
IN THE MATTER OF the *Insurance Act*, R.S.O. 1990, c. I.8, as amended (the “Act”), in particular sections 441(1) and 441(2);

AND IN THE MATTER OF Canadian Life Settlements Inc. (“CLS”).

COMPLIANCE ORDER

CLS is federally incorporated. CLS holds a corporate life insurance agent (licence # 36405M) under the Act.

On April 29, 2021, by delegated authority from the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario (“Chief Executive Officer”), the Director, Litigation and Enforcement (the “Director”) issued a Notice of Proposal to impose administrative penalties on CLS for trading in life insurance policies contrary to section 115 of the Act.

A Request for Hearing (Form 1), dated May 14, 2021, was delivered to the Financial Services Tribunal (the “Tribunal”) in accordance with section 441.3(5) of the Act respecting the Notice of Proposal.

On April 21, 2022, the Director and CLS entered into a settlement agreement under which CLS consented to a compliance order in accordance with subsections 441(2)(a), (b), and (c) of the Act and agreed to make a voluntary payment towards administrative costs in the amount of \$10,000, due upon execution of the settlement.

On April 25, 2022, CLS withdrew the Request for Hearing, and, on April 25, 2022, the Tribunal closed its file in respect of this matter. Therefore, pursuant to section 441(7) of the Act, the Director makes the following order.

ORDER

For the reasons set out in the Notice of Proposal, it is hereby ordered that:

- I. Canadian Life Settlement Inc. (“CLS”)** will conduct its business so as to refrain from the engaging in following activities in Ontario:
 - a. pursuant to section 441(2)(a) of the Act:
 - i. purchasing or providing loans in return for the transfer of ownership of any life insurance policies in Ontario;
 - ii. soliciting residents of Ontario for life settlements; and
 - iii. marketing life settlements to residents of Ontario;
 - b. dealing in life insurance policies in Ontario under section 115 of the Act, pursuant to section 441(2)(b); and

- II. CLS shall pursuant to section 441(2)(c) of the Act:**
 - i. continue to include a statement on its website that, “CLS does not solicit or undertake the transfer of ownership of life insurance policies as life settlements for life insurance policies issued in the Province of Ontario”;
 - ii. continue to advise any residents of Ontario who contact CLS that life settlements offered by CLS are not available in the Province of Ontario;
 - iii. issue offers for life settlements and Life Settlement Agreements under the address of its Quebec office. If an offer is made to person who cannot sign the offer document electronically, documents pertaining to such offer shall only be sent by CLS from CLS’ Quebec head office or from another jurisdiction where life settlement transactions are permitted (“Allowable Jurisdiction”);
 - iv. send all documentation pertaining to offers for life settlement and Life Settlement Agreements electronically from the province of Quebec. In the event physical copies of the aforesaid documentation are to be sent to clients, such documentation shall be sent from CLS’ Quebec head office.
 - v. accept the return of the executed offer and/or executed Life Settlement Agreement, from the consumer, at its Quebec head office;

- vi. execute the offer and/or Life Settlement Agreement by CLS, at its Quebec head office;
- vii. issue the documentation required to change the beneficiary designation and the ownership of the purchased non-Ontario life insurance policy from its Quebec head office;
- viii. send the designation, as well as any forms required to change the ownership of the purchased non-Ontario life insurance policy, from its Quebec head office to the relevant insurance companies at the address applicable to Quebec policies;
- ix. send from its Quebec head office the documents under viii. to an insurer at an Ontario address only where the insurer has no administrative address outside Ontario that will make the changes specified in viii above;
- x. issue any insurance claims pertaining to the purchased non-Ontario life insurance policies from its Quebec office; and
- xi. issue internal communications to all of its directors, officials, and employees advising them of the above.

DATED at Toronto, Ontario, April 26, 2022

Elissa Sinha
Director, Litigation and Enforcement

By delegated authority from the Chief Executive Officer

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