

CAFII ALERTS WEEKLY DIGEST: February 6 TO FEBRUARY 19, 2021

February 19, 2021

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REGULATOR/POLICY-MAKER NEWS

FSRA Warns About Life Agent Misconduct

The regulator reminded insurers to watch over agents, including MGA reps

By James Langton, Investment Executive, February 17, 2021

[FSRA warns about life agent misconduct | Investment Executive](#)

The Financial Services Regulatory Authority of Ontario (FSRA) is reminding life insurers about their obligation to oversee compliance by agents who sell their products, including reps with managing general agencies (MGAs).

In a notice to the industry, FSRA said that recently an insurer's underwriting process detected agent misconduct — agents were altering clients' "work and study visas during the life insurance application process" — resulting in the agents being terminated.

FSRA said it is reviewing the case "and will take action to enforce the applicable laws and regulations."

The regulator stressed insurers' obligation to oversee their agents, noting that they "must take appropriate action if an agent does not meet FSRA's conduct and suitability requirements."

Additionally, it said that insurers must exercise due diligence "when delegating functions to managing general agencies, such as agent screening and oversight."

Technology Risks: AMF Imposes New Obligations On Quebec Insurers

By Hubert Roy, Insurance Portal, February 8, 2021

[Risques en technologie : nouvelles obligations pour les assureurs québécois - Portail de l'assurance \(portail-assurance.ca\)](#)

First published one year ago, in February 2020, the AMF's Information and Communications Technology Risk Management (ICT) Guideline will come into effect on February 27, 2021 as planned, the Insurance Portal has learned.

The ongoing COVID-19 pandemic will not impact the implementation of this regulatory framework, AMF spokesman Sylvain Théberge told the Insurance Portal.

What is the AMF's objective with this guideline? The regulator says it wants to strengthen the resilience of the financial sector with respect to ICT risk management. "These expectations include the establishment of adequate safeguards through the implementation of measures that help prevent the occurrence of a major incident and limit its impact," the guideline reads.

The AMF therefore expects insurers to apply the principles of governance and risk management that the guideline stipulates, effective as February 27, 2021. This comes at a time when a property & casualty insurer, Promutuel Insurance, has suffered a computer attack that has paralyzed its systems since December 12, 2020. The Unique General Insurance had also been the target of a cyber attack earlier in 2020. The AMF also revealed to the Insurance Portal that 30 events targeting Quebec financial institutions have been brought to its attention in the last two years.

"It is an insurer's responsibility to fully understand all of the ICT risks it faces and to ensure that they are adequately addressed based on the company's nature, size, complexity of activities, and risk profile. It is also the insurer's responsibility to know best practices in ICT risk management and to take ownership of them to the extent that they meet the company's needs," the AMF's guideline states.

Sylvain Thériault also indicated to the Insurance Portal that the AMF is the first prudential regulator in Canada to develop such a framework. The guideline applies to financial institutions that the Authority oversees, he said, but it does not apply to banks, as they fall under the jurisdiction of the federal Office of the Superintendent of Financial Institutions (OSFI). "On the other hand, insurers and trust companies owned by banks, who must hold a licence from the AMF to do business in Quebec, are indeed subject to the ICT Guideline," said Thériault.

FAIR Canada Hires Staff Executive From UK's Financial Conduct Authority

In an e-newsletter issued February 17/21, the Canadian Foundation for Advancement of Investor Rights (FAIR Canada) announced that Kirshita Seevaratnam would be joining its staff team as Policy Counsel effective February 22/21.

Ms. Seevaratnam joins FAIR Canada from the UK's Financial Conduct Authority, the financial services and markets conduct regulator in the United Kingdom, where she has been employed since December 2019.

Ms. Seevaratnam earned an Honours Bachelor of Science degree at the University of Toronto, followed by a Bachelor of Laws at the University of Leicester in England.

"We are excited to have Kirshita join us and look forward to her contribution to FAIR Canada's efforts to advocate for investor rights and be a catalyst for positive change within the Canadian financial services sector," FAIR Canada said in its announcement of this appointment.

In November 2020, the Ontario Securities Commission (OSC) announced that it would fund FAIR Canada to the tune of \$3.75 million. FAIR Canada will receive the funds, which come from the OSC's Designated Fund, over five years in annual instalments of \$750,000.

Jean-Paul Bureaud, FAIR Canada's recently appointed new Executive Director, said the OSC funding will provide much-needed stability.

Prior to joining FAIR Canada, Mr. Bureauud worked with the World Bank as a Financial Sector Expert on international projects designed to assist countries enhance their securities regulatory regimes to meet international standards and best practices. He was also a member of the Executive Management Team at the Ontario Securities Commission (OSC). In 20 years at the OSC, he worked in increasing senior leadership and policy roles in a number of Commission branches and offices, including the Office of Domestic and International Affairs, the General Counsel's Office, Corporate Finance, and Enforcement.

"With the current economic situation, efforts to modernize securities laws, and focus on regulatory burden reduction, it has never been more important for there to be a clear voice for the average investor," Mr. Bureauud said in a statement at the time of his FAIR Canada appointment in August 2020.

US Regulators Seen Following The EU, UK On Climate Risks

New administration making global warming fight a priority

By James Langton, Investment Executive, February 12, 2021

https://www.investmentexecutive.com/news/research-and-markets/u-s-regulators-seen-following-the-eu-u-k-on-climate-risks/?utm_source=newsletter&utm_medium=nl&utm_content=investmentexecutive&utm_campaign=NT-EN-morning

US financial regulators are expected to step up their efforts to incorporate climate-related risks into their oversight, bringing the US into closer alignment with the rest of the world, says Fitch Ratings.

In a new report, the rating agency said that, so far, US financial sector regulators have been a "notable laggard" in addressing climate risks.

That's expected to change under the new US administration, which "has made addressing climate change a top priority," Fitch said.

"Treasury Secretary appointee and long-time climate policy advocate, Janet Yellen, will likely raise the profile of climate risk among both financial regulators and the general public in her role as chair of the Financial Stability Oversight Council," the rating agency said.

Additionally, the US Federal Reserve Board recently joined the Network of Central Banks and Supervisors for Greening the Financial System, and the Fed board created a climate committee last month.

The new heads of other financial sector regulators, such as the US Securities and Exchange Commission (SEC) and the Comptroller of the Currency, have yet to be appointed. But, Fitch said that those leaders will likely share similar priorities, raising "the prospect of legislation to embed climate change in prudential regulation."

As US regulators bring their approach to climate risk more closely in line with the rest of the world, this "could accelerate international cooperation on climate risk capital requirements," Fitch said.

“Incremental steps may include the development of climate-related ‘best practices’ for financial institution risk managers, the refinement of data collection/reporting standards, and climate change risk scenarios in supervisory stress tests,” the rating agency said, noting that several countries (led by France and the UK) have started incorporating climate considerations into their stress testing.

“We expect this trend to become more mainstream globally,” Fitch said.

As for banks, “Regulation that incorporates growing climate-related risks could be supportive of bank credit profiles over the long term.”

Advice Misconduct Costs Aussie Banks Over \$1 billion

Poor advice and fees for no advice prompt client compensation

by James Langton, Investment Executive, February 12, 2021

[Advice misconduct costs Aussie banks over \\$1 billion | Investment Executive](#)

Australia’s big banks have now paid more than \$1.0 billion in compensation to investors for advice-related misconduct, the Australian Securities and Investments Commission (ASIC) reports.

The ASIC said that, as of December 31, 2020, Australia’s big six banks have paid A\$1.24 billion (\$1.22 billion CAD) to clients that suffered harm, including non-compliant advice, paying fees for no service and other sorts of misconduct.

The latest tally includes an additional A\$193.6 million in compensation payments paid in the second half of 2020.

The banks’ compensation programs were established following internal reviews by the country’s major banks in response to two industry-wide reviews by the ASIC.

The regulators’ systemic advice reviews looked at firms failing to provide ongoing advice to clients despite continuing to charge ongoing fees and their failure to deliver compliant advice, among other issues.

DIVERSITY/INCLUSION/FIGHTING SYSTEMIC RACISM NEWS

McDonald’s Ties Executive Bonuses To Diversity, Releases Workforce Data

By Hilary Russ, Reuters, February 18, 2021

McDonald’s Corp. on Thursday, February 18 said it will tie executive bonuses to new goals for diversifying the company and for the first time publicly release demographic details of its workforce.

Under the new rules, CEO Chris Kempczinski stands to lose 15% of his approximately \$2.25-million annual bonus if he fails to meet goals to increase the portion of women and Blacks, Hispanics, Asians

and other minorities in senior leadership roles. The burger chain said Wednesday that it aimed to boost women in leadership roles, senior director and above, from 37% to 45% globally by the end of 2025. It also said it would increase the portion of historically underrepresented groups, in such leadership roles in the United States from 29%, where it now stands, to 35% in the next five years. According to data released Wednesday, Black people comprise 10% of McDonald's senior level management, higher than the 7% as reported by other restaurant chains that also disclosed such data to the federal government in 2018.

Read Story (Subscription Required): https://www.theglobeandmail.com/business/international-business/us-business/article-mcdonalds-ties-executive-bonuses-to-diversity-releases-workforce-data/?utm_medium=email&utm_source=Top%20Business%20Headlines&utm_content=2021-2-19_7&utm_term=&utm_campaign=newsletter&cu_id=Ts6FwhWx6n2rSHCOx7MiReEeeFJOJkTb

CAFII MEMBER AND/OR PARENT COMPANY-SPECIFIC NEWS

Epidemiologists Condemn CIBC Decision To Bring Call Centre Workers Into The Office Following Outbreak

By Jacob Lorinc, Toronto Star, February 18, 2021

Epidemiologists are condemning a decision by CIBC to operate a Toronto call centre with employees working on-site following a recent COVID-19 outbreak. On February 3, shortly before Toronto Public Health began publicly listing all businesses with workplace outbreaks, CIBC reported that 12 employees working in one of the bank's contact centres had tested positive for COVID-19. The outbreak was listed on the City of Toronto's website last week, and was declared over on February 12. The bank says more than two-thirds of contact centre employees are working remotely, but that remaining team members are on-site "to access systems and tools" and serve clients. Colin Furness, an epidemiologist and assistant professor at the University of Toronto, says there's no reason why the workers shouldn't be working remotely. "If working at a call centre can't be done remotely, what can? By definition, you're talking to people over the phone. That's your job. A lot of people are doing remote work that's far more interactive," Furness told the Star. In an emailed statement to the Star, CIBC spokesperson Tom Wallis said the company is taking measures to protect the employees working in the call centre with physical distancing, cleaning protocols and paid time off that includes sick days.

Read Story (Subscription Required): https://www.thestar.com/business/2021/02/18/if-working-at-a-call-centre-cant-be-done-remotely-what-can-epidemiologists-condemn-cibc-decision-to-bring-call-centre-workers-into-the-office-following-outbreak.html?source=newsletter&utm_content=a02&utm_source=ts_nl&utm_medium=email&utm_email=6D73923380F292A40DC042B455F0FDE3&utm_campaign=sbj_46063

Sun Life Shedding Office Space In Waterloo

By Brent Davis, Waterloo Region Record, February 12, 2021

Sun Life is shedding two of its office locations in Waterloo. The financial services and insurance firm confirmed Friday that employees won't be returning to its Waterloo Westmount or Allen Square locations once a large-scale return to the workplace begins. "Our employees are thinking about work differently. They want more flexibility to work how and where they want," read a statement sent by corporate communications director Alessandra Nigro. "As we redefine the role of the office, we are adapting and investing in our offices to give employees flexible work location arrangements and space to collaborate while in the office. With this in mind, we have made the decision to consolidate some of our locations." Sun Life is among a number of large firms that have announced plans to consolidate commercial space in the wake of the COVID-19 pandemic. "We expect this change will give our employees in the Waterloo region more flexibility and choice to work where and how they want," the statement from Sun Life said.

Read Story (Subscription Required): <https://www.therecord.com/business/2021/02/12/sun-life-shedding-office-space-in-waterloo.html>

COVID-19 PANDEMIC RESPONSE, RESILIENCE AND RECOVERY NEWS

Despite The Botched Vaccine Rollout, The Canadian Economy Is On The 'Cusp Of A Boom'

By Yadullah Hussain, National Post, February 17, 2021

The word 'boom' is starting to show up in analysts reports.

While Canada has botched the vaccine rollout at least in the short-term, pundits believe the blip will soon be in the rearview mirror if more paralyzing delays are few and far between in the near future. The good news is that the Pfizer-BioTech joint venture will deliver more than 878,000 doses in the next two weeks, while Moderna Inc. will also deliver 1.3 million doses some time in March. Promising declines in COVID-19 cases and the reopening of Ontario and Quebec should also accelerate economic growth, assuming we can keep a lid on cases.

"Despite another wave of lockdowns both in Canada and across the globe, investors remain convinced that vaccinations will lead us out of this health crisis and that growth is poised to bounce back with the force of a loaded spring," wrote Meny Grauman, analyst at Scotiabank, in a report on Canadian banks this morning. "We share this optimistic view and see Canada's disappointing vaccine roll-out as only delaying (but not derailing) a coming economic boom."

