

CAFII ALERTS WEEKLY DIGEST: February 26 – March 1, 2024

March 1, 2024

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.

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GOVERNMENT/LEGAL/REGULATORY/ BUSINESS DEVELOPMENTS

AMF Issues Complaint Handling Rules

CIRO Firms Exempt From New Standards For Quebec Financial Firms

By James Langton, Investment Executive, February 28, 2024

https://www.investmentexecutive.com/news/from-the-regulators/amf-issues-complaint-handling-rules/?utm_source=newsletter&utm_medium=nl&utm_content=investmentexecutive&utm_campaign=NT-EN-morning&hash=f9f4f6eaf33f1b05c846d7c2a532f58

The Autorité des marchés financiers (AMF) has issued rules to standardize how consumer complaints are dealt with by financial sector firms.

The regulations, which will establish a common set of processes and timelines when dealing with client complaints, are intended to benefit financial sector consumers.

Firms will be required to provide clients with final responses to complaints within 60 days in most cases, but up to 90 days in exceptional cases. It also sets out penalties for firms that don't meet the standards set out in the new rules.

Investment dealers and mutual fund dealers that belong to the Canadian Investment Regulatory Organization (CIRO) will be exempt from the new rules, which will take effect July 1, 2025.

The AMF said that its rules are based, in part, on international best practices, along with feedback received from a pair of consultations on the rules.

"The [new rule] is also intended to foster a culture of continuous improvement within the financial sector," the AMF said in a release, adding that "it is crucial that businesses identify the causes common to the complaints they receive with a view to implementing solutions to address issues and ultimately improve their services to consumers."

The regulator also acknowledged that implementing the new requirements "will entail significant changes for the financial sector."

To facilitate that implementation, the AMF will be providing guidance to the industry, including a complaint policy template for firms, along with the transition period.

CAFII Picks Executive Director

Chair Cites "Complete Trust" In Association Stalwart

By Terry Gangcuangco, Insurance News, February 27, 2024

https://www.insurancebusinessmag.com/ca/news/breaking-news/cafii-picks-executive-director-478838.aspx?hsmemberId=83982452&tu=&utm_campaign=&utm_medium=20240227&hsmi=295845163&hsenc=p2ANqtz--n0hKLvu0bMiH-q4qWUhUXsZkBDGQyqLf4cdTO0Jj9blm5Ql7mK5HTo1qL3yRkQ9HizvBHDFxJsOpqRSY1yVtS8gKvw&utm_content=&utm_source=



Keith Martin (pictured) has been named the new executive director of the Canadian Association of Financial Institutions in Insurance (CAFII), moving on from his previous co-executive director position. Over his seven years of service, Martin has played a pivotal role in the association's goals of promoting a fair regulatory landscape, advocating customer fairness, and encouraging competition and innovation within the industry.

With a rich background in banking and insurance, Martin is set to leverage his experience to further CAFII's objectives. He has done collaborative work with members to examine consumer attitudes towards credit protection insurance while focussing on improving financial literacy among consumers.

Martin has also been instrumental in facilitating open conversations with regulators and policymakers across Canada, an undertaking he pledges to sustain and expand in his new capacity. His executive director remit includes liaising with a membership base that spans major Canadian banks, credit unions, and insurance firms.

Peter D. Thompson, CAFII board chair and CEO of National Bank Insurance, expressed unwavering support for Martin's appointment, highlighting his confidence in Martin's ability to fortify CAFII's position as a leading voice for credit protection insurance and travel Insurance. "I have complete trust in Keith as the new sole management leader at CAFII," he said.

Echoing Thompson's sentiments, CAFII vice chair and Assurant Canada president and CEO Paul Cosgrove praised Martin for his strategic contributions over the years.

Commenting on his role, Martin said: "I am honoured to lead CAFII in its mission to ensure Canadians have access to simple, accessible, and affordable insurance. I'll continue to focus on building strong relationships with regulators and policymakers to promote a balanced and fair regulatory environment."

Set up in 1997, CAFII is a not-for-profit industry association dedicated to the development of an open and flexible insurance marketplace.

70% Of Scotiabank's Mortgage Originations In Q1 Were Multi-Product Deals

By Steve Huebl, Canadian Mortgage Trends, February 27, 2024

<https://www.canadianmortgagetrends.com/2024/02/70-of-scotiabanks-mortgage-originations-in-q1-were-multi-product-deals/>

Scotiabank is reporting success in its efforts to grow its deposits and increase profitability by doing more cross-selling to new mortgage clients.

In the first quarter, the bank said 70% of mortgage deals involved the bank's new Mortgage+ product, which offers preferential rates for clients who bundle their mortgage with other eligible products, such as investments, insurance or credit cards. As a result, new mortgage clients now have an average of 3.2 products with the bank.

"Our approach to the mortgage business has evolved. We're having good success with our bundled offerings," President and CEO Scott Thomson said during the bank's quarterly earnings conference call.

The bank welcomed 42,000 new primary clients in the quarter "on the back of better cross-sell and proactive engagement," President and CEO Scott Thomson said during the bank's quarterly earnings call.

“We are closely tracking client relationship depth and saw progress as the number of clients with three-plus banking products has seen a 50 basis point increase since the start of the fiscal year,” he added.

Last year, Scotiabank announced it planned to “intentionally slow” its mortgage portfolio to focus on growing deposits and lower its reliance on wholesale funding from larger investors.

“Deepening [the relationship] with existing customers of the loan portfolios is going to continue to be a prominent story going forward,” Dan Rees, head of Canadian Banking, said at the time.

The bank reported a 9% year-over-year increase in deposit growth within its Canadian banking portfolio.

Variable-Rate Mortgage Portfolio Maintains Strong Credit Despite Higher Rates

Scotiabank also provided an update on the credit quality of its variable-rate mortgage portfolio, which has maintained “strong performance” despite a 475-basis-point rise in the Bank of Canada’s overnight target rate, as well as prime rate, since early 2022.

“We remained confident in the performance of our variable rate mortgage product, which has maintained strong credit performance despite unprecedented increases in borrowing costs,” Thomson said.

That’s despite variable-rate mortgage clients seeing an average 50% increase in their mortgage payments since the rate increases began.

Scotiabank is the largest mortgage lender to offer adjustable-rate mortgages, which are variable-rate mortgages with payments that fluctuate as prime rate rises or falls.

