

Life Insurance Agent Licence Guide

Life insurance agents are permitted to sell insurance products such as life insurance, accident and sickness insurance, individual variable insurance contracts (also called segregated funds), life annuities, disability insurance and critical illness insurance.

This licensing guide provides detailed information on the requirements for obtaining a life insurance agent licence.

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Licensing Requirements

In order to obtain a licence as a life insurance agent, an applicant must:

- be sponsored by a licensed insurer throughout the first two years as an agent;
- complete the online Life Insurance Agent application accessible through [Licensing Link](#) and pay the required fee;
- hold himself/herself out publicly and carry on business in good faith as a life insurance agent only in the name in which he/she is licensed;
- not be engaged in any other business or occupation that would jeopardize the agent's integrity, independence or competence;
- be of good character and reputation;
- be a suitable person to receive a licence and meet all the licensing requirements;
- complete a course and pass the examination for the Life Licence Qualification Program (LLQP);
- provide FSCO with an Ontario mailing address; and
- acquire the appropriate Errors and Omissions (E&O) insurance coverage and maintain this coverage throughout the term of the licence.

In addition to the above licensing requirements, it is recommended that an applicant be familiar with the laws of Ontario relating to the licensing of life insurance agents.

Reminder! Life Insurance Agents, Brokers, and Companies should also be aware of their obligations under *Canada's Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. This includes client identification, record keeping and reporting of certain transactions. You need to be aware of these obligations and current information can be found on the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) website: www.fintrac.gc.ca under Life Insurance.

Developed by the Canadian Life and Health Insurance Association (CLHIA), the "*Guidance Manual to Combat Money Laundering and Terrorist Financing*" has been designed to assist life insurance agents and brokers in complying with their legal obligations under Canada's anti-money laundering and anti-terrorist financing regime. A copy is available at: http://www.clhia.ca/advisors/AML_ATF_Guidance_Manual_2008_EN.pdf.

Detailed Information on Licensing Requirements in Ontario

Sponsorship

Be sponsored by a licensed insurer throughout the first two years as an agent

Being sponsored means that an insurance company has entered into a contract with an agent to act as that company's insurance agent. The insurance company needs to certify to FSCO that the agent is suitable to hold a licence to sell insurance. FSCO does not provide names of potential sponsors. A list of [Licensed Insurance Companies in Ontario](#) is available on FSCO's website in the Licensing & Registration section. Sponsorships can be terminated or transferred.

A sponsoring insurance company investigates an agent's background to determine if the agent is of good character, reputation and suitable to be licensed.

The sponsoring insurance company is responsible for overseeing an agent's work and is required to have a system to ensure that the agent complies with licensing and legal requirements in the province of Ontario.

The requirement to be sponsored by an insurance company ceases after a sponsored agent has completed all the educational requirements, has been actively engaged in business as an agent, and has been licensed for two years. This change takes effect when an agent renews his/her licence after being actively licensed for two years. An agent must renew his/her licence for this change to take effect.

If an agent requires a sponsor and does not have one, the agent cannot act as an insurance agent even if his/her licence is still valid.

Application & Fees

Complete the online Life Insurance Agent application accessible through [Licensing Link](#) and pay the required fee.

Licensing Link is FSCO's online application system for all insurance agent licensing transactions. Licensing Link is available for use 24 hours a day, seven days a week. All licensing transactions for individual insurance agents must be completed online via Licensing Link.

The online application process for new applicants is initiated and approved by the Licensing Link coordinator at the sponsoring insurance company. The coordinator will electronically enter basic information about the prospective agent. Once this profile information is captured in the system, the prospective agent will receive an email containing a link to the application indicating he/she must complete an online application. When the application is submitted by the agent, FSCO staff will review the application within 48 hours. A sponsoring company can monitor the status of an agent's application through the company section of Licensing Link. After the application has been reviewed and approved, FSCO's website listing of licensed agents will be automatically updated to include the agent's name and business information.