While the analyst believes we are "on the cusp of a post-pandemic economic boom," the U.S. will likely get to see a growth spurt well before Canada.

[Read the full article here.](#)

Global COVID-19 Cases Have Dropped By Half, And Experts Are Puzzled As To Why

By Kelly Grant, The Globe and Mail, February 17, 2021

<https://www.theglobeandmail.com/canada/article-why-the-number-of-covid-19-cases-is-dropping-globally/>

As the number of new coronavirus infections in Canada continues to fall, a similar phenomenon is unfolding in many other parts of the world, leading experts to try to better understand why COVID-19 cases are plummeting right now.

Stronger public-health measures, stricter adherence to the rules borne out of fear of faster-spreading variants, and the natural seasonality of coronaviruses could all be playing a part, observers say. In countries with relatively high rates of vaccination and infection, such as the United States and Britain, immunity could also be starting to slow the spread.

In the past six weeks, the number of new coronavirus infections reported globally has dropped nearly by half, from about five million the first week of January to about 2.7 million last week. Worldwide, overall daily case tallies are the lowest they've been since October, according to the World Health Organization.

Canada is part of that trend. The country has seen new infections plunge from 57,519 in the week beginning Jan. 4 to 20,776 in the past week – a 64-per-cent drop.

“We need to understand what is driving those transmission dynamics,” Mike Ryan, head of the WHO’s health emergencies program, told a news conference Monday. “Is it the natural seasonality and wave-like pattern of the disease? Are we building a level of immunity in the population that’s preventing the disease finding the next case? And are control measures having an impact on that? I think all of the above, to an extent, are true.”

As scientists seek to decode the downward trend in overall cases, they are doing so against the backdrop of an increase in infections caused by more contagious variants of SARS-CoV-2 that threaten to usher in a third wave of the pandemic.

“The problem that we face is that when you get a drop like this, you start to see relaxation of measures,” said Gerald Evans, chair of the division of infectious diseases at the medical school at Queen’s University. “That puts you at risk.”

One explanation for the drop in cases is easy to spot by comparing the case curves of countries that celebrate Christmas. Lay the charts on top of one another and their winter peaks converge around Jan. 10 and Jan. 11, two weeks after families and friends gathered for the festive season, whatever the rules were in their respective countries.

The heights of those peaks differ wildly from place to place, but Canada, the United States, Britain, Ireland, South Africa, Brazil, Russia and most of Europe saw a post-holiday surge, followed by a reduction in cases. (The post-holiday spike isn't as striking in large European countries, including France, Italy, Spain and Germany, where cases also peaked at high levels in late November and early December.)

In countries where the Christmas and post-holiday surges were particularly steep, governments imposed stringent public-health measures that led to an equally steep drop in cases. That was especially true of Britain, Ireland and South Africa, three countries where new, faster spreading variants of SARS-CoV-2, the virus that causes COVID-19, have displaced an earlier version of the virus.

"They had huge, strict lockdowns and responses. And I think that people were terrified about these new variants," said Ian Michelow, a pediatric infectious-diseases physician and professor at Brown University who is originally from South Africa. "That's a spectre that's pretty concerning for people, and rightly so. There's no question about it. These are more dangerous viruses [because] they spread more easily."

Another piece of the puzzle could be the natural seasonality of SARS-CoV-2, said Matthew Binnicker, director of clinical virology at the Mayo Clinic in Minnesota. The four seasonal coronaviruses, which cause mild colds, tend to peak in winter and early spring, according to six years of Mayo Clinic data published as a brief last summer.

"We knew that this winter was going to be extremely difficult, because [SARS-CoV-2] is a respiratory virus, like flu, like other coronaviruses," Dr. Binnicker said. In the Northern Hemisphere, influenza usually rises in December, peaks in early- to mid-January and falls off by mid-February. "And that's really what we've seen with COVID," Dr. Binnicker said.

Untangling all the reasons respiratory viruses tend to thrive in the winter can be tricky. SARS-CoV-2 has been shown to survive longer at colder temperatures. Dry air keeps viral particles aloft longer, making them easier to inhale. Some studies have suggested that breathing cold, dry air affects the mucus membranes in the nostrils in a way that lowers their defences against viruses.

But Peter Juni, scientific director of Ontario's COVID-19 science advisory table and a professor of medicine and epidemiology at the University of Toronto, says the likelier explanation is that when the weather turns cold and dark, people gather in poorly ventilated indoor spaces where respiratory viruses spread easily.

Crediting a seasonal effect for the drop in COVID-19 cases, he said, is "a pipe dream."

So is the idea that immunity – whether through vaccination or infection – is making it harder for the coronavirus to find Canadian victims, Dr. Juni added.

With only 3.4 vaccine doses injected for every 100 Canadians and fewer than 900,000 infections confirmed in Canada since the start of the pandemic, the vast majority of Canadians remain susceptible to the coronavirus.

In the United States, however, “it’s possible,” that immunity is contributing, at the margin, to the drop in cases, especially in cities that suffered devastating surges in previous waves, said Jennie Lavine, a biologist at Emory University in Atlanta. “That’s not what I would place my money on, but it’s not inconceivable.”

Either way, something is working for the U.S.: The country reported just more than 55,000 COVID-19 cases on Monday, down from a peak of nearly 300,000 in a single day on Jan. 8.

British Study Points To Lockdowns As COVID-19 Infection Rates Fall 67% In England

By Paul Waldie, Europe Correspondent, The Globe and Mail, February 18, 2021

Canadians worried about the British variant of the virus that causes COVID-19 can take comfort from a study in England which shows that infection rates have fallen by 67 per cent in the past month.

Interim monthly tracking figures released Thursday by researchers at London’s Imperial College found that the number of people in England who tested positive for COVID-19 had fallen by more than two-thirds from mid-January to February 13. Infections dropped in every region and fell by 80 per cent in London.

The survey, known as the Real-time Assessment of Community Transmission, or REACT, is based on swab tests from around 160,000 people selected randomly each month across England. Early results from just over 85,000 tests found that the infection rate was 51 in 10,000 in February compared with 157 in January. The reproduction number, or R, has fallen below one in every region and dropped to a low of 0.61 in London. When the R number is below 1, the virus will eventually stop spreading.

“This is a better decline than many people would have hoped for,” said Steven Riley, professor of infectious disease dynamics at Imperial College. “Many scientists who look at this [data] regularly would have been more pessimistic about what we would see.” He added that the infection rate had dropped to the same level as last September.

The British variant, known as B1.1.7, was first detected in late November in Kent outside London. It spread quickly and now accounts for more than 80 per cent of all COVID-19 cases in the U.K. Studies have found that the variant is up to 70 per cent more transmissible and around 30 per cent deadlier than the original version of the virus.

The mutation has led to a surge in new cases which topped 60,000 across the U.K. on some days during December and January. The number of deaths and hospital admissions has also reached the highest levels since the pandemic began. However, the daily case total has fallen below 13,000 this week and hospital admissions have also slowed.

“I think it is reassuring that despite the greater transmissibility of that variant we are seeing this large reduction,” said Paul Elliott, director of the REACT program. He added that a national lockdown imposed shortly after Christmas was likely the main reason for the drop in infections. The data was “testimony to the lockdown and to the fact that we have reduced social contact, which is resulting in less transmission,” he said.

Dr. Riley said the survey results did not reflect the country’s mass-vaccination program which began in early December and picked up pace in January and February. Nearly 16 million people have been given at least one dose of vaccine so far, equalling roughly one quarter of the population.

[Read the full article here.](#)

How To Beat The Pandemic By Summer

By Derek Thompson, The Atlantic, February 13, 2021

After nearly a year of social isolation and sacrifice in the long war on COVID-19, the end stage of the pandemic is finally in sight. Millions of Americans are being vaccinated each week, and the number of coronavirus-related hospitalizations in the United States has plunged by more than 40 percent in the past month.

But this final stage will still be lethal—perhaps more so than most people imagine. More Americans were reported dead of COVID-19 on Friday February 5th than on any day in all of 2020. The U.S. is still on pace to have more than 80,000 COVID-19 fatalities a month. Meanwhile, variants of the coronavirus that emerged in the United Kingdom, Brazil, and South Africa are spreading quickly. These variants are more contagious and more deadly than the original virus, and they threaten to stall or even reverse our progress.

“If we don’t accelerate the pace of vaccinations, we’re looking at an apocalypse,” says Peter Hotez, a vaccine scientist at Baylor College of Medicine. “We’ve got to figure out a way to get ahead of the variants to avoid 1 million deaths by the end of this year.” Vaccinating 75 percent of the U.S. population by the beginning of the summer would require hundreds of millions of doses by June. That goes far beyond President Joe Biden’s initial plan to administer 1 million shots a day, and the current rate of about 1.5 million a day. We’d need more like 3 million shots a day. But we can do it; to save tens of thousands of lives, we *have* to.

The four main bottlenecks to accelerating vaccinations are:

Authorization: You can’t receive a vaccine that the FDA hasn’t authorized or approved.

Supply: Even with several vaccines authorized, you can’t get vaccinated if there’s a critical shortage of shots.

Distribution: Even with lots of vaccines available, we still need to distribute them to states, cities, hospitals, and clinics and create eligibility rules that people can understand.

Demand: Even if the public-health establishment does everything right, that won't matter if Americans don't want a vaccine.

How do we unblock these bottlenecks? Based on conversations with several experts and scientists, here are some big ideas to resolve each problem.

[Read the full article here.](#)

Ontario's New Pandemic Math Doesn't Add Up

By The Globe and Mail Editorial Board, February 16, 2021

<https://www.theglobeandmail.com/opinion/editorials/article-ontarios-new-pandemic-math-doesnt-add-up/>

"Am I missing something here," a journalist asked Adalsteinn Brown, the head of Ontario's Science Advisory Table, after he had walked viewers and reporters through the latest pandemic data and modelling, "or is this presentation actually predicting a disaster?"

"No," Dr. Brown replied, "I don't think you're missing anything."

Ontario's chief pandemic science advisor, who is also the dean of the University of Toronto's School of Public Health, was being as diplomatic as possible, since policy calls are ultimately for elected officials. But over the course of a press conference last Thursday, he left no doubt that the Doug Ford government's plan to lift Ontario's stay-at-home order and reopen many businesses flies in the face of evidence and experience. The move is premature, and it risks setting off a third wave.

It's true that the restrictions Ontario and other provinces put in place last fall have bent the curve of the second wave. All else equal, it might be possible to consider easing. But all else isn't equal: New variants of the virus have arrived, and they are much more infectious.

The good news is that vaccines can defeat the variants, though as of Tuesday just 2.6 per cent of Canadians had received at least one shot. When a lot more Canadians are vaccinated, the way will be clear for a wide reopening. The example of Israel, the world's vaccination leader, shows what's possible.

But Israel is miles ahead of Canada – despite having less than one-quarter Canada's population, it has already administered more than six million doses, or more than five times as many shots as Canada. It will be months until Canada's vaccination rate reaches those levels. In the meantime, the newer and more virulent variants of the novel coronavirus are spreading. It's why one of Dr. Brown's key conclusions was that, "cases will likely grow again in late February, with ICU admissions increasing afterwards."

The new variants strongly suggest that public-health measures need to be kept in place, and even strengthened, until the vaccination rate is higher. Ontario is, however, moving in the opposite direction. It's opening schools – an urgent priority, but one that will increase interpersonal contact and likely spread – while loosening restrictions on movement, dining and shopping. It's a pandemic equation featuring addition and multiplication, not subtraction and division.

A jurisdiction reacting the right way is Newfoundland and Labrador. Atlantic Canada's four provinces have been world-beaters in the COVID-19 fight. The imposition of the strictest restrictions last spring allowed them to largely reopen their economies and schools in the summer. In Newfoundland, residents have enjoyed something close to normal lives ever since, thanks to early victories and ongoing border vigilance.

In the past year, only four people in Newfoundland have died from COVID-19 – the last one in early October. The province recorded just 18 new cases in January. From mid-December until early February, just one person was hospitalized with COVID-19. On Feb. 3, that number dropped to zero.

Newfoundland had reason to believe it had the virus very much in hand. On Feb. 7, it reported one new case of COVID-19. But the next day, it had 11 new cases. The day after: 30. Then 53. And then, on Feb. 11, it had 100 new cases – equivalent to nearly 3,000 cases per day in Ontario. The importation of the so-called U.K. variant was behind the surge.

Dr. Janice Fitzgerald, the province's Chief Medical Officer of Health, described this new variant as "a complete game changer" because it is "far more transmissible than the original COVID strain; even brief interaction can result in spreading the virus." In response, Newfoundland quickly moved back into last spring's near-total lockdown. The province is doing the right thing to wrestle infections down to zero, and buy itself time for vaccines to arrive.

Which brings us back to Ontario's very different approach.