Unlike fixed-payment variable-rate clients at some of the other big banks, Scotiabank’s floating-rate clients don’t have to worry about hitting their “trigger rate” or experiencing negative amortization given that their payments automatically increased to cover the higher interest costs.

“I suspect with the [variable-rate mortgage] book you’ll start to see some further stress in that portfolio into Q2 into Q3,” said Chief Risk Officer Phil Thomas. “And it will be really the Bank of Canada rate decreases [expected later this year] that will start to pull in and have the biggest impact on the clients.”

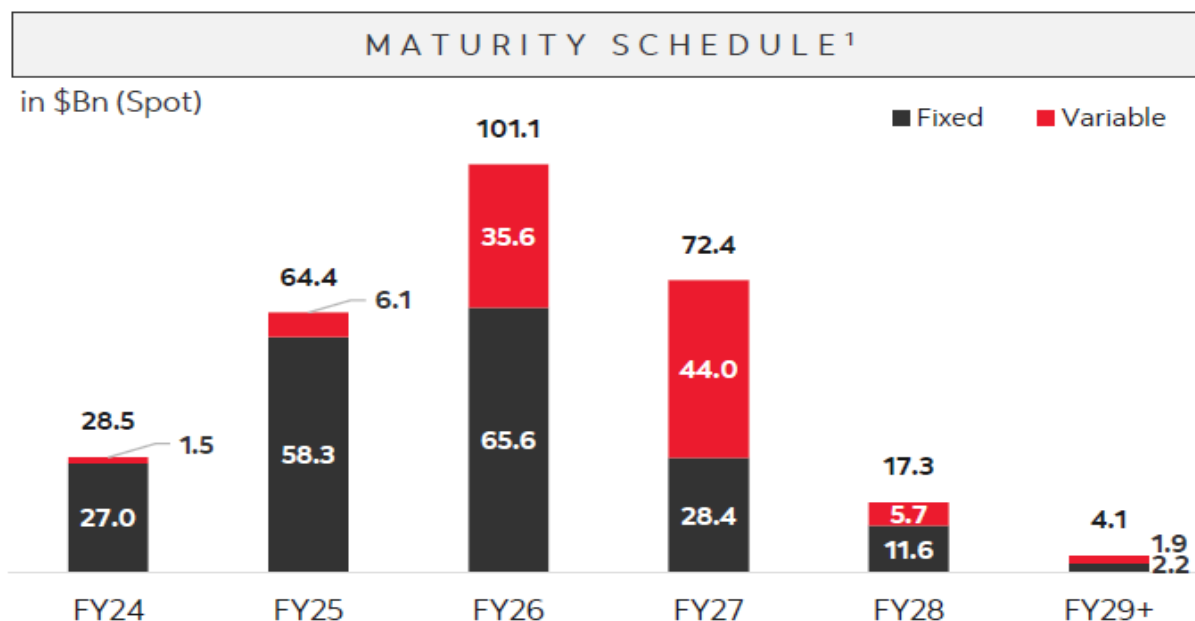
Delinquency Rates On The Rise

While Scotiabank did see a rise in delinquency rates, they still remain below pre-pandemic levels.

The percentage of the bank’s residential mortgage portfolio that is now behind payments by 90 days or more rose from 0.16% in Q4 to 0.20% in Q1. Thomas said the delinquencies were higher in the variable-rate mortgage portfolio at 0.26% vs. 0.17% for the bank’s fixed-rate mortgage portfolio.

“Notably, the year-end multi-product clients have lower delinquency across their household balance sheets versus single-service and fixed-rate mortgage clients,” Thomas added.

The bulk of the bank's fixed-rate mortgage clients will be impacted by higher rates as their terms come up for renewal in the coming years.



Scotiabank earnings highlights
Q1 net income: \$2.2 billion (+25% Y/Y)
Earnings per share: \$1.69

	Q1 2023	Q4 2023	Q1 2024
Residential mortgage portfolio	\$302B	\$290B	\$288B
Percentage of mortgage portfolio uninsured	73%	74%	74%
Avg. loan-to-value (LTV) of portfolio	52%	49%	50%
Portfolio mix: percentage with variable rates	37%	33%	33%
90+ days past due	0.11%	0.16%	0.20%

Canadian banking net interest margin (NIM)	2.26%	2.47%	2.56%
Total provisions for credit losses	\$638M	\$1.256M	\$962M
CET1 Ratio	11.5%	13%	12.9%

Source: Scotiabank Q1 Investor Presentation

Lynx Air Shutting Down Monday, Tells Passengers To Seek Refunds Through Credit Cards

CALGARY - Low-Cost Airline Lynx Air Announced A Sudden Halt To Its Operations As Of Monday And Told Customers With Bookings After That To Seek Refunds From Their Credit Card Companies.

By The Canadian Press, Toronto Star, February 22, 2024

https://www.thestar.com/business/lynx-air-shutting-down-monday-tells-passengers-to-seek-refunds-through-credit-cards/article_d894532f-7a23-58ff-8e54-d8fab48ee6a1.html

CALGARY - Low-cost airline Lynx Air announced a sudden halt to its operations as of Monday and told customers with bookings after that to seek refunds from their credit card companies.

In a news release sent Thursday evening, the Calgary-based firm said it had obtained an initial order from the Alberta Court of King's Bench for creditor protection.

The airline did not say how many customers would be left in the lurch by the shutdown, which is set to take effect at 12:01 a.m. MT Monday.

The airline directed passengers to a frequently asked questions section on its website. There, it said it would continue to operate the majority of its flights through the weekend and that anyone whose flight is cancelled would be notified via email. It also said travel and flight vouchers wouldn't be accepted once operations cease.

"Every effort is being made to assist passengers at this time," the airline said in its release.

"Passengers with existing bookings are advised to contact their credit card company to secure refunds for pre-booked travel."

The airline cited "significant headwinds" over the past year, including rising costs, high fuel prices, exchange rates, increasing airport charges and a difficult economic and regulatory environment.

"Operating as an ultra-low-cost carrier, Lynx launched its inaugural flight in April 2022, growing its fleet and number of destinations while doubling its volume of passengers over the past two years," the company said.

"However, despite substantial growth in the business, ongoing operational improvements, cost reductions and efforts to explore a sale or merger, the challenges facing the company's business have become too significant to overcome."

In a statement, a Lynx spokesperson said it was a difficult day for everyone at the company and an "exceptionally difficult day" for customers.

"Growing financial pressures have made it impossible to continue our operations," the spokesperson said.