Licensing fees can be paid by credit card. Insurance companies also have the option of establishing a pre-payment account with FSCO. For information on licensing fees, please consult the "[Schedule of Required Fees](#)," available in the Licensing and Registration section of the website. Payment of the licensing fee does not automatically mean that the individual is licensed. A \$35 fee will be charged for cheques returned for non-sufficient funds. If a replacement cheque is not submitted to FSCO, an agent's licence will become void.

The effective date of an individual's licence is listed on FSCO's website and a paper copy is issued by FSCO. A sponsored agent's licence is mailed to the sponsoring insurance company – not to an agency or to the sponsored agent. All inquiries concerning the sponsored agent's application must be directed to the sponsoring insurance company. An unsponsored agent's licence is mailed directly to his/her home address.

Behaviour

Hold himself/herself out publicly and carry on business in good faith as a life insurance agent only in the name in which the agent is licensed.

An agent, who is not a corporation, is required to hold himself/herself out publicly and carry on business in good faith as a life insurance agent only in the name in which the agent is licensed.

It is not acceptable to answer the telephone, provide business cards, advertise or do any business in a name other than that which appears upon the licence.

Other Business or Occupation

Not be engaged in any other business or occupation that would jeopardize the agent's integrity, independence or competence.

An agent must disclose to FSCO any other occupation in which the agent is engaged. The Superintendent must be satisfied that the agent is not engaged in any business or occupation that would jeopardize the agent's integrity, independence or competence as an agent. For more information, please see [Bulletin G-09/04](#) on conflicts of interest and other jobs held by agents.

A sponsored agent should ask his/her insurance company about its policy regarding holding other occupations while working as an insurance agent.

Character & Reputation

Be of good character and reputation.

An applicant must:

- be a person of good character and reputation
- possess an educational background appropriate to the responsibilities of an agent of the sponsoring company
- meet all licensing requirements and be a suitable person to receive a licence as a life agent

The sponsoring insurer must maintain a system to ensure that each agent complies with the Ontario legal and licensing requirements.

Suitability

Be a suitable person to receive a licence and meet all the licensing requirements.

An individual must:

- be at least 18 years old to obtain an insurance agent's licence
- be of good character and reputation
- carry on business in good faith

Education

Complete a course and pass the examination for the Life Licence Qualification Program (LLQP)

There is no formal education requirement; however, candidates must complete a course and pass the LLQP examination.

If an agent was previously licensed but has been out of the industry for more than two years, he/she is required to pass the educational requirements before applying for a licence. Sponsored agents who are terminated are viewed as being out of the industry as of the date of termination.

Life Licence Qualification Program (LLQP)

The national proficiency standard for life insurance agents is the Life Licence Qualification Program (LLQP). The LLQP consists of a pre-licensing course and an examination. Applicants must complete and pass the LLQP course and obtain a Certificate from the course provider before writing the provincial LLQP examination. Applicants must then successfully pass the LLQP examination, available through Durham College, to qualify for a licence. Candidates should read the examination rules available on the Durham College website before writing the examination. Durham College provides examination results directly to FSCO.

LLQP examination marks are only valid for one year from the date the individual passed the examination. After three unsuccessful attempts at passing the LLQP, candidates are required to wait six months before writing it again. Each subsequent, unsuccessful attempt requires a further six month waiting period. A candidate must have a valid certificate in order to write the LLQP examination.

For more information on LLQP, see [Bulletin G-12/02](#) and [Bulletin G-04/02](#).

An agent may be exempt from having to take the LLQP examination if he/she is applying as a non-resident of Ontario who has passed the LLQP examination in another province or territory and is currently licensed in that province or territory.

US agent licences are not transferable. US applicants must qualify through the LLQP.

Continuing Education

All life insurance agents are required to complete 30 hours of continuing education every two years. As part of the licence renewal application, agents will be asked to complete a statutory declaration to confirm that they have met this requirement.

FSCO does not pre-approve or recommend continuing education courses. Course providers and insurers will indicate if their programs meet the requirements and the number of applicable hours.

