

**Agenda Item 4.3**  
**December 3/19 Board Meeting**

**AMF Review of Critical Illness Insurance**

**From:** Joan Weir <[JWeir@clhia.ca](mailto:JWeir@clhia.ca)>  
**Sent:** September 15, 2019 1:28 PM  
**To:** Working Group on CI Regulatory Activity (AMF)  
**Subject:** Quebec Update - AMF oversight of CI product

**To: Members of the Working Group on CI Regulatory Activity (AMF)**

My colleague working with the AMF on many initiatives has provided the following update on the subject of its upcoming review of the Critical Illness product, and it looks like insurers selling this product in Quebec will hear from AMF this coming week.

Regards,  
Joan, Director, Health and Disability Policy

**Critical illness**

In light of recent media attention to Critical illness (CI) insurance, consumer complaints, and based on information obtained through the CCIR annual statement and the questionnaire on group disability claims management, the AMF wants to have a clear picture of CI offering. They are concerned, among other things, about product complexity and the technical language used in consumer literature. They wonder whether consumers receive the information they need to make sound decisions.

We have now learned that the AMF will proceed as follows:

- it will be an industry-wide enforcement initiative similar to that undertaken with respect to the management of disability claims in group insurance
- it will be a two-fold initiative:
  - o global survey aiming 16 insurers: gathering of data from insurers to get a clear picture of the CI insurance market (e.g. sales volumes/claims made, claims/premiums ratios) as well as qualitative information including reasons for claims/refusals, and complaints relating to this product
  - o targeted quantitative and qualitative questionnaire aiming 10 insurers representing 90% of the CI insurance market in Quebec: The AMF seems to believe that the insurers targeted by its disability insurance initiative would most likely be those involved in the CI initiative. The AMF indicates that the questionnaire would not be as bulky as the one on disability insurance.
- traditional distribution as well as alternate distribution will be targeted
- the AMF will send a letter to the targeted insurers during the week of September 16, 2019
- the AMF provided the CLHIA with a copy of their template correspondence and the list of insurers targeted.

**Next steps:** CLHIA is seeking counter-arguments to the possible AMF conclusion that low claims/premiums ratio indicate unsuitability of the product (similar to spousal coverage initiative).