cafii acifa
The Canadian Association of Financial Institutions in Insurance | L'association canadienne des institutions financières en assurance

200-411 Richmond Street E, Toronto, ON M5A 3S5
☏ (416) 494-9224 🖷 (416) 967-6320
info@cafii.com www.cafii.com

CAFII ALERTS WEEKLY DIGEST: February 10 – February 17, 2023

February 17, 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.

TABLE OF CONTENTS

200-411 Richmond Street E, Toronto, ON M5A 3S5
☎ (416) 494-9224 (416) 967-6320
info@cafii.com www.cafii.com

GOVERNMENT/LEGAL/REGULATORY DEVELOPMENTS

Overhaul Of The Insurance Intermediary Regime In New Brunswick Now In Effect

By Darcy Ammerman and Justin Novick-Faille (Articling Student), McMillan LLP, February 14, 2023

Overhaul of the Insurance Intermediary Regime in New Brunswick Now in Effect - McMillan LLP

On February 1, 2023, the Financial and Consumer Services Commission of New Brunswick ("FCNB") issued the final versions of two new rules: Rule INS-001 – Insurance Intermediaries Licensing and Obligations and Rule INS-002 – Insurance Fees ("Rule 001", "Rule 002", and, collectively, the **"**New Rules"). The New Rules significantly overhaul the licensing regime for intermediaries, by, among other things, creating new license classes, a new licensing regime to allow agencies, adjusting firms, and managing general agents to act as licenced intermediaries and a new licensing regime for restricted insurance representatives. These changes have resulted in the repeal of the following regulations under New Brunswick's Insurance Act (the "Act"):

- *Adjusters Regulation;*
- *Agents and Brokers Regulation;*
- *Licence and Examination Fees for Agents and Brokers Regulation;*
- *Licence Revival Fee Regulation; and*
- *Life Insurance Agent Licensing Regulation*

Updates to Licence Classes

Rule 001 creates new licence classes. For example, a person who held a life, accident and sickness agent licence now holds a life insurance agent licence. Similarly, a class I agent licence is now known as a level I general insurance agent licence.

For the most part, licence classes were automatically updated when the Rule came into force without any action on the part of licensees. However, licensees who held a class II resident agent licence or a non-resident agent or broker licence (other than a life insurance agent or broker licence), must request a general insurance agent licence (level 1, 2 or 3) upon their next renewal and must provide details of their qualifications and educational requirements. Licences will remain valid until the next renewal.

New Licensing Framework for Agencies, Adjusting Firms and Managing General Agents

The New Rules also establish a framework requiring agencies, managing general agents, and adjusting firms carrying on insurance business to become licenced as insurance intermediaries. Such entities have until April 1, 2023 to submit a completed application through FCNB's licensing portal. The specific requirements for the licence application are set out in Part 8 of Rule 001.

New Licensing Framework for Restricted Insurance Representatives

Rule 001 introduces a restricted insurance representative licensing regime similar to the existing regimes in Saskatchewan, Manitoba, and Alberta for incidental sellers of insurance.

The following types of applicants may apply for a restricted insurance representative licence:

a. an automobile dealership, a watercraft dealership, a recreational vehicle dealership, a farm implement dealership, or a construction equipment dealership;
b. a customs brokerage;
c. a deposit-taking institution;
d. a freight forwarding business;
e. a funeral provider;
f. a mortgage brokerage;
g. a sales finance company;
h. a transportation company that provides transportation service for goods;
i. a vehicle rental business;
j. a person engaged on behalf of one of (a) to (i) to solicit, negotiate, sell or arrange insurance.

The Rule also lists an expansive list of the authorized classes or types of insurance for which incidental sellers may apply. Note that travel insurance may only be issued by deposit-taking institutions.

Businesses that are required to obtain a restricted insurance representative licence pursuant to the new regime have until May 1 to submit a completed application. The specific requirements for the licence application are set out in Part 5 of Rule 001.

Pursuant to Rule 001, insurers must ensure that a restricted insurance representative acting on its behalf has reasonable and demonstrable procedures respecting the disclosure requirements under the Rule, a process in place to verify that the procedures are being followed, and the knowledge and skills to carry on the type of insurance activity being conducted.

Exemption for Portable Electronics Insurance

Notably, there is a licensing exemption for portable electronics vendors, or persons acting on their behalf, who are selling portable electronics insurance related to a portable electronic device, provided that the purchaser receives the following at the time of the sale:

a. a written summary of the terms of the portable electronics insurance displayed in a prominent manner,
b. a written summary of the circumstances upon which the insurance can be terminated and the procedures for making a claim, and
c. a written statement of the purchaser's rights to rescind the insurance contract and obtain a full refund at the time of the sale.

These requirements are similar to the requirements in Quebec, wherein a similar exemption applies.

Third Party Administrators

Rule 001 confirms that third party administrators are exempt from the licensing requirements in the Act. As such, Saskatchewan remains the only province with a licensing regime specifically for third party administrators.