Continuing education credits earned during one licence period cannot be used in another licence period. Some industry associations offer continuing education courses and should be contacted directly for more information. For more information on continuing education requirements, see [Bulletins LH-02/96](#), [LH-02/97](#) and [LH-01/99](#).

FSCO conducts audits of continuing education credit declarations. Continuing education receipts must include: the name of the course provider, date or dates when courses or seminars were taken, a description of each course or seminar taken (preferably from the course calendar or outline), qualifying hours, and the signature of an authorized representative of the course provider. If audited, an agent will be required to submit this information to FSCO. Agents should keep these receipts for up to four years in case they are requested by FSCO.

As of July 4, 2006, Ontario no longer imposes any further continuing education requirements on a non-resident agent who has met the continuing education requirements of his/her home jurisdiction. This does not apply to non-resident agents from jurisdictions that do not have continuing education requirements.

Mailing Address

Provide FSCO with an Ontario mailing address.

An agent must provide FSCO with an Ontario mailing address that is suitable for service by registered mail. Agents who reside in Ontario and are unsponsored must use their home address as their Ontario mailing address. Please note the address will be public information. An agent residing outside Ontario must arrange for an address in Ontario and advise FSCO of that address.

Sponsored agents must provide both a home address and that of the sponsoring insurance company. Changes to the address should also be communicated to the sponsor.

Errors and Omissions (E&O) Insurance

Acquire the appropriate Errors and Omissions (E&O) insurance coverage and maintain this coverage throughout the term of the licence.

All life agents are required to maintain E&O insurance. Not having valid E&O coverage is an offence under the *Insurance Act*. The amount must be at least \$1 million coverage for each occurrence and at least \$2 million in the aggregate with extended coverage for loss resulting from fraudulent acts. See [Bulletin LH-02/95](#).

Insurance Act and Regulations

In addition to the above licensing requirements, it is recommended that an applicant be familiar with the laws of Ontario relating to the licensing of life insurance agents.

The *Insurance Act* and Ontario Regulation 347/04 regarding agents, is available at www.e-laws.gov.on.ca.

There is no restriction against life insurance agents holding additional licences and registrations to sell other financial products. For example, a licensed agent may also hold registrations as a mutual funds salesperson, a mortgage agent and a real estate agent. Agents should ask their insurance company about its policy on holding other licences or registrations.

Relevant bulletins can be found on our website under Publications / Bulletins / Life & Health.

Life Insurance Agent Application Instructions



Licensing Link

Licensing Link is FSCO's online application system for all insurance agent licensing transactions. Licensing Link is available for use 24 hours a day, seven days a week. All licensing transactions for individual insurance agents must be completed online via Licensing Link.

The online application process for new applicants is initiated and approved by the Licensing Link coordinator at the sponsoring insurance company. The coordinator will electronically enter basic information about the prospective agent. Once this profile information is captured in the system, the prospective agent will receive an email containing a link to the application indicating that he/she must complete an online application. When the application is submitted by the agent, FSCO staff will review the application within 48 hours. A sponsoring company can monitor the status of an agent's application through the company section of Licensing Link. When the application has been reviewed and approved, FSCO's website listing of licensed agents will be automatically updated to include the agent's name and business information.

Licensing fees can be paid by credit card. Insurance companies also have the option of establishing a pre-payment account with FSCO. For information on licensing fees, please consult the "[Schedule of Required Fees](#)" available in the Licensing and Registration section of the website. Payment of the licensing fee does not automatically mean that the individual is licensed.

The effective date of an individual's licence is listed on FSCO's website and a paper copy is issued by FSCO. A sponsored agent's licence is mailed to the sponsoring insurance company – not to an agency or to the sponsored agent. All inquiries concerning the sponsored agent's application must be directed to the sponsoring insurance company. An unsponsored agent's licence is mailed directly to his/her home address.

General Instructions

This application is to be used by individuals seeking a life insurance agent licence. It is the applicant's responsibility to ensure that they meet all of the requirements.

