



October 1, 2014

Mr. Rino D'Onofrio  
President  
Canadian Association of Financial Institutions in Insurance  
55 St. Clair Avenue West  
Suite 255  
Toronto Ontario  
M4V 2Y7

Re: CCIR 100<sup>th</sup> Anniversary and publication of *Strategic Plan 2014-2017*

Dear Mr. D'Onofrio,

One hundred years ago this year, four provincial insurance regulators gathered in Calgary to discuss ways to promote compatibility in the laws governing insurance contracts. It was the beginning of what today is known as the Canadian Council of Insurance Regulators (CCIR).

CCIR is working to continue this history of inter-provincial collaboration. Through cooperation, we're making the insurance regulatory and supervisory system in Canada more efficient and effective in serving the public interest.

As you can imagine, the challenges of 1914 were sometimes different from what we face today. While the sinking of the Titanic two years before demonstrated how international events could impact Canadian insurers, most of the issues were more domestic in nature: the growing popularity of automobiles and the demand for affordable coverage, requirements for sufficient reserves to cover risks, and the new market in insurance for women and the enlistment of women to sell that insurance.

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By the end of the year World War 1 broke out and the insurance industry was called upon to pay out for the deaths and injuries that resulted as well as for the death toll from the influenza outbreak that followed in 1918.

In the 100 years since then, the organization that became the CCIR, with the continuing support of provincial ministries and governments, has been at the forefront: promoting consistent regulation across jurisdictions and leading the way in reforms to protect consumers and maintain confidence in the insurance sector.

Today the CCIR is focused on improving the insurance regulatory and supervisory system in Canada to make it more efficient and effective in serving the public interest.

A renewed interest in fair treatment for consumers and recent changes to international supervisory standards underline the need to re-examine what we do and how we work together. While today's challenges can be global, they also include issues like protecting consumers concerned about travel insurance coverage and insurance against a wide range of natural disasters.

For our new *Strategic Plan 2014-2017*, CCIR considered input from stakeholders and members, as well as the current insurance environment in deciding on both strategic priorities and strategic initiatives for the coming three years. We have established three equally important strategic priorities, one priority each focused on consumers, regulators, and industry:

- Align supervision with international best 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 reduce inter-jurisdictional barriers.

We're proud of our accomplishments over the last 100 years and we're looking forward to new opportunities to protect consumers and build confidence in our insurance sector.

We have attached a copy of the *Strategic Plan 2014-2017*. We hope you'll take a moment to visit our website to learn more about what we do and our plans for the future: <http://www.ccir-ccrra.org/en/>

Sincerely yours,

A handwritten signature in black ink, appearing to read "Carolyn Rogers". The signature is fluid and cursive, with a large initial "C" and "R".

Carolyn Rogers, Chair

cc: Brendon Wycks



# Strategic Plan 2014-2017

## Foreword

On behalf of all members of the Canadian Council of Insurance Regulators (CCIR), it is my pleasure to present our Strategic Plan for the period April 1, 2014 to March 31, 2017.

The CCIR traces its history back to 1914 when the Superintendents of Insurance from the four western provinces met “to discuss ways and means to secure uniformity in the laws relating to contracts of insurance.” Over the past century, the focus of CCIR has changed and evolved many times. With legislation long in place, we now focus on improving the insurance regulatory and supervisory system in Canada to make it more efficient and effective in serving the public interest.

This Strategic Plan reflects the latest round of evolution in market conduct supervision and regulation. This evolution has been brought about both through increasing expectations by consumers around the protection they receive and through a heightened awareness of the importance to the stability of the financial system of proactively protecting consumers from unfair or abusive business practices.

While CCIR members have always been active in market conduct regulation and supervision, this renewed interest in fair treatment of consumers and recent changes to international supervisory standards have caused us to revisit what we do, how we work together, and what we expect from CCIR.

We have a lot of work to do, but, taken altogether, we are confident that we will be building a better regulatory system that is more closely harmonized and better meets the needs of all our stakeholders.

Carolyn Rogers

Chair



**Carolyn Rogers**  
Chair  
Canadian Council of  
Insurance Regulators

## Mandate – Who We Are

CCIR is a forum for Canadian insurance regulators to collaborate to improve insurance supervision and regulation to serve the public interest.

## Mission

We work collaboratively to find solutions to common regulatory issues and promote harmonization in conjunction with financial services regulators, policy makers and stakeholders.

## Vision

Efficient and effective regulation that supports consumer protection and enhances confidence in the Canadian insurance marketplace.

## Values

Organizations are driven by the shared values of their members.