Unless lowering restrictions and increasing human interactions somehow fails to speed the spread of new variants, the reopening already under way in parts of Ontario is likely to undo the good work of January's stay-at-home effort. It's likely to lead to a sharp spike in cases, perhaps as soon as late February. And that's likely to trigger a new and even heavier lockdown in March – because it will be months before vaccination levels are high enough to defeat COVID-19.

Are we missing something?

Vaccinations: An Ally In Restarting Tourist Travel

By Frederique De Simone, Insurance Portal, February 9, 2021

"The resumption of tourism cannot wait. Vaccines need to be part of a broader and co-ordinated approach. We need to restore the confidence of tourism to send the message that it is now safe and possible."

So said Zurab Pololikashvili, Secretary General of the United Nations (UN)-affiliated World Tourism Organization (UNWTO), at the 113th meeting of the UNWTO Executive Council on January 18, 2021. Tourist destinations welcomed 900 million fewer international tourists between January and October 2020, compared to the same period in 2019, according to the latest WTO data. The fall in international tourism has resulted in revenue losses of US \$935 billion, 10 times more than was lost in 2009 as a result of the global financial crisis. For a healthy and safe tourism recovery, the Global Tourism Crisis Committee recommended strengthening co-ordination under the International Health Regulations, by setting up a system of vaccination certificates to monitor and define common and harmonized digital travel principles, protocols and documents. The Crisis Committee is also seeking support from the International Civil Aviation Organization (ICAO), the International Maritime Organization (IMO), the World Health Organization (WHO), and the Organisation for Economic Co-operation and Development (OECD) to develop and co-ordinate such a system so that it is harmonised in all countries and that border re-openings are secure. According to UNWTO data, in 2020, global tourism receded to levels last seen 30 years ago.

Read Story (Subscription Required): https://portail-assurance.ca/societe/le-vaccin-un-allie-au-redemarrage-des-voyages-touristiques/?utm_source=sendinblue&utm_campaign=weekly_flash_202102-15&utm_medium=email

COVID-19 Vaccine Administers A Big Dose Of Risk To Insurance

Opinion by Alicja Grzadzowska, Senior News Editor, Insurance Business Canada, February 16, 2021

https://www.insurancebusinessmag.com/ca/news/columns/covid19-vaccine-administers-a-big-dose-of-risk-to-insurance-246601.aspx?utm_source=GA&utm_medium=20210217&utm_campaign=IBCW-Newsletter-20210217&utm_content=15bd7279-67d0-4aa5-9aff-e67d0fa6cbd0&tu=15bd7279-67d0-4aa5-9aff-e67d0fa6cbd0

It's been one year since the World Health Organization (WHO) announced that the disease caused by the novel coronavirus would be named COVID-19, and now, many countries have started to distribute vaccines for the virus to their populations. As of February 10, 128 million vaccine doses had been administered, according to WHO, with many more doses to go.

The insurance industry isn't just standing by on the sidelines during this process. In fact, insurers have a stake in how the global vaccination process unfolds. For one, companies have taken part in the vaccine trials in several ways, such as Lloyd's of London partnering with a supply chain data platform and cargo insurer to help distribute vaccines around the world.

More notably, insurers will need to introduce and evolve key coverages related to COVID-19 vaccines, keeping in mind the risks associated with their global distribution. Lloyd's, for instance, now offers cover for the delivery of any future vaccine, which has enabled the safe transportation of it to low-income countries, while Aviva Singapore announced in January that its health insurance products will automatically cover side effects arising from the COVID-19 vaccination, at no additional premium.

Life and health insurers have been especially involved with the vaccine, from South African medical insurers stating that they will pay for a vaccine for as many people who don't have coverage as they have members, to China reportedly looking to introduce a compensation system for people that suffer adverse events linked to vaccinations. Nonetheless, some insurers, such as those in Malaysia, are still on the fence about providing coverage for the possible side effects of the vaccinations.

Vaccines could also have reverberations for other coverages outside of life and health insurance. Willis Towers Watson has reported that employers in the US should prepare for the potential risks that could arise once the vaccine is distributed to the general public, primarily on the employment practices liability front. How companies follow the updated Equal Employment Opportunity Commission guidelines on vaccine requirements in the workplace, and how their employees respond, could lead to employment practices liability claims, WTW cautioned.

Cargo insurance will also be impacted, according to reports. Reuters noted back in December that the global delivery of COVID-19 vaccines by air and sea will result in an increase in cargo insurance rates, while also spurring demand for new areas of coverage since existing annual cargo insurance programs that distributors currently have in place are likely to be insufficient, considering the risk of distributing vaccines. As a result, underwriters will be on high alert, especially as any losses resulting from the transport of vaccines would come on top of the \$100 billion in pandemic-related claims already predicted to occur across many insurance classes.

Another insurance coverage impacted by vaccines will be travel insurance. With individual countries and entire regions, such as the European Union, considering whether to let in travellers who are not vaccinated, insurance providers may refuse to cover unvaccinated travellers. Notably, travel insurance providers AXA, Europ Assistance, and DR-WALTER have said that they are not planning to require travellers to get vaccinated in order to be covered, unless the EU does so first.

The vaccine and its distribution have likewise already had cyber insurance implications, as hackers have targeted unsuspecting victims with emails purporting to contain information on accessing the vaccines. In July 2020, a hacker group, suspected to be acting under the auspices of a foreign power, was found to be targeting COVID-19 vaccine research centres in Canada, the US, and the UK, according to the countries' respective intelligence agencies, adding fuel to a cyber fire that's been made riskier by the pandemic in many ways.

While the distribution of vaccines is still in its early stages, or not yet started in many countries, insurers will likely need to evolve several of their coverages to account for risks associated with this next step in the fight against the coronavirus. In some cases, the industry has already shown how quickly it can evolve to address the new needs of insureds when it comes to vaccines, and this pace of rapid evolution will probably not abate for the coming year.

COVID-19 vaccines are a unique development, considering that risks associated with it will require a combination of financial considerations and a dose of empathy, particularly on the life and health insurance side of the business. Insurers need to be prepared to toe this line carefully and ensure that coverages accurately reflect the reality of our new normal.

Should Vaccinated People Be Allowed To Travel Freely?

by Gary Leff, *ViewFromTheWing*, February 14, 2021

<https://viewfromthewing.com/should-those-who-are-vaccinated-be-allowed-to-travel-freely/>

Some countries have considered opening up their borders to tourists who have been vaccinated. Thailand considered it, but this week its CDC spoke out against the idea. Australia says a COVID vaccination will be required for entry into the country when its borders re-open.

The retort we've been told over and over is that vaccines protect the person vaccinated, but not those around you – you might still become infected without symptoms and spread the virus. And that is true, but it's misleading.

Vaccines reduce asymptomatic infection in addition to symptomatic infection (at least some of them have been shown to)

And asymptomatic infection is less likely among the vaccinated (at least with some vaccines)

Asymptomatic individuals aren't as likely to spread the virus as those who develop symptoms.

There's a common confusion between pre-symptomatic spread (people who spread the virus before showing symptoms) and asymptomatic spread (spreading the virus by someone who never shows any symptoms). The former is one of the hallmarks of the pandemic, the latter much less common.

We know roughly how protective the vaccines are for the individual vaccination. The Moderna and Pfizer vaccines each showed about 95% effectiveness in preventing symptomatic COVID. But that's not the most important feature. Both the Pfizer and Moderna vaccines are nearly 100% effective against severe COVID. The AstraZeneca vaccine reported 100% effectiveness against hospitalization.

The question is how much vaccination reduces transmission. We know that it does. That was even shown in Moderna's and Pfizer's Phase 3 trial data. There's some dispute about how much of a reduction there is. And let's be clear: no one believes that these vaccines do not reduce transmission. They probably reduce transmission by a lot.

"If there is an example of a vaccine in widespread clinical use that has this selective effect — prevents disease but not infection — I can't think of one!" Dr. Paul Sax of Harvard has written in *The New England Journal of Medicine*. (And, no, exclamation points are not common in medical journals.)

An Israeli study studied 102 vaccinated patients and found "that people who received both doses of the vaccine will most likely not become carriers of the virus and will not spread it further."

Israel is the most vaccinated country on earth and its health system keeps robust data. That makes its real-time vaccination efforts fertile ground for understanding the effects of the Pfizer-BioNTech vaccine that is in widespread use there.

A new study has found a reduction in transmission even after the first dose. Those who test positive for Covid-19 12 or more days after taking the first dose have a viral load that's four times lower than those who haven't been vaccinated at all.

Vaccinated people become far less of a COVID transmission risk even before receiving their second dose, a new "game-changing" Israeli study has concluded.

...The viral load was shown to be reduced fourfold on average for infections occurring 12 to 28 days after the first dose of the Pfizer-BioNTech vaccine.

..."This is a game-changer to some extent," he said. "After all, transmissibility after the vaccine has been one of the most important questions we are asking ourselves."

...Cohen, a Bar Ilan University professor and member of a Health Ministry advisory committee on coronavirus vaccines, said: "This shows that indeed, besides reducing symptoms and hopefully mortality, the vaccine may facilitate reaching some kind of herd immunity, allowing the partial protection of the weak or non-immunized."

We don't yet know how much transmission is reduced, especially when the second shot has been added into the mix. We do know though based on new data that vaccination, with at least some COVID-19 vaccines, reduces transmission. We'll soon know if they reduce transmission enough to allow those who have been vaccinated to travel more freely.

Coronavirus: Hunting For Variants And The Case For Travel Restrictions

By Kieron O'Dea, Global News, February 13, 2021

<https://globalnews.ca/news/7638289/coronavirus-hunting-for-variants-travel-restrictions/>

As highly-infectious variants of the novel coronavirus spread around the world, there are mounting questions on how best to keep Canadians safe.

Once again, travel is in focus as attention shifts from declining cases in Canada to these new threats from abroad.

"All viruses must move to survive, but are helpless without their human hosts. And yet there remains widespread reluctance to restrict travel. We're looking at really every measure that's been implemented by every country," Simon Fraser university professor Kelley Lee told Global News.

Lee is part of an international group analyzing travel restrictions.

"So at the beginning, way back in January, February, the received wisdom really was that travel-related restrictions don't work and WHO (the World Health Organization) put out a recommendation that countries should not adopt such measures."

As the pandemic has unfolded, opinions have shifted, Lee says. "We've seen that actually there are some situations where actually it can work."

Australia and New Zealand are often held up as success stories. Life in both countries is largely back to normal, having pursued aggressive strategies that include extremely tight border controls and strict lockdowns when even a single case emerges.

Hunting for variants in Canada

A genetic hunt is underway as Canadian scientists in a sophisticated, nationwide network of labs aim to detect and disrupt the new and highly contagious U.K., Brazilian and South African variants of the coronavirus.

Labs in Canadian COVID-19 Genomics Network (CanCOGeN) are sequencing samples from positive COVID-19 tests.

Genomic sequencing involves mapping out the entire genetic profile of a given viral specimen. It's the only way to determine the extent of variants in the population.

Dr. Catalina Lopez-Correa is the executive director of the nationwide network, which is made up of dozens of provincial and academic labs. It was created last March in anticipation of the need to ramp up genomic sequencing of SARS CoV-2 variants.

Roughly five per cent of all positive COVID-19 tests in Canada are selected for sequencing. Crucially, scientists in the network remain in close contact with counterparts around the world, all in an effort to stay ahead of mutations of the virus.

Global News asked if sequencing just five per cent is enough to determine the prevalence of variants within the Canadian population.

"This is the one million dollar question. We have been working with modellers, mathematicians, statisticians to get to the right number," Lopez-Correa told Global News.

She added, "We need to do more. It will be important to do more sequencing, to really get a detailed information on what's happening with these (variants) and not just in Canada."

Using this method, they've successfully managed to identify cases of all three variants in Canada. But could these detected cases be just the tip of the iceberg? Lopez-Correa said it's difficult to know right now where we are on the epidemiological curve.

"The virus is fast in learning how to trick our system. We need to be fast in learning how is the virus moving and how is the virus evolving."

Concerning Brazil Variant

Here is what we know so far about the variant from Brazil:

Brazil is currently battling at least two different variants – P.1 and P.2 – driving a surge cases in the country.

According to a Lancet study published on Jan. 27, up to 76 per cent of the population of Manaus, in Brazil, had been infected with COVID-19 by October last year, which is above the theoretical threshold for herd immunity.

The P.1 variant, also known as B.1.1.28, was first detected in January in four Japanese travellers who had returned from Brazil's Amazon region. Canada's lone case of the Brazil variant is of the P.1 lineage.

According to the U.S. Centres for Disease Control and Prevention, this P.1 variant has 17 unique mutations, including three in the receptor binding domain of the spike protein of the virus — which is responsible for cell entry.

So far, there is little evidence about how contagious the Brazil variant is, but it shares several independently acquired mutations — N501Y, K417N/T, E484K, N501Y — circulating in the U.K. and South Africa variants, which seem to have increased transmissibility.

"It is expected to behave just like the U.K. and South African variants and show this increased transmissibility," Dr. Donald Sheppard, an immunologist and microbiologist at McGill University Health Centre, told Global News.

