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CAFII ALERTS WEEKLY DIGEST: August 4 – August 11, 2023

August 11, 2023

The CAFII Alerts Weekly Digest is intended to provide a curated compendium of news on insurance, regulatory, and industry/business/societal topics of relevance to CAFII Members – drawn from domestic and international industry trade press and mainstream media – to aid in Members' awareness of recently published media content in those areas.

The Weekly Digest will take a summer hiatus for the weeks of August 27 to September 2/23 and September 3 to 9/23. Following the August 25/23 edition, the next Weekly Digest will be produced for the week of September 11 to September 15/23.

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GOVERNMENT/LEGAL/REGULATORY DEVELOPMENTS

FSRA Delivers Revised Proposed Fee Rule To Minister Of Finance For Approval

By Brendan Wycks, CAFII Co-Executive Director, August 8, 2023

On August 8, the Financial Services Regulatory Authority of Ontario (FSRA) announced that its revised Proposed Fee Rule had been delivered to Ontario's Minister of Finance for approval.

FSRA's e-blast announcing this development reads as follows:

The Financial Services Regulatory Authority of Ontario (FSRA) is proposing changes to its Fee Rule to ensure it aligns with the principles of fairness, consistency and transparency.

The Fee Rule governs how FSRA assesses and collects fees from the sectors it regulates.

The proposed changes to the Fee Rule ensure fees appropriately and accurately reflect the regulatory efforts and activities required to enhance consumer protection.

These proposed changes have now been submitted to the Minister of Finance for approval.

If approved by the Minister, the new Fee Rule is expected to take effect December 1, 2023.

We thank all stakeholders who submitted feedback. No further material changes to the Fee Rule resulted from the 2nd consultation. Full details of the proposed Fee Rule and a summary of stakeholder feedback are now available.

FSRA's revised Proposed Fee Rule, which is now awaiting Ministerial approval, can be found here: *FSRA Fee Rule (fsrao.ca)*.

A summary of the consultation feedback which FSRA received – in response to both the First Consultation (which highlights a number of feedback thrusts from CAFII, and other industry stakeholders, with response comments from FSRA) and to the Second Consultation, related exclusively to the amendment made to Part 8 of the Fee Rule (Financial Professionals Sector Assessments and Fees) -- can be found here: *https://www.fsrao.ca/media/23561/download?utm_source=policy&utm_medium=email&utm_campaign=FeeRule_Jul23.*

FSRA Imposes $600,000 In Administrative Monetary Penalties On Two Aviva Companies

By Kate McCaffery, The Insurance Portal, August 4, 2023

The Financial Services Regulatory Authority of Ontario (FSRA) announced on August 3 that it has imposed administrative monetary penalties totalling $600,000 on two Aviva Canada Inc. companies for contravening so-called Take-All-Comers requirements contained in sections of the province's *Insurance Act.*

Under the *Act*, companies are required to provide all Ontario consumers with access to timely auto insurance quotes and must strictly adhere to approved underwriting rules in selling automobile insurance to consumers or on the renewal of their policies. The Take-All-Comers requirements include the obligation for insurers to offer the lowest rates available, in accordance with the insurers' approved underwriting rules for each consumer's circumstances and to accept all auto insurance business from consumers that meets their approved rules.

According to a recent report, entitled *Take-All-Comers Thematic Review Report*, FSRA became aware of certain business practices in the industry which appeared to contravene the *Act*. "FSRA undertook a review of Take-All-Comers, which confirmed that there was intentional non-compliance industry-wide.

Instead of filing new underwriting rules for approval by FSRA, insurers chose to engage in non-transparent and illegal practices that made it more difficult for certain types of consumers to get auto insurance quotes. This systemic non-compliance led to consumer harms, unfair competition, and diminished market health. FSRA responded by taking action to restore compliance and consumer trust in the system," the regulator wrote in its report.