Canada's transport minister said he's thinking of those who are affected by the news.

"For any travellers that had a return flight booked with Lynx, I expect Lynx to help you get back home as soon as possible," Pablo Rodriguez said in a statement posted on social media. "I expect Lynx to fully refund you if your fare won't be honoured."

"My office has been in touch with Lynx, we will continue to communicate with all parties, and we've convened calls with other airlines to see how they can help, to ensure that passengers are put first."

The airline's fleet consists of nine Boeing 737 Max 8s. Lynx's website lists 23 destinations, including most major Canadian cities and U.S. locations such as Phoenix, San Francisco and Tampa Bay.

The newest of Canada's ultra-low-cost carriers, Lynx counts among its investors Stephen Bronfman's Claridge Inc. and Bill Franke's Indigo Partners, a U.S. private equity firm that invests in no-frills airlines such as Wizz Air and Frontier Airlines.

Lynx's CEO announced her departure last June, with no successor named since.

This report by The Canadian Press was first published Feb. 22, 2024.

OTHER CAFII MEMBER-RELEVANT NEWS

What Does Climate Change Mean For Life & Health Insurance?

Report Takes Deep Dive Into 'Less Well Understood' Risks

By Terry Gangcuangco, Insurance Business, February 28, 2024

https://www.insurancebusinessmag.com/ca/news/life-insurance/what-does-climate-change-mean-for-life-and-health-insurance-478967.aspx?hsmemberId=83982452&tu=&utm_campaign=&utm_medium=20240228&hsmi=296023358&hsenc=p2ANqtz--9fmpdKqsN1jShnsxf2as0jB58H6xq0g9aokpvnZXIUfp8yeQizAS4k1wCkKTaec-Fj4KFGEB1NFHP7a0zn_QF8v_zhw&utm_content=&utm_source=

The Geneva Association, which investigates key risk areas that can potentially impact the insurance industry, and charitable foundation Wellcome have released a comprehensive report examining climate change and the risks it poses to life and health insurers – a subject that is less well understood compared to the corresponding exposure in the property and casualty sector.

“Climate Change: What does the future hold for health and life insurance?” is 47 pages long, with sections on the impact of climate change on health and on insurance products, as well as on how future availability, structure, and pricing might be affected.

P&C insurers have been grappling with an uptick in claims due to damage inflicted by climate-induced events. However, as highlighted by the report, the impact of climate change is also encroaching upon human health through acute and chronic risks alike – from respiratory ailments triggered by wildfires to the increased risk of illness due to disease-carrying insects.

The report emphasizes that while health and life insurers have yet to face significant impacts from these risks, the projection is towards a future where such effects will intensify, necessitating innovative approaches to insurance. Recommendations include a focus on prioritizing preventive measures and the adoption of parametric insurance models.

The Geneva Association

The impacts of climate change go far beyond damage to property, with serious consequences for human health as well. What are the implications for health and life insurers? This report by Adrita Bhattacharya-Craven and Maryam Golnaraghi, Ph.D. of The Geneva Association, and Madeleine Thomson and Talia Caplan of Wellcome Trust, explores climate-related risks from a health and life insurance perspective and outlines how insurers can work to keep their products available and affordable as these risks escalate.

Jad Ariss, managing director of The Geneva Association, underscored the importance of addressing the human element of climate change, noting: “We cannot talk about the effects of climate change without talking about the major harm to human beings – to people’s physical and mental health.” Ariss pointed out the multifaceted nature of climate impacts, shining a light on the need to mitigate the risks to keep them insurable.

Similarly, Adrita Bhattacharya-Craven, the report’s lead author and The Geneva Association’s director of health and demography, highlighted the growing challenges posed by climate change to both mortality and morbidity. She stressed how important it is for the insurance industry to collaborate broadly to effectively address the health risks associated with climate change.

Wellcome’s head of climate impacts and adaptation Madeleine Thomson also commented on the report, citing the unique position of the insurance sector in addressing the matter. Thomson advocated for more research into the health impacts of climate change, to enable the development of appropriate insurance products, particularly for vulnerable populations in high-risk countries.

How Can The Financial Services Industry Avoid 'The Pink Tax' On Women?

Almost Half Of Women Feel Their Age Impacts Their Promotion Prospects

By Steve Randall, Wealth Professional, February 27, 2024

https://www.wealthprofessional.ca/news/industry-news/how-can-the-financial-services-industry-avoid-the-pink-tax-on-women/384000?hsmemberId=83982452&tu=&utm_campaign=&utm_medium=20240227&hsmi=295841406&hsenc=p2ANqtz--0HPFiax3fDFj0clMPaEtcwv-yRq9URV8LPDcpJm5994OI5m74WuYDiZvWaTDoDfRuLunarXH1_z2tViyFfvutubsjwQ&utm_content=&utm_source=

Gender inequality in the workplace is an ongoing issue across most industries and while some stats show that financial services is doing better than others at board level, there are still biases and unfair policies.

Pay inequality is a well-documented injustice, but other factors can also negatively impact women in the workplace including ageism, as highlighted in a new global survey from Toronto-based Women of Influence+ which found that 80% of respondents have faced age-related discrimination in their careers.

Having to face additional barriers includes having to try to appear ‘the right age’ for the job - whether that’s older or younger – known as the ‘pink tax’ and half of poll participants reported unfair treatment in promotion processes, limiting their ability to progress to higher paid roles.

"Women are never the right age. We are either 'going to get pregnant' or 'too old'," stated one respondent, which Women of Influence+ highlights as a societal tendency to place undue expectations on women.

More than four in ten (41%) of those who took part in the poll said they had faced age-based discrimination within the first decade of their careers, but 56% said they encountered it after 21 years in their career.

Most respondents said that ageism and sexism are intertwined with 70% saying that age discrimination disproportionately affects women, with an additional bias for racialized women.

These issues lead to stress, a lack of sense of belonging at work, and dissatisfaction with employers.

Canadian financial services firms still have barriers or perceptions that limit the inflow of women into the industry. A report last year by ISS Market Intelligence revealed that women represented 18% of advisors in Canada's full-service brokerage channel in 2022 – a positive but nevertheless small step forward from 15% in 2015.

"The findings of our survey are a call to action — it's time for systemic change," said Dr. Rumeet Billan, CEO, Women of Influence+. "We must collectively work towards creating environments where age does not define capability or limit opportunity. Our commitment at Women of Influence+ is to continue advocating for and supporting these necessary changes."

