
**Briefing Document On Agenda Item 4(b):
Pan-Industry Project Group on Travel Insurance Issues
June 19, 2014 CAFII EOC Meeting**

Carol Shevlin, CCIR's Policy Manager, arranged a recent meeting with Karen Voin, Director, Health and Dental at CLHIA and that Association's staff executive responsible for travel insurance issues. Informed by Carolyn Rogers that CLHIA, CAFII and THiA were in the process of forming an industry Associations group to address the concerns about travel insurance that regulators have been articulating, Carol requested the meeting with Karen to provide an update on some key travel insurance developments at CCIR.

Travel Insurance Front-and-Centre in 2014-17 CCIR Strategic Plan; and New Committee To Focus Specifically on Travel Insurance

Carol reinforced that travel insurance is very much a hot button issue for CCIR. The Council has its summer teleconference meeting on July 4, during which the new 2014-17 Strategic Plan is to be approved. Addressing issues related to travel insurance will be a key priority in that new Strategic Plan. She expects that a new CCIR committee will be formed to focus on travel insurance.

White Labeling of Travel Insurance

Also under the new Strategic Plan, the existing Agencies Regulation Committee (ARC) will be looking at white labeling of travel insurance, as an outgrowth from its recent Review of Third Party Administrators.

Carol said that, recently, she happened to hear the ombudsman from an underwriter company shirking responsibility for a claim by referring the matter back to the white labeler. And in this particular situation, in effect, both the marketer/white labeler and the underwriter were trying to absolve themselves of responsibility for dealing with the claim by pointing the consumer toward the other party.

Carol noted that this is highly inappropriate, and will be dealt with head-on by the ARC. She also said that CCIR will be mandating/requiring that in white label travel insurance product documents, the information about who the underwriter is and about the claims process must be moved up to the very front end and will not be allowed to be buried on page 55.

Submission To CCIR By Bruce Cappon, life insurance broker and travel insurance specialist, titled "Travel Insurance: The Urgent Need For Improved Regulation – A Memorandum And Submission To The Canadian Council Of Insurance Regulators, March 2014"

Bruce Cappon is the Ottawa broker and advocate for snowbirds/retirees who was quoted in the recent CBC negative media coverage about travel insurance. He has written a 20 page document (attached) on problems/issues with travel insurance, and submitted it to CCIR and relevant Ministers across the country. Therefore, his submission had to be acknowledged by a response letter from Carolyn Rogers, as CCIR Chair, essentially stating that CCIR is on the case.

(CAFII has obtained permission from Carol Shevlin to share Bruce Cappon's submission with its EOC and Board members; however, it should not be shared more broadly at this time.)

Cappon has also encouraged his clients to send their stories and anecdotes about their experiences with travel insurance – especially re claims denials -- into CCIR, and to encourage their friends to do the same. This has gone viral to a degree, such that CCIR's inbox has been inundated with communiques from seniors and snowbirds.

Insights/Conclusions From Karen Voin

Karen said the primary message that she and her CLHIA colleagues took away from the conversation with Carol Shevlin is that addressing regulatory concerns about travel insurance is a very high priority for CCIR, and the regulators are going to be under scrutiny and pressure to ensure that reforms are introduced within a reasonable, not prolonged period of time. “Essentially what they’re saying to us is ‘Fix it and fix it soon!’” or else the regulators will have no choice but to take unilateral action.

While this will definitely be discussed by the pan-industry group, Karen said that once CCIR’s new 2014-17 Strategic Plan is published (likely shortly after the Council’s July 4 meeting) and its new committee dedicated to travel insurance is announced, the thought at CLHIA is that Frank Swedlove, CEO, would then write to Carolyn Rogers to provide a brief update on the pan-industry group on travel insurance and to propose the best/optimal way and timing for it to engage with the new CCIR Committee.