As part of its review, FSRA directed firms to cease all methods of influencing or dissuading consumers and directed insurers "to cease all related algorithmic rules and instructional messages programmed into proprietary and third-party quoting, binding, and operating systems; comparative quoting technology; and sales lead generation technology which were not consistent with the insurer's approved underwriting rules."

In accordance with FSRA's requirements, Aviva and others provided a 90-day plan to the regulator which identified remedial efforts to reach compliance. The company's CEO also signed an undertaking which, among other things, required the company stop using algorithmic rules and instructional messages programmed into third-party operating systems and sales lead generation technology not consistent with approved Aviva's underwriting rules which had been filed with the regulator. Prior to the completion of Aviva's 90-day plan, however, FSRA commenced an investigation.

It found that two subsidiaries, Aviva Insurance Company of Canada and S&Y Insurance Company, did not fully ensure that the unapproved underwriting rules and daily sales lead limits had stopped being used.

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"As a result, AIC and S&Y were in breach of the undertaking in the 817 instances that a quote was not displayed to a consumer or a brokerage and thus was not offered to a consumer even though it was the lowest rate available."

Although Aviva took certain steps to comply with the Take-All-Comers requirements, including creating an executive steering committee and working group and verbally directing all aggregators to remove its participation from their websites, due to a contractual requirement, one aggregator continued to generate comparative quotes. "The Aviva Group spoke to that aggregator and verbally reinforced the importance of compliance with Take-All-Comers requirements," the regulator acknowledged. It also sent instructions to brokerages to stop using aggregators' platforms in connection with providing quotes or soliciting sales. Despite those efforts and despite the fact that both subsidiaries had ceased using aggregators by June 2022, FSRA said the firms did not satisfactorily comply with FSRA's interpretation of the rules.

Broken down, the firms were each fined $150,000 for failing to comply with the *Act* and $150,000 each for failing to comply with the undertakings signed by Aviva's CEO.

Read Story (Subscription Required): *Regulator imposes $600,000 in administrative penalties - Insurance Portal (insurance-portal.ca)*

What FSRA Found When It Examined Take-All-Comers Compliance In Ontario Auto Insurance

By Philip Porado, Canadian Underwriter, August 4, 2023

https://www.canadianunderwriter.ca/insurance/what-fsra-found-when-it-examined-take-all-comers-compliance-1004236457/?utm_medium=email&utm_source=newcom&utm_campaign=CanadianUnderwriterDaily&utm_content=20230804124107&hash=6d73923380f292a40dc042b455f0fde3

Ontario's auto insurance regulator has used the phrase "systemic non-compliance" to describe how the province's 12 largest auto insurance companies are approaching Ontario's take-all-comers requirement.

According to a Financial Services Regulatory Authority of Ontario (FSRA) report, released Friday, August 4, market behaviour in the province's auto insurance industry has led to several negative impacts upon consumers:

- higher premium costs for consumers viewed as higher risk;
- unfavourable discretion, whereby insures used unfiled underwriting rules to suspend an intermediary's binding authority;
- unfair competition, as riskier customers were steered to other insurers;
- less choice; and
- wasted time.

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Ontario's take-all-comers requirement was described as a cornerstone principle to ensure consumers get the lowest available rate, FSRA CEO Mark White said when FSRA's report was released.

"It is very hard for consumers, and it's even hard for a regulator, to identify when insurance quotes for qualifying customers are withheld or delayed," White said. "Our eventual success in rooting out this non-compliance required perseverance and the use of governance, controls, and processes within the insurance companies themselves to self-identify and remediate these consumer harms."

FSRA's report identified "practices that made it more difficult for certain types of consumers to get auto insurance quotes." These included Ontario customers who:

- experienced prior accident benefit claims, including passengers and pedestrians who weren't at fault;
- didn't also buy property policies, such as homeowners' insurance;
- lived in certain municipalities; and
- had less than one year of insured driver history.

As part of a multi-year, fact-finding process that led to the report, the regulator said that it met with CEOs and management teams from the 12 largest auto insurers in the province as part of a compliance review process. In some cases, executives indicated they weren't aware of non-compliant business practices at their companies.