How To Tackle Workplace Ageism

The report suggests several ways that employers can address the issue of gender-based ageism in the workplace.

These include:

- Raising awareness and providing training and education
- Implement preventative policies and hold people accountable
- Develop reciprocal mentorship programs
- Focus on competencies over age when recruiting and hiring
- Include ageism as a part of DEI strategy, initiatives, and programs

"Nearly 80% of women encountering ageism in the workplace is not just a statistic; it's a clear indication that we are facing a pervasive and systemic issue," concluded Dr. Billan. "Our survey sheds light on the hidden barriers many self-identifying women face, that not only hinder their career progression but also impact their confidence and well-being."

Exploring the Impact of Ageism on Women in the Workplace

77.8%

of respondents have experienced **age-based prejudice** or **discrimination** in the workplace.



of respondents work in a **multigenerational workforce**.



have witnessed women in the workplace **being treated differently** because of their age.

Who are the culprits?

The perpetrators of ageism are identified across all levels of seniority, from members of the HR team, to co-workers and clients, to managers and executives, and the **majority identified as men**.

Only **one-fifth (21.1%)** of respondents reported having **policies to address ageism at work**.



The repercussions are far-reaching:

How has your experience with ageism impacted you personally?

- 62.2%** Increase in stress
- 61.8%** Second-guessing my capabilities
- 59.3%** Working harder to prove value
- 55.0%** Lower self-confidence
- 51.1%** Negative impact on my mental health

How has your experience with ageism impacted you professionally?

- 57.7%** Impaired career progression
- 52.1%** Lack of sense of belonging at work
- 50.9%** Dissatisfaction with my employer
- 44.4%** Imposter syndrome
- 39.9%** Looked for a new job/role

It's not all bad news.

Respondents found **ageism to be the nudge they needed** to set out on their own or **advocate to improve the work environment for others**.

What can organizations do?

1. Raise awareness and provide training and education.
2. Implement preventative policies and hold people accountable.
3. Develop reciprocal mentorship programs.
4. Focus on competencies over age when recruiting and hiring.
5. Include ageism as a part of DEI strategy, initiatives, and programs.

Follow @WOIGlobal across platforms
Contact info@womenofinfluence.ca

WOMEN OF INFLUENCE+

Visit womenofinfluence.ca/ageism
for more information

Source: Exploring the Impact of Ageism on Women in the Workplace, an international research project led by Women of Influence+. More than 1,250 respondents completed the survey between January 9, 2024 and February 4, 2024.

Households' Struggle With Credit Cards Grows: Fitch

Delinquencies, Charge-Offs Rose In Q4 As Financial Stress Intensified

By James Langton, Investment Executive, February 22, 2024

https://www.investmentexecutive.com/news/research-and-markets/households-struggle-with-credit-cards-grows-fitch/?utm_source=newsletter&utm_medium=nl&utm_content=investmentexecutive&utm_campaign=NT-EN-morning&hash=f9f4f6eaf33f1b05c846d7c2a532f58

Amid still-elevated inflation and tight financial conditions, credit card delinquencies and charge-offs rose in the fourth quarter, according to Fitch Ratings.

The rating agency reported that credit card performance deteriorated in the fourth quarter, as average late-stage delinquencies (60+ days past due) rose for the second straight quarter — almost reaching pre-pandemic levels.

Similarly, the net charge-off index was up from the prior quarter, rising to 2.77% in the fourth quarter from 2.47% in the third quarter. The fourth-quarter result was the index's highest level since the height of the pandemic, in the second quarter of 2020 (2.97%).

"The weakening performance reflects further pressure on consumers from higher prices and interest rates as labour market conditions softened," Fitch said.

With both credit card balances and debt servicing costs on the rise, the three-month average monthly payment rate declined to 58.34% in the fourth quarter, down from 58.82% in the third quarter.

Looking ahead, Fitch said it expects credit card performance to continue weakening "due to subdued economic growth, leading to higher unemployment in [the second half of 2024] and pressuring households' ability to meet payment obligations."

Inclusive Or Isolated? New DEI Considerations When Working From Anywhere

Remote Work Holds Plenty Of Promise For DEI—But Be Mindful Of Emerging Considerations.

By Christina Brodzik, Jonathan Pearce, Monika Mahto, and Brenna Sniderman, Deloitte Insights, 25 May 2023

<https://www2.deloitte.com/us/en/insights/topics/value-of-diversity-and-inclusion/diversity-and-inclusion.html?id=us:2em:3na:4diGLOB175838:5awa:6di:022224:mkid%3DK0187369&pkid=1010905&elqTrackId=8664b107e82d4d6d8258a5328baa0d26&elq=4180e07b8b114aee86a56a9f6210e55d&elqaid=109956&elqat=1&elqCampaignId=21396>

With the ability to work from anywhere—whether remotely, onsite, or some combination therein—individuals can benefit from time and money savings, convenience, and flexibility. Additionally, research shows that the ability to work from anywhere can offer enhanced physical and psychological safety for many workers. Virtual environments can facilitate easier discussion of sensitive topics, help break departmental silos, and encourage more feelings of authenticity. At the same time, organizations may have greater access to diverse talent without geographical constraints.

The ability to work from anywhere has resulted in many positive shifts for workers and organizations. And what's working well with remote work could strengthen worker satisfaction over time. But for the many opportunities it provides, it may also create new challenges and considerations for leaders to think about, particularly for systematically disadvantaged groups and diversity, equity, and inclusion (DEI) imperatives.

We wanted to better understand how the new realities of work were impacting workers, especially through a DEI lens. To do so, we analyzed the remote-work experiences of 3,301 professionals, surveyed in August 2022, working globally either in a fully remote model or remotely as part of hybrid teams. We looked at the impact of remote work based on seven key identity characteristics present in respondent demographics: gender, sexual orientation, race and ethnicity, disability, income, caregiving status, and age. Because the impact of remote work has been broadly discussed in relation to gender, sexual orientation, and race and ethnicity, this paper highlights emerging challenges for less examined groups—disability, income, caregiving status, and age.

Our research corroborates that remote work creates opportunities for both employers and workers,⁵ but also presents unique, perhaps unanticipated challenges. These challenges, when addressed, can enhance the remote experience of workers, and help promote an inclusive work experience. In this report, we detail these emerging challenges and pose important questions that can help leaders evaluate and improve their organizations' current ways of working. We provide actionable insights for consideration to help leaders and people managers deliver an inclusive and equitable experience in remote work.