Dr. Andrew Pekosz, a virologist and professor of microbiology at the Johns Hopkins Bloomberg School of Public Health, said, "It has an odd combination of mutations, which makes it much more of a ... potential threat to humans than the older strains of SARS-CoV-2."

Tourism Will Recover Faster Than Business Travel: McKinsey

By Frederique De Simone, Insurance Portal, February 10, 2021

Tourism is expected to pick up faster than business travel. History shows that after a recession, business travel takes longer to rebound than tourist travel, say Kevin Sneader and Shubham Singhal, global partners at consulting firm McKinsey and Company. After the 2008-09 financial crisis, international business travel took five years to recover, compared to two years for international "pleasure" travel. Peer pressure will help the resumption of business travel, the firm says. "Once a company returns to face-to-face meetings, its competitors will not be able to hold back and will do the same," the partners write. Tourist trips are motivated by a desire to explore and enjoy, and that hasn't changed, says the firm. One of the first things people do when they become more prosperous is travel. First close to home, then further and further. "There is no reason to believe that the rise of global prosperity will reverse or that human curiosity will diminish," say the McKinsey partners. The use of technology during the pandemic and the economic constraints that many companies will face for many years to come, even after the pandemic, could prompt a long-term structural change in business travel, they say.

Read Story (Subscription Required): [Le tourisme sera plus rapidement sur pied que les voyages d'affaires - Portail de l'assurance \(portail-assurance.ca\)](#)

Why Travel May Not Recover At All This Year (And Tests And Masks Could Remain A Way Of Life)

by Gary Leff, ViewFromTheWing, February 14, 2021

<https://viewfromthewing.com/why-travel-may-not-recover-at-all-this-year-and-tests-and-masks-could-remain-a-way-of-life/>

Confirmed cases, hospitalizations, and deaths from COVID-19 are declining. Vaccine supplies in the U.S. are growing. Though more infectious strains of the virus are spreading, we may be entering a lull in the virus due to seasonality. Summer was a peak in the U.S., but in areas where it gets hot and people head indoors, and the U.S. population hadn't been exposed to the virus before so there wasn't much background immunity.

We should be on the cusp of beating the pandemic, with enough vaccines for everyone in the country (there should even be some approved this fall for tweens and teens). It's time to get excited about a return to normal life, right? Not so fast.

There are several scenarios where the COVID-19 pandemic continues, and we'll be working from home, sending kids to Zoom School, and staying away from most travel for far longer.

- **Virus mutations.** The South African strain, with its E484K ('EEK') mutation, appears to allow for re-infection. It also seems not to be stopped by some vaccines. The AstraZeneca vaccine doesn't seem to combat it well, and antibody production is substantially reduced in the Moderna vaccine. We'll develop new vaccines to address mutations, hopefully, but that may mean playing whack-a-mole for awhile.
- **And the Chinese vaccine becomes the one that works best.** All of the primary Western vaccines target the spike protein. Whether it's the mRNA vaccines from Pfizer and Moderna, or the adenovirus vaccines from AstraZeneca or Johnson & Johnson (and even Russia's Sputnik entry), vaccines teach the body to recognize the spike protein and try to fight it off. But if the spike protein continues to mutate, we may wind up chasing our tails. Wouldn't it be strange if the Sinopharm vaccine turned out to be the world's most effective, because it used the older approach of an inactivated virus – but teaching the body to recognize the full virus turns out to be far more effective against mutations than just focusing on the spike protein?
- **The virus re-emerges in the fall.** After a seasonal lull, the virus comes back in the fall. Vaccination campaigns have been successful, but efficacy is lowered due to mutations (call it 60% effective rather than 95%), so it continues to spread.
- **Most of the world isn't vaccinated for a long time.** That means the world is still dealing with the coronavirus problem, and also that the virus has hosts around the world to continue mutating in.

- **Borders stay closed.** Or any opening up requires both vaccination and negative tests. COVID-19 testing remains a part of life, and so does mandatory masking.

The biomedical advances over the last year have been incredible. We have a vaccine in record time, though it could have been faster still. That should continue to suppress spread even if the virus remains a fact of life. And we also have treatments from monoclonal antibodies such as Ivermectin and Fluvoxamine, so when someone gets COVID next fall, their prognosis should be far better.

We're on the cusp of putting the pandemic behind us, but there are scenarios you can foresee where that doesn't happen for a long, long time. Those mostly have to do with mutations that reduce the effectiveness of vaccines (and the effectiveness of some treatments as well).

Countries that don't have access to vaccines and treatments, that have less hospital capacity, or that have succeeded so far in containing the virus and are striving to avoid seeing it enter their country, keep their borders shut. So international travel remains hobbled – and that's even apart from continued testing requirements that add cost and hassle to the process.

Last June, I wrote about the optimistic case, that many of us have come now to take for granted: that a vaccine could be approved before the end of 2020, and summer 2021 could mean a return to normal. And that may happen, but there's a possibility that it still won't as well. To get out of the pandemic faster, and slow mutation (with fewer infected people in which the virus can mutate) we should do first doses first, and quickly approve the Johnson & Johnson, AstraZeneca, and Novavax vaccines making them available to lower priority individuals.

Hotel Quarantine Measures For Air Travelers And New Land Border Measures Come Into Effect February 15 And 22: Trudeau

By Catherine Tunney, CBC News, February 12, 2021

<https://www.cbc.ca/news/politics/travel-restrictions-border-1.5911845>

The federal government has announced dates for new travel measures meant to keep COVID-19 cases in check, including requiring proof of a negative test at land borders beginning February 15 and introducing mandatory hotel quarantines for international air travellers as of February 22.

Air travellers landing in Canada will have to quarantine in a hotel, at their own expense, starting February 22, Prime Minister Justin Trudeau announced Friday, as the federal government tries to curb the spread of the new, more transmissible variants of the COVID-19 virus.

The enforcement date comes two weeks after the federal government said air travellers returning from non-essential trips abroad will have to isolate in a federally mandated facility for up to 72 hours while they await the results of a polymerase chain reaction test, commonly known as a PCR test.

Trudeau said the measures are in place to keep Canadians safe, particularly given the threat of the emerging variants.

"We're trying to keep people safe and keeping Canadians safe from the viruses and discouraging all nonessential travel and ensuring that if people do have to travel, they're doing the things that we can be certain are going to prevent the virus from spreading," he told reporters outside Rideau Cottage Friday.

"We're aware that that we need to be thoughtful and compassionate about people who are in extremely difficult situations and absolutely need to travel. We're not trying to punish people."

Health Minister Patty Hajdu said travellers will need to book a hotel in the city in which they first arrive in Canada, either Vancouver, Calgary, Toronto or Montreal. Hotel booking information will be available online as of Thursday.

Those with a negative result on their arrival test will be able to take a connecting flight to their final destination.

"Costs of these hotel stays may vary slightly at each location. It is up to the traveller to choose where they wish to stay and book in advance of departure," said Hajdu.

"The price will include costs associated with the room, food, cleaning, infection prevention and control measures, and security as well as transportation."

Trudeau has estimated the potential cost of the three-day quarantine hotel stay at \$2,000.

Those who test positive will be moved to a designated quarantine facility as the government monitors new variants of the coronavirus.

Hajdu says vaccinated Canadians will not be exempt.

The testing requirement is in addition to the mandatory 14-day quarantine period for returning non-essential travellers. The government has had travel restrictions on most foreign nationals in place since March 2020.

Changes at land border

Earlier this week, the prime minister announced that as of Feb. 15, non-essential travellers entering Canada through the land border will soon need to provide proof of a negative COVID-19 test within 72 hours of arriving. Essential workers, such as truckers, emergency service providers, and those in cross-border communities, will be exempt from this requirement.

On Friday, February 12, officials clarified that land travellers can also provide proof of a positive test taken 14 to 90 days prior to arrival.

Trudeau has said officers can't legally deny entry to Canadians, but those who show up without proof of a test could face fines of up to \$3,000.

Starting February 22, travellers entering Canada at the land border will also be required to take a COVID-19 molecular test on arrival as well as toward the end of their 14-day quarantine.

Five land ports of entry will have onsite testing as of February 22. They are:

- Douglas, B.C.
- Coutts, Alta.
- Queenston-Lewiston Bridge, Niagara region, Ontario
- St-Bernard-de-Lacolle (Highway 15), Quebec
- St. Stephen, New Brunswick
- An additional eleven ports of entry will with onsite testing as of March 4:
- Ambassador Bridge, Windsor, Ontario
- Blue Water Bridge, Point Edward, Ontario
- Lansdowne (Thousand Islands Bridge), Ontario
- Rainbow Bridge, Niagara Falls, Ontario
- Windsor-Detroit Tunnel, Ontario
- Fort Erie (Peace Bridge), Ontario
- Emerson West Lynne, Manitoba
- Pacific Highway, B.C.
- Huntingdon, B.C.
- St-Armand, Quebec
- Stanstead (Route 55), Quebec

The government said it is working to supply all other ports of entry with test kits for travellers to take to meet these requirements.

Conservatives seek exemptions for 'compassionate' travel

Public Safety Minister Bill Blair said all travellers, whether arriving by land or air, will also be required to submit their travel and contact information, including their quarantine plan, electronically through the ArriveCAN app, before crossing the border or boarding a flight.

Conservative health critic Michelle Rempel Garner said Conservatives agree that it isn't the time for international leisure travel, but said there are many Canadians who should be granted exemptions to the hotel rule.

"The fact is many Canadians have essential reasons for travel. Those travelling to reunite with a spouse, an ailing relative or to access medical treatment should not be faced with what is an insurmountable barrier for many in these situations. Your government recognized this principle when you made an exemption for athletes, citing affordability concerns," she wrote in an open letter to Hajdu on Thursday.

Earlier this week, news emerged that the federal government has agreed to offer 750 Olympic and Paralympic athletes — along with members of their support staff — exemptions from some quarantine-related travel restrictions in the lead-up to the Olympics.

Rempel Garner is asking for exemptions for unaccompanied minors, family reunification, Canadians needing non-elective medical procedures abroad and others travelling on "compassionate" grounds.

"It is shameful to saddle those who must travel to support family and loved ones abroad affected by end-of-life or medical emergencies with a \$2,000 bill. People who are travelling for this purpose should be allowed to quarantine at home, in compliance with pre- and post-arrival testing requirements," she wrote.

"As well, persons with work visas, international students, and missionaries deserve an opportunity to be consulted to develop a more sustainable solution than the lack of information and clarity that you have provided."

CDC Refrains From Recommending Testing On US Domestic Flights

By Dominick Mastrangelo, The Hill, February 14, 2021

<https://thehill.com/homenews/538798-cdc-refrains-from-recommending-testing-on-domestic-flights>

The Centers for Disease Control and Prevention (CDC) says it has no plans to require coronavirus testing for airline passengers traveling domestically in the United States after a top aide to President Biden said an "active conversation" on the subject was underway.

"At this time, CDC is not recommending required point of departure testing for domestic travel. As part of our close monitoring of the pandemic, in particular the continued spread of variants, we will continue to review public health options for containing and mitigating spread of COVID-19 in the travel space," the agency said in a statement.

It added that people should stay home and only travel for essential reasons.

"If someone must travel, getting a viral test 1-3 days before the trip can help them do so more safely. After travel, getting tested with a viral test 3-5 days post-travel and staying home and self-quarantining for 7 days, even if test results are negative, is a recommended public health measure to reduce risk," the CDC said.

Currently, all passengers traveling to the United States from international destinations are required to have a negative coronavirus test before boarding their flights.

The possibility of mandatory coronavirus testing for domestic U.S. travelers was first floated earlier this month by newly confirmed Transportation Secretary Pete Buttigieg.

"What I can tell you is, it's going to be guided by data, by science, by medicine, and by the input of the people who are actually going to have to carry this out," Buttigieg said of his overall vision for Transportation Department as it relates to public health in an interview with Axios.

Buttigieg told the news outlet he and top officials in the department were having "an active conversation with the CDC right now" about possible mandatory coronavirus testing for domestic air travelers.

Public health officials are working to contain the pandemic, now stretching almost a year, as new variants of the disease are spreading across several states.

CDC Director Rochelle Walensky has cited airports as a potentially dangerous breeding ground for the virus to spread, especially among travelers who might have the virus but are asymptomatic.

"There's more gathering that happens in airports, and so, to the extent that we have available tests to be able to do testing, this would be yet another mitigation measure to try and decrease risk," Walensky said, according to the Times.

Last week, the White House pressed back on suggestions that the federal government was considering mandating coronavirus testing for domestic U.S. air travelers.

"Well that would be done through ... a policy process internally," White House press secretary Jen Psaki said. "But, as I conveyed yesterday, reports that there is an intention to put in place new requirements, such as testing, are not accurate."

The CDC issued guidance discouraging Americans from air travel before the July 4, Thanksgiving and Christmas holiday last year.

Canadian Armed Forces Deploys Recon Teams To Border As Feds Prepare Border Testing Sites

By Lee Berthiaume, The Canadian Press, February 15, 2021

<https://www.theglobeandmail.com/canada/article-canadian-armed-forces-deploys-recon-teams-to-border-as-feds-prepare/>

The Canadian Armed Forces is deploying reconnaissance teams to the border as the federal government prepares to enlist the military's help in establishing COVID-19 screening centres for travellers.