"There were also instances of insurers having an incorrect interpretation of how the take-all-comers requirement applied in certain circumstances," FSRA's report said. "For example, some insurers incorrectly interpreted the use of aggregators as lead generation (marketing) rather than quoting activity."

The report noted that the growing popularity of online auto insurance rate aggregators has been problematic. Consumers have come to view them as convenient tools to compare quotes. But these intermediaries aren't regulated and can work against take-all-comers rules by filtering out clients that insurers might view as less desirable.

"While aggregators may give consumers the impression that they are able to do a side-by-side comparison of different insurance plans and hopefully have cost savings," FSRA's report said, "these sites also play a role in take-all-comers by allowing insurers to deny consumers coverage based on unfiled underwriting rules."

Going forward, FSRA said compliance reviews will lead to actions ranging from education and remediation, in instances where non-compliance with take-all-comers was inadvertent, to regulatory intervention. Those interventions could include compliance orders, license revocations, monetary penalties, and provincial offence charges.

The regulator also said it will "include elements of take-all-comers supervision in all future conduct examinations" for all auto insurers in the province, and conduct 'secret shopper' exercises.

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FSRA also will be "assessing the relationship which aggregators have with insurers and brokers, in consultation with other jurisdictions, to determine what supervisory framework would be best suited for aggregators."

Lawyers' Association Issues Statement Calling On Regulator To Investigate Aviva

By Kate McCaffery, The Insurance Portal, August 8, 2023

Decisions made by former License Appeal Tribunal (LAT) adjudicators, now employed by Aviva Insurance and Definity Insurance are being questioned by the Ontario Trial Lawyers Association (OTLA) and the OTLA is encouraging the LAT to initiate a review of all decisions made by the adjudicators, after it learned that Aviva hired one who continued to adjudicate disputes, all in favour of insurance companies, after accepting the insurance company position.

The OTLA has called for an immediate investigation into Aviva's conduct specifically, after it learned that Thérèse Reilly was offered and accepted a position in June 2022, but stayed with the LAT until November of that year, rendering 13 decisions, all in favour of insurance companies, including Aviva.

An Aviva spokesperson said in a statement to the *Insurance Portal* that Reilly is no longer employed with Aviva, effective June 22, 2023.

"It did not come to Aviva's attention that former adjudicator Reilly continued to hear LAT cases involving Aviva after receiving and accepting a conditional offer of employment until after those LAT cases had been decided, and the issue was raised by the LAT. Based on our knowledge, we believe adjudicator Reilly ought to have recused herself from any matters involving Aviva in the circumstances," the company stated.

"Notably, the employees of Aviva that worked on and had decision-making roles on the four Aviva cases did not have knowledge of this individual's impending employment with Aviva while the files were being heard," Aviva stated. Aviva added that it has fully co-operated with the LAT in its review and will continue to do so. "Aviva is prepared to work with all parties to have the relevant Aviva cases reviewed, and to the extent required reheard as quickly and efficiently as possible, to ensure the integrity of the auto insurance dispute process and so our customers have confidence in the decisions made."

The OTLA has also said that the LAT has put the onus on applicants to make submissions on whether new hearings should be ordered in their respective cases. "The applicant will bear the cost of requesting a new hearing."

Some accident victims whose cases were heard by Reilly during the relevant time have initiated a complaint with the Law Society of Ontario**.** The OTLA has also filed a formal complaint against Aviva with the Financial Services Regulatory Authority of Ontario (FSRA).

Read Story (Subscription Required): *https://insurance-portal.ca/life/lawyers-association-issues-statement-calling-on-regulator-to-investigate-aviva/?utm_source=sendinblue&utm_campaign=daily_complete_202308-09&utm_medium=email*

Most Investment Industry Firms Falling Short On Conflicts-of-Interest Compliance

Regulators Found Firms Are Failing To Identify And Manage Conflicts In Clients' Best Interests

By James Langton, Investment Executive, August 3, 2023

https://www.investmentexecutive.com/news/from-the-regulators/most-firms-falling-short-in-conflict-compliance/

A regulatory review of industry compliance with conflict-of-interest provisions shows that most investment industry firms aren't meeting their obligations under the client-focused reforms.