Fees

Rule 002 complements Rule 001 by setting out the applicable fees for insurance intermediaries in New Brunswick for matters such as applications and renewals.

Conclusion

The New Rules represent a significant overhaul of the licensing regime for intermediaries and should be reviewed carefully. In particular, intermediaries who are now required to be licensed should take heed of the application timelines communicated by the FCNB.

A Cautionary Note
The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

FSRA Continues To Scrutinize Greatway Financial's Dubious Insurance Marketing

By Lyle Adriano, Insurance Business Canada, February 13, 2023

https://www.insurancebusinessmag.com/ca/news/life-insurance/fsra-continues-to-scrutinize-greatway-financials-dubious-insurance-marketing-436097.aspx?utm_source=GA&e=YnJlbmRhbi53eWNrc0BjYWZpaS5jb20&utm_medium=20230213&utm_campaign=IBCW-MorningBriefing-20230213&utm_content=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8&tu=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8

The Financial Services Regulatory Authority of Ontario (FSRA) continues to keep tabs on the life insurance managing general agent Greatway Financial, which has been accused of encouraging its agents to sell a complex life insurance product without consideration for clients.

The regulator alleged that Greatway focused its sales entirely on universal life insurance – an insurance product typically used by high-net-worth individuals for estate planning – and that it also trains its agents to sell the product to customers regardless of their income or needs.

FSRA further purported that Greatway had instructed its agents to downplay the insurance side of the product and focus instead on the investment returns. Allegedly, training material from Greatway had instructions in red letters to “DO NOT HIGHLIGHT” the critical risks of universal life insurance.

200-411 Richmond Street E, Toronto, ON M5A 3S5
☎ (416) 494-9224 (416) 967-6320
info@cafii.com www.cafii.com

Financial planner Vanessa Cline, who helps former Greatway clients, explained that with universal life insurance policies, the cost spikes with age. This means that the product can quickly divert payments away from the investment side and leave customers with a lifetime of rising costs, she warned.

"When [clients] get to retirement and they need the money the most, the cost of the insurance inside of these policies is so high that it quickly depletes the cash value that has built in these policies, to where these policies lapse," Cline told *The Canadian Press.*

The FSRA issued a compliance order against Greatway last year, which ordered the MGA to revise its training for contracted agents. It also ordered Greatway to send existing universal life insurance policyholders information that would allow them to understand if the product is appropriate for them. Greatway consented to the order but has disputed some of FSRA's findings.

As part of FSRA's compliance order, Greatway has also been ordered to destroy all previous teaching materials and complete the retraining of its agents by the end of March.

The Canadian Press reported that the enforcement action against Greatway is part of a larger effort by the FSRA and other regulators that are looking into the risks made by multi-level marketing companies such as Greatway. Greatway's business model is based on its agents getting paid through commissions on their own sales, plus a portion of the commissions made for agents they successfully recruit into the company.

Concerns over the sudden growth of Greatway were also raised by FSRA, particularly as the rapid growth meant that the company would have plenty of inexperienced agents who might misconstrue universal life insurance policies.

According to FSRA, Greatway went from 1,400 agents selling 13,000 policies in 2018 to 4,000 agents selling nearly 28,000 policies last year.

"You put that situation together with training materials that we believe to be inappropriate, then you have a recipe for customer harm," FSRA executive vice-president of market conduct Huston Loke told The Canadian Press.

Back to Table Of Contents

200-411 Richmond Street E, Toronto, ON M5A 3S5
☎ (416) 494-9224 🖷 (416) 967-6320
info@cafii.com www.cafii.com

FAIR Canada Releases Comprehensive Consumer Complaint Guide

New Guide Presents All Relevant Information In One Place And In An Easy-To-Follow Format

By Jean Dondo, Wealth Professional, February 14, 2023

https://www.wealthprofessional.ca/news/industry-news/fair-canada-releases-comprehensive-consumer-complaint-guide/373686?utm_source=GA&e=YnJlbmRhbi53eWNrc0BjYWZpaS5jb20&utm_medium=20230214&utm_campaign=WPCW-Newsletter-20230214&utm_content=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8&tu=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8

A new detailed guide on how to file a complaint against a bank, investment dealer, or mutual fund dealer was just released by FAIR Canada. The guide, which is written in straightforward English, is intended to assist Canadians in resolving concerns involving financial losses or excessive costs.

“Most regulators are ill-equipped to help Canadians get their money back when dealing with a bank or investment dealer. So, it is important that Canadians understand the steps they need to take if they want to be financially compensated,” said Jean-Paul Bureaud, Executive Director, FAIR Canada.

“Unfortunately, navigating Canada’s fragmented and complex complaint-handling process can be a real challenge in itself.”

This guide is a crucial step in achieving FAIR Canada's goal of empowering financial consumers. As part of its advocacy, the group has been among many voices repeatedly urging progress on Canada’s complaint-handling system for financial institutions.