Prime Minister Justin Trudeau announced last week that all non-essential travellers arriving at the border by land will be tested starting February 22 before they are allowed to enter the country.

Travellers will still be required to quarantine for 14 days, after which they will be tested again.

The Public Health Agency of Canada (PHAC) is now looking at setting up testing sites at 16 border crossings with the U.S. with assistance from the Canadian Armed Forces and other federal departments.

Defence Department spokeswoman Jessica Lamirande says that military assistance includes sending some service members to different sites to help with planning and logistics.

“In co-ordination with PHAC and Public Safety, CAF planners from regional joint task forces are assisting in the assessment of options, in some cases through on-the-ground assistance in reconnaissance, related to planning and logistics,” she said in an email.

The preparations come amid ongoing discussions among the Canadian Armed Forces and various federal departments around the exact nature of the assistance that the military will provide in staffing those testing sites.

However, Public Safety Minister Bill Blair’s spokeswoman Mary-Liz Power said the military “is not currently planned to undertake any role related to testing, quarantine, or enforcement at the border.”

The government announced the plan for the new border controls last month, but how they will work, who might be exempted and how the rules will be enforced were only laid out on Friday.

The Canadian military has been called upon several times throughout the pandemic, including by providing assistance last spring at long-term care facilities struggling with COVID-19 and, more recently, in the distribution of vaccines.

Full Flight Leaves Vancouver And Calgary Bound For Hawaii Despite New Rules

Upon arrival, the passengers are free to roam, having proven before departure that they do not have COVID-19

By David Carrigg, Vancouver Sun, February 15, 2021

[Full flight leaves Vancouver and Calgary bound for Hawaii despite new rules | Vancouver Sun](#)

Another plane full of Canadians has departed Vancouver and Calgary bound for Hawaii, despite a new law that will add \$2,000 to each passenger’s vacation.

According to the Government of Hawaii’s COVID-19 travel data portal, 114 passengers from Calgary and Vancouver arrived on Saturday, February 13 aboard a WestJet flight.

There were no flights from Western Canada to Hawaii during the previous six days, after 123 people arrived on Saturday, February 6, and over 100 the Saturday before. With social distancing in place, 100 passengers makes for a full flight.

Upon arrival, the passengers are free to roam in Hawaii, having proven before departure that they do not have COVID-19 (as part of Hawaii’s Safe Travels Program.)

Prime Minister Justin Trudeau and BC Premier John Horgan have asked that no one travel anywhere on non-essential business, though it is not strictly outlawed.

Instead, the government has been gradually applying travel pressures, such as the January 7 rule that anyone coming to Canada by air thereafter has to provide a negative COVID-19 test result before departing home.

As of next Monday, February 22, all passengers arriving by air into Canada will also have to take a test upon arrival and then stay in a government-approved hotel for three days until they get a negative test result — this is expected to cost about \$2,000 at the traveller's own expense.

People crossing the U.S./Canada land border on non-essential business (making up five per cent of all crossings at the moment) will also have to take a test in the U.S. and provide a negative result within three days before crossing.

Currently, one per cent of the total cases of COVID-19 in Canada are explicitly linked to travel outside the country, and a further 0.8 per cent from contact with a traveller.

The latest Statistics Canada data show the number of Canadians returning via the land border was down 91.4 per cent last month, compared to January 2020. The number of U.S. travellers dropped by 93.3 per cent.

At airports using electronic kiosks tracking arrivals, the number of non-residents arriving dropped 94.7 per cent in January when compared to last year.

The agency noted “the number of Canadian residents returning from abroad via these same airports appeared to increase steadily toward the end of the month.

Canada's Latest COVID-19 Travel Rules Ruffle Feathers Among Snowbirds South Of The Border

By Brenna Owen, The Canadian Press, February 12, 2021

The latest rules for travellers arriving in Canada are ruffling feathers among snowbirds wintering south of the border, while those who stayed home wonder why thousands opted to travel during the pandemic.

Valorie Crooks, Canada research chair in health service geographies, said everyone has had access to the same public health information and snowbirds who flocked south “did what they felt was allowable.”

There is no ban on travel and snowbirds don't think of themselves as vacationers, said Crooks, a professor at Simon Fraser University who's done research for years with snowbird communities in Florida and Arizona.

“They're viewing this as part of their life or lifestyle,” she said, noting snowbirds relocate for extended periods of time and they're used to factoring health considerations into their decision-making.

Some snowbirds feel late government communication on travel during the pandemic has left them hanging, said Crooks, as stricter requirements come into force in days ahead for anyone arriving in Canada.

Prime Minister Justin Trudeau said this week that anyone arriving in Canada by land must soon present recent negative COVID-19 test results. Those without the requisite test results could be fined up to \$3,000.

Travellers arriving by air have been required to show the results of a molecular (PCR) test no more than three days old since last month.

The Canadian Snowbird Association has decried an added requirement that air travellers take a second test upon arrival and stay in a hotel for around three days while awaiting results, with a potential price tag of \$2,000 each.

In a recent letter to the federal transportation minister, president Karen Huestis wrote the cost of the hotel stay poses financial hardship for many and travellers who test negative should be able to quarantine in their homes.

Those arriving in Canada by land won't be required to quarantine in a hotel.

The government announced Friday the new testing and quarantine measures will start February 22. Air travellers will be ushered into hotels near one of the four Canadian airports currently accepting international flights in Vancouver, Calgary, Toronto and Montreal. Hotels had until Wednesday to apply to be among those on a list inbound passengers may choose from.

The prospect of quarantining in a hotel sent some snowbirds flying back to Canada early, while others take their chances or extend their southern stays.

[Read the full article here.](#)

Welcome To Hotel Of Last Resort, The Government-Run Quarantine You Really Want To Leave

Since the pandemic started, more than 5,000 people have been whisked off to secret facilities for those who lacked COVID tests or a safe place to isolate for 14 days

By Tyler Dawson, National Post, February 16, 2021

A return to Canada from travels abroad could land you in one of the federal government's isolation hotels, dystopian-looking places sheathed in plastic, with meals delivered to your door and only minutes of fresh air per day.

There has been ongoing confusion around the rules at Canada's airports since the beginning of the pandemic. Who can fly and who cannot? Testing or not? In early January, the government brought in rules that required air travellers to have a negative COVID test on arrival at Canada's airports. Then, two weeks ago, came the announcement of a mandatory, 72-hour hotel quarantine for all international travellers — at their own expense. On Friday, it was revealed these government-approved, privately operated hotels will come online on Feb. 22.

Yet, more than 5,000 people have already been whisked off to government isolation facilities since the start of the pandemic. Operated by Public Health Canada, these "last resort" facilities — for people who lacked proper COVID tests, or a safe place to isolate for 14 days — are hardly what one would describe as a relaxing home-away-from-home.

[Read the full article here.](#)

Airlines COVID-19 Rescue Negotiations At Critical Stage, Sources Say

By Robert Fife, The Globe and Mail, February 15, 2021

[Airlines COVID-19 rescue negotiations at critical stage, sources say - The Globe and Mail](#)

The federal government and Canada's airlines are at a critical stage in backroom negotiations that could soon end months of haggling and result in a multibillion-dollar rescue plan for the pandemic-hobbled industry.

Michael Sabia, the veteran corporate executive recently recruited as deputy minister of finance, is close to finalizing a bailout package, according to government and industry sources briefed on the talks.

The Globe and Mail is not identifying the sources because they were not authorized to discuss the negotiations.

Talks between Mr. Sabia and the industry have been going on for weeks, with all the participants signing non-disclosure agreements as Finance Department officials delved deeply into the financial records of airlines both big and small.

Canada's biggest business lobby is urging Ottawa and the airlines to wrap up their negotiations quickly.

"Support for the airline sector amounts to relief for the entire supply chain that is fed by it, including small businesses. Action by the federal government is needed now. Time is not our friend," said Goldy Hyder, president of the Business Council of Canada.

Any government rescue package would require the airlines to refund customers for flights cancelled because of the pandemic, an amount estimated to be in the billions of dollars, the government sources said.

Ottawa is also demanding that no bailout money go to executive bonuses; that key regional routes be maintained; and that airlines not cancel orders for aircraft that would affect jobs in Canada. It remains unclear if equipment purchases remain part of the talks, according to one of the government sources.

The government has taken off the table its demand for board seats, but it remains open to some form of equity ownership in return for low-interest loans to the industry, the government and industry sources said.

Mr. Sabia, the former chief executive officer of Caisse de dépôt et placement du Québec, took the reins for the negotiations from Transport Canada after he was recruited as the deputy minister to Finance Minister Chrystia Freeland in mid-December.

Canadian Chamber of Commerce president Perrin Beatty said Sunday it is critical that Mr. Sabia and the airlines conclude a deal as spring approaches and the general rollout of vaccinations begins.

"If you look at the impact on local communities across the country who have seen air service reduced or cancelled altogether, the economic and social impact is devastating," Mr. Beatty said. "It is clear that the travel and tourism sector will be one of the last if not the very last sectors to come back, and that means we need to provide assistance that is tailored to the assistance they need."

As part of a possible package, Ottawa has also set aside \$207-million to help smaller airports adjust to the upheaval in the industry, which could see smaller airlines take over remote routes.

The industry sources said the airlines are counting on Intergovernmental Affairs Minister Dominic LeBlanc to work out an agreement with the provinces on nation-wide pandemic travel rules. This is not only crucial for the airlines but for the hospitality and tourism industry, which is dependent on airline travel, the sources said.

"Given global uncertainty, Canada must prioritize domestic travel and negotiate a transparent and clear policy with provincial governments," Andrew Gibbons, WestJet's director of government relations and regulatory affairs, told the Commons transport committee on February 4. "This could be based on COVID levels or a percentage of the population vaccinated."

The Calgary-based airline was not happy with the federal cabinet's recent decision to approve the takeover of Transat by Air Canada, which gives Canada's largest airline an even more dominant position.

WestJet To Temporarily Halt Operations In Four More Canadian Cities

By Eric Atkins, The Globe and Mail, February 18, 2021

WestJet Airlines Ltd. will suspend operations in another four cities amid a prolonged slump in demand for air travel in the pandemic. The Calgary-based airline said it will temporarily halt operations between March 19 and June 24 in four domestic cities: St. John's, London, Ontario, Lloydminster and Medicine Hat, Alberta.

Additionally, flights will be suspended between St. John's and Halifax; London and Toronto; and WestJet Link flights between Calgary and Lloydminster; and Calgary and Medicine Hat. Ed Sims, WestJet's chief executive officer, said in a statement on Thursday, February 18 that the new travel restrictions and quarantines have caused seat sales to plummet further and increased the uncertainty faced by the carrier. "Our ability to return to markets remains directly correlated to government policies and the prioritization of a domestic travel program," Mr. Sims said. The federal government is expected to announce details soon of aid packages for Canada's aviation sector. The airlines have complained for months their foreign rivals have been propped up by billions of dollars in government loans and grants while Canada's carriers have been left waiting. The government has said any aid will require airlines refund customers' money for flights cancelled in the pandemic, protect aviation jobs and retain and restore regional routes.

Read Story (Subscription Required): https://www.theglobeandmail.com/business/article-westjet-to-temporarily-halt-operations-in-four-more-canadian-cities/?utm_medium=email&utm_source=Top%20Business%20Headlines&utm_content=2021-2-18_17&utm_term=WestJet%20to%20temporarily%20halt%20operations%20in%20four%20more%20Canadian%20cities&utm_campaign=newsletter&cu_id=Ts6FwhWx6n2rSHC0x7MiReEeFJOJkTb

WestJet Hires First Chief Medical Officer

By The Canadian Press, February 17, 2021

WestJet Airlines Ltd. says it has hired its first chief medical officer. Dr. Tammy McKnight will be charged with developing and implementing initiatives related to the health and well-being of WestJet's employees and customers, the company says. WestJet says Dr. McKnight will work on mental health-related efforts, advise on risk mitigation and make recommendations around complying with health guidelines around the world. The portfolio was previously spread among various service providers and company staff, WestJet says. The appointment comes as airlines navigate a complicated atmosphere of public health regulations and protocols designed to curb the spread of COVID-19. WestJet isn't the first to have someone in that position. Jim Chung works for Air Canada while Peter Nord has those responsibilities at Sunwing.

Read Story (Subscription Required): https://www.thestar.com/business/2021/02/17/westjet-hires-first-chief-medical-officer.html?source=newsletter&utm_content=a11&utm_source=ts_nl&utm_medium=email&utm_email=6D73923380F292A40DC042B455F0FDE3&utm_campaign=sbj_45942

Phuket's Plan To Welcome Vaccinated Travelers As Soon As This Fall

By Alison Fox, Travel Leisure, February 11, 2021

[Phuket's Plan to Welcome Vaccinated Travelers As Soon As This Fall \(msn.com\)](#)

The popular Thai island of Phuket is hoping to welcome vaccinated travelers by October — but only if most of its population is vaccinated by then.