In a joint notice setting out the results of their reviews, the Canadian Securities Administrators (CSA) and the Canadian Investment Regulatory Organization (CIRO) indicated that only about 20% of the firms they examined got a clean bill of health on their handling of conflicts-of-interest, according to standards in the client-focused reforms (CFRs).

The reviews involved 172 firms including investment dealers, fund dealers, portfolios managers, and exempt market dealers.

Most of the firms which the regulators reviewed were found to have compliance deficiencies — such as failing to identify material conflicts, having inadequate controls to address those conflicts, maintaining outdated policies and procedures for dealing with conflicts, and providing insufficient disclosure to clients of those conflicts.

The regulators found that 66% of firms had sub-standard policies and procedures for dealing with conflicts-of-interest. Conflict disclosure fell short at over half (53%) of the firms they reviewed, while more than one-third (34%) failed to recognize one or more material conflicts.

"We found that, although some firms had appropriately identified certain conflicts-of-interest as material, they lacked controls to address the material conflicts-of-interest, or the controls implemented were insufficient to address the material conflicts-of-interest in the best interest of clients," the regulators said in their notice.

"Also, while certain firms had controls in place to effectively address certain material conflicts-of-interest, they had not identified those conflicts-of-interest or assessed them as material," the regulators said.

For instance, some firms failed to recognize that their representative compensation arrangements represent material conflicts-of-interest, that the payment of third-party compensation (particularly differential compensation) creates a material conflict, and that dealing in proprietary products is a material conflict.

The regulators said firms that only in deal in proprietary products often relied on performing suitability assessments and disclosure to address conflicts.

“In our view, this generally will not be adequate to address these material conflicts-of-interest in the best interest of clients,” the regulators said.

Other conflicts that firms missed included those created by tieing a branch manager’s compensation to the production of the reps they oversee, conflicts that arise from the markups and markdowns charged by exempt market dealers, and conflicts related to certain referral arrangements.

The regulators also found that one firm charged clients different fees despite investing them all in the same model portfolios and using the same investment strategies.

In that case, the regulators said using criteria such as a rep’s seniority to determine fees isn’t justified. Instead, a factor such as a client’s account size would be a valid basis for setting different fees, they suggested.

One area where firms did well was in recognizing that the provision of gifts and entertainment creates conflicts. But the regulators also found that firms didn’t always have controls to resolve such conflicts in the best interest of clients.

In addition to spelling out the deficiencies which the regulators uncovered in their reviews, the notice also provides further guidance on their expectations and on how firms can fully comply with the CFR conflicts requirements.

“The CSA and CIRO are committed to ensuring compliance with the client-focused reforms,” said Andrew Kriegler, president and CEO of CIRO, in a release.

“We encourage all firms to carefully review this notice to identify opportunities for strengthening their compliance programs to ensure they meet the enhanced standards established by the client-focused reforms.”

The regulators indicated that they will be continuing to assess firms’ compliance with all of the CFR requirements, and that they will also be carrying out targeted reviews of compliance with the other aspects of the rules, including the know your client, know your product, and enhanced suitability obligations.

“We’ll have a better understanding of the level of compliance once our reviews are complete,” said Stan Magidson, chair of the CSA and chair and CEO of the Alberta Securities Commission (ASC), in a release.

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"If we observe that the high standards of conduct required by the client-focused reforms are not achieved, we will consider our course of action at that time, such as considering additional rules."

OTHER CAFII MEMBER-RELEVANT NEWS

Canadians Are Going Into Debt So They Can Take A Vacation And It's An 'Astonishing Trend'

By Stuart McGinn, Narcity Canada, August 9, 2023

Canadians Are Going Into Debt So They Can Take A Vacation & It's An 'Astonishing Trend' (msn.com)

From interest rates to the rising prices of food and rent, the cost of living in Canada is certainly a challenge these days. But it seems many people aren't willing to cut their vacation plans from their budgets.