Among its many wish-list items, the group says the Ombudsman for Banking Services and Investments (OBSI) should be given a mandate of binding authority on its decisions as a way to address the continuing issue of low-ball complaint settlements. A recent independent review of OBSI found that over a five-year period, investors received nearly $3 million less in settlements from investment firms than what OBSI had recommended.

“Our new guide fills a void by presenting all the critical information in one place, in an easy-to-follow format for main street investors and bank customers,” Bureaud said.

Earlier this year, FAIR Canada also published a report on the advisor-client relationship, indicating conflicting findings and certain areas that may require some work.

According to the report, nearly 80% of investors consult advisors, and the majority substantially rely on their advisors' recommendations. Unfortunately, most investors acknowledge that they lack the confidence to act independently.

200-411 Richmond Street E, Toronto, ON M5A 3S5
☎ (416) 494-9224 🖷 (416) 967-6320
info@cafii.com www.cafii.com

Even though the majority of investors claim to trust their advisor, more than 40% expressed worries that this person would act unethically or inappropriately, and almost 60% were concerned they might be persuaded to buy something they weren't ready for. Nearly 80% of respondents expressed concern about how much they are paying in fees, and more than 60% said they don't understand the charges they make.

Advocacy Groups Call On Feds To Fix Banking Ombudsman Muddle

A Pre-Budget Submission Says Government Needs To Follow Through On Its Reform Pledge

By James Langton, Investment Executive, February 14, 2023

https://www.investmentexecutive.com/news/from-the-regulators/advocacy-groups-call-on-feds-to-fix-banking-ombud-muddle/?utm_source=newsletter&utm_medium=nl&utm_content=investmentexecutive&utm_campaign=INT-EN&hash=6d73923380f292a40dc042b455f0fde3

Consumer and investor advocates are calling on the federal government to follow through on its pledge to create a single ombudsman for the banking sector.

In a submission to the Department of Finance as part of its consultation for the 2023 budget, the group — which includes advocates such as FAIR Canada, CanAge, Prosper Canada, Option consommateurs, the Public Interest Advocacy Centre, Kenmar Associates, the Canadian Association of Retired Persons (CARP), and the Consumers Council of Canada — demanded that the government move ahead with promised reforms to the dispute resolution system for bank customers.

In their letter, the groups noted that the prime minister's mandate letter to Finance Minister Chrystia Freeland in December 2021 called for the creation of a single, independent ombudsman.

"It has been over a year, and one budget, since the government identified this issue as a priority, yet we have seen no action," they said in the submission.

The current system allows the banks to choose whether to use either the ADR Chambers Banking Ombuds Office or the Ombudsman for Banking Services and Investments (OBSI) to resolve consumer complaints. The system is "a significant ongoing concern to all of our organizations who advocate on behalf of Canada's financial consumers, including those who are vulnerable and least able to successfully navigate and obtain redress from our current sub-par external complaint handling system," they said.

The existing approach has been criticized by independent reviews, and the Financial Consumer Agency of Canada has raised concerns, the groups noted.

"It is critical that we replace this broken system with one that effectively levels the playing field for financial consumers and adheres to well-accepted international guidelines and best practice standards for banking ombuds services," they said.

In particular, the groups called on the government to designate the non-profit OBSI as the sole ombudsman for banking complaints, and to reform OBSI to bring its service up to international standards in terms of enforcing its compensation rulings.

"This issue has grown increasingly urgent in the current economic climate," they said.

OBSI Governance Reforms Raise Big Questions

The Ombudsman Faces Mounting Criticism From Industry And Investors Alike

By James Langton, Investment Executive, February 13, 2023

OBSI governance reforms raise big questions | Investment Executive

The Ombudsman for Banking Services and Investments (OBSI) is considering reforms to its governance model, but responses to a consultation suggest more radical surgery is required.

Over the past couple of years, dispute resolution in the financial services sector has been heavily scrutinized. A federal review of complaint handling in the banking industry resulted in a government promise to designate a single agency to serve as the industry's sole external complaints body — a task currently carried out by both OBSI and the ADR Chambers Banking Ombuds Office (ADRBO).

OBSI's latest independent reviews, which were headed by Osgoode Hall Law School professor Poonam Puri, produced 25 banking reform recommendations and 22 related to investment reform, including a call for a review of OBSI's governance model.

In response, OBSI launched a public consultation in the fall on its governance arrangements and certain other recommendations in the Puri reports.

Among other things, Puri recommended that OBSI stop designating certain board seats to specific stakeholders; eliminate the requirement that industry directors be nominated by the Canadian Bankers Association, the Investment Industry Regulatory Organization of Canada, and the Mutual Fund Dealers Association of Canada; and consider permanently disbanding its consumer and investor advisory council (CIAC).

She also recommended expanding OBSI's diversity considerations, revising the list of skills it looks for in recruiting directors, and establishing new industry and consumer roundtables to garner feedback on industry issues.