We have a shared commitment to:

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

## Approach

- We coordinate our regulatory activities and share information.
- We conduct ongoing market intelligence to keep abreast of emerging consumer issues.
- We undertake research to stay informed.
- We engage with our stakeholders to understand key issues facing the industry.

## Strategic Priorities

In setting our overall direction and strategic priorities for the next three years, we have considered the relative risks among all the challenges we have identified and used this assessment to focus on the directions that will drive the organization for the next three years.

As a result, we have established three equally important strategic priorities, one priority each focused on consumers, regulators, and industry:

- Align supervision with international best 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 reduce inter-jurisdictional barriers.

## Strategic Initiatives

In order to pursue our strategic priorities, we will work with stakeholders to undertake or to continue the following initiatives over the next three years:

### Priority: Align supervision with international best practices to enhance consumer protection

- **Develop and Implement Market Conduct Supervisory Framework**

Development a Supervisory Framework based on shared responsibility, where CCIR members work together in a manner similar to a Supervisory College (as described in ICP 25). The framework will be built on the following principles:

- Comprehensive with respect to international standards;
- Cost effective for CCIR members;
- Efficient in regard to administrative burden on the regulated industry; and
- Equitable in terms of the distribution of responsibility among participating jurisdictions.

### Priority: Work collaboratively with regulatory partners to grow and leverage national regulatory capacity

- **Improve Market Intelligence Gathering**

Develop processes with industry to keep regulators informed of changes and trends in the industry

### Priority: Partner with industry stakeholders to identify opportunities to reduce inter-jurisdictional barriers.

- **Identify Harmonization Opportunities**

- Work with stakeholders to identify barriers to trade and look at how the barriers could be eliminated.
- Work with CISRO to harmonize licensing requirements.



- **Complete current strategic initiatives and undertake new initiatives related to:**
  - ***Travel Insurance***

Review of the industry including the activities of call center support providers, policy wording and pre-existing condition exclusions, and adequacy of information being provided to consumers in both on-line sales and in-person sales.
  - ***Electronic commerce***

Review and address issues arising from evolving use of technology e.g. electronic pink cards for auto, telematics, claims handling, underwriting, data collection.
  - ***Financial Literacy***

Consider messages and delivery methods to help consumers make informed insurance choices.
  - ***Segregated Funds***

Review the regulatory landscape and assess potential regulatory arbitrage.
  - ***Longevity Risk Transfer Markets***

Work with pension regulators, policy makers and pension and insurance stakeholders to develop a common understanding of longevity risk transfer markets in Canada.
  - ***Property Insurance***

Review property insurance policy wording and disclosure issues relating to natural disaster coverage.

## Ongoing CCIR Responsibilities

We also pursue our mission and vision by carrying out the following responsibilities:

- **Identify and Address Common Emerging Issues in a Timely Manner**

Although we cannot predict what these issues will be, we know they will arise and we will strive to identify them early and deal with them promptly.

- **Oversee Insurance OmbudServices**

CCIR has assumed responsibility to ensure that third party dispute resolution systems in the insurance sector, including General Insurance OmbudService (GIO) and the OmbudService for Life and Health Insurance (OLHI), fulfill the public interest objectives of complaint resolution as an important component of a well-functioning consumer protection policy framework.

- **Review Industry proposed standards and guidelines**

With the increased focus on risk-based regulation, regulators are putting increased emphasis on industry continuing the development and implementation of sound governance practices, standards and guidelines. As CCIR wishes to encourage industry's efforts, our Standards of Practice Standing Committee was formed to allow both thorough reviews and responses in a timely fashion to such documents that are submitted to us.

- **Develop Regulatory Responses to Assuris and the Property and Casualty Insurance Compensation Corporation (PACICC)**

In accordance with the governance bylaws of both Assuris and PACICC, the compensation corporations for life and general insurers respectively, any regulator may reject a proposed bylaw change but must register its objection in a timely manner. Our Assuris-PACICC Committee ensures that all such changes are reviewed on a timely basis and all regulators have the information they need to make appropriate decisions.

The Committee also advises Assuris and PACICC of any changes that we would like to see them make.

- **Liaise with the Facility Association**

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.

- **Update Forms and Instructions**

Chaired by OSFI, the Forms Committee is charged with updating as required the annual and interim return forms and instructions for both P&C and Life required from every insurer registered in Canada.

- **Review Capital Requirements**

Chaired by OSFI, the Capital Requirements Information Committee is charged with sharing information regarding developments in regulatory capital requirements.

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

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.