A survey has revealed an "astonishing trend" of just how far many Canadians are willing to go — from cutting back on groceries to even taking on debt — to go away on a trip.

New data from Montreal-based travel agency FlightHub revealed just how popular it has become to toss aside the realities of essential everyday costs for a holiday getaway and it "highlights the exceptional need for escape and the shifting prioritization of spending."

The FlightHub survey referred to this new "astonishing trend" as evidence that "travel is being prioritized at the expense of essential spending."

Of 2,000 Canadians surveyed, nearly half (48%) said they had to make cuts to their budget to afford a vacation they otherwise wouldn't have been able to take.

For some, that has meant compromising on some non-essentials at home, such as going out to a restaurant, theatre, or concert.

Fifty seven percent of millennials said they had made that compromise, while 69% of Gen Z'ers opted to take on extra work hours so they could afford their planned trips.

Another 41% of Canadians said they spent less on groceries ahead of their holiday.

But even more concerning is the number of Canadians who've admitted to going on vacation knowing full well that they couldn't afford it.

According to the survey, 28% have resorted to financing their vacations with a credit card.

FlightHub said that the survey data highlight the need for more affordable travel options.

"Even amidst challenging economic times, the desire to explore and connect with the world remains a fundamental aspect of the human spirit," said FlightHub CEO Chris Cave in a statement.

"Travel has the remarkable ability to transcend financial concerns, providing a unique and enriching experience."

The survey also revealed that younger Canadians are the ones who are doing the most travelling right now.

"This year, we are seeing a number of changes in travel behaviour among our customers. Generation Z, for example, is booking more flights than Boomers, and is more attracted to international destinations such as Manila, London, and Paris," said FlightHub CFO Marc Ghobriel.

Rising Prices For Travel Do Not Appear To Be Curbing Wanderlust

By Joanna Plucinska, Rajesh Kumar Singh, Doyinsola Oladipo and Priyamvada C, Reuters, August 9, 2023

Rising prices for travel do not appear to be curbing wanderlust | Reuters

The post-pandemic travel boom and the high ticket prices that come with it show no signs of slowing well into next year, despite economic uncertainty and dwindling household savings.

While questions linger about how much longer consumers will continue to indulge, airlines, hotels, and analysts say that travel has remained a top priority instead of a "nice to have" purchase as in years past.

International travel reached around 90% of pre-pandemic levels this year, according to the International Air Transport Association. The rebound was led by visitors to Southern Europe from cooler climates despite soaring temperatures and included swaths of American tourists flying overseas.

"In the wake of the pandemic, a number of folks have reset their priorities and have focused on splurging on travel," said Dan McKone, a senior partner at strategy consultancy L.E.K. Consulting.

That desire may even strengthen next year, according to travel tech firm Amadeus, whose recent survey showed that 47% of respondents said international travel was a high-priority discretionary spending category for 2023 and 2024, compared with 42% who ranked it as such the previous year. Amadeus surveyed travelers from Britain, France, the United States, Germany, and Singapore.

Those trends lifted the quarterly earnings of travel companies, with cruise operators such as Royal Caribbean reporting record results in recent weeks. Travel operators Booking Holdings and Airbnb said that revenue was up 27% and 18%, respectively, and air carrier Delta and hotel giant Marriott International forecast strong future demand.

German airline Lufthansa said that bookings for the rest of the year currently exceed 90% of the pre-pandemic level and the summer season is extending into October. United Airlines is expanding Pacific coverage this autumn with new flights to Manila, Hong Kong, Taipei, and Tokyo.

Overall, global passenger demand is estimated to grow 22% year-on-year in 2023 and 6% in 2024, Moody's investor service said on Tuesday, August 8. Ticket prices, which in some cases have increased by double-digit percentages since the pandemic, are unlikely to plummet.