200-411 Richmond Street E, Toronto, ON M5A 3S5
☎ (416) 494-9224 (416) 967-6320
info@cafii.com www.cafii.com

But some submissions to the consultation argued that simply updating OBSI's governance would be insufficient. Instead, they called for much deeper reform.

The submission from the Private Capital Markets Association of Canada (PCMA), an industry trade group for exempt market dealers (EMDs) and other players in the exempt markets, recommended OBSI be restructured into two divisions to reflect the service's two major constituencies — the banking industry and the investment industry — each with its own board.

The PCMA argued the industries are fundamentally distinct — for example, they have different customer bases, product lineups, compensation models, and regulatory frameworks.

"[H]aving one OBSI board serving two different constituencies is like having one board oversee both the National Hockey League and National Football League; both are sports leagues, but vastly different from one another," the PCMA submission stated.

This issue will be aggravated if OBSI is given binding authority for its compensation recommendations on the investment side.

"This is a fundamental shift from being an ombudsman to adjudicator with binding decision-making powers like a court of law," the PCMA submission stated. "This requires OBSI to change from a consumer advocate investigating and seeking to resolve complaints to an impartial arbitrator."

While consumer advocates have long called for OBSI to be given the power to issue binding compensation recommendations (a position supported by both the independent reviewers and securities regulators), industry dissatisfaction with the service is longstanding too.

A segment of the investment industry has long complained that OBSI is biased in favour of consumers and thus produces unjust compensation recommendations (an accusation the independent reviewers rejected).

Unlike the banking side, where the ADRBO provides dispute-resolution services for four of the Big Six banks, securities regulators have mandated that investment firms use OBSI as their only external dispute-resolution service. Recently, this mandate was extended to all registered firms on the investment side, including portfolio managers, EMDs, and scholarship plan dealers.

Meanwhile, complaints about OBSI's inadequacy from the consumer and investor side have only grown louder and more frustrated.

For years, independent reviewers have recommended that OBSI be given greater authority to resolve client complaints and enforce its recommendations. While the regulators that oversee OBSI on the investment side have supported these suggestions publicly, they have yet to act on them — to the ongoing frustration of investor advocates.

(The Canadian Securities Administrators have once again indicated that they intend to propose giving OBSI binding authority in the coming year.)

200-411 Richmond Street E, Toronto, ON M5A 3S5
☎ (416) 494-9224 🖷 (416) 967-6320
info@cafii.com www.cafii.com

"Absent the articulation of a vision for OBSI that is broadly shared by all regulators and stakeholders, we consider the quest for an appropriate governance structure for OBSI akin to putting the cart before the horse," stated investor advocacy group Kenmar Associates' submission.

It would be helpful to know what's happening concerning binding authority on the investment side, the federal government's pledge to establish a single dispute-resolution body for banking sector complaints, and any changes to OBSI's capability to deal with systemic issues before overhauling the governance model, Kenmar stated.

More fundamentally, "OBSI and its regulators should decide once and for all to clarify its being," suggested a joint submission to the governance review from Laurie Campbell, Harold Geller, Harvey Naglie, and Andrew Teasdale. All are former members of the CIAC who resigned in June following the release of Puri's reports. The CIAC's activities have been suspended.

Their submission pointed out that various independent reviews of OBSI have concluded that it doesn't perform the role of an ombudsman.

"[I]s it a designated external dispute-resolution body of its regulators or an independent system critical consumer ombudsman co-partnering, inter alia*,* with its stakeholders on matters of systemic importance?" the submission asked.

OTHER CAFII MEMBER-RELEVANT NEWS

Young Canadians' Use Of Mental Health Drugs Surges

Between 2019 And 2021, Young Canadians' Medication Claims For Mental Health Soar

By Jean Dondo, Wealth Professional, February 2, 2023

https://www.wealthprofessional.ca/investments/life-and-health-insurance/young-canadians-use-of-mental-health-drugs-surges/373377?utm_source=GA&e=YnJlbmRhbi53eWNrc0BjYWZpaS5jb20&utm_medium=20230202&utm_campaign=WPCW-Newsletter-20230202&utm_content=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8&tu=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8

The pandemic's impact on Canadians' mental health is hardly a surprise. The influence on young people, however, is clearly demonstrated by recent Sun Life research.

Between 2019 and 2021, young Canadians' claims for the use of mental health drugs soared. Drug treatments for mental illnesses have seen a 24% increase in claims for people under 30. Additionally, there was a 13% increase in claims for those ages 30 to 39. Mental illnesses accounted for 16% of all medication claims made to Sun Life in 2021. For persons under 35, paramedical claims for mental health also increased by 51%.

Data from Sun Life sources, such as the Designed for Health report, were used to identify these tendencies. There are millions of Canadians who are plan members of Sun Life, and the research identifies patterns that have an influence on disability claims throughout this group.

