

27 March, 2020

Mr. Patrick Déry, Superintendent, Solvency and Chair, CCIR
Autorité des marchés financiers
Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1

c.c.

Sherri Wilson, Superintendent of Insurance, Alberta Treasury Board and Finance
Frank Chong (Vice-Chair), Vice President and Deputy Superintendent, Regulation, BC Financial Services Authority
J. Scott Moore (Vice-Chair), Superintendent of Financial Institutions. Financial Institutions Regulation Branch, Manitoba
Paula Boyd, Superintendent of Insurance, Trust and Loan Companies, Credit Unions and Pensions, Department of Finance, Nova Scotia
Angela Mazerolle, Vice-President, Regulatory Operations and Superintendent of Insurance, Financial and Consumer Services Commission, New Brunswick
Renee Dyer, Superintendent of Insurance, Financial Services Regulation Division, Newfoundland and Labrador
Louise Lavoie, Superintendent of Insurance, Accounting Services Management, Government of North West Territories
Sean Clark, Superintendent of Insurance, Department of Finance, Government of Nunavut
Huston Loke (Vice-Chair), Executive Vice President, Financial Services Regulatory Authority of Ontario
Robert Bradley (Vice-Chair), Superintendent of Insurance, Department of Justice and Public Safety
Janette Seibel, Deputy Superintendent of Insurance, Financial and Consumer Affairs Authority of Saskatchewan
Bradley Rowett, Deputy Superintendent of Insurance, Department of Community Services
Penny Lee, Senior Director, Office of the Superintendent of Financial Institutions, Government of Canada
Tony Toy, CCIR Policy Manager

Dear Mr. Déry:

Re: Postponement/Deferral Request: Industry Filing Deadline Date For 2020 CCIR Annual Statement on Market Conduct (ASMC)

CAFII's members are responding to the COVID-19 pandemic crisis by having as many employees as possible work from home, and they are adapting – as is every person and organization throughout Canada -- to new and shifting realities around customer needs, financial and economic turbulence, and risk and crisis management. Our members are also adjusting to constantly changing requirements related to finding ways to support customers who are suddenly facing financial hardship. This unprecedented situation creates new challenges for our members and their operations on a daily and sometimes hourly basis, dictating significant adjustments in resourcing priorities.

The COVID-19 crisis in no way changes the central importance of the fair treatment of customers in our members' businesses, nor does it change the central role that insurance regulators and policy-makers play in monitoring, oversight, and enforcement to ensure that regulated entities adhere to and comply with legislation and regulations which protect consumers.

CAFII and its members remain fully committed to the fair treatment of customers and to compliance with all applicable legislation and regulations.

That said, however, there are imminent but not yet implemented regulatory filing and reporting deadlines that are raising concerns and anxiety among our members under the current pandemic crisis situation.

Our Association is therefore writing to you at this time to request of the CCIR **a six-month deferral of the 2020 CCIR Annual Statement on Market Conduct (ASMC) filing deadline of May 1, 2020**. It is CAFII's intention to reach out to the CCIR again, as the termination date of the moratorium is approaching, for a re-evaluation of the situation.

We are of the view that this six-month moratorium request is in line with the forbearance that other regulatory authorities have already granted, to allow industry to focus on meeting the urgent needs of customers¹.

Major regulatory filing and reporting requirements such as the ASMC are particularly challenging during the current national and global pandemic. CAFII members have nearly all employees working from home, which gives rise to significant challenges in their ability to access their companies' back-end systems, access which is absolutely necessary for regulatory reporting and disclosure requirements. IT resources, which are necessary for reporting especially around emergent requirements, are already stretched to the limit. Training of front-line staff, deploying new processes, and engaging in implementations are all very challenging given the current environment. More generally, our members' staffs are under considerable strain as they respond to new customer service policies, procedures, and processes dictated by the current crisis.

Our Association is also writing to all provincial and territorial insurance regulators across Canada at this time to request that the in-force date and regulatory expectations associated with any legislative and/or regulatory requirements, which are imminent and at all discretionary, be postponed and deferred until such time as the crisis has abated and a semblance of normalcy has returned to the daily lives of Canadians and to our country's economy and business operations.

To the extent that imminent reporting, disclosure, and new or emerging implementation requirements can be postponed or deferred, that would greatly help our members to cope and deal with the many pressures and challenges which they, and all of society, are facing at this time.

¹ For example, in response to the COVID-19 pandemic, securities regulatory authorities in each of Canada's provinces and territories have temporarily extended certain deadlines for specified "regulated entities" including exchanges, commodity future exchanges and clearing agencies to file certain types of documents or other information required to be filed by such regulated entities. As well, *"In view of the current developments, OSFI is suspending all of its consultations and policy development on new or revised guidance until conditions stabilize"*.

We greatly appreciate your consideration of this exceptional request during this difficult time, which we ask that you respond to at your earliest possible convenience. For any clarification required on CAFII's request made in this letter or to discuss the matter, please contact CAFII Co-Executive Director Keith Martin at keith.martin@cafii.com or 647-460-7725.

Sincerely,

A handwritten signature in black ink, appearing to read 'M Boyle', with a stylized flourish at the end.

Martin Boyle
Board Secretary and Chair, Executive Operations Committee

About CAFII

CAFII is a not-for-profit industry Association dedicated to the development of an open and flexible insurance marketplace. Our Association was established in 1997 to create a voice for financial institutions involved in selling insurance through a variety of distribution channels. Our members provide insurance through client contact centres, agents and brokers, travel agents, direct mail, branches of financial institutions, and the internet.

CAFII believes consumers are best served when they have meaningful choice in the purchase of insurance products and services. Our members offer travel, life, health, property and casualty, and creditor's group insurance across Canada. In particular, creditor's group insurance and travel insurance are the product lines of primary focus for CAFII as our members' common ground.

CAFII's diverse membership enables our Association to take a broad view of the regulatory regime governing the insurance marketplace. We work with government and regulators (primarily provincial/territorial) to develop a legislative and regulatory framework for the insurance sector that helps ensure Canadian consumers get the insurance products that suit their needs. Our aim is to ensure appropriate standards are in place for the distribution and marketing of all insurance products and services.

CAFII is currently the only Canadian Association with members involved in all major lines of personal insurance. Our members are the insurance arms of Canada's major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Financial Security; National Bank Insurance; RBC Insurance; ScotiaLife Financial; and TD Insurance – along with major industry players Assurant, Canadian Premier Life Insurance Company, CUMIS Services Incorporated, Manulife (The Manufacturers Life Insurance Company), Sun Life Financial, and The Canada Life Assurance Company.