Explore the sections below to learn more about some of the challenges in remote work for each identity group and considerations for organizations and leaders.

People With Disabilities (PWD): Enhancing Sensitization And Improving Accessibility

Remote Work And Technology Can Create New Opportunities For PWD

She's a favorite among patrons visiting the café in Japan: always pleasant with guests and efficient in taking orders, serving dishes, and clearing tables. Just four feet tall, she dons a crisp-white scarf and an ID card that says "e-Sayaka." Fitted with cameras, microphones, and speakers, she is a robot avatar of human server Sayaka who works from home. Sayaka's medical condition limits her physical movement, and that's where Sayaka's robot avatar comes into the picture. Robot servers like e-Sayaka can be controlled by their human operators through a mouse click or gaze and enable conversation and connection between the patron and the server working from home. Such technological advances have enabled PWD to access opportunities that were previously unavailable.

Remote work and advancements in technology have opened opportunities for PWD, bringing down the unemployment rate for PWD in the United States from 12% before the pandemic to 6% in November 2022. Although this is still double the unemployment rate for all workers, it is close to what's considered full employment in the US (5%) and the lowest unemployment rate for PWD in the U.S. since 2008.

Work flexibility could also enhance the inclusion of neurodivergent individuals in the workforce. And, while flexible work arrangements are overall a positive development that has enabled increased participation of PWD in the workforce, it is important to note that some challenges do not entirely disappear in the work-from-anywhere environment. For example, PWD responding to our survey reported being 2.2 times as likely as professionals with no disabilities to always or often "cover" (cover up or downplay certain aspects of their identities to avoid stigma, judgment, or discrimination) while working remotely.

Additionally, when compared with people with no disabilities, PWD can be more stressed than others about career growth and progression (figure 1). PWD professionals responding to our survey who work remotely some or all of the time report being twice as anxious about the ability to demonstrate their work contributions and accomplishments.

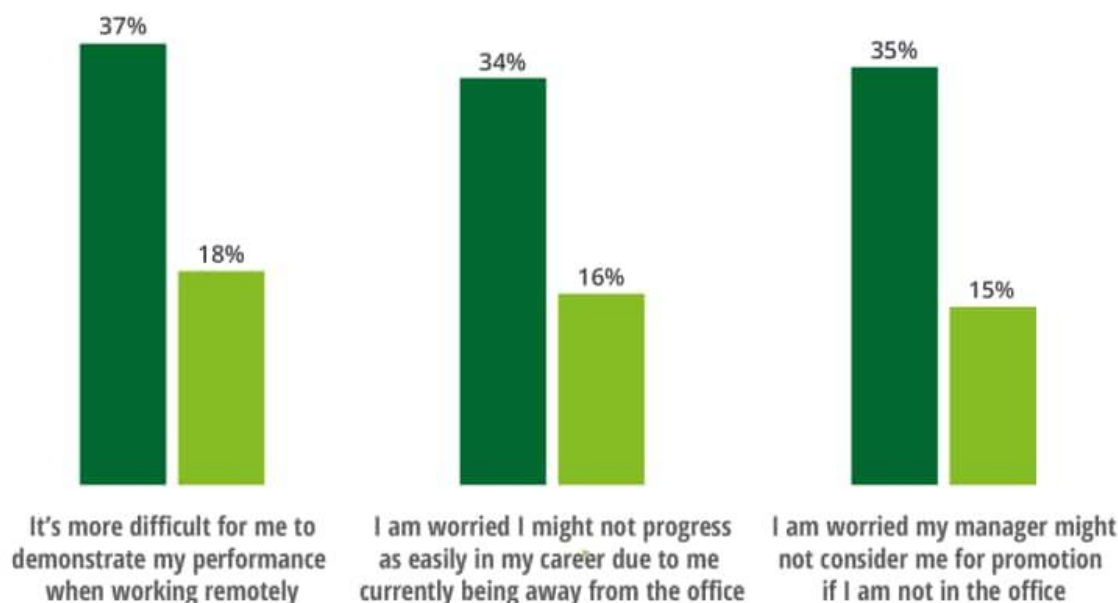
FIGURE 1

Anxiety about career progression when working remotely

Respondents selecting "Strongly agree" or "Agree"

■ People with disabilities (PWD) (N = 583)

■ People without a disability (N = 2,596)



Sources: Deloitte analysis; DEI and work from anywhere study, May 2023.

Deloitte Insights | deloitte.com/insights

Additionally, some newer considerations emerge in the work-from-anywhere environment:

PWD may face challenges in virtual collaboration as colleagues could be unaware of their requirements. "On calls, people start sharing their screen and discussing," said one visually impaired survey respondent. "I have to often interrupt and ask them to read aloud since I cannot see the screen." Such instances are more likely to happen when team composition changes frequently and new team members are not aware of the accommodations.

Neurodivergent workers may experience more distraction and communication overload when working remotely. One professional in our study said, "For me (folks with dyslexia) and ADHD in particular, there are more distractions while working from home. Also, there's a lot more reading because I'm reading and responding to a lot more emails versus working alongside colleagues in the office." In addition, many organizations have multiple communication channels that can spread people's attention thin. One of the neurodivergent professionals we interviewed said, "We've got one application for email. Then, we have three different applications, all of which are interchangeably used by folks to send messages, schedule meetings, etc. There are too many things that I have to check."

What leaders can consider:

- Support career-progression models that include PWD in remote teams. Building a PWD-inclusive recruitment pipeline can be a step forward, but the work doesn't stop there. Organizations should help PWD grow organically within the organization by providing them with upskilling and growth opportunities. This could enable them to emerge as leaders and mentors to other employees with disabilities. Learning and development programs should be built on universal design principles with full functionality available in a virtual environment to ensure accessibility for all.
- Provide PWD-sensitization trainings in remote teams. There could be a need to refresh disability awareness and sensitization sessions. These sessions could cover hiring managers (since they are the first point of contact for PWD applicants), leaders, and professionals on PWD-inclusive language and respectful behaviors specifically for the remote and hybrid work environment.
- Leverage technology to embed accessibility. Assess the sophistication of work technology used by remote teams and build accessibility in the organization's resources by default. Some examples include:
 - Meeting notes can be immediately transcribed for those with diagnoses such as dysgraphia or dyslexia to improve participation among neurodiverse teams.
 - Accessibility of content can be improved by providing lip-reading recognition and/or captioning for people with hearing impairments, facial or image recognition for people with visual impairments, and text summarization for professionals who may have difficulties digesting large bodies of text in one sitting.
- Assess the impact of hot desking for PWD in hybrid work. If an organization engages in hot desking (where employees do not have a fixed seat and can reserve and use any available seat on the days when they choose to work onsite) as part of its hybrid work arrangements, there may be a need to assess and identify the impact on PWD. Workers who require assistive technology (such as screen magnifiers, desk alterations, etc.) may not be comfortable sitting on randomly available seats and perform at their best. Also, for some neurodivergent individuals who prefer consistency and routine, a change in seats could cause anxiety and hinder productivity at work.
- Streamline communications to mitigate information overload. Streamline communication channels used by remote teams and drive a common understanding of the purpose of each technology and tool available. This could help ease the information overload experienced by some neurodivergent individuals.