Although these figures may appear concerning, they may indicate a rise in the awareness of mental health problems and the need for treatment. This may be encouraging people to seek mental health therapy and reducing stigma.

"Having open and supportive conversations around mental health is a critical first step. Research shows the severity and duration of mental disorders are reduced the sooner people access care," said Dr. Sam Mikail, Director, Mental Health Solutions, Sun Life.

"When it comes to mental health treatment, there is no one-size-fits all approach. Getting the right treatment at the right time from the right practitioner is key, whether it's working with your family doctor, a psychologist, or your Employee Assistance Program at work."

Mental illnesses continue to be the leading cause of disability claims, according to Sun Life's Designed for Health study.

It found that mental illnesses account for more than half of all disability claims for people under the age of 44. Crucially, those who receive care earlier frequently experience faster healing processes and better long-term consequences.

"The need for mental health support is huge and continues to grow. We have an important role to play and are working to provide access to quality treatment through workplace benefit plans across Canada," Marie-Chantal Côté, Senior Vice-President, Group Benefits at Sun Life, said.

Quebec P&C Brokers Build Aggregator To Benefit The Broker Channel

By David Gambrill, Canadian Underwriter, February 10, 2023

https://www.canadianunderwriter.ca/insurance/quebec-brokers-build-aggregator-to-benefit-the-broker-channel-1004230521/?utm_medium=email&utm_source=newcom&utm_campaign=CanadianUnderwriterDaily&utm_content=20230213160310&hash=6d73923380f292a40dc042b455f0fde3

Quebec's property & casualty insurance broker association has built a new online quote aggregator system by brokers for brokers.

"Some insurance companies would call it an aggregator, but I would say it's more like an online rocket," said Mathieu Brunet, vice president of MP2B Assurance and past-president of the Quebec broker association, Regroupement des cabinets de courtage d'assurance du Québec (RCCAQ).

The initiative, called Demano, currently has four participating carriers and 12 provincial brokerages, and is owned by the RCCAQ. More carriers and brokerages are expected to join the initiative soon.

"The system is used to get online quotes from different carriers for automobile, and for personal lines property such as home, condos and apartments, for example," as Brunet explained. "So, the quote is offered to the consumer, by directly passing the opportunity through the broker system."

Basically, the aggregator assigns a brokerage to the customer requesting the online quote. The broker contacts the consumer and double-checks the data entered by the client online. And then, assuming the consumer wants to continue with the quote, the broker can finish the transaction and hopefully make the sale.

The RCCAQ's aggregator has several criteria built into it, to help determine which brokerage will get assigned to the online lead.

First, the hours of operation — the brokerage has to be open to be able to get the lead. Second, language — the brokerage must offer service in the language of the consumer's choice. Third, the region — if the online customer seeking the quote comes from Montreal, for instance, the system would look to hook that person up with a brokerage located in Montreal. Fourth, the brokerage must work with the carrier that provides the best quote. If the quote comes from Wawanesa, for example, the brokerage must have Wawanesa on their roster of carriers.

Finally, a phone service has been added, so that consumers who don't want to or can't close the quote online can talk directly to an available broker on the phone to get the quote and close the deal instead. The aggregator was conceived as a means to level the playing field for brokerages that might not have the wherewithal to play in the online quoting space without committing significant financial capital.

"A lot of brokerages don't have the marketing resources to have a substantial online presence, which could require hundreds of thousands of dollars each month," Brunet commented to Canadian Underwriter. "So, we want to be able to give them this kind of online presence."

And, since this aggregator is brokerage-owned, the money brokerages pay to procure the online leads it generates stays in the broker channel. That's because the aggregator is owned by the RCCAQ and is not privately owned.

Delayed Retirements Are Helping Offset A Greying Economy, For Now: TD Economics

Retirement Age Participation In The Workforce Appears Only Temporary With The Pace Of Retirements Set To Increase In The Next Few Years

By Steve Randall, Wealth Professional, January 27, 2023

TD: Delaying retirement is helping offset a greying economy, for now | Wealth Professional

Talk about Canada's aging population is not new, and it's not just Canada where this is a challenge.

But the retirement of workers, many of them with skills that businesses need, is a risk to the economy if it is not addressed.

A new report from TD Economics' director and senior economist James Orlando, CFA, highlights the problem and opportunity posed by 'the greying' of Canada's population.

Key to this is that many Canadians who would have been eyeing retirement have chosen (or perhaps been forced) to work longer than expected. But older workers will not stay in the labour market en masse forever.

Delayed retirement for those in their late 50s and early 60s has provided an important buffer for those businesses that would otherwise be struggling to fill skills gaps.

Orlando highlights that the greying effect is set to intensify in the years ahead, but there has been an increase in the number of people in all age groups 55+ who have remained in the work force since 2020.

Changing Pace?

TD's calculations show that, if the retirement rate of the early 2000s had endured into the 2020s, then there would have been more than 1 million fewer retirement age people in the workforce.