"Everyone is pricing against demand and this is the basic economic equation," Jozsef Varadi, CEO of budget carrier Wizz Air, told Reuters. "We are in a high-input cost environment. So that puts pressure on pricing."

Hayley Berg, lead economist at online travel agency Hopper, said that travelers to Europe and Asia are not expected to see substantial price relief this autumn. She expects air fares on long-haul international routes to remain high until supply outpaces pre-pandemic levels, demand normalizes, and jet fuel prices decline further.

The weak spot is U.S. domestic travel, as the end of COVID-19 testing restrictions has unleashed pent-up demand by Americans to take vacations overseas.

"They said earlier in the year, 'Look, I'm going to do that international trip that we've been meaning to do,' and that's created a lot of crowded places with Americans in Europe," Booking Holdings CEO Glenn Fogel told Reuters.

International inbound travel to the United States in May rose 26% year-over-year to 5.37 million visitors but is still about 20% lower than pre-pandemic visitor volumes reported in May 2019, according to the U.S. National Travel and Tourism Office.

Average domestic airfare in the U.S. is currently $246 per round-trip, down 8% from 2022, according to travel booking app Hopper.

Executives said U.S. hotel rooms may become more expensive due to lack of supply, but softening demand may moderate that effect.

"Growth is expected to remain higher internationally than in the U.S. and Canada, where we're seeing a return to more normal seasonal patterns," said Marriott CFO Kathleen Oberg.

Looking ahead, some airline groups such as British Airways owner IAG said that it is unclear whether demand can be sustained. Analysts have said that dwindling consumer savings could cause a downturn in spending if inflation fails to let up.

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Flight Delays At Canadian Airlines Far Outstrip Peers In U.S., Despite Improvements

By The Canadian Press, July 25, 2023

https://www.ctvnews.ca/business/flight-delays-at-canadian-airlines-far-outstrip-peers-in-u-s-despite-improvements-1.6493000

Canada's two biggest airlines saw a far higher proportion of their flights delayed this summer than many of their American peers, according to figures from an aviation data firm.

Overall, only half of Air Canada's 31,168 flights were on time between June 19 and July 16, statistics provided by Cirium reveal.

In comparison, 64 per cent of WestJet's 14,998 flights touched down late.

Flights are considered on time if they reach the airport within 15 minutes of their scheduled arrival time.

The numbers contrast with on-time performances that range between 68 per cent and 83 per cent for the five biggest airlines in the United States. Alaska Airlines, which ranked first, operated a similar number of flights to Air Canada in the four-week period at 32,193.

The stats also point to a recent drop in punctuality as flights ramp up, with Air Canada notching a 70 per cent on-time performance in May and 53 per cent in June. WestJet scored 67 per cent last month.

Several reasons underlie the ongoing tarmac tardiness, which falls well below the general industry goal of 80 per cent on-time flights.

To meet soaring summer demand -- Air Canada now transports 140,000 passengers a day -- airlines are running their planes too frequently, said John Gradek, a lecturer at McGill University's aviation management program. The practice can result in hitches that hold up travellers across the country.

"The existing airplanes are working harder," he said. That leaves less time for maintenance between flights and overnight.

"If you don't give the mechanics enough time to fix the snags on a regular turn, those snags will catch up to you. And then you now have an unserviceable airplane that cannot be dispatched."

Half of Air Canada's 18 A330 wide-bodies and most of its 76 Airbus A319, A320, and A321 narrow-bodies -- more than 40 per cent of its fleet -- are well over two decades old.

"These airplanes are long in the tooth and need a lot of maintenance, need a lot of TLC to fly reliably," Gradek said.

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Crew shortages can also play a role in peak season. It's harder to find a spare pilot or flight attendant when each aircraft is flying more -- or when delays pile up, exceeding the "duty times" that employees are allowed to work within a given period.

Air Canada acknowledged the strain on its network amid the throes of peak travel season.

