

CAFII ALERTS WEEKLY DIGEST: July 15 to July 22, 2022

July 22, 2022

The CAFII Alerts Weekly Digest is intended to provide a curated compendium of news articles, analyses, editorials, and opinion commentary on insurance, regulatory, business/industry/economic, and societal topics of relevance to CAFII Members – drawn from domestic and international industry trade press and mainstream media – to aid in Members' awareness of the spectrum of recently published media content in those areas. Inclusion of a news article, analysis piece, editorial, or opinion column in the Weekly Digest in no way implies CAFII's support or endorsement of the interpretations, analyses, views, and/or opinions therein.

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REGULATOR/POLICY-MAKER NEWS

Federally Regulated Financial Institutions Subject To New Technology Risk Guideline

By Kate McCaffery, Insurance Portal, July 14, 2022

The Office of the Superintendent of Financial Institutions (OSFI) released its final Guideline B-13, setting out the agency's expectations for how federally regulated financial institutions (FRFIs) should manage technology and cyber risks, including data breaches and technology outages.

The report includes three domains – governance and risk management, technology operations, and cyber security – and discusses key components of each, including desired outcomes, to help institutions understand OSFI's expectations.

The document was first discussed with the industry in a 2020 consultation and, later, in a further consultation when it released a draft guideline in November 2021. "Compared with the draft consultation version, the final Guideline B-13 is more streamlined and less prescriptive, with clearer definitions," the agency writes in a statement accompanying the release of the final guideline.

"These expectations aim to support FRFIs in developing greater resilience to technology and cyber risks," they add in its introduction.

17 Principles

The report goes on to discuss 17 principles. "Senior management should assign responsibility for managing technology cyber risk to senior officers. It should also ensure an appropriate organizational structure and adequate resourcing are in place for managing technology and cyber risks," they begin with in principle 1.

They go on to say that companies should ensure that appropriate structures, resources, and training are provided, and companies should promote a culture of risk awareness in relation to technology and cyber risk throughout the institution.

FRFIs should also define, document, and implement strategic technology and cyber plans, they continue, before elaborating on the plan's required elements. The guideline also discusses cyber risk management frameworks and processes for managing, monitoring, and reporting technology and cyber risks, their key elements, and states that these frameworks should be continuously improved.

Risk Identification And Assessment

"FRFIs should maintain an updated inventory of all technology assets supporting business processes or functions. FRFIs' asset management processes should address classification of assets to facilitate risk identification and assessment, record configurations to ensure asset integrity, provide for the safe disposal of assets at the end of their lifecycle, and monitor and manage technology currency," they add.

The inventory that institutions are required to maintain includes a catalogue of assets both owned and leased by the companies, along with an inventory of third-party assets that store and process the company's information or support critical business services.

The guideline also discusses project management, change and release management, patch management, incident and problem management, service measurement and monitoring, disaster recovery – the guideline stipulates that disaster recovery scenarios must be tested and what they should test – threat assessment and testing, an assessment and ranking of vulnerabilities, continuous situational awareness, forensic investigation abilities, and threat modelling.

OSFI says the guideline will be effective on January 1, 2024, to give institutions sufficient time to self-assess and ensure their compliance.

Read Story (Subscription Required): https://insurance-portal.ca/society/federally-regulated-financial-institutions-subject-to-new-technology-risk-guideline/?utm_source=sendinblue&utm_campaign=daily_complete_202207-18&utm_medium=email

FSRA Report Examines Impacts Of Big Data And Analytics In Auto Insurance

By Insurance Portal Staff, July 7, 2022

<https://insurance-portal.ca/damage/regulators-report-examines-impacts-of-big-data-and-analytics-in-auto-insurance/>

The Financial Services Regulatory Authority of Ontario (FSRA) has published the Fair Treatment of Consumers in Uses of Big Data Analytics in Auto Insurance, a report from the regulator's auto insurance data and analytics strategy technical advisory committee.

FSRA says the report's findings will inform how it sets and delivers on its priorities related to auto insurance rate reform and underwriting regulation. "We also hope this report will help the industry implement big data analytics (BDA) solutions in the auto insurance system," the regulator writes.

"The report would offer an opportunity to build trust and mutual understanding between consumers and the industry, particularly in areas of high complexity such as BDA," FSRA adds.

The advisory committee, formed in November 2020, has a mandate to provide advice to FSRA on the consumer impacts and regulatory implications of the use of artificial intelligence (AI) and BDA in auto insurance – critical issues in consumer protection, FSRA says. The report explores how to treat consumers fairly in response to these issues. "It also attempts to address how data is collected, treated, processed, communicated, and utilized to inform decision-making by all stakeholders in the Ontario auto insurance market."

Themes explored in the report include model fairness, including rating model key elements, how data is treated and interpreted, and model bias. It discusses transparency and recommends the creation of a consumer survey regarding the industry's disclosure practices. Support for vulnerable consumers and how consumer vulnerabilities could be considered and accommodated in model-related decisions are also discussed.