Lower asset values and rising housing and energy costs may necessitate staying in work force rather than drawing on a pension pot that may prove inadequate.

However, the figures show a 17% increase in the number of retirements in 2022, compared to the prior two years, with 266,000 people retiring through to the end of last year.

TD expects that trend to continue; and with a projected 1 million over 65s in Canada by 2025, that could mean 900,000 people retiring based on current participation rates.

That would mean a 50% increase in retirements compared to the 10-year average.

Skills Gap

Orlando says that businesses cannot ignore the likelihood of losing both the headcount and the knowledge that is in those heads.

His report calls on policy-makers and business leaders to address an impending skills gap, by ensuring the training of young Canadians but also in how foreign credentials and experience are treated and effective job-to-skills matching.

"The aging of Canada's existing population is opening the door to make the structural changes necessary to bring in, integrate, and support all current and future Canadians. Therein lies a huge opportunity for Canada," Orlando states.

Employers Pushing Back Against Hybrid Work Model

Arrangement May Be 'Here To Stay' But Productivity Issues Remain

By John Dujay, Wealth Professional, January 31, 2023

https://www.wealthprofessional.ca/your-practice/practice-management/employers-pushing-back-against-hybrid-model/373291?utm_source=GA&e=YnJlbmRhbi53eWNrc0BjYWZpaS5jb20&utm_medium=20230131&utm_campaign=WPCW-Newsletter-20230131&utm_content=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8&tu=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8

As the world of work settles into a new reality and many workplaces are fully hybrid, are one set of employees getting better treatment versus their counterparts?

According to a survey, remote workers may be enjoying some benefits in their setup, but they may also be missing out too. Fifty-six (56) per cent of U.S. adults believe that employees who work exclusively in-office have a competitive advantage over their fully remote counterparts when it comes to getting raises, bonuses, and promotions, reports the American Staffing Association.

Despite this sentiment, less than half (48 per cent) of workers report that they are working completely in-person, 28 per cent are working on a hybrid schedule, and 24 per cent are fully remote.

“How, when, and where work will get done in the future is still an open question,” says Richard Wahlquist, president and CEO, American Staffing Association.

“Employers are trying to determine how hybrid and remote work affect productivity. And employees are trying to determine how the rise of hybrid and remote work is going to affect their careers, especially now that they’re contending with economic uncertainty.”

Forty-four (44) per cent of workers say they would be willing to take a pay cut if it meant they had greater freedom to work remotely, found the survey of 2,019 U.S. adults aged 18 or older – of whom 1,140 were employed – conducted from October 27 to 31, 2022.

“One thing that is certain is that hybrid and remote work [are] here to stay for significant numbers of employees whose work could be done from home,” says Wahlquist.

Old Guard Fights Back

That said, many employers are pushing back against this new model.

Unproductive employees of investment bank Citi are being told to return to offices, according to its CEO Jane Fraser.

“You can see how productive someone is or isn’t. If they’re not being productive, we bring them back to the office or back to the site and we give them the coaching they need,” said Fraser during the recent World Economic Forum in Switzerland.

Her remarks came after Fraser was asked what CITI had learned since implementing a remote setup in 2021. "We learned that we do want people collaborating and they do collaborate better together. Apprenticeship is really important," said Fraser during the forum.

According to the CEO, apprenticeship and getting feedback is critical, and they tend to be handed out regularly when employees are together.

"But at the same time, we don't have to go back to the 80s model that sort of epitomized Wall Street either," said Fraser. "We'll try and send more of our juniors home at the end of the day so they can work from there, but I do believe that there's an important balance here."

Productivity Worries

Being productive at home is one of the biggest concerns of employers as the pandemic prompted remote work arrangements.

Citi first introduced the policy in 2021, where select employees can be permitted to work from home three times per week. It also implemented Zoom-free Fridays and a Citi Reset Day to take care of employees' well-being.

"I think the positions that we've taken, where we're recognizing that we're going through a very human crisis during the pandemic, was one that was an advantage for us in the end to attract and retain and get the most out of our talent," said Fraser.

What About Downtowns?

Productivity and collaboration are not the only things being affected by the shift to more remote work, according to an expert.

Downtown businesses might be doomed to despair after the pandemic if people continue to work from home, said James Bailey, professor and Hochberg fellow of leadership development, George Washington University.

"Not returning to the office is going to have a profound impact on the quality and the liveliness and the culture of the downtown areas in major metropolitan cities," he said.

Even if 75 per cent of people go back to working in the office permanently, the 25-per-cent reduction in foot traffic will be enough to kill businesses and leave people without work, he says.

"Let's think about the clothing shops and the jewelry shops and the bodegas in the corner, those little restaurants. They're going to close. There's going to be boards and gates all over those places.

"Now, all those people that did go downtown are not going to stay downtown to have lunch — they're going to bring their own lunch. They're not going to stay downtown to have a couple of drinks with friends afterwards, because the bars are shut."