"As with any system, when it is operating at full capacity it may slow processes down and take longer to recover when issues arise. That said, many of the delays were relatively short," spokeswoman Angela Mah said in an email.

The figures show that about 93 per cent of Air Canada trips, and 98 per cent of WestJet trips, hit the gate less than two hours late, a far better performance than last summer.

Some weekends in June and July of 2022 saw Air Canada top the global chart for delays, repeatedly hitting two-thirds and far outpacing other carriers as complaints of hours-long hold-ups or cancellations littered social media. Toronto's Pearson airport also ranked as the delay capital of the world on multiple occasions.

This summer, thunderstorms have caused their share of problems, Air Canada noted. Of the 40 days between June 1 and July 10, 31 saw "weather-related disruption" versus 20 days in the same period in 2019, the Montreal-based company said.

"Our Montreal global hub experienced numerous thunderstorms in recent weeks, including multiple red alerts -- necessitating halts to operations due to lightning -- which have led to delays. Similar situations have occurred frequently in the eastern part of North America, where we have a significant volume of flights," Mah said.

She also pointed to the dearth of air traffic controllers -- in Canada and the U.S. -- which means that planes are often left waiting to land.

That time circling above the runway can also tack on hours to flight crews' shifts each week, pushing them closer to their 28-day cap and leaving less leeway for them to plug labour gaps by month's end.

"Following these events, Air Canada's focus is to get aircraft and crew back on track and get our customers on their way as soon as possible," Mah said.

WestJet said its "summer readiness plan" has made boarding more efficient and co-ordination with ground handlers smoother. However, the Calgary-based carrier also cited thunderstorms and "third-party delays incurred from service partners across the aviation ecosystem" as reasons for delays.

WestJet is calling for "shared accountability" across the sector -- from air traffic controllers to security screeners -- rather than pinning blame for disruptions on airlines.

Nonetheless, carriers have fewer outside factors to blame than during the post-pandemic travel tumult of 2022.

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While an aviation labour shortage last summer meant fewer security screeners, border officers, and baggage and ground handlers, those areas are now largely back to pre-pandemic levels, according to the companies and agencies behind them.

At Toronto's Pearson airport, 91 per cent of passengers cleared security within nine minutes in the first week of July -- a far cry from the snaking lines and bulging terminals of the year before -- Canada's transport security agency says.

The average wait time for passengers at customs was seven minutes, according to Pearson. And baggage wait times are down by more than a fifth -- though luggage is typically the airline's responsibility, often contracted out to third parties.

Meanwhile, just one flight with passengers on board was held -- for nine minutes -- between July 3 and 10. "This situation represents a marked improvement over last summer when holding passengers at the gate was a regular practice due to over-crowding in the customs hall," Pearson said in a release last week.

As of May, Air Canada made up 47 per cent of the domestic air travel market and WestJet served 28 per cent, amounting to three-quarters of the total, according to Cirium.

Flight Cancellations, Strikes Raise Fears Of New Summer Travel Chaos In Europe

By Kelvin Chan and Danica Kirka, The Associated Press, August 4, 2023

Flight cancellations, strikes raise fears of new summer travel chaos in Europe - The Globe and Mail

British Airways cancelled dozens of flights on Friday, August 4, blaming computer problems for disrupting plans for thousands of passengers at the start of a busy holiday weekend – a rocky kickoff to the summer travel season in Europe.

The technical glitches and strikes by airport staff across Europe are stirring concerns about a repeat of last summer's post-pandemic air travel chaos that unleashed delays, cancellations, and mountains of lost luggage from London to Sweden to Amsterdam.

Most of the 42 affected flights in London were on short-haul routes to and from Heathrow, Europe's busiest airport. Computer issues on Thursday, August 3 caused planes and crew to be out of position on Friday, August 4 which was expected to be the busiest day for British air travel since before the coronavirus pandemic.

Other flights were delayed, with some passengers unable to check in online. Travel is expected to be especially busy over the next few days as a three-day weekend coincides with the start of a week-long holiday for most schools in Britain.

