

New Ontario life and health MGA licensing framework set to launch June 1, 2026

May 16, 2025

As part of its commitment outlined in the [2024 Ontario Economic Outlook and Fiscal Review](#), the Government of Ontario is moving forward with the new licensing framework for life and health insurance Managing General Agents (**L&H MGAs**). This highly anticipated framework is expected to launch on June 1, 2026, following the conclusion of the Financial Services Regulatory Authority of Ontario's (**FSRA**) public consultation on [Proposed Rule 2025-001](#), which closed on April 30, 2025. The Ontario government's commitment to the new framework was reiterated in its 2025 budget, introduced on May 15, 2025.

Adapting to a Changing Distribution Landscape

The new framework will formally establish a distinct licensing L&H MGAs in Ontario. In addition to setting out licensing eligibility criteria, renewal and expiry rules, and suitability standards, the framework empowers FSRA to prescribe additional functions and activities that would bring an entity within the scope of L&H MGA regulation.

This initiative responds to the industry's shift away from traditional insurer-driven distribution models toward one in which MGAs now serve as the primary channel for the distribution of individual life and health insurance products in the province.

Enhancing Consumer Protection and Clarifying Responsibilities

The Proposed Rule is intended to ensure that consumers are treated fairly and consistently, and that they receive advice from well-trained and properly supervised agents. It also enhances compliance by clearly defining the roles and responsibilities of L&H MGAs, sub-MGAs, insurers, and agents.

Under the new framework, licensed MGAs will be required to implement compliance systems and adhere to new standards of practice, ensuring that consumers have access to knowledgeable, professional agents who are properly screened.

Insurer Accountability and Risk-Based Oversight

The framework also introduces clearer oversight expectations for insurers. While MGAs may handle the day-to-day supervision of agents, insurers will ultimately be responsible for maintaining compliance systems that are reasonably designed to ensure that agent oversight results in suitable conduct and compliance with applicable insurance laws.

Contact Us

For more information or assistance in preparing for the implementation of Ontario's new licensing framework for life and health MGAs, please reach out to the authors or any of the key contacts listed below. We would be pleased to support you with assessing the impact of the new framework on your operations, developing or updating compliance systems, reviewing agent oversight practices, or addressing any other matters related to this evolving regulatory landscape.

By

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