Income: Providing for additional costs and addressing background bias

A slice of respondents across income levels experienced some challenges adapting to remote work, whether having difficulties carving out a space to work uninterrupted or securing adequate childcare. However, organizations should be mindful of additional challenges faced by lower-income workers. This is particularly important because, while lower-income respondents were far less likely to report working fully remote or in a hybrid environment (55% compared with 78% of high-income respondents). Those who did so reported working remotely a similar number of days per week on average as high-income respondents (2.89 vs. 2.98 for high-income respondents). In other words, no matter the income level, those who do work from anywhere do so about the same number of days.

Is having access to information technology (IT) equipment and connectivity enough? Despite the availability of co-working spaces, libraries, and cafés, 93% of survey respondents who work remotely some or all the time do so from their home. Thus, the home-office setup is an important component of remote work. Home-office setup may necessitate multiple technical and nontechnical support structures including laptops, headsets, keyboards, second monitors, IT connectivity, power backup, a well-lit room, and the ability to have a space that is adequately private or quiet enough, among other necessities.

While work nonnegotiables such as internet connectivity are equal across all income levels at nearly 90%, some discrepancies emerge elsewhere. Close to 80% of respondents across income levels have access to appropriate IT equipment including laptops, headsets, second monitors, etc. (figure 2). Relatively fewer respondents at the lower-income levels have access to tools such as printers (25% vs. 31% of higher-income respondents), and ergonomic chairs (37% vs. 51%). People may have equal access to the internet, but that's not the only thing that affects one's remote-work experience. Other resources and tools can contribute to a more comfortable and efficient working environment. And, in those areas, income can be a factor in the ability to access the required resources.

Making Waves: How Gen Zs And Millennials Are Prioritizing—And Driving—Change In The Workplace

With High Expectations And A Passion For Social Impact, Gen Z And Millennial Workers Can Be Catalysts For Change In Building A Future-Proof Workforce.

By Michele Parmelee, Deloitte Insights, May 17, 2023

<https://www2.deloitte.com/us/en/insights/topics/talent/recruiting-gen-z-and-millennials.html?id=us:2em:3na:4diGLOB175807:5awa:6di:022224:mkid%3DK0187369&pkid=1010874&elqTrackId=0e33b959b52a4393a89112607e62f89a&elq=4180e07b8b114aee86a56a9f6210e55d&elqaid=109956&elqat=1&elqCampaignId=21396>

They're values-driven. Striving for work/life balance. Concerned about the environment, the state of the world, and the future they see developing ahead of them. And they're looking for employers who will empower them to make a difference.

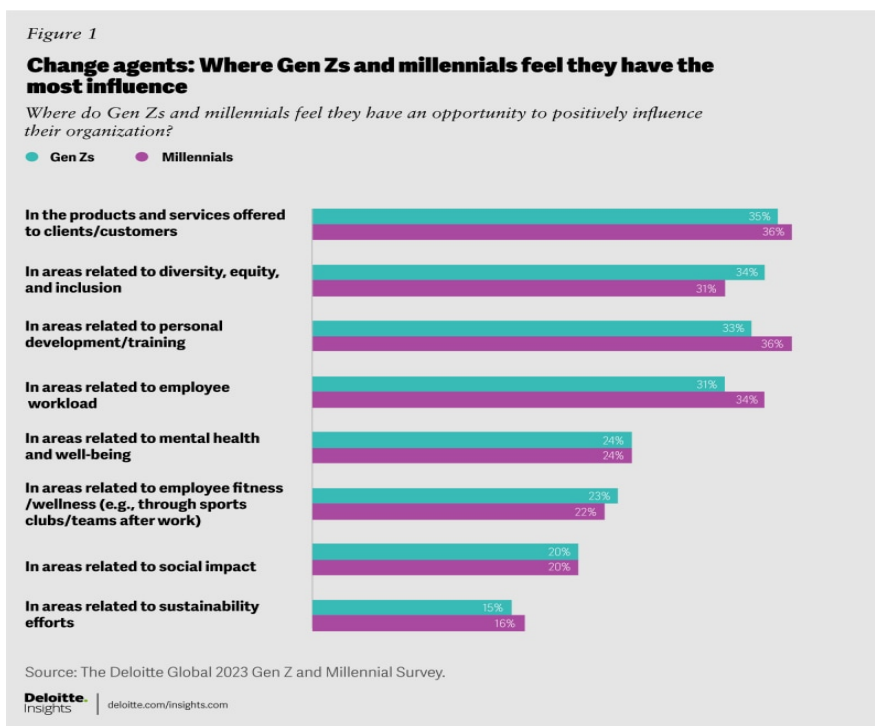
Gen Zs and millennials are the change agents helping shape the future of work, and organizations that embrace and enable their passion for social impact and a values-first workplace will reap the benefits of a highly engaged workforce.

In this year's Deloitte Global Gen Z and Millennial survey, which gathered feedback from 14,483 Gen Z and 8,373 millennial respondents across 44 countries, Deloitte explored how Gen Z and millennial workers are navigating challenges and how organizations can ride the waves of change fueled by these rising workplace leaders.

Leading workplace change: Gen Zs and millennials are up for the challenge. They just need the opportunity.

The good news is that Gen Z and millennial respondents are seeing employers make progress in some key areas, particularly since the COVID-19 pandemic. Around a third of Gen Zs and millennials in full- or part-time work say they are very satisfied with their work/life balance, compared to only one in five in 2019. Satisfaction with diversity, equity, and inclusion (DEI) efforts has also increased. Respondents tend to feel they can positively influence their organizations in areas related to products and services, DEI, development/training, and workload management.