"We're aware of a technical issue, which we have been working hard to fix," British Airways said on its website.

The industry is gearing up for a busy summer season and hoping to avoid a repeat of the disorder last year, when airports and airlines struggled to keep up with demand that came roaring back after pandemic restrictions eased.

"While some disruptions can be expected, there is a clear expectation that the ramping-up issues faced at some key hub airports in 2022 will have been resolved," the International Air Transport Association, or IATA, said this month.

"To meet strong demand, airlines are planning schedules based on the capacity that airports, border control, ground handlers, and air navigation service providers have declared. Over the next months, all industry players now need to deliver," the airline industry group said.

IATA warned that strikes, including by airport staff such as air traffic controllers, are "cause for concern," particularly in places such as France. Labour action by French workers battling the government over pension reforms has resulted in as many as 30 per cent of flights cancelled at Paris' second busiest airport, Orly, on some days.

In Britain, Heathrow security guards launched a three-day strike on Thursday, August 3 over pay, after walking off their jobs over busy periods earlier this year, including Easter.

The strikes have been an issue, but "mitigation measures that have been implemented have meant that in the vast majority of cases, people have been able to travel from the U.K. as expected, and we expect the same to be the case over the summer months," said Julia Lo Bue-Said, CEO of Advantage Travel Partnership, which represents about 350 British travel agents.

"The industry is made of many moving parts and navigating some of the issues outside of our control at exceptionally busy periods does put increased pressure on the entire ecosystem," she said.

Navacord Invests In Travel Insurance With A New Acquisition

By Sabrina Fekih, The Insurance Portal, August 2, 2023

Navacord invests in travel insurance with a new acquisition - Insurance Portal (portail-assurance.ca)

Effective July 4, 2023, Navacord has a new addition to its portfolio. The company announced, in a press release issued on July 31, 2023, that it has acquired Medi-Quote Insurance Brokers**.**

Founded in 1994 as Snowbird Medi-Quote**,** Medi-Quote specializes in travel and medical insurance, primarily individual health and dental insurance. From offices in Winnipeg and Calgary, the company offers solutions for Canadian *snowbird,* with travel health insurance for people over 55 with pre-existing health conditions.

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While this new acquisition allows Navacord to expand further into Manitoba, after first moving there in 2022, it also strengthens its presence in the travel insurance market.

New President

T. Marshall Sadd, Executive Chairman of Navacord, said "the partnership with Medi-Quote allows us to tap into the vast potential of the travel insurance market while continuing to focus on our strategic growth initiatives that align with our long-term vision.”

With that in mind, Navacord recently announced the creation of a new position of *President of Personal and Travel Insurance* within its organization. The company appointed Melanie Muise to take on that new role, effective August 1, 2023.

With 18 years of experience in the insurance industry, Ms. Muise has served as Navacord's Chief Operating Officer (COO) since 2019. Her new responsibilities include supporting the growth ambitions of Navacord's travel insurance business, while helping accelerate digital transformation.

Her former COO position will not be filled, as "responsibility for her portfolio will be distributed within Navacord's management team," the company said in a statement.

In a recent interview with the *Journal de l'assurance*, T. Marshall Sadd stressed Navacord's willingness to continue acquisitions. The president revealed that the company had acquired 80 companies since its inception. Navacord has now made 11 acquisitions since the beginning of 2023 alone.

UPCOMING CAFII MEMBER-RELEVANT WEBINARS AND EVENTS

Webinar by Managing Matters: What to Say and When to Say It: Addressing Hot Topics

Date: August 17, 2023
Time: 1:00 pm – 2:00 pm EST

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Highlights
A unique, instructor-led program that provides a comprehensive overview of the industry and how insurers operate.

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To succeed, new hires and emerging leaders need a solid understanding of the industry and business in which they work. Insurance Immersion can help! This unique, instructor-led program explains and connects key concepts to promote a holistic view of the life insurance business, which improves collaboration and decision-making. Available in a variety of formats.

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