to the terms and conditions set out in the Service Agreement signed by the participants. No interest accrues or is payable on the Initial Investment. Following its implementation, the Program will be self-funded and allow for funds to be regularly devoted to its upkeep.

The Initial Investment includes the cost to develop, design and review all the Program deliverables; the salaries and benefits related to the Program development for the Project manager, and the Exam Development Coordinator; Licensing Agreement costs, and all other costs and expenditures required to implement the Program. These expenses have been forecasted annually, in a budget that has been approved by the Board.

With the exception of costs related to the Project Manager and the Exam Development Coordinator, the costs related to the Service Provider’s team of educational specialists assigned to the Program are incurred and will be covered by the Service Provider until the Program is implemented. These costs are not included in Initial Investment.

The Initial Investment is divided into the major steps of the development process. The following costs were forecasted in 2012:

- Occupational analysis workshops (OAW): $190,000
- Curriculum development: $50,000
- Study material development: $2,060,000
- eBooks costs: $150,000
- Licensing Agreement costs: $10,000
- Exam development: $570,000

Finally, the Initial Investment includes $745,000 for the salaries and benefits, office expenses and other expenses of the Project manager and the Exam development coordinator for 2012-2017.