



DRAFT Strategic Plan 2020-23

Overview

In the spring of 1914, insurance superintendents from the four western provinces met in Calgary, “to discuss ways and means to secure uniformity in the laws relating to contracts of insurance.” The meeting led to the formation of the Association of Western Superintendents of Insurance, which, by 1917, developed into the Association of Provincial Superintendents of Insurance of the Dominion of Canada.

Over the following decades, the association expanded to include all of the provinces and territories and the federal Office of the Superintendent of Financial Institutions. In 1989, it took on its current name: the Canadian Council of Insurance Regulators (CCIR).

For over 100 years, CCIR has adapted to changes in the regulatory landscape. Throughout its history, it has been at the forefront of promoting consistent regulatory approaches across jurisdictions and leading the way for reforms to protect consumers and to maintain confidence in the insurance sector. Building upon its strong foundation, the CCIR remains committed to working with industry to meet the challenges and seize opportunities presented by a rapidly changing marketplace.

Message from the Chair

To be approved by the CCIR Chair.

DRAFT

Mandate

The CCIR is a forum for Canadian insurance regulators to collaborate in order to enhance insurance supervision and regulation, serve the public interest and foster increased cooperative supervision and information sharing among regulatory authorities with the objective of strengthening oversight of the Canadian insurance industry.

Vision

Effective regulation supports consumer protection, enhances confidence and stability while anticipating transformation in the Canadian insurance marketplace.

Mission

We work collaboratively to find solutions to common regulatory issues, increase cooperative supervision, consider international standards and promote harmonization in conjunction with financial services regulators, policy makers and stakeholders.

Values

Organizations are driven by the shared values of their members. We have a shared commitment to:

- Cooperation
- Accountability
- Leadership
- Responsiveness
- Respect
- Integrity
- Accessibility
- Creativity
- Innovation

Structure

The CCIR functions through a secretariat, standing committees and working groups, operating under the direction of the CCIR Executive Committee:

Chair

Mr. Patrick Déry

Superintendent of Solvency, Autorité des marchés financiers - Québec

Vice-Chairs

Mr. Robert Bradley

Superintendent of Insurance, Department of Justice and Public Safety - Prince Edward Island

Mr. Frank Chong

Superintendent, Financial Institutions (A), Financial Institutions Commission - British Columbia

Mr. Huston Loke

Executive Vice President, Market Conduct, Financial Services Regulatory Authority - Ontario

Mr. J. Scott Moore

Superintendent of Financial Institutions, Financial Institutions Regulation Branch - Manitoba

The CCIR Secretariat is responsible for coordinating, monitoring and reporting on all projects and policy initiatives as well as administering CCIR activities, including strategic planning and budgeting. It also provides project management support to strategic CCIR initiatives.

Approach

- We coordinate our regulatory activities and share information.
- We conduct ongoing market intelligence and research to stay informed and keep abreast of emerging consumer and market issues.
- We actively engage with our stakeholders to understand key issues facing the industry, as we develop and recommend policies to our members.

Strategic Themes

To enhance the regulatory framework and regulatory practices in Canada, CCIR intends to remain focused on the advancement of consumer protection and interests, enhancing collaboration and cooperation among regulators and fostering effective relationships with industry stakeholders. In setting our overall direction and strategic priorities for the next three years, CCIR considered the following key strategic themes in the insurance sector:

Technological Innovation

The pace of innovation continues to accelerate, and as new technologies are rapidly becoming mainstream, the need persists for adapting appropriate supervision of processes, products and insurers in an evolving marketplace that maintain financial stability, consumer protection and confidence. As insurance products and their delivery evolve in a digital world, and consumers putting pressure on industry to deliver innovation without compromising security and protection of privacy are risks supervisory authorities around the world are responding by trying to align cyber risk with broader risk management strategies. A recognition that the consumer demographic consists of those that are tech savvy along with those that prefer to interact with insurers more traditionally should be maintained. Advancements in other markets, such as the automobile industry in the development of autonomous vehicles, may alter that traditional insurance product.

Climate Change and Natural Catastrophes

The large-scale and long-term nature of this issue poses significant financial challenges as well as opportunities. Federal, provincial and territorial governments have made progress in implementing the the 'Pan-Canadian Framework on Clean Growth and Climate Change'. Insurers, investment managers and asset owners have an important role to play in providing better climate-related financial disclosures.

Conduct and Culture

As the financial landscape is changing, so is the industry's engagement model with the consumer as well as the regulator. Both industry and regulators are taking a new look at risk and compliance activities. While industry is looking for practical supervisory initiatives through reduced regulatory burden, regulators have to balance this with both prudential and market conduct frameworks that do not weaken regulatory effectiveness.

Strategic Priorities

CCIR is committed to three strategic priorities, each of which is focused on consumers, regulators, and industry:

- Build upon cooperative supervision in aligning with best international practices to enhance consumer protection.
- Work collaboratively with regulatory partners to grow and leverage national regulatory capacity.
- Partner with industry stakeholders to identify opportunities to increase regulatory and supervisory harmonization where practicable and appropriate.