Answer all the questions fully.

It is an offence to act as an insurance agent prior to a licence being issued. You can check on Licensing Link to see if your licence has been issued.

It is an offence to provide false, misleading or incomplete information on this application and doing so may be sufficient grounds to reject the application, revoke a licence, or result in prosecution.

A criminal record search is part of the regular screening process, and your name will be searched through the Canadian Police Information Centre (CPIC). You must provide details of any outstanding charges and/or convictions unless a legal pardon has been given. Non-disclosure or any misrepresentation of your history of offences will result in significant delays in processing your application and may necessitate a public hearing, as well as possible charges.

Detailed Instructions

Sections 1 & 2 - Personal Identification

You must provide your legal name and given names in full.

Section 3 - Other names

Please provide any other names by which you have ever been known.

Section 4 - Date of birth

Please insert your date of birth in the following order: Year (yyyy) / Month (mm) / Day (dd).

In Ontario, you must be at least 18 years of age to obtain an insurance agent licence.

Section 5 - Residential Address

Provide an Ontario mailing address. An Ontario mailing address is an address in Ontario that is suitable to permit service by registered mail. Your Ontario mailing address is considered public information.

Section 6 - Business Address

Sponsored agents provide the address of their sponsoring insurance company's head office. Un-sponsored agents leave this section blank.

Section 7 - Address for Correspondence

Indicate if you want FSCO to send correspondence to your residential or business address.

Section 8 - Consent to the Collection of Personal Information

Personal information requested on this application is collected under the authority of the *Insurance Act*. This information will be used to determine if an applicant is qualified to hold a licence. The information may be disclosed to a sponsoring company, other regulators or law enforcement agencies and may be made public as part of a request for information made under the *Freedom of Information and Protection of Privacy Act*.

Section 9 - Licence Requested and Qualifications

Please indicate the licence for which you are applying. If you are applying for a life insurance agent licence, choose #1. In Ontario, a life insurance agent's licence includes the accident & sickness insurance licence.

Section 10 - Licences Held in Other Jurisdictions

If you are not a resident of Ontario, provide the licence number of any licence you currently hold in your home jurisdiction. FSCO may contact you to request that you submit a Certificate of Authority for each of the relevant licences.

Section 11 - Qualifications

LLQP

The national proficiency standard for life insurance agents is the Life Licence Qualification Program (LLQP). The LLQP consists of a pre-licensing course and an examination. Applicants

must complete the LLQP course and obtain a certificate from the course provider before writing the LLQP examination. Applicants must then successfully pass the LLQP examination, available through Durham College, to qualify for a licence. LLQP examination marks are only valid for one year from the date the individual completed and passed the examination. After three unsuccessful attempts at passing the LLQP examination, candidates will be required to wait six months before writing it again. Each subsequent, unsuccessful attempt will also require a further six month waiting period.

If you were previously licensed but have been out of the industry for more than two years, you must qualify through the LLQP before applying for a licence.

For more information on LLQP, see [Bulletin G-12/02](#) and [Bulletin G-04/02](#), the [list of approved course providers](#), and the [course curriculum](#).

An agent may be exempt from having to pass the LLQP examination if he/she is applying as a non-resident of Ontario who has passed the LLQP examination in another province or territory and is currently licensed in that province or territory, or holds a Quebec Assuruer-Vie-Agree (AVA) designation.

There is no reciprocal agreement with the United States concerning insurance agent licences. You must qualify through the LLQP.

Section 12 - Employment History

Include all employment over the past five years, including current employment. If you have been a student or a homemaker within this time, please include these periods.

Sections 13 to 23 - Disciplinary Action, Bankruptcy, Judgements and Civil Proceedings

If you answer yes to any question in this section of the application, please provide a full explanation in your own words. You may be contacted by FSCO for additional information and be requested to submit any relevant documents. If you have questions about how to respond to Sections 13 to 23, consult your sponsor or legal advisor.