The island is looking to waive the current 14-day mandatory quarantine for visitors in order to give its tourism industry a boost, Bloomberg reported recently. The decision would require government approval.

To facilitate the proposal — entitled "Phuket First October" — the island is planning to vaccinate about 70% of its adult population using funds from more than a dozen business groups, including the Phuket Chamber of Commerce and the Phuket Tourist Association. This effort would supersede the government's vaccine distribution plans, which don't expect to achieve herd immunity until 2022, in an effort to reach that level of immunity faster.

The island would look to obtain vaccine shots from Sinovac Biotech Ltd., a Chinese company soon expected to be approved by the Thai regulator.

The plans come months after Thailand started welcoming tourists who agreed to stay in the country for several months, but still required a two-week quarantine for international arrivals. Under that program, travelers were permitted to stay up to 270 days, or about nine months.

However, Bloomberg noted few travelers have taken advantage of current programs in place with the mandatory quarantine being prohibitive.

"We can't wait any longer. If we have to wait, we won't survive," president of the tourist association, Bhummikitti Ruktaengam, told Bloomberg. "If we miss this winter peak season, we'd have to wait another year."

Thailand isn't the only country looking to allow vaccinated passengers to revive its tourism economy. Last month, the Seychelles opened its borders to anyone who received both shots of a two-dose vaccine. And several other nations, including Iceland and Denmark, are developing a digital vaccine passport to facilitate travel for vaccinated citizens.

OTHER CAFII MEMBER-RELEVANT NEWS

Discount Airline Flair To Offer Flights To Several Canadian Cities Out Of Region Of Waterloo International Airport

By Catherine Thompson, Waterloo Region Record, February 10, 2021

A discount airline has signed up to provide multiple flights a week to six Canadian cities out of the Region of Waterloo International Airport in Breslau. Edmonton-based Flair Airlines will provide non-stop service to Victoria, Vancouver, Calgary, Edmonton, Winnipeg and Halifax multiple times a week. It hopes to start service on May 1, 2021, pending the lifting of travel restrictions due to COVID-19. Flair plans to offer flights four times a week to Vancouver and Winnipeg, three times a week to Victoria and Halifax, and twice weekly to Edmonton and Calgary. Last fall, Pivot Airlines announced it would offer flights from Breslau to Toronto, Ottawa, Windsor and Montreal, but it too isn't flying out of the airport until pandemic-related travel restrictions are lifted. Launched in 2017, Flair Airlines is Canada's only independent ultra low-cost carrier. It operates with a low-cost business model and offers tickets at a much lower price. As of December 2020, Flair has flown almost 18,000 flights with about 2.3 million passengers. Flair has a fleet of Boeing 737 800 and MAX aircraft, each with a capacity for 189 people. In a news release, Flair said it is expanding its service from 10 to 18 Canadian destinations by summer.

Read Story (Subscription Required): https://www.therecord.com/news/waterloo-region/2021/02/10/discount-airline-to-offer-flights-to-several-canadian-cities-out-of-breslau.html?li_source=LI&li_medium=rec_web_ymbii

Say No To Life Settlements, CLHIA Advises Ontario

Group warns that vulnerable seniors would be at risk if private member's bill passes

by James Langton, Investment Executive, February 11, 2021

[Say no to life settlements, CLHIA advises Ontario | Investment Executive](#)

Industry trade group the Canadian Life and Health Insurance Association (CLHIA) is warning the Ontario government against allowing life settlement companies to set up shop in the province.

In its pre-budget submission to the government, the CLHIA covered a number of issues, including taxes on life and health insurance premiums, pension innovation and the ongoing development of rules for the use of financial planner and advisor titles.

It also warned the government against allowing life settlement contracts in Ontario, noting that a private member's bill would revise insurance legislation to "permit trafficking in life insurance policies."

The CLHIA said this would expose a vulnerable segment of the population — generally low-income seniors and people with health concerns — to possible financial abuse.

“In the context of COVID-19, life settlement companies are anxious to open up markets in Ontario and Canada as more Canadians are struggling financially, providing more opportunities for financial exploitation,” the group said in its submission.

The trade group warned the government against allowing this activity in Ontario, arguing that there are better options for insurance customers.

In the same submission, the CLHIA also recommended that the government reconsider proposed rules on financial planner/advisor titles that would require the holders of basic life agent licensing, the LLQP, to boost their qualifications to meet the titling standards.

The trade group also called for an end to taxes on insurance premiums and encouraged access to new types of annuities.

COVID-19 Pandemic Brings Long-Term Care Insurance Back Into The Conversation

By Alain Theriault, Insurance Portal, February 9, 2021

A product niche that once had 10 providers at its peak, long-term care insurance in Canada now has only two providers: Sun Life (Long-Term Care Insurance and Health And Retirement Assistance) and Blue Cross Canassurance (Tangible product). In addition, few Canadians are aware of the existence of this product. However, the pandemic seems to have brought the need for this type of coverage back into the limelight, according to Claudine Cloutier, Vice President, Life Services and Partner of Groupe Cloutier. “We've noticed an increased interest in long-term care products. Clients are asking more about this than usual, with everything that has happened in the long-term care homes. The bad image they have earned has made people wonder about their retirement plans. Many have realized that they are not ready. So we help advisors present the product. We're bringing a conversation that I believe in a lot: the possibility of turning disability insurance into long-term care insurance,” said Cloutier. She's referring to an integrated guarantee in the disability insurance policies offered by RBC Insurance and Manulife, Ms. Cloutier says. She would like to see customers of these products make greater use of the option of transforming their insurance.

Read Story (Subscription Required): [La pandémie de COVID-19 ramène l'assurance soins de longue durée dans les conversations - Portail de l'assurance \(portail-assurance.ca\)](https://portail-assurance.ca/la-pandemie-de-covid-19-ramene-l-assurance-soins-de-longue-duree-dans-les-conversations)

Equitable Life Earnings Continued To Climb In 2020

By The Insurance Portal Staff, February 12, 2021

[Equitable Life earnings continue to climb in 2020 - Insurance Portal \(insurance-portal.ca\)](https://insurance-portal.ca)

Mutual life insurance company, Equitable Life of Canada is reporting another strong year of positive net earnings, driven by sales, investment performance, positive impacts from favourable expense ratios and reserve assumption changes.

Earnings for the company were \$153-million in 2020, a return on policyholders' equity of 16 per cent. Net earnings for the company were up last year compared to net earnings of \$109-million reported at the end of 2019. Premiums and deposits worth \$1.7-billion helped the company's assets under administration reach \$6-billion by the end of 2020, up from \$5-billion reported at the end of 2019. Dividends to participating policyholders increased 24 per cent over the prior year.

Broken down, the company's individual insurance business reported 2020 sales of \$149-million, up from \$130-million in 2019. Savings and retirement reported sales of \$401-million, up from \$400-million a year ago. The company says sales in the savings and retirement business were driven largely by segregated fund sales during the year. In group benefits meanwhile, sales totalled \$46-million, down compared to 2019 sales which reached \$48.4-million.

Equitable Life finished 2020 with a Life Insurance Adequacy Test (LICAT) ratio of 166 per cent, up from 155 per cent a year ago.

Videoconferencing P&C Brokers Setting Sales Records During Pandemic

By David Gambrill, Canadian Underwriter, February 11, 2021

Videoconferencing P&C insurance brokers shattered sales records in top-tier brokerages across the country during the pandemic, senior brokerage executives reported in a recent Canadian Underwriter webinar.

The results suggest virtual sales are at least as effective — if not sometimes more effective — than generating new business by making in-person sales calls to clients and prospects.

But panelists noted that videoconferencing is a double-edged sword. On the one hand, its efficiency allows greater access to a brokerage's salespeople and resources. But some brokers and clients are still missing in-person social interaction — a.k.a the "fun" part of the business.

A recent Canadian Underwriter survey found that 86% of the Canadian P&C industry has been working remotely from home to prevent the spread of COVID-19, which was declared a global pandemic last March. That means brokers have had to hone their skills in the art of video presentations to clients and prospects.

On the plus side, brokers' innovation with video led to record-setting sales numbers in 2020, senior brokerage leaders said Wednesday, February 10 in Canadian Underwriter's webinar, Brokerage Executive Outlook.

"Interestingly, in 2020, we had more people in our organization, believe it or not, pierce the \$1-million mark of new revenue than in any other year of our corporate history," said Tina Osen, president of Hub International Canada.

"Previously [before the pandemic], we had these subject matter experts flying around the country to appointments with clients and prospects. If you were lucky, they maybe got 5-6 meetings done in a week. In this [virtual] world now, they are doing 5-6 a day. From a pure customer perspective, our customers can feel pretty confident that, whether they are located in Red Deer, Alta., or Drummondville, Que., or if they are in one of our major metropolitan centres in Canada, they are getting access to our best-in-class resources, knowledge and expertise."

[Read the full article here.](#)

COVID-19 Claims Seep Into More US Life and Health Insurers' Earnings

Companies now say the effect on life and disability claims is more than just a rounding error.

By Allison Bell, ThinkAdvisor, February 5, 2021

COVID-19 claims are starting to get on life and health insurance companies' executives nerves.

Most of the life and health insurers that have posted their earnings are reporting profits for the fourth quarter of 2020, and none is close to facing a strain on capital as a result of the pandemic.

But some issuers say an increase in the number of deaths led to a sharp increase in life insurance benefits costs in the fourth quarter.

Some are reporting that COVID-19 has led to noticeable increase in disability insurance claims.

Prudential Financial Inc., for example, said a decrease in overall earnings at its U.S. businesses "reflect less favorable underwriting results," driven, in part, by "COVID-19 related net mortality experience."

Here's a look at the life and health insurers' latest results.

[Read the full article here.](#)

RESEARCH/THOUGHT LEADERSHIP/TECHNOLOGY/DIGITIZATION NEWS

Seven New Predictions For A Post-Pandemic World

Expect cryptocurrency booms, intrusive biometric tracking, and the mainstream embrace of universal basic income

By Emma Rose Bienvenu, Marker, February 9, 2021

[7 New Predictions for a Post-Pandemic World | by Emma Rose Bienvenu | Feb, 2021 | Marker \(medium.com\)](#)

In the early months of the pandemic, I published my predictions about how the coronavirus pandemic would reshape our lives. While many of these predictions are currently bearing out, it is increasingly clear that the disruptions caused by Covid-19 are only just getting started. The magnitude of any crisis is a function of both its striking force and of the strength — or fragility — of the system it attacks. Long before this pandemic, developed societies were plagued by widening inequalities and staring down a technological abyss. In 2021 and beyond, the knock-on effects of shifts accelerated by the pandemic will cascade through our institutions and individual behaviors.

Here are seven additional shifts we should expect in the aftermath of the pandemic era. Some will create enormous challenges, but many will open opportunities to revise our foundational assumptions about economics, business, and public policy so that, after the public health war has been won, we effectively mobilize to take advantage of abandoned and updated norms.

1. Equity markets will continue to soar, as fears of inflation drive commodity and crypto booms

So far, Congress has approved pandemic relief packages worth more than \$4.1 trillion. It funded these outlays not by raising taxes or selling bonds to the public, but rather by printing new money, marking an unprecedented expansion in the overall money supply. Roughly one-fourth of all circulating U.S. dollars was printed in the past year; much of it has ended up in the capital markets, sending financial assets rocketing to new record highs. Generous stimulus checks and pent-up demand from months in lockdown have also left consumers with record-high savings rates, which could propel a post-pandemic spending spree.

Taken together, these factors will make investors increasingly skittish about inflation. This will drive demand for traditional store-of-value commodities, like gold and silver, and fuel the continued ascent of cryptocurrencies like bitcoin that are valued against a finite supply of coins rather than a basket of other currencies. Banking giants like JPMorgan, Guggenheim, financier Paul Tudor Jones, and insurer MassMutual have already bet hundreds of millions of dollars on bitcoin's future as a critical hedge against USD devaluation, publicly touting price targets upward of \$400,000 per bitcoin. Enterprise companies will increasingly follow their lead, as most corporate balance sheets come to include some small percentage of crypto-denominated reserves.

2. While Amazon builds its empire, Shopify will keep bolstering the rebels

The online retail revolution has arrived ahead of schedule. Merchants that once relied on dominating retail shelf space or physical proximity to their customers will need to learn to sell online; in practice, this means either joining crowded direct-to-consumer markets or capitulating to Amazon, which controls nearly half of all U.S. e-commerce (and counting). This will set the stage for e-commerce wars pitting Amazon against effectively everyone else.

Shopify will lead the anti-Amazon coalition, by continuing to help level the e-commerce playing field for smaller online sellers. The company's core innovation was to leverage its economies of scale to provide sophisticated, affordable e-commerce tools rivaling those of the largest incumbents. It has since expanded to off-line logistics and fulfillment, hoping to one day match Amazon's customer service, fast shipping, and easy returns. It does not, however, help merchants find and attract customers online. To avoid an "Amazon takes all" future, that will need to change.