In order to pursue our strategic priorities, we will work with stakeholders on new and continuing initiatives over the next three years:

#	Strategic Priority	Initiatives
1.	Build upon cooperative supervision in aligning with best international practices to enhance consumer protection	1.1 Fair Treatment of Customers 1.1.1 Measure the fair treatment of customers through the principles outlined in the <i>Conduct of Insurance Business and Fair Treatment of Customers</i> (FTC Guidance). 1.1.2 Continue monitoring of regulatory developments, internationally and in other financial services sectors, and evaluating their impact on and appropriateness for the insurance regulatory framework and industry implementation of the guidance principles.

#	Strategic Priority	Initiatives
		<p>1.1.3 Research current industry incentive programs and their alignment with the FTC Guidance and assess whether other specific guidance(s) are required.</p> <p>1.2 Segregated Funds</p> <p>1.2.1 Facilitate a harmonized implementation of the Position Paper recommendations, address challenges with “legacy” systems, and follow up on alignment of requirements with mutual funds.</p> <p>1.3 Consumer Awareness and Understanding of Risks and Coverages Related to Natural Catastrophes</p> <p>1.3.1 Assess consumer awareness and increase consumer understanding of the risks related to natural catastrophes, preparedness and opportunities to mitigate these risks, insurance options and coverages as well as the features of disaster relief programs.</p>
2.	<p>Work collaboratively with regulatory partners to grow and leverage national regulatory capacity</p>	<p>2.1 Cooperative Approach to Financial Services and Insurance Technology</p> <p>2.1.1 Work with regulatory authorities across sectors to develop a framework for coordinated research, information sharing and the regulation of emerging technologies.</p> <p>2.1.2 Develop an electronic commerce framework to share information, coordinate research, propose approaches to the regulation of emerging technologies and security of private information in a digital environment.</p>

#	Strategic Priority	Initiatives
		Continue to implement electronic proof of automobile insurance nationally.
3.	Partner with industry stakeholders to identify opportunities to increase regulatory and supervisory harmonization where practicable and appropriate	<p>3.1 Harmonization Opportunities</p> <p>3.1.1 Work with industry stakeholders to identify specific differences of importance within the regulatory framework and work toward greater consistency in approach and/or harmonization across jurisdictions.</p> <p>3.1.2 Partner with industry to develop, finalize and monitor progress when implementing of initiatives such as the fair treatment of customers guidance, annual statement on market conduct, Fintech and travel insurance.</p>

Standing Committees

In addition to the above initiatives, CCIR will continue to partner with various stakeholders, through the work of the following Committees:

- **Cooperative Supervision Oversight Committee (CSOC)**

The CSOC ensures CCIR the effective operations, maintenance and stewardship of the core elements of the cooperative supervisory framework guided by the Insurance Core Principles (ICPs) as developed by the International Association of Insurance Supervisors (IAIS). The CSOC is responsible for overseeing the operations of the Annual Statement on Market Conduct and maintaining the Memorandum of Understanding agreement among CCIR members. The committee also leads activities under the Cooperative Supervision component where emerging issues are examined on a thematic and or insurer basis.

- **OmbudServices Oversight Standing Committee (OOSC)**

Through the OOSC, CCIR provides regulatory oversight for third party dispute resolution systems in the insurance sector, including the General Insurance OmbudService (GIO) and the OmbudService for Life and Health Insurance (OLHI). The ombudservices fulfill the public interest objectives of complaint resolution, serving as an important component of a well-functioning consumer protection policy framework.

- **Assuris/Property and Casualty Insurance Compensation Corporation (PACICC) Committee**

Through the Assuris/PACICC Committee, CCIR will be taking a more proactive approach by participating in industry policy initiatives at an early stage in order to better understand the rationale

and intended outcomes. The Committee continues to review and analyze proposed bylaw changes of the compensation corporations for life and general insurers and provide recommendations to its members for each jurisdiction to make appropriate decisions. Assuris and PACICC are industry non-profit organizations that protect Canadian insurance policyholders in the event that an insurer should fail, serving as another important component of the consumer protection framework.

- **Facility Association Standing Committee**

Our Facility Association Standing Committee has been established to streamline the communications between regulators and the Facility Association, the provider of automobile insurance to drivers who are unable to obtain automobile insurance through the voluntary insurance market.

- **Forms Committee**

The Forms Committee, ensures the supervisory return forms and instructions for both P&C and Life required from every insurer registered in Canada.

- **Capital Requirements Information Committee**

The Capital Requirements Information Committee ensures the sharing of information regarding changes to the regulatory capital requirements.

CCIR Secretariat

- **Powers of Attorney and Undertakings (PAUs) Repository**

The CCIR Secretariat maintains and provides access to the repository of PAUs filed by insurance companies all over North America. This function means that insurers filing PAUs with respect to private automobile insurance do not have to file that document in each province or territory the policyholder might visit.

Members of the Canadian Council of Insurance Regulators



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