The committee's recommendations include further defining vulnerable consumers and communities, and work to develop mechanisms for monitoring the treatment of vulnerable consumers. "FSRA should consider vulnerability in the underwriting and rate regulation reform," the committee adds.

"BDA refers to the use of algorithms and advanced analytics capabilities to make or inform decisions, based on patterns, trends and linkages of new data sources," the committee writes, adding that BDA is used across the auto insurance value chain in Canada. While it allows companies to improve risk prediction, serve customers, and develop new products, the committee adds that the benefits come with costs and risks when not managed properly. Concerns expressed in the report include new risks emerging from data-driven automation – undetected data issues causing unintended harm or reinforcing existing societal disadvantages, along with the opacity of BDA models and increased individualization of insurance leading to affordability issues among high-risk consumers.

"FSRA seeks to understand current and potential BDA practices in the property and casualty (P&C) insurance market. FSRA's aim is to ensure that consumers benefit from these new practices while also being treated fairly," the committee writes.

"FSRA has adopted the Canadian Council of Insurance Regulators' (CCIR) and the Canadian Insurance Services Regulatory Organization's (CISRO) guidance, Conduct of Insurance Business and Fair Treatment of Customers, which generally addresses the fair treatment of consumers. This report, however, focuses specifically on the fairness of BDA applications."

NEWS ABOUT CAFII MEMBERS AND/OR THEIR PARENT COMPANIES

BMO Buys Calgary-Based Carbon-Offset Adviser Radicle Group To Speed Up Sustainability Push

By James Bradshaw, The Globe and Mail, July 20, 2022

Bank of Montreal is buying Calgary-based Radicle Group Inc., a prominent adviser to companies on sustainability and measuring carbon emissions, as the bank tries to meet surging demand from its clients for advice about how to navigate a global energy transition.

With 4,000 clients and 130 staff, Radicle Group has emerged as one of Canada's most advanced developers of carbon offsets, which generate credits companies can buy and sell to compensate for emissions they are unable to cut from their operations. Companies counteract their emissions by paying for measures that have a positive environmental impact, such as protecting trees or capturing and storing carbon.

Radicle also helps companies measure their emissions so they can target ways to reduce them and document their progress. Management and employees of Radicle are expected to join BMO's global markets unit under the umbrella of the bank's capital markets division. But the Radicle team is expected to work with an array of bankers to advise clients across investment and corporate banking, commercial lending, and wealth management.

BMO did not disclose financial terms of the deal, which it expects to close by the end of this year.

The acquisition is the latest sign of major banks' growing interest in building tool kits and expertise to help their clients measure carbon emissions and manage a difficult transition toward net-zero emissions commitments. It is also an effort by BMO to leapfrog to the forefront of efforts to develop new products tailored to the climate transition, including carbon offsets.

Climate, energy transition, and net-zero targets come up "in almost every client conversation we have," said Dan Goldman, co-head of BMO Global Markets, in an interview.

"It's not topical, it's front and centre in terms of thinking about how the world evolves," he said. "Helping our clients navigate what is clearly going to be an enormous part of their agenda going forward was paramount."

To meet their own net-zero goals, banks also need to improve their capacity to measure and reduce emissions by the companies they finance, which are vastly greater than what banks emit with their own operations.

BMO executives decided that building the necessary expertise from scratch would take too long and striking partnerships wasn't enough. Instead, they set their sights on Radicle, which was exploring a sale.

"This is too big a priority for us," said Levent Kahraman, co-head of BMO Global Markets with Mr. Goldman. "The key get here is [intellectual property]."

BMO isn't the only Canadian lender to wade into the market for carbon offsets. Last year, Canadian Imperial Bank of Commerce joined three other global banks to launch a pilot marketplace for buying and selling voluntary carbon credits run on a digital ledger. The initiative was called Project Carbon and the other banks taking part were Britain's NatWest Group, National Australia Bank, and Brazilian lender Itau Unibanco. The first trade was completed in September between the Nature Conservancy of Canada and NatWest.

Carbon offsets, which some environmental groups criticize as less effective than absolute reductions in emissions, are a key area of expertise for Radicle. But they will not necessarily be BMO's main focus. Mr. Goldman and Mr. Kahraman expect the bank will continuously develop and adapt new products with Radicle's expertise.

"The technology with which the whole world attacks this problem might change, in terms of the carrots and sticks that people have to use to get all of us to save the planet," Mr. Kahraman said.

As a BMO subsidiary, Radicle expects to be able to “accelerate its emissions reduction efforts, scale its activities across BMO’s client network, develop additional sustainability services and enter new markets,” said Saj Shapiro, Radicle’s chief executive, in a news release.

BMO already has a climate institute set up as a hub for gathering and sharing expertise from inside and outside the bank. The institute also acts as an incubator for environmental technologies.

On this transaction, BMO was advised by its own capital markets division, BMO Nesbitt Burns Inc., and law firm Torys LLP. Citigroup Inc. and Borden Ladner Gervais served as financial and legal advisers to Radicle.