For independent merchants to survive in Amazon's e-commerce future, Shopify will need to provide an alternative.

The central challenge for Shopify — and independent sellers in general — is that Amazon effectively controls online demand. A full 82% of U.S. households have Amazon Prime memberships, and most Prime members start their shopping journeys on Amazon, now the second largest search engine in the U.S. Because this lowers customer acquisition costs, more sellers join Amazon Marketplace. Amazon's vast selection attracts more buyers, which further drives down customer acquisition costs on the platform. For independent merchants to survive in Amazon's e-commerce future, Shopify will need to provide an alternative by embracing a strategy focused on localizing and personalizing e-commerce.

Independent sellers will never match Amazon's economies of scale and scope, but they can outperform it with consumers who want to shop in their community, support brands whose values they share, or embrace compelling and highly differentiated brands. For users to find those merchants, however, they need a searchable platform, which Shopify is ideally positioned to provide by expanding its Shop app into something that looks more like a local marketplace.

3. The rapid transition to a gig economy will upend U.S. health insurance markets

To increase their resilience to future shocks, businesses will look to limit the stickiness of their cost structures: Fixed asset ownership will go down, office leases will get shorter, and full-time positions will be automated away or replaced with short-term contract workers. This transition is well underway in industries like grocery delivery; eventually, it will affect all sectors of the U.S. labor market.

By dissociating health coverage from employment, this will make U.S. labor markets more efficient, boost small business formation, and dramatically improve the health outcomes of Americans in the long term.

The accelerated transition to a gig economy will upend U.S. health insurance markets, which rely on employment-based group insurance to shield risk pools from adverse selection pressures. When a bloc of employees, rather than only its sickest members, receives coverage from an employer, young and healthy employees effectively subsidize those with greater coverage needs.

This balance will not hold when tens of millions of gig workers suddenly become responsible for buying their own insurance. Many — particularly the young and healthy — will choose to go without. Those who buy insurance will disproportionately choose cheaper plans with high deductibles and bare-bones coverage. This will make the more comprehensive plans that older, less healthy Americans need prohibitively expensive.

The U.S. population is aging fast, and 75% Americans 65 or older live with multiple chronic health conditions. This means the share of Americans unable to afford quality coverage will quickly become untenable, eventually ending the country's failed 50-year experiment trusting market incentives to provide for its critical health care needs. A two-tiered system will replace it, in which those who can afford to buy private insurance and receive exceptional, concierge medical services will do so, while some version of "Medicare for All" administered by the federal government provides for the needs of everyone else. By dissociating health coverage from employment, this will make U.S. labor markets more efficient, boost small business formation, and dramatically improve the health outcomes of Americans in the long term.

4. Pandemic monitoring will mark a new era of mass digital surveillance

The United States' failure to contain Covid-19 — and the relative success of East Asian countries like Taiwan and South Korea — brought about the twin realizations that pandemic readiness is both critical to national security and virtually impossible without sophisticated digital tools. As public institutions, businesses, and individuals brace for the next pandemic, the scale and scope of digital surveillance will dramatically increase, permanently recasting the balance between privacy and public safety.

While the mass adoption of wearable health trackers will drive significant improvements to population-level health, it will also create vast, highly individualized datasets on users' preferences and behavior.

The expansion of mass digital surveillance will be felt most quickly in the workplace. To ease the safe return to work, employers will use tools like IBM's "health pass" — a blockchain-based registry of biometric information — to verify employees' vaccination status, and wearable health trackers to remind employees to socially distance at work, monitor for signs of disease, and contact-trace efficiently in the event of an outbreak. Gradually, businesses will begin to track the identity, inoculation status, and potential disease state of everyone on their premises. In the longer run, biometric passports will become standard entry requirements in all kinds of crowded public spaces, creating a record of every individual who enters or exits an office, school, airport, museum, concert hall, or sports stadium.

While the mass adoption of wearable health trackers will drive significant improvements to population-level health, it will also create vast, highly individualized datasets on users' preferences and behavior. Wearables collect real-time data on users' sleep, physical activity, heart rate variability, and more. (Halo, a health tracker developed by Amazon, records its users' speech and tracks the tone of their voice.) These datasets harbor rich predictive signals, which advertisers and political groups will use to target their messaging with unprecedented specificity. As they learn to nudge purchase decisions or voting behavior to serve commercial or political objectives, mass biometric surveillance could chip away at not only our privacy, but democracy itself.

5. The dawning code wars will put lives — not just data — at stake

The hackers we know and fear — those who steal payment information, knock websites off-line, or spy on enemy governments — have historically operated only in the digital world. But unlike traditional computers, networked drones, power grids, and medical devices have chemical and kinetic functions that affect us in direct, material ways. In connecting our insulin pumps, automobiles, and nuclear reactors to the internet, we provide hackers with billions of poorly secured entry points to our off-line lives.

This creates two critical vulnerabilities. First, networked objects can be attacked remotely. With embedded medical devices increasingly brought online, even hearts can be hacked: In 2016, the FDA confirmed that St. Jude Medical's implantable cardiac devices contained vulnerabilities that hackers could exploit to trick the devices into administering improper pacing or fatal defibrillations. Second, attack tactics against networked objects operate at scale, since a security flaw in one networked object will generally exist in all devices of its make and model. In other words, we shouldn't just worry about a political figure being assassinated after a successful hack of their pacemaker; rather, we should worry about the mass casualties that would result if all U.S. pacemakers were hacked, all at the same time.

Back in 2012, Defense Secretary Leon Panetta invoked the specter of a "cyber Pearl Harbor." Organizations should not wait for one before they begin to mount a defense. No country is more networked, and therefore more vulnerable, than the United States; our accelerated transition to a remote-first, automated economy will exacerbate that vulnerability, as the harms of cyber crimes increasingly redound in our off-line lives. Businesses and lawmakers will need to learn to view cyber threats on par with natural disasters, pandemics, or terrorist attacks — and take steps to protect their organizations accordingly.

6. The perceived overreach by finance and tech giants will spur a decentralized technology revolution

Efforts by tech companies to moderate online speech have attracted controversy for over a decade. But in early 2021, two sets of heavy-handed interventions by tech and finance giants sparked a new debate that could transform the modern internet. The first came in the aftermath of riots on Capitol Hill, when a coordinated crackdown by Big Tech on extremist political speech ignited furious allegations from the right of politically biased moderation decisions. Weeks later, a group of retail investors used Reddit forums to coordinate a short squeeze of Melvin Capital, costing the hedge fund giant an estimated \$3.75 billion. Robinhood, TD Ameritrade, and other industry giants reacted by preventing retail investors from opening new positions in Reddit-hyped securities, barring them from participating in the ongoing market run-up.

To many, both sagas illustrated that, as a practical matter, a handful of corporate giants at various chokepoints in the internet ecosystem have become the unelected, unaccountable arbiters of what happens online. This realization will unleash a flood of interest and investment in decentralization. Much like bitcoin offered payment solutions free from banks' control, distributed encrypted networks will emerge as the permission-less, privacy-protective alternative to the centralized internet ecosystem.

The proliferation of permission-free, decentralized systems will have dramatic second-order consequences.

Content moderation will be decentralized first, as incumbents increasingly embrace models that “pass the buck” on moderation decisions to a wider community of users. Banking and finance will follow, with cryptocurrencies and decentralized finance platforms like Uniswap gaining traction with an increasingly mainstream audience. Eventually, network infrastructure will also be decentralized, as more and more individuals and groups seek to limit their vulnerability to censorship or control by tech giants. As hardware solutions for hosting distributed networks become cheaper and more user-friendly, the ownership of a decentralized node will function much like owning a bond: Hosts will front the capital to purchase the node, receiving in exchange a low-volatility, crypto-denominated yield paid out in regular intervals.

The proliferation of permission-free, decentralized systems will have dramatic second-order consequences. They will enable borderless peer-to-peer transactions that need not rely on centralized intermediaries, and will create forums for open, censorship-proof discussion that no corporation or autocrat can control. It will also transform most internet-based business models: Without centralized institutions acting as chokepoints in the system, enforcing intellectual property rights on the internet — and monetizing online content — will become enormously challenging.

7. Wealth and income inequality will continue to spiral, bringing universal basic income into the mainstream

It was clear by the spring of 2020 that Covid-19 would place the heaviest burden on those least equipped to bear its weight. Months later, an even grimmer picture has emerged, in which the economy of the rich appears to have wholly decoupled from the economy of everyone else. The strong are stronger, the big are bigger, and the weak have become weaker, have folded their small businesses, or were bought out. Low interest rates and lavish stimulus spending sent markets soaring over the past year, enriching those who already owned financial assets. Meanwhile, the U.S. lost 40 million jobs in a period of 10 weeks, with nearly 40% of households earning \$40,000 or less including at least one member who was laid off or furloughed.

These gaps will continue to widen. More than a quarter of Fortune 500 company CEOs predict their workforce will never return to pre-pandemic levels, and 70% of companies with annual revenues exceeding \$500 million expect technological disruption to affect more than a quarter of their workers by 2025. By 2030, Amazon plans to fully automate its warehouse operations. Driverless cars and trucks will erase millions of jobs in transportation, while human armies are gradually replaced with swarms of autonomous drones. As deepfake software improves, it will eventually replace actors and traditional movie production. Meanwhile, the ravages of climate change will exacerbate existing inequalities, as vulnerable individuals and communities are most exposed and most harmed by air pollution, heat waves, failing crops, and rising oceans.

Many of the newly jobless will enter the gig economy, where they will earn less money with little or no benefits. Others will permanently exit the workforce, such that even as headline unemployment rates fall, the ranks of working-age adults reliant on the state will swell.

The inequalities this will create could sow new seeds of insurrection; nevertheless, if America's business and political leaders rise to meet the moment, they could also pave the way for permanent changes to the social contract. Calamities expand the Overton window, making bold progressive policies previously thought to be impossible seem suddenly within reach.

The forced experimentation with direct cash transfers to citizens in response to this pandemic has expanded people's understanding of what their governments can do to support them. As the economy reels from the pandemic-driven shock and braces for looming technological disruption, universal basic income (UBI) will emerge as a defining policy issue of the coming decade.

How governments should fund these fiscal outlays remains an open question. Scaling up global cooperation on the fair apportionment of taxes levied on multinational corporations would be a good start. Tax increases are also inevitable, though they must not come at the cost of sustained economic growth — however unevenly distributed — if countries are to produce enough taxable income to support the program. Variants on truly "universal" basic income might help lighten the fiscal burden, for example by targeting aid to only the neediest or by using earned income tax credits to incentivize work. The precise contours of these policies may vary from country to country, but mass income support schemes are coming — and UBI by any other name will still smell just as revolutionary.

Why Insurance Leaders Need To Bring Laughter Into The (Remote) Workplace

By Jason Contant, Canadian Underwriter, February 10, 2021

It's nearly one year into the COVID-19 pandemic, and Canadian property and casualty insurance leaders likely aren't in a joking mood. But a recent blog from Harvard Business Review suggests that would be helpful these days: shared laughter can improve work performance and accelerate a feeling of closeness and trust.

"Now let's acknowledge the elephant in the room: We're writing this in February 2021, a year into a pandemic that has killed millions and put many out of work," wrote Jennifer Aaker and Naomi Bagdonas, a professor and lecturer, respectively, at Stanford University's Graduate School of Business. They are co-authors of *Humor, Seriously: Why Humor is a Secret Weapon in Business and Life*.

"Is this really a time for laughter? Yes. We believe that leaders weaving humour into this weird new world are the ones truly helping their employees to get through it.

"From the executive who had her five-year old make signs for her to hold up in meetings ("What are the next steps?," "You're on mute") to the CEO who "accidentally" left his screen share on during a company-wide Zoom call as he typed, "Things inspirational CEOs say in challenging times" into Google, to the senior director who challenged her leadership team to create TikTok dance videos to share with the broader group, these managers are showing that a sense of humour — and humanity — are welcome at work, especially during difficult times."

In fact, research shows that leaders with any sense of humour are seen as 27% more motivating and admired than those who don't joke around, Aaker and Bagdonas wrote in *How to Be Funny at Work*, published Friday.

"Their employees are 15% more engaged, and their teams are more than twice as likely to solve a creativity challenge — all of which can translate into improved performance," the authors observe.

"Studies even show that something as simple as adding a lighthearted line at the end of a sales pitch — like "My final offer is X and I'll throw in my pet frog" — can increase customers' willingness to pay by 18%. A bad dad joke can literally help you get paid."

So how do you bring humour into your brokerage or insurance firm?

[Read the full article here.](#)

Can Canada's Financial System Withstand These Growing Risks?

Annual report highlights the biggest risks to the resilience of the financial system in 2021

By Steve Randall, Wealth Professional, February 9, 2021

https://www.wealthprofessional.ca/news/industry-news/can-canadas-financial-system-withstand-these-growing-risks/337659?utm_source=GA&utm_medium=20210209&utm_campaign=WPCW-MorningBriefing-20210209&utm_content=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8&tu=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8

Canada's financial system is robust. But every year there are increasing risks to its stability and this past year has certainly added to that.