But influence in other critical areas is lagging—fewer respondents say they feel they can influence their organization's social impact and sustainability efforts (figure 1), with roughly one-third saying decisions are made from the top down and employee feedback is not often acted upon.



For values-driven generations like Gen Z and millennials, the ability to drive change on social issues has the potential to make or break recruitment and retention efforts. Nearly four in 10 (44% of Gen Zs and 37% of millennials) say they have rejected assignments due to ethical concerns, while 39% and 34%, respectively, have turned down employers that do not align with their values. Gen Zs and millennials have high expectations for businesses around social impact—expectations that are not always met. Less than half of Gen Z (48%) and millennial (44%) respondents believe business has a positive impact on society, although among Gen Zs, this is the first year that percentage hasn't dropped in over five years.

Leading change on climate change: Gen Zs and millennials are holding organizations to higher standards when it comes to sustainability.

Gen Zs and millennials continue to demand greater climate action from their employers: Fifty percent of Gen Zs and 46% of millennials say they are pressuring businesses to act on climate change, which marks a slight increase from last year. Only 20% of Gen Zs and 16% of millennials say they strongly agree that their employers are working to address climate change, and around half of Gen Zs (53%) and millennials (48%) think their companies have already deprioritized sustainability in recent years due to external factors like the pandemic and the war in Ukraine.

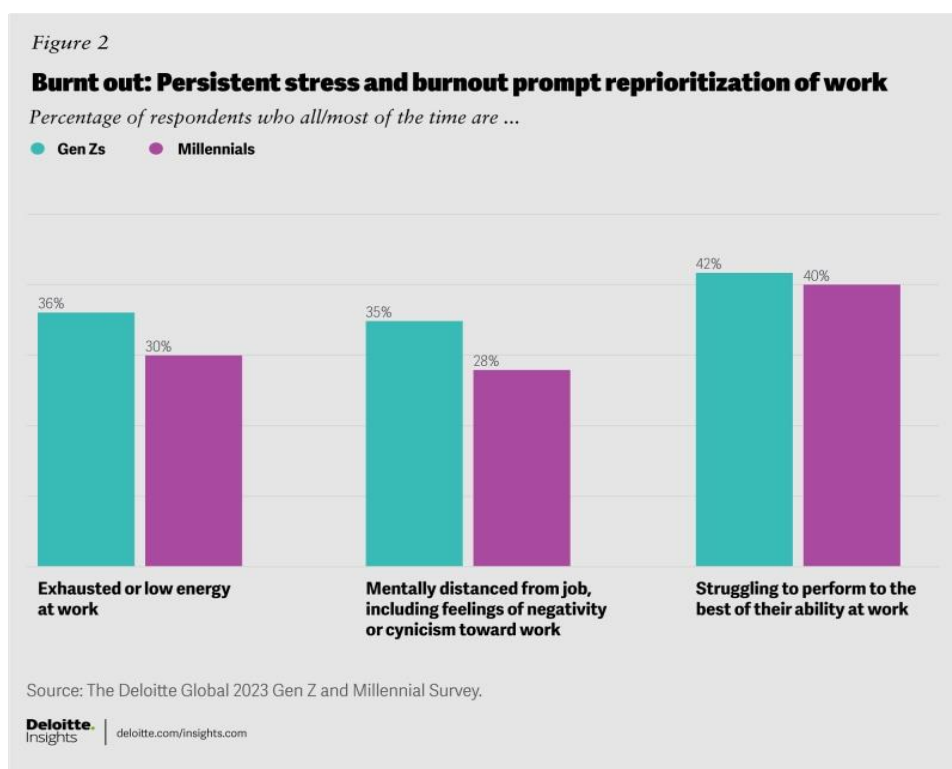
But an organization's response to climate concerns plays an important role in attracting and retaining Gen Z and millennial workers. Climate change remains one of the top three concerns for both generations: Over half of Gen Zs (55%) and millennials (54%) say they research a brand's environmental impact and policies before accepting a job offer. One in six Gen Zs (17%) and millennials (16%) say they have changed jobs or sectors due to climate concerns, with a further 25% of Gen Zs and 23% of millennials saying they plan to do so in future.

“Sustainability plays a big role for me. An employer that is supposedly committed to it but hardly knows what to do with the topic behind the scenes has no future for me.”—Gen Z respondent in Austria.

They also see a critical role for employers to provide the necessary skills training to prepare the workforce for the transition to a low-carbon economy. And, with approximately 800 million jobs worldwide highly vulnerable to climate extremes, this will likely continue to be a critical focus area.

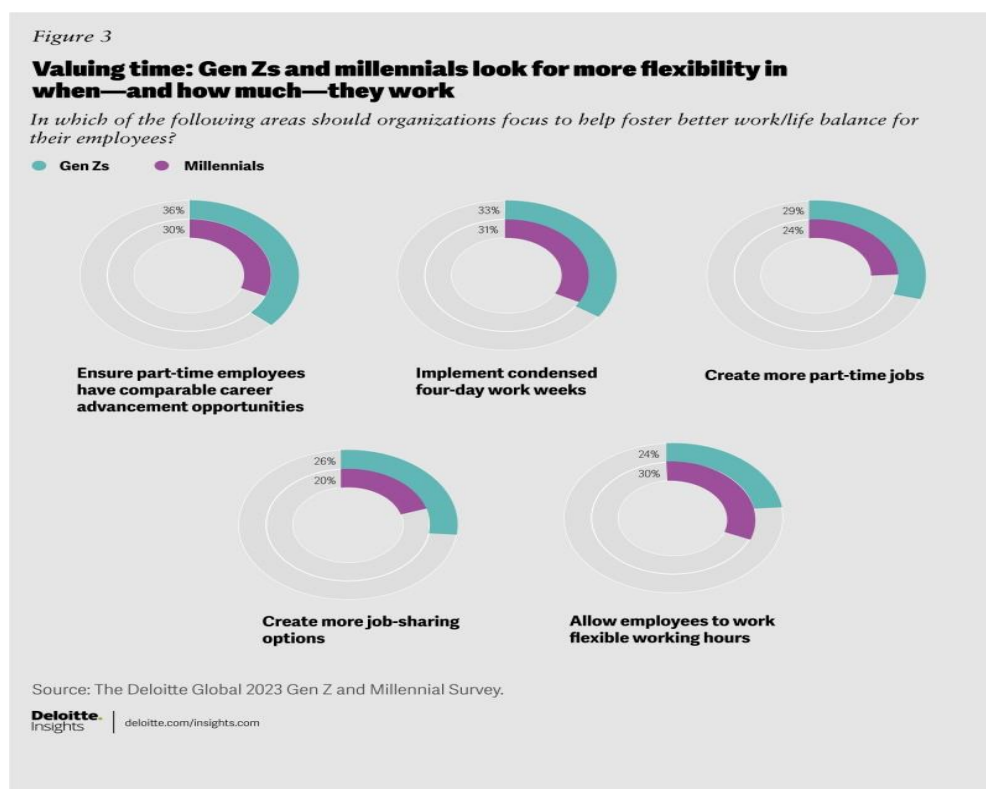
Leading change on work/life balance: Gen Zs and millennials are rethinking the priority of work in their lives.