Criminal record check:

A criminal record search is part of the regular screening process. An applicant's name will be searched. Non-disclosure or any misrepresentation of the applicant's history of offences will result in significant delays in processing and may necessitate a public hearing, as well as possible charges under the *Provincial Offences Act*.

Offences under federal statutes such as the *Criminal Code*, the *Controlled Drugs and Substances Act*, the *Food and Drugs Act*, the *Income Tax Act*, the *Immigration and Refugee Protection Act*, the *Competition Act*, and the *Copyright Act* are criminal offences and must be disclosed. Where an applicant has pleaded guilty or been found guilty of an offence under the above statutes, or any others, such offences are to be reported even if the applicant was provided an absolute or conditional discharge. Where the applicant has received an absolute discharge, it must be disclosed unless at least one year has passed since sentencing. In the case of a conditional discharge, it should be disclosed unless at least three years have passed since the date the sentence was imposed.

Offences also include contravention of any provincial statutes such as the *Insurance Act*, the *Highway Traffic Act*, the *Securities Act*, the *Provincial Offences Act*, the *Real Estate and Business Brokers Act, 2002*, the *Mortgage Brokers Act*, the *Registered Insurance Brokers Act*, and the *Human Rights Code*, or their equivalent in other provinces.

Applicants do not need to disclose any offence for which a pardon has been granted under the *Criminal Records Act* and has not been revoked. Note: Pardons are not automatically granted merely because of the passage of time. An absolute or conditional discharge is not a pardon.

Applicants do not need to disclose convictions under either the *Youth Criminal Justice Act* or its predecessor, the *Young Offenders Act* and the *Juvenile Delinquents Act*. Applicants are not required to disclose findings of guilt for minor traffic infractions such as speeding or parking violations.

Criminal record check from outside Canada: If you are currently living or have lived in another country, you must provide a police background check from that country to your sponsoring insurance company. The sponsoring insurance company will submit it to FSCO.

The Superintendent will review the application and decide whether to issue a licence. If there is a discrepancy between the information you provided and the results of a criminal records search, FSCO will report this to your sponsoring insurance company. It may lead to suspension, revocation of an existing licence or denial of the application.

Section 24 - Errors and Omissions (E&O) Insurance

All life insurance agents must have Ontario Errors and Omissions insurance (E&O) coverage. As an agent, you are required to carry coverage of at least \$1million of E&O in respect of any one occurrence, and at least \$2 million in the aggregate. Your E&O insurance must include extended coverage for loss resulting from fraudulent acts. Such extended coverage may be included directly within the E&O insurance policy contract, or as an endorsement to the contract. It is your responsibility to ensure you have the proper coverage. See [Bulletin LH-02/95](#).

When you renew your licence, you are required to make a statutory declaration that you have coverage in place. Applications cannot be processed unless the policy or certificate number and its expiry date and the name of the company holding the E&O insurance are supplied. FSCO conducts audits to verify agents' E&O insurance.

Section 25 - Declaration/Attestation

Type in your name to electronically sign the application and add the date.

Related Links

[Life Licence Qualification Program](#)

[Licensing Link](#)

[List of Insurance Agents Licensed in Ontario](#)

[Bulletin L & H 01/06 - Changes to Licence Application and Renewal Process](#)

[Bulletin L & H 01/05 - Update on Regulatory and Administrative Matters Affecting Ontario's Life Agents](#)

[Minister's Schedule of Required Fees](#)

[Insurance Act](#)

[Ontario Regulation 347/04](#)

[List of Regulators in Canada](#)

[Canadian Council of Insurance Regulators](#)

[Durham College - LLQP Examination](#)

[LLQP Course Providers](#)

FSCO contact information

If you have questions concerning your licence, contact us by email at ellicence@fSCO.gov.on.ca. You can also reach us by phone at (416) 250-9209 or 1-800-263-0541 to speak to a representative directly.

Mailing address

Licensing Compliance Unit
Licensing and Market Conduct Division
Financial Services Commission of Ontario
5160 Yonge St., 4th Floor, Box 85
Toronto, ON M2N 6L9