

CAFII, CLHIA, and THIA Participate in a Virtual Meeting with BCFSA on the Fair Treatment of Customers and Third-Party Claims Administrators

A one-hour virtual meeting was held with BCFSA on February 11, 2025 to discuss the principle of insurers ensuring that fair treatment of customers (FTC) was being adhered to by third-party claims administrators.

At the meeting were:

Rob O'Brien, Director, Regulatory Initiatives, BCFSA;
Thomas Taller, Assistant Vice [President, Policy and Stakeholder Engagement](#);
Keith Martin, Executive Director, CAFII;
Michael Comacho, former President, THIA;
Joan Weir, Vice President, Group Benefits, CLHIA;
Sheila Burns, Director, Health and Disability Policy, CLHIA;
Alice Zuquim, Head of Compliance & Assistant Corporate Secretary, Blue Cross and Chair of the THIA Regulatory Affairs Committee.

It is notable that Harry James, who has pushed this issue forward in the past, did not attend the meeting.

BCFSA has anecdotal information of some problems with the performance of these intermediaries and wants assurances that this is top-of-mind for insurers and that clients dealing with these third-parties are being treated fairly. BCFSA said it did not want to be prescriptive, and instead they were focused on a principles-based discussion, and they added that their default position was not to require a license for third party administrators.

Keith Martin noted that CAFII research demonstrates that customers are generally pleased about the claims experience, and that where there are complaints in the great majority of cases these are resolved to the satisfaction of the customer. The most common source of complaints are delays in processing a claim, and the amount of documentation required, both of which are often associated with the insurer and its partners trying to bring the claim to a successful outcome, with delays from doctors filling out required forms a leading source of delays. K. Martin also noted that it was CAFII's position that third-party life and health insurers administrators were administratively putting through the claim but not "adjudicating" or making decisions.

The following points were also made:

- There are a limited number of third party administrators, and the insurers have oversight over them;
- Insurers are committed to FTC throughout the life cycle of insurance, including claims;
- Insurers have contracts with SLAs and other commitments with third-parties;
- By providing specialized and 7/24 service, third parties can actually improve the customer experience and increase FTC;
- BCFSA nevertheless said that measurement of what fair treatment outcomes are occurring, and demonstration that the results are being shared with senior management, would help satisfy their concerns;

- CLHIA said that they had a FTC Committee that would be soon looking at the claims process for fair treatment;
- A best practices memo to our memos could be helpful.

In the end, the conversation was positive and engaged and BCFSA said that they would value an ongoing dialogue. They also referenced the recent CCIR report on FTC:

[CCIR Governance and Business Culture in relation to Fair Treatment of Customer Reviews / Consolidated Observations and Outcomes Report](#)

It was agreed that another meeting would be held in 2-3 months.