The COVID-19 pandemic spurred more than the Great Resignation among Gen Zs and millennials—it prompted a rethinking of the role work plays in their everyday lives. On the heels of the pandemic, with work pressures continuing to drive high levels of burnout among millennials and Gen Zs (figure 2), they are reprioritizing the importance of work, with a much stronger focus on achieving better work/life balance.



While nearly half of Gen Zs and majority of millennials say their job is still central to their identity, they’re not willing to sacrifice their well-being and are seeking new ways to maintain work/life balance.

When asked how organizations can foster better work/life balance, Gen Zs and millennials are placing new priority on reduced or flexible working hours. Despite concerns about the potential impact that working fewer hours may have on finances and promotion/skill development opportunities, respondents prioritized better career advancement opportunities for part-time jobs, condensed four-day work weeks, job-sharing, and allowing employees to work flexible hours (figure 3), with three-quarters of respondents saying they were interested in reducing their work hours.



The focus on part-time jobs and job-sharing is a shift from last year when these ranked toward the bottom of the list. Overall, these responses indicate a growing demand among Gen Zs and millennials for more flexibility in terms of when—and how much—they work.

Leading change despite economics: Gen Zs and millennials are feeling the financial pinch, but not giving up on values.

The current cost-of-living crisis created by the largest inflation surge in 40 years is a top concern for Gen Zs and millennials, and they're feeling the financial pinch, especially when it comes to the ability to live and work according to their values. Many are postponing big life decisions like buying a house or starting a family, and adopting behaviors that save money (and help the environment) such as buying second-hand clothes or not driving a car.

While Gen Zs are more likely than millennials to believe that their personal finances will improve in the next year, over half of Gen Zs (51%) and millennials (52%) say they live paycheck to paycheck (up five points from 2022). And despite their desires for better work/life balance and the ability to reduce working hours, more Gen Zs and millennials have taken on either a part- or full-time paying job in addition to their primary job to make ends meet.

“My main financial concern will be with regards to ensuring I can have a comfortable work/life balance, as at present, I am struggling to maintain this due to picking up a lot of overtime to make ends meet.” — Gen Z respondent in the UK.

Financial concerns are also putting a damper on their environmental sustainability efforts. While six in 10 Gen Zs and millennials are willing to pay more for sustainable products and services, more than half think it will become harder or impossible for them to continue to do so if the economic situation does not improve. They're also concerned that a potential recession will lead employers to backtrack on climate action. They are looking for their employers to reinforce and support their priorities around sustainability.

Figure 4

Subsidizing sustainability: Gen Z and millennial workers look to employers for sustainability support

Top actions respondents would like their organizations to prioritize to help fight climate change:

- 1 Providing employees subsidies for sustainable choices (e.g., electric car subsidies, solar panels, eco-thermostats, incentives to use public transport, etc.)
- 2 Educating/training their employees about how to be more sustainable
- 3 Banning/reducing single-use plastic products at work/office locations
- 4 Renovating office locations to be greener (e.g., building management systems to ensure efficiency, etc.)
- 5 Greening local communities/communities where they work

Source: The Deloitte Global 2023 Gen Z and Millennial Survey.

Deloitte Insights | deloitte.com/insights.com

Through their values-driven decision-making and overt focus on initiating change within their organizations, Gen Zs and millennials are ensuring they will have a direct impact on the future of the work force—and the world at large.

Read the full Deloitte Global 2023 Gen Z and Millennial survey report to learn more about how organizations can embrace the changing values and norms of their next generation of leaders and create a highly engaged workforce.

UPCOMING CAFII-RELEVANT WEBINARS & EVENTS; AND RELATED EDUCATION CONTENT

THIA BC Industry Reception

Date: Thursday, March 7, 2024

Time: 7:00 – 10:00 pm EST

Location: TuGo Head Office

We are delighted to invite members of the travel health insurance industry and affiliated organizations and associations in Western Canada to attend our first industry reception in British Columbia. At this social and education event, meet your industry colleagues, enjoy a special guest presentation and learn about THIA and our TRIP course

[Register Here](#)

Fee: This event is free to all industry members, however registration is required.

LIMRA and LOMA Canada Annual Conference

Time: Wednesday, May 1, 2024

Location: Manulife, Toronto, ON

The world is moving fast. Each industry is very different today than it was 10 years ago. The change 10 years from now will be even greater. Where will these changes take place in the life insurance industry and what are the critical success factors for winning companies? David Levenson, CEO and President, LIMRA and LOMA, will share our organization's research and best thinking to guide companies on how to expertly navigate what's ahead.

[Register Here](#)

Early bird rate (by April 1, 2024)

LIMRA/LOMA member: CD\$725 + HST

Non-member: CD\$950 + HST

Regular rate (after April 1, 2024)

LIMRA/LOMA member: CD\$950 + HST

Non-member: CD\$1,175 + HST

THIA's 2024 Annual Conference

Date: May 22-24, 2024

Location: Quebec City, Canada

THIA's conference is the highlight of the Canadian travel insurance year and for the first time we are hosting this special event on Canadian soil. We expect to welcome many returning attendees and, by holding our premier event in beautiful Quebec City, we hope to meet many first-time attendees as well.

As always, you won't want to miss:

- Engaging insights from industry experts
- Networking opportunities with peers and prospects from across the globe

A chance to participate in scheduled professional and leisure activities

[Register Here](#) - 'Early Bird' registration for THIA and UStiA members is \$1,025 CAD until March 31, 2024.