New Norm

But hybrid working is now viewed as an expected norm rather than a "benefit," with employees wanting to choose their in-office and remote days.

"A heavy-handed approach can do a lot of damage to your employer brand and retention efforts," said Tim James, managing director at Hays.

Why Is Ghosting A Problem Among New Hires?

'The Talent Pool Has Never Been More Selective About What They Want From An Employer'

By John Dujay, Wealth Professional, February 6, 2023

https://www.wealthprofessional.ca/your-practice/practice-management/why-is-ghosting-a-problem-among-new-hires/373434?utm_source=GA&e=YnJlbmRhbi53eWNrc0BjYWZpaS5jb20&utm_medium=20230207&utm_campaign=WPCW-Newsletter-20230207&utm_content=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8&tu=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8

While employers continue dealing with labour shortages, one stubbornly persistent practice remains particularly frightening for hiring managers. Ghosting happens when a candidate gets approved to join an organization after an interview but fails to show up on the day when that person should be joining.

Its incidence is surprisingly high, found a recent survey of small businesses. More than one-third (36 per cent) of small employers say they've hired people who never showed up to work or stopped coming to work shortly after they started.

Another third (37 per cent) have had job candidates who stopped responding during the application or interview process in the past year, according to a survey of 3,264 respondents in November by the Canadian Federation of Business (CFIB).

"Employers are already having an incredibly hard time filling certain positions. Ghosting is not only a frustrating waste of their time, it's a big drain on their already limited resources," says Dan Kelly, president at the CFIB.

On the other hand, a failure to communicate has long been a challenge for many jobseekers, and that trend continues. "We're in the midst of a real role reversal, and the talent pool has never been more selective and vocal about what they want from an employer," says Daniel Chait, CEO and co-founder of software maker Greenhouse.

Over 70 per cent of job seekers say they want feedback on an interview, found the company's survey of more than 1,500 global employees and jobseekers released in February. But more than 75 per cent of job seekers have been ghosted after an interview, never hearing from a company again.

Gone Forever

The problem exists for incumbents too, as many employees who leave fail to show up for exit interviews. Leaders have revealed that many employees are not showing up for their exit interviews — and they're taking their work equipment too.

"Ghosted exit interviews are a big missed opportunity to gain valuable feedback on the employee experience, and stolen laptops and smartphones can lead to major consequences if confidential data ends up in the wrong hands," says Brian Westfall, principal HR analyst at Capterra.

In a survey of 219 leaders by online marketplace vendor Capterra, 86 per cent said at least one employee ghosted them on their exit interview, with 70 per cent saying multiple employees didn't show up.

"These results were consistent, regardless of where the employee worked (on-site, hybrid, or remote) or the size of the company — indicating this problem isn't unique to one type of organization," the report says.

To encourage participation in exit interviews, the report urged organizations to use online survey tools instead of in-person interviews, while stressing that feedback would be anonymous.

The problem is happening in all industries, according to a report from Brazen and Talent Board that found that candidate ghosting (37 per cent) is now the top challenge for talent acquisition teams.

"It's across all job types," says Kevin Grossman, president of Talent Board. "Professional candidates, especially those that are in the running for multiple jobs, with multiple offers, may verbally accept, and then never respond again, because they took another job somewhere else."

More Jobs Than Workers

That number of jobs available to applicants is one of the factors powering this trend, Grossman said. "For every candidate, there are two or three jobs available. So there's a lot of jobs in the market, across industries."

Compared to two years ago, more than four in 10 respondents (43 per cent) to a previous survey said it's more common for job candidates to cut off communication.

"There is a higher level of ghosting of these individuals that are [thinking] 'I can get paid higher'."

Pay Them

In order to prevent this, what about compensating candidates for their time? "We just need to reset, and really think about people as people and as valuable assets to companies, and they need to be treated like that from the start," says Allison Venditti, founder of Moms at Work and My Parental Leave.

200-411 Richmond Street E, Toronto, ON M5A 3S5
☎ (416) 494-9224 🖷 (416) 967-6320
info@cafii.com www.cafii.com

"It's really only going to stop once the employee side says, 'Enough… I'm not going in for three interviews — I have a job and a family and a life."

In recognition of the time and effort put into taking interviews, employers such as FoodShare are paying for people's time.

When a job candidate comes for an interview at the food justice organization, they're given $75. If they go for a second interview, they'll receive another $75, and if they're asked to prepare any kind of presentation, they'll be compensated at the hourly wage of the position they're applying for.

It's about respecting people for their time and labour in preparing for and undergoing an interview, according to Paul Taylor, executive director at FoodShare.

"Things like paying for transit, paying for childcare, the cost associated with taking a day off, the time spent reviewing, researching, preparing for presentations — countless amount of hours go into that that we feel employers have been allowed to get off the hook by not having to compensate prospective candidates for."