However, the pandemic is not the biggest risk viewed by leading financial institutions' chief risk officers.

A survey of members of the Global Risk Institute puts the pandemic in fourth place, behind economic risk, cyber risk, and climate change. Geopolitical risk has eased significantly from last year.

Credit risk and market risk have also increased year-over-year while risk from consumer debt, housing market, and technology disruption and innovation have declined.

"Some of the top risks from prior years have been impacted and, in some cases, overshadowed by events brought about by the global pandemic," said Sonia Baxendale, President and Chief Executive Office of GRI. "With that in mind, we added some new questions related to COVID-19 to gain insight into the impact of the pandemic on financial institutions and the Canadian financial system."

The survey found that the pandemic is set to have a tangible impact on business operations throughout 2021 with a slowdown of the economy and the threat of COVID-19 top of mind.

The growing cyber risk is related to a larger share of people working from home along with more devices accessing digital banking environments and increased online shopping.

More than three quarters of respondents believe that 2021 will see a high-impact event based on risks identified in the survey.

However, 100% of them were confident that the Canadian financial system is able to withstand such events. Financial institutions are well-prepared in this regard.

Canada Could See A 'Rural Boom' As Remote Work Becomes Permanent, Study Finds

By Jacob Lorinc, Toronto Star, February 11, 2021

Get a comfy desk chair — remote work is probably here to stay. Long after the pandemic is over, employees at flexible workplaces could see more opportunities to work from home, sparking a potential decline in urban living and a “rural boom” instead, says the Brookfield Institute for Innovation and Entrepreneurship. In a report released Thursday, February 11, the think tank based out of Ryerson University identified virtual workspaces as one of the most enduring changes to emerge from the COVID-19 pandemic, with implications for how people find work and where they choose to live. “More and more Canadians have been making the shift from in-person activities to virtual ones,” the study says. “COVID-19 has significantly accelerated this shift, meaning more and more Canadians are living, working, and playing online.” According to Statistics Canada, 40 per cent of workers shifted to remote work following the pandemic lockdowns. Businesses both big and small have since made changes that are expected to remain in place after restrictions are lifted. The concept of working from home anywhere is also gaining traction, the Brookfield study finds, as countries such as Barbados offer incentives for remote workers to visit. Barbados is offering a 12-month work visa for remote visitors, while Estonia has a “Digital Nomad Visa” that allows workers from outside the E.U., whether working as freelancers or for foreign companies, to work legally in the country for up to one year. The report, titled “Yesterday’s Gone,” identifies eight “megatrends” that have developed in Canada during the pandemic and their implications for the labour market. These trends include increased automation, an influx of opportunity in the green energy sector, a smaller but increasingly powerful group of corporate monopolies, and a renewed focus on anti-racism in the workplace.

Read Story (Subscription Required): [Canada could see a 'rural boom' as remote work becomes permanent, study finds | TheRecord.com](#)

Keep Insurance Noble Through COVID-Driven Transformation

By Nathan Golia, Editor-in-Chief, Digital Insurance

https://www.dig-in.com/opinion/keep-insurance-noble-through-covid-driven-transformation?position=editorial_6&campaignname=DIG%20Analytics-02172021&utm_source=newsletter&utm_medium=email&utm_campaign=LIVE_DIG_Weekly_Analytics+20201110%2B%27-%27%2B02172021&bt ee=bLN%2BXbiiPaKaC9Un6NaTpOapK9T%2FGx0WiiT8oa2CpE5cIFlMj5j2m40ZE DfVhzn&bt ts=1613581289137

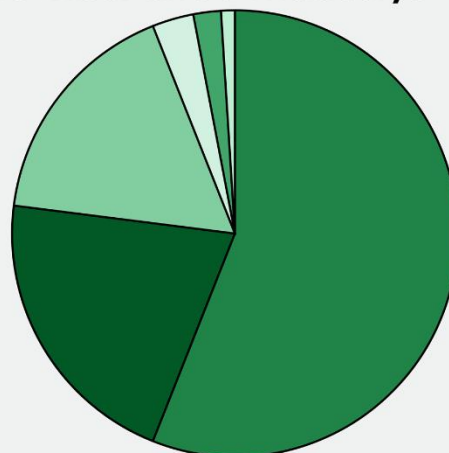
Last year, I had a vision of an on-site survey at the Dig In: The Digital Future of Insurance conference in my adopted hometown of Austin, Texas, where we'd talk to the great community that we convene every year about core trends and issues in insurtech, from funding to adoption to ROI. A few short weeks into planning it, though, everything changed. The conference was canceled, and new crises in the industry emerged. (In March, Digital Insurance reporting on the impact of the coronavirus pandemic on insurance was some of our best-read, most-engaged content.)

Late last year, once all of us had settled into our current "normal" -- temporary though it was promised, things seem to be stubbornly plugging along -- I was able to re-vision that survey as a digitally distributed survey through the all-star research group here at Arizent, *Digital Insurance's* parent company. You probably saw the first release of data from it yesterday; if you haven't, go check it out. I'm so happy that we reached more than 120 respondents, practically split equally among insurers, insurtechs, and third-party stakeholders including venture capitalists, other software vendors, and consultants.

There is still more data to come from here, which we will put out along with some coverage of how insurtechs and insurers are working together right now, at the beginning of March. But I wanted to talk about one question -- that yes, I drafted and sent out -- and when I saw its stark numbers upon getting access to the crosstabs for the survey caused some mixed emotions. Here it is, along with our survey results:

In your opinion, how has the COVID-19 pandemic impacted the insurance industry?

- Very positive, 21%
- Somewhat positive, 56%
- Not at all, 2%
- Somewhat negative, 17%
- Very negative, 1%
- Unsure, 3%



Source: Arizent/Digital Insurance survey

The idea that the COVID-19 pandemic was a net positive for the insurance and insurtech industry isn't uncommon. It's implied that the reason it excites all of us so much is that the rush to digitalization has widened the industry view of what's possible in this sector. Until recently, and especially before the pandemic, insurance still had a reputation as slow to adapt next-generation technologies, even leaving money on the table at times. Being forced to embrace everything from remote claims assessment to remote work has supercharged digital literacy across companies and made modernization more accessible.

But this Overton window shift has come at a grueling cost. Nearly half a million people in the U.S. have died from COVID-19. A multiple of that have been sickened, lost their incomes, and are being pushed to the brink by an uneven policy response to this devastating disease. To ascribe any positivity to these events can come off as aloof at best, despite the best of intentions.

This isn't to tut-tut our respondents. I put the question in front of them, and ultimately it's my responsibility to consider phraseology. And in fact, I'd like to use this wave of good feelings as a springboard for the industry. There is no shortage of financial resources across insurtech and insurance. We're talking about anywhere from \$5 billion to \$10 billion being invested in the sector this year. Many in the industry are taking that surplus to the people, with a lot of charitable work done in the industry.

But the transformation of the sector offers more opportunity than just that. How are we looking at the solutions we design and thinking not just about the professional urban home-worker, but also the delivery person bringing them their meals without substantial insurance coverage in case of disaster? How are we ensuring that people whose budgets are stretched to the limit understand their coverage and are eligible to be made whole in the ways they really need in case the worst happens?

Insurance is more than just snappy graphic design and the best mobile app. It's a service, and the promise implied by that service is what brings people into this industry. COVID-19 has revealed how many people could benefit from a safety net. Let's keep every level of customer in mind. We're all in this together.

Consumers Want To Share Data With Insurers, But There's A Caveat

By Alicja Grzadkowska, Insurance Business Canada, February 9, 2021

https://www.insurancebusinessmag.com/ca/news/digital-age/consumers-want-to-share-data-with-insurers-but-theres-a-caveat-245983.aspx?utm_source=GA&utm_medium=20210210&utm_campaign=WPCW-Newsletter-20210210&utm_content=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8&tu=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8

Consumer behaviours are nothing if not volatile and ever-changing, but a new report on what people want from their insurers today has highlighted key changes in consumer trends that the industry should take note of.

Based on a survey of over 47,000 consumers globally, Accenture's latest "Global Insurance Consumer Study" has determined that more consumers are now willing to share data on their health and lifestyle habits with their insurers to reduce premiums. But, at the same time, consumer trust in insurers to take care of this data has dropped.

"One of the key things we saw was a desire to see, reflected by the change in living patterns, a shift in usage and behaviour-based pricing," said Kenneth Saldanha (pictured), Accenture's global insurance lead. "To achieve that, customers are telling us that they're willing to share data, to the extent it's being pulled to truly provide them with that behaviourally based pricing, and not to be misused ... There has to be trust that you're going to use this data accurately, because that is something that [insurers] can lose very quickly."

While the world of auto insurance is no stranger to usage-based insurance, which is picking up speed in many markets, the shift to working remotely and generally being at home more often as a result of the pandemic has led to behaviour changes at home, and, in turn, has had an impact on what customers want from their homeowners' insurance.

For instance, explained Saldanha, if an individual changes their password on the Wi-Fi router at home to something safer than the default 'Password123,' that behavioural change should mean that they're at lower risk of cyberattacks and should thus pay less for personal cyber insurance.

Yet, while the Accenture survey found that the majority of respondents would be willing to provide data to insurers – specifically, seven out of 10 reported that they would share significant data on their health, exercise, and driving habits in exchange for lower prices – it also revealed that just under a third (32%) of consumers said that they put a lot of trust in their insurers to look after their data, reflecting a decrease of eight percentage points from two years ago.

One silver lining is that this mistrust in insurers isn't solely the industry's fault. In fact, said Saldanha, "There's a general sense of heightened sensitivity and heightened fear ... The tide is going out on trust, just as risk increases." The expert doesn't see anything that insurers have done that has driven that loss of confidence, but companies still have to deal with this notable change. To do so, insurance companies need to show consumers that they have the right data resiliency, security around insurance systems, and response measures in place so that insureds don't have to fear being on the receiving end of a cyberattack notification email, telling them that sensitive data was compromised in a recent breach.

Taking this cybersecurity-focused step involves insurers having a technology infrastructure conversation across their organizations around how they're defending their systems and data. Alongside this discussion, Saldanha noted that there is another key step that insurers have to implement.

"What I think most consumers are concerned about is, am I going to end up having my data used against me? So, I allow you to look at my driving data, and the next thing I know, I've got either sales offers, or worse yet, my health insurer is calling to say they're changing my rates because they're seeing different patterns in my lifestyle," said Saldanha. "There's a very high bar for both the technology resilience and data security [component], and the simple visibility into what data was gathered and how that was reflected in your specific insurance offering."

US Financial Sector Shares Thoughts On A Low Carbon Economy

Trade groups published principles for a low carbon transition

By James Langton, Investment Executive, February 18, 2021

https://www.investmentexecutive.com/news/industry-news/u-s-financial-sector-shares-thoughts-on-a-low-carbon-economy/?utm_source=newsletter&utm_medium=nl&utm_content=investmentexecutive&utm_campaign=INT-EN-All-afternoon

A collection of financial industry trade groups is calling for science-based climate policy in the U.S. that will help guide its transition to a low carbon economy.

The US Securities Industry and Financial Markets Association Inc. (SIFMA) along with 10 other industry trade associations (known as the US Climate Finance Working Group) published a set of principles that they believe should underpin US policy to address global warming.

The principles — which represent the views of banks, investment banks, insurers, asset managers, pension funds and other financial firms — call for the U.S. to set policy goals, based on climate science, that align with the Paris Agreement.

They also recommend measures that put a price on carbon, utilize markets, and foster innovation in financial services.

As well, the principles propose stronger US engagement with the international community; more robust global data and disclosure standards; and risk-based regulation.

“The transition to a low-carbon economy will require concerted and coordinated action by all stakeholders, including tremendous reliance of financial markets to facilitate green equity investment, sector transition financing and liquidity and risk management,” said Kenneth Bentsen, Jr., president and CEO of SIFMA, in a statement.

Alongside SIFMA, the working group includes the American Bankers Association, Bank Policy Institute, CRE Finance Council, Financial Services Forum, Futures Industry Association, International Capital Market Association, Institute of International Bankers, Institute of International Finance, International Swaps and Derivatives Association, and the Investment Company Institute.

UPCOMING WEBINARS AND EVENTS

Free Virtual Event: How the Pandemic Accelerated Change and Informs the path Forward

Bharat Masrani / Group president and CEO, TD Bank Group

Date: Tuesday, March 2, 2021

Time: 12:00 PM - 1:00 PM ET

The COVID-19 pandemic impacts us all in unprecedented ways. It will also inform our focus and guide our work in the years ahead. Values-driven consumers. Personalized advice. Digital adoption. Economic disparity. Racial and social inequality. Entrepreneurial ingenuity. Climate action. Join Bharat Masrani, Group President and Chief Executive Officer, TD Bank Group, at Canadian Club Toronto on March 2 for a discussion on what he observed and learned in 2020 and how it must inform the future of TD Bank and Canadian society.

This event is free of charge thanks to our sponsors. You will receive the access link on the morning of the event.

[Register Now](#)