

Meeting on September 17, 2024 in Edmonton, Alberta with the Alberta Insurance Council

CAFI's Executive Director, Keith Martin, met with the relatively new CEO of the Alberta Insurance Council Amina Deiab (appointed on April 22, 2024) on September 17, 2024, in her offices in central Edmonton. Ms. Deiab's biography can be found here: <https://www.abcouncil.ab.ca/about-us/>

Ms. Deiab brought with her a new hire, Laura Ly, Director of Communications, and Joseph Fernandez, Registrar, who CAFI has met several times. The meeting was highly interactive. Keith Martin shared information on how credit protection insurance works, the members of CAFI who offer it, the key regulatory issues we focus on, and the key priorities for CAFI. There was mention of the intense volume and pace of regulatory change, the complexity of the regulatory environment with over 30 regulators and policy-makers across the provinces and territories as well as federally, and the importance of the CCIR and CISRO. Harmonization and principles-based regulation were discussed, as was the recent research that CAFI has commissioned with LIMRA on Canadian homeowners being underinsured or uninsured, with the key findings summarized.

Ms. Deiab is relatively new to her role. She said she was still learning about insurance and found it invaluable to have this sort of conversation that gave her a good background on some of the key issues facing the industry. She was very interested in the work that CAFI has done around technology and AI, particularly how it may impact the insurance industry, and said she would appreciate being kept advised of what we learn. She was impressed with the investments in our website and our making it a financial literacy resource, and asked her new Director of Communications to review it as she is committed to making the website of the Alberta Insurance Council more consumer-oriented.

Ms. Deiab was very interested in the annual CLHIA Conference on Compliance and Consumer Complaints, which she did not know about. She said she would be interested in learning more and would enjoy participating in the Conference. Keith Martin said he would be pleased to convey that information to the CLHIA, which he has subsequently done.

Meeting on September 17, 2024 in Edmonton, Alberta with the Superintendent of Insurance

Keith Martin met with relatively new Superintendent of Insurance and Assistant Deputy Minister , Financial Sector Regulation and Policy, Government of Alberta, Chris Merriman (appointed on November 30, 2023) on September 17, 2024, in his offices in central Edmonton. Mr. Merriman's biography can be found here: <https://www.alberta.ca/system/files/tbf-superintendent-of-pensions-effective-2023-1130.pdf>

The one-hour conversation was very open and friendly, with Mr. Merriman spending a considerable amount of time sharing his regulatory perspective and speaking about his career background. He prides himself on not being "a bureaucrat" and having a strong private sector background, having worked at RBC and ATB Financial, before becoming a regulator with the Credit Union Deposit Guarantee Corporation (Alberta). He deplores the inefficiency that can be found in the public service and said he is committed to ensuring regulation and oversight achieve the objectives it was intended to. Useless or inefficient regulation should be removed, he said, and spoke about how he liked to "shake things up."

Keith Martin shared CAFII's priorities, including the importance of principles-based regulation with a focus on outcomes for market conduct regulatory initiatives. Harmonization and the importance of CCIR and CISRO was also raised. Mr. Merriman said he values dialogue with industry. He appreciated the visit by CAFII and expressed his desire to continue the conversation.

Participation in an Industry Panel with the Insurance Council of BC, September 18, 2024

Keith Martin participated in an industry panel organized in conjunction with the Annual General Meeting of the Insurance Council of BC on September 18, 2024, in Richmond, BC. The audience consisted of about 50 people, half of which were executives from the Insurance Council of BC, including CEO Janet Sinclair, and the other half members of the councils.

The one-hour panel session was moderated by Kandace Hopkins, Director, Practice, Quality & Assurance, and the industry participants were Keith Martin, CAFII Executive Director; Nina Kavalinas, National Compliance at Financial Horizons Group and a volunteer with CAILBA; Harris Jones, CEO, Advocis; and Luke O'Conner, AVP, Market Conduct Policy and Regulation, CLHIA.

The agenda focused on three questions (see below).

Agenda	Time
Moderator opening remarks and introduction of panelists (name, title, organization)	5min
1. What are the top two regulatory concerns or challenges being faced by your members? What would you like to see happen in these areas?	15min
2. We often hear from industry that more harmonization between provinces would be beneficial. What specific regulatory requirements would you like the Insurance Council of BC to focus on with respect to harmonization?	15min
3. What key message would you like to convey to the Council Members here today on behalf of your members?	15min
Audience Q&A	5-10min

Keith Martin mentioned the volume and pace of regulatory change which the other panelists agreed with. It was mentioned how, during the pandemic, fewer regulatory initiatives were made compared to now, post-pandemic; regulators and policy-makers are "catching up," resulting in a very high load of new initiatives. Keith Martin also mentioned how customers have heightened expectations when it comes to insurance. They seem to increasingly expect their interactions on insurance to be as seamless as they are with Amazon. The relentless pace of technology change, which is offering opportunities, is also creating risks and challenges for industry and regulatory authorities.

Keith Martin emphasized the importance of principles-based regulation, noting that for such an approach to succeed there must be excellent and ongoing communication between regulators and regulated entities. An example was given of the original BCFSa rule on incident reporting, which included a requirement for a unique BC form to be filled out. After industry feedback that this was not necessary, BCFSa changed the rule to a guideline and said existing forms that met their data expectations, such as the OSFI form used by banks for reporting incidents federally, could be used. This

was cited as an example of a successful consultation, which will produce the same desired outcomes for the regulator but in a much more efficient manner.

Keith Martin emphasized that despite some of the challenges raised today, Canadian regulators are among the best in the world and our regulatory system can provide important protections for consumers, which industry supports. Insurance is based on trust; therefore, fair treatment of customers is critical. For this reason, industry supports well-thought-out regulation that ensures that bad actors are dealt with. Finally, mention was made of other countries where the regulators are not in ongoing proactive communication with industry, and that the ability for industry to share insights and ask questions of regulators in Canada leads to better outcomes for regulators and for consumer protection.

All the panelists spoke about harmonization and the importance of a more streamlined regulatory system. There were also several references to the importance of CCIR and CISRO.

A few days after the session, Insurance Council of BC CEO Janet Sinclair wrote the following note to Keith Martin:

From: Janet Sinclair <jsinclair@insurancecouncilofbc.com>
Sent: September 20, 2024 3:22 PM
To: Keith Martin <Keith.Martin@cafii.com>
Cc: Brett Thibault <bthibault@insurancecouncilofbc.com>; Galen Aker <gaker@insurancecouncilofbc.com>
Subject: Thank you

Hi Keith,
Thanks so much for making the time to participate in the panel. In the discussions I have had with Council Members and staff following the session, many talked about the value they received from such candid and open conversations and several indicated it will help frame the work they do on Council. Your comments regarding the level of consultation and considerations for the restricted licence regime were heard and appreciated. We look forward to continuing those conversations with you.

We recognize that preparing and scheduling to participate in these types of panels requires a tremendous amount of work by our panelists, particularly those that don't have a huge staff team. Your participation truly supports our efforts to foster and grow relationships with industry so that we can deliver regulation that is fit for purpose.

I look forward to future opportunities where we can collaborate and have further discussions. Please don't hesitate to reach out.

Thanks so much again.

Kind regards,
Janet

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