

Canadian Institute of Financial Planners continues to grow membership

In an interview with *The Insurance and Investment Journal*, Keith Costello, President and CEO of the Canadian Institute of Financial Planners (CIFPs) said that the association has grown steadily over the years and now counts about 4100 members. He estimates that 700 of those members joined CIFPs in the last year or so.

Established in 2002, CIFPs is a trade association for those who have, or are working towards, the Certified Financial Planner (CFP) designation. Members come from all areas of the financial services business, and include salaried, commissioned, and fee based planners. This year, Mr. Costello says quite a few planners from the insurance industry joined the association.

"We did a lot of work and put a lot of effort into growing the membership," says Mr. Costello. He points out that the last twelve months have been a difficult time in financial services. Not only were some advisors looking at reducing costs, but they were also busy meeting clients' demands.

Most CIFPs members have been in the industry for some time, although through its relationships with academic institutions the organization is also attracting some new, student members. "We've done well based on those factors," says Mr. Costello who notes that despite the tough times, the CIFPs conference in Niagara Falls last June was the largest ever, drawing about 600 attendees.

Mr. Costello says that CIFPs is always looking for ways to offer more benefits to its members. "We know that there is a lot of competition out there, not so much from other associations, but in general, for the mind and dollars of all advisors," he says. "We try to keep a low price and keep adding value without charging new fees." He points

out that, as part of their \$275 annual fee, members already receive a copy of *The Insurance and Investment Journal* every month, and says they will soon start receiving a new regulatory bulletin as well.

"We are teaming up with **Borden Ladner Gervais** to provide a comprehensive regulatory service to our members," he comments. This quarterly service will analyze regulatory issues that could effect Canadian financial advisors. "You can get a concise, accurate, technical summary in your palm to quickly understand what is going on, rather than searching through various media articles."

Regulatory issues

When asked for CIFPs' position on regulatory changes, specifically on the proposed national securities regulator, Mr. Costello replies that the association is in favour of any reform that will simplify, rather than complicate, the current regulatory regime.

"We are not suggesting that there is no need for regulation, quite the contrary. There is a need for smart regulation of what really needs to be regulated," he says. However, he points out that there are a multitude of regulatory structures and jurisdictions in Canada which are not only costly, but confusing for advisors and clients alike. "I agree somewhat with [Federal Finance Minister] **Jim Flaherty** in that, when you have clarity for the end investor, that is a good thing."

If the national securities regulator would create a single, streamlined regulatory entity that would be less burdensome and easier to work with than the current system, than Mr. Costello says the CIFPs would be in favour. "But if it is another Canadian body that sits above [the provincial commissions], and is a purely political structure, we would not support that."

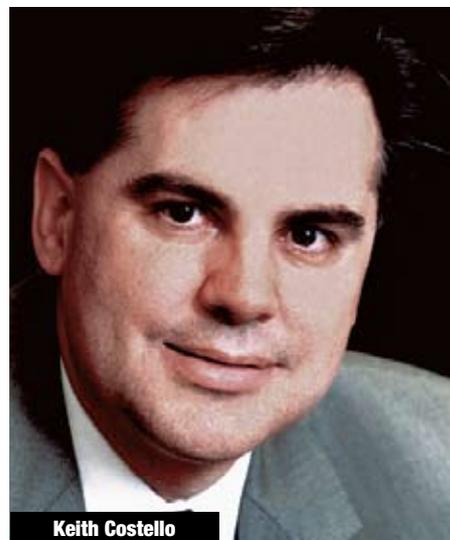
Mr. Costello says that CIFPs does lobby governments when there are issues that affect financial planning, and reveals that his organization has been working alongside other industry associations to come up with suggestions for the regulation of the financial planning profession.

"That is in its infancy, and we are just talking informally, so there is nothing to be announced," he comments. When the proposals are finalized, he hopes the various industry bodies involved will be able to convince the government to grant professional

status to financial planning. "Obviously we would promote the CFP as a guideline for that," he says.

Would the proposed regulation of financial planning look like what is currently in force in Quebec, where titles are restricted and only those who hold the provincially regulated "Pl. Fin." financial planning designation can refer to themselves as "planners"?

"I am not sure that is the right model," replies Mr. Costello. "It is a good start,



Keith Costello

but I do not think it is the final solution for what we need." He says that, instead of having one homogeneous self regulatory organization that would regulate all financial advisors, CIFPs would prefer to see financial planning carved out as a separate, clearly defined activity with agreed upon standards. Then a government approved body could be established to regulate and maintain those financial planning standards.

Mr. Costello says that CIFPs is also interested in financial literacy, and believes the association is in a good position to provide unbiased, independent educational materials to the public. He suggests that much of the educational material the association has already developed for financial advisors could be re-purposed to suit the needs of the public.

In the months to come, he says that CIFPs will continue to encourage discussion about what financial planning is, and how it can help consumers. "That is what the whole association is about, giving advisors the tools and the services they need to make a living at financial planning, and getting investors to ask for it," he concludes.

Andrew Rickard, CFP

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