UPCOMING CAFII MEMBER-RELEVANT WEBINARS AND EVENTS

McCarthy Tétrault Advance™ Webinar on DigitALL: Innovation & Technology for Gender Equality

Dates: Monday, March 6, 2023
Time: 3:00 p.m. – 4:00 p.m. EST

During the pandemic and now throughout the recovery, there have been dramatic shifts in how we work, connect, and collaborate with others. This session will explore the impact that the pandemic had and continues to have on women at work and at home, how technology and innovative ways of working can promote gender equality, and how law firms and organizations can adopt a gender-responsive digital approach to the post-pandemic workplace to ensure inclusion for all.

This panel discussion will feature a dynamic panel of gender equality advocates, including:

- Zabeen Hirji, Executive Advisor, Future of Work, Deloitte, and Former Chief Human Resources Officer, RBC
- Paulette Senior, President and CEO, Canadian Women's Foundation
- Aliya Ramji, Partner and Co-founder of MT>Ventures, McCarthy Tétrault

The panel will be moderated by Charlene Theodore, Chief Inclusion Officer, McCarthy Tétrault and will feature remarks from Dave Leonard, CEO, McCarthy Tétrault and Godyne Sibay, Managing Partner, Ontario Region, McCarthy Tétrault.

200-411 Richmond Street E, Toronto, ON M5A 3S5
☎ (416) 494-9224 (416) 967-6320
info@cafii.com www.cafii.com

Register Here

Canadian Club Toronto Webinar On "Ideas and Efforts Around Equity At Laurentian Bank And Beyond"

Dates: Tuesday, March 7, 2023
Time: 11:45 a.m. – 1:30 p.m. EST

Join Canadian Club Toronto on March 7, on the eve of International Women's Day, when we will hear from Laurentian Bank's President and Chief Executive Officer, Rania Llewellyn, the first woman to lead a chartered Canadian Bank. Rania will be joined in conversation by Tanya van Biesen (Managing Partner, Board & CEO Succession Practice Canada, Korn Ferry) to discuss her ideas and efforts around equity at Laurentian and beyond, with a focus on the power of mentorship, sponsorship, and allyship.

For further information and to obtain a virtual ticket ($0)/register, click here.

Lavery French Webinar On 'Annual Review of Insurance Law: Key Judgments Rendered In Quebec In 2022'

Dates: Thursday, March 9, 2023
Time: 8:00 a.m. – 9:30 a.m. EST

This hybrid conference will summarize and discuss the key judgments rendered in Québec in 2022.

The two Lavery presenters will be:

- **Jonathan Lacoste-Jobin:** a member of the Litigation group and practices primarily in the areas of insurance law, professional liability, and commercial litigation; and

- **Bernard Larocque:** a partner whose practice focuses primarily on civil litigation, including defamation law, insurance law, class actions, professional liability, and administrative disputes. He frequently appears before the courts, including the Supreme Court of Cana da and the Quebec Court of Appeal.

The talks will be given in French.

Register Here

This invitation may be transferred. Feel free to send it to colleagues within your organization.

LIMRA Canada Insurance Immersion Program – In-person Event: Connect with Success

Dates: From Tuesday, April 4 through Thursday, April 6, 2023
Venue: Canada Life, Hugh C. Baker Room, 330 University Avenue, Toronto, ON

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.

Benefits of the Insurance Immersion program:

- ***It's fast.*** Conducted at a quick and methodical pace, participants accelerate their learning and knowledge of the industry efficiently during this multi-day program.
- ***It's comprehensive.*** The program covers a wide range of important aspects of the Canadian insurance business, including products, pricing, distribution, sales, regulations, operations, finance, and risk management.
- ***It's effective.*** In a lively and highly interactive learning process that includes real-life case studies and instruction by subject matter experts, participants live and breathe insurance.

Course Credit Toward LOMA Designation Programs
Insurance Immersion participants who attend the program in full will receive credit for the two LOMA FLMI Level I courses. This benefit provides participants with the FLMI Level I Certificate in Insurance Fundamentals and a jump-start to earning a prestigious industry designation.

Register Here (Early Bird Registration Rates Available Until March 3/23: Save $400)

Canadian Lawyer Webinar On "Everything you need to know about the evolving Canadian competition law landscape"

Dates: Thursday, March 9, 2023
Time: 12:00 p.m. – 1:00 p.m. EST

Join this free industry panel discussion where we will share our perspectives on regulators activity when investigating anti-competitive behaviour, the strategic role of technology, leveraging advanced analytics tools, and the impact of early case assessment. We will outline all the major changes in the industry, useful strategies, and everything you need to be aware of. Learn from a panel sponsored by Epiq, and have the chance to ask important questions surrounding the Canadian competition law landscape.

Register Here

200-411 Richmond Street E, Toronto, ON M5A 3S5
(416) 494-9224 (416) 967-6320
info@cafii.com www.cafii.com