

February 28, 2024

Alberta Securities Commission
Autorité des marchés financiers
British Columbia Securities Commission
Financial and Consumer Services Commission (New Brunswick)
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Nova Scotia Securities Commission
Nunavut Securities Office
Office of the Superintendent of Securities, Newfoundland and Labrador
Office of the Superintendent of Securities, Northwest Territories
Office of the Yukon Superintendent of Securities
Ontario Securities Commission
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island

Delivered to:

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Dear Sirs / Madams:

RE: Registered Firm Requirements Pertaining to an Independent Dispute Resolution Service, Proposed Amendments to Certain Complaint Handling Provisions of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103) and Proposed Changes to Companion Policy 31-103CP Registration Requirements, Exemptions and Ongoing Registrant Obligations

PFSL Investment Canada Ltd. (“PFSL” or “we”) is pleased to respond to Canadian Securities Administrators’ (“CSA”) consultation regarding Registered Firm Requirements Pertaining to an Independent Dispute Resolution Service, Proposed Amendments to Certain Complaint Handling Provisions of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103) and Proposed Changes to Companion Policy 31-103CP Registration Requirements, Exemptions and Ongoing Registrant Obligations. These are significant changes for the industry, and our comments regarding the proposed amendments follow.

About Primerica

Primerica Financial Services (Canada) Ltd. is a leading distributor of basic financial savings and protection products to middle-income households throughout Canada, serving the Canadian public since 1986. Our Canadian corporate group includes our mutual fund dealer, PFSL Investment Canada Ltd. and our life insurance company, Primerica Life Insurance Company of Canada (“PLICC”). PLICC is represented by 10,000 licensed life insurance agents across the country and about 60% of our life insurance agents are dually licensed as mutual fund representatives. We insure over 550,000 lives and operate in every province and territory in Canada.

Our products and personal advice help middle-income Canadians establish long-term financial goals. Our representatives guide their clients at life's critical points, helping them avoid common pitfalls to gaining financial independence: higher cost and lower face value insurance that does not protect adequately, starting to save too late, not saving enough and neglecting tax-advantaged savings opportunities, to name a few. Our representatives take a holistic approach with their clients and offer our digital FNA (Financial Needs Assessment), which provides them with a snapshot of their financial situation and a road map to achieve their goals.

We have an exclusive sales force of representatives, which allows us to put supervision, monitoring, controls, and restrictions in place based on trends and risks we identify.

Right of Appeal Independent from OBSI

The proposed amendments do not contemplate an appeal of a final decision independent of the designated dispute resolution service (the OBSI in the case of a mutual fund dealer such as PFSL). To enhance fairness in the process, the CSA should alter the proposed amendments to permit the right of an appeal to be conducted independent of the designated independent dispute resolution service, for example by a by a CSA tribunal. An appeal through a CSA member tribunal would less costly for appellants relative to other forms of appeal such as a legal action. A right of appeal to an independent entity enhances investor protection by facilitating a fair review process and the best outcomes for harmed consumers. We believe providing an independent appeal process that is not through the legal system would maintain the objectives set out by the CSA in the proposal.

PFSL is amenable to a limit on binding authority by the designated dispute resolution service below a certain threshold, perhaps \$10,000, below which there would not be a right of appeal. This would result in a more efficient process and, combined with having senior dispute resolution service staff being involved in resolving complaints rather than assessing appeals, would lead to an appropriate settlement result more quickly.

Maintain the Compensation Limit Amount of \$350,000

PFSL supports maintaining the compensation limit of \$350,000. The compensation limit of \$350,000 balances protecting consumers while protecting firms' financial stability. Maintaining the current compensation limit protects consumers by ensuring fair compensation when they have experienced harm. The current compensation limit also prevents excessive payouts that could result in systemic risks to financial institutions, ensuring they can continue providing their clients with products and services. We request, however, that it be made clear that this limit apply to a complaint for all related accounts.

We note in the proposed amendments that the CSA indicated they would review and potentially increase the current compensation limit. PFSL requests that the CSA provide the industry with an opportunity to respond to any increases in compensation limit amounts through a public consultation.

Conclusion

PFSL appreciates the opportunity provided by the Canadian Securities Administrators to provide our comments on Proposed Amendments to Certain Complaint Handling Provisions of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103). We look forward to continuing to work with the CSA on these proposed amendments and would be pleased to discuss any questions or concerns you may have.

Sincerely,

[Original Signed By]

John A. Adams CPA, CA
Chief Executive Officer