

Report on the CCIR Policy-Makers Meeting

Assurant Solutions, Toronto

17 November 2017

Overview

CAFII representatives met with CCIR Policy Managers on 17 November, 2017 at the offices of Assurant Solutions in Toronto.

In attendance from the CCIR:

Martin Boyle, Policy Manager, CCIR

Tony Toy, Policy Manager, CCIR

In attendance from CAFII:

Peter Thorn, TD Insurance and EOC Chair

Diane Quigley, CUMIS Group Ltd.

Huma Pabani, TD Insurance

Rob Dobbins, Assurant Solutions

John Lewsen, BMO Insurance

Charles MacLean, RBC Insurance

Andrea Stuska, TD Insurance

Brendan Wycks, CAFII Co-Executive Director

Keith Martin, CAFII Co-Executive Director

Caroline Bucksbaum, CAFII Administrative Coordinator

Summary of Discussion

Martin Boyle did most of the speaking for CCIR. He advised that the Yukon had not yet signed the Memorandum of Understanding relating to the Framework for Co-operative Market Conduct Supervision, which would permit it to participate in the Council's Annual Statement on Market Conduct and receive confidential CCIR documents. This was not due to any policy concerns or reluctance to join, but due to personnel changes that had slowed down the process. It is expected that the Yukon will sign the MOU in due course.

Martin also advised that even though it has a seat at the CCIR table, OSFI had not signed the MOU and it was not expected to be a signatory. There was a bit of discussion around what agreements OSFI would be open to signing, and Martin agreed to inquire about that and get back to CAFII on this matter.

Martin had no further information to share arising from the October 5-6/17 Meeting of the CCIR in Halifax. More specifically, regarding the thematic reviews that CCIR will undertake going forward, Martin did not feel he could share more information at this time but he said he would let us know of developments when he was able to share that information.

In response to our noting that we learned of some of the initiatives that the CCIR is advancing based on their provincial regulatory leads sharing that information, he agreed that provincial regulatory authorities could share that information if they desired, but that CCIR as a body faced more constraints in releasing those details.

It was noted that CAFII had been under the impression originally that a high level, Year 1 aggregated results report from the Annual Statement on Market Conduct would be shared with industry stakeholders, but that we had more recently been told by Laurie Balfour of Alberta Treasury Board & Finance that this was not likely to be the case. Martin stated that he understood the value of sharing high level results of the data, including for insurance benchmarking purposes, but that the results for Year 1 would not be shared. The Year 1 Annual Statement was a “best efforts” initiative and there were sufficiently different approaches taken by different companies so as to make it extremely difficult to provide a meaningful aggregated summary from the Year 1 data. It is possible that a provincial regulator may choose to release some results from their own jurisdiction’s data—for example, FSCO could choose to release Ontario-only data—but CCIR will not be releasing Year 1 national data results.

Brendan Wycks thanked CCIR for offering to host a webinar on changes to the Annual Statement in Year 2 for CAFII members, with that slated to happen on Thursday, 23 November, 2017. Laurie Belfour and an AMF representative will be leading that presentation. Martin explained that in Year 2, an effort will be made to make the questions clearer, to remove some ambiguity in the questions, to improve the instructions, and to have an easier to navigate format. The form will be bilingual as opposed to English and French, to avoid version issues.

CAFII mentioned that it had learned from Harry James that CLHIA was conducting focus groups with consumers on some of the proposed policy wording and policy layout changes coming out of the Travel Insurance Working Group (TIWG) recommendations. Tony Toy mentioned that it was his expectation that CLHIA would be coordinating this activity, and sharing results of its learnings, with allied industry Associations such as THIA and CAFII. Brendan Wycks stated that he would reach out to Joan Weir, who is leading this effort at CLHIA, about a meeting to bring everyone up to speed on the current status of the initiative.

Brendan Wycks thanked Martin Boyle for supplying a list of CCIR’s active committees and working groups, which was recently distributed to EOC members. Brendan asked about some of those working groups and committees, including the ICPic Market Intelligence Working Group; the FinTech Working Group; the Fair Treatment of Consumers Working Group; the Harmonization Working Group; the Forms Committee; and the Capital Requirements Committee. Martin reported that he did not have much more to report on these groups at this time. He said that the results of the already released Strategic Plan had already been shared with us, and that it was too early to discuss the output, including through these different groups, of the new Strategic Plan.

In response to the comment that FSCO itself was also working on a *Fair Treatment of Consumers Guideline* for the Ontario insurance industry, and the concern that there would be duplicative and potentially inconsistent guidelines, Martin assured CAFII that CCIR existed precisely for the purpose of trying to harmonize provincial regulatory rules and that the constant message that industry shared with regulators, and which was well appreciated including by the CCIR, was the need to avoid duplicative processes and requirements. FSCO's guidelines will not be just for insurance, but for all the sectors it regulates. CCIR and FSCO will coordinate closely on this, and that is also the case for CCIR and AMF which has also developed its own fair treatment of consumers guideline. CCIR wants to learn from other regulatory jurisdictions outside of Canada about their best practices, and expects to reach out to industry for consultations in this area in the Spring or Summer of 2018.

Martin indicated that he believed that CCIR would continue to hold annual stakeholders meetings with the industry; and these would probably continue to occur in the early Fall. The number of groups that CCIR consults with will likely be broadened as the Council approaches the release of a new CCIR Strategic Plan.

Martin was asked what themes tended to dominate consultations from industry, and he stated that the importance of harmonization was always front and centre, and that questions about fintech and emerging technologies, and how regulatory authorities would respond to them, were increasingly important themes.

Martin was also asked about travel restrictions that prevented provincial regulators from attending CCIR meetings in-person, and he said that as economies moved through different cycles in different provinces, those restrictions came and went from time to time; but that the vast majority of CCIR representatives attend the meetings in-person and that those who cannot can teleconference in.

He also noted that a new interpretation of an existing FSCO rule meant that for future meetings with industry groups, such as CAFII, which were held at restaurants, the CCIR representatives could not accept a complimentary meal, and they would have to settle their own bill separately.

Martin stated that CCIR's next meeting would be its Winter Conference Call on 18 January 2017, and we should expect no surprises coming out of it. The CCIR is actively monitoring as to when the International Monetary Fund (IMF) will be coming to Canada (expected sometime in 2018) for its next Financial Sector Assessment Program (FSAP) review, on behalf of the International Association of Insurance Supervisors (IAIS).