Read Story (Subscription Required): <https://www.theglobeandmail.com/business/article-bmo-buys-calgary-based-carbon-offset-adviser-to-speed-up/>

COVID-19 PANDEMIC RESILIENCE AND RECOVERY NEWS

ArriveCan ‘Glitch’ Ordering Vaccinated Canadians Into Quarantine Without Reason

Niagara Falls MP Tony Baldinelli Says He's Heard Many Examples Of How ArriveCan Has Made Getting Back And Forth Across The Border A Nightmare

By Ryan Tumilty, National Post, July 18, 2022

<https://nationalpost.com/news/politics/ArriveCan-has-been-a-disaster-for-our-community-app-glitches-leave-travellers-in-limbo>

According to the government of Canada’s ArriveCan app, David Crouch should be at home, avoiding all contact, quarantining, to protect others from the COVID-19 there is absolutely no indication he has.

Crouch is quadruple vaccinated, has not tested positive for COVID-19, and is showing no symptoms. The border guard who waved him back into Canada last week said nothing about getting a COVID-19 test, or quarantine, but when he got home he found an email and a notification in his ArriveCan app, telling him to stay home for two weeks.

Crouch lives in Ridgeway, Ontario, a 15-minute drive from the Canada-U.S. border and, like many living in border communities, he has American friends he visits regularly. He also picks up groceries on the other side of the border.

He said there was no hint of an issue at the border, so the email hit him like a ton of bricks.

“I checked my email and there’s an email from ArriveCan, saying you are quarantined. This is your second day of quarantine,” he said.

Use of the ArriveCan app is mandatory for international travellers entering Canada. It requires people arriving either by land or by air to fill out their vaccination status, information on where they are staying in Canada, and to do a self-assessment for a potential quarantine.

Crouch said he has tried contacting the government through a variety of different hotlines, but no one has returned his call.

“It seems to be all one way. They can tell you things, they can send you things, but God forbid you ever try to get hold of anybody.”

Audrey Champoux, press secretary to Public Safety Minister Marco Mendicino, wouldn't comment on any individual cases including Crouch's, but said the government believes ArriveCan is a valuable tool for the Canada Border Services Agency and is working for most people.

“Use of ArriveCan is extremely high — according to our most recent statistics, it was successfully used by 99.52 per cent of those travelling by air and 89.20 per cent of those travelling by land,” she said.

She acknowledged there have been problems, but stressed that the government isn't looking to use the app to punish people.

“While we are aware that some travellers may have experienced some glitches, in cases where people have issues using the app, the CBSA's top priority is always to help and educate, not be punitive.”

Crouch said the email contained instructions demanding that he provide his quarantine information, but he hasn't filled it out because he doesn't believe he needs to quarantine. Crouch said he would like to cross the border again in the coming week, but his ArriveCan app won't let him fill out a new entry into ArriveCan because it believes he should be at home.

As a regular border crosser, Crouch is a Nexus card holder and said he is concerned that crossing the border now when the government's app says he should be in quarantine will cost him.

“I'm sitting here saying I don't want to get a \$5,000 fine. I don't want to lose my Nexus card.”

Crouch contacted his MP, Conservative Tony Baldinelli, who said he has heard of many similar cases. He said in one case a local mother and daughter crossed the border without incident, but were told later they had failed to do a mandatory random test.

Baldinelli, who represents Niagara Falls, said even when the app is working as designed it creates a real strain on border communities.

“ArriveCan has been a disaster for our community in terms of its impact on our tourism community,” he said.

Crouch said that even before this most recent incident, he has been forced to do random tests, which he said take up to three hours to arrange.

Baldinelli said there are a lot of people like Crouch in his community and getting back and forth across the border has been a nightmare for them.

“Our two communities are highly integrated. So we’ve got a lot of people who, for example, will live here and work in the United States or live in the United States and work in Canada.”

In a letter sent last week, Kenneth Manning, the chair of the Buffalo and Fort Erie Public Bridge Authority that operates the Peace Bridge, pleaded with the government to scrap the ArriveCan requirement.

He said that traffic is down by over 40 per cent compared to pre-pandemic times as people are opting not to bother because of the ArriveCan issues. He said processing times are up considerably at the border and people are staying home.

“It becomes a self-fulfilling prophecy when Minister Mendicino says that ArriveCan will reduce border delays. But it will not be due to the technology, it will be due to reduced volume.”

Manning argued that the government should make use of the app voluntary at the land border and if it really is capable of reducing processing times, people will use it.

The executive director of the Niagara Falls Canada Hotel Association, Doug Birrell, made the same pitch, arguing that the government needs to back away from ArriveCan or tourists won’t make the trip to his community.

“Unless the government reverses course and allows normal tourism entry through land borders and air corridors, we will never get our business back. Other countries will benefit while our market share disintegrates.”

Baldinelli said that he is extremely worried about his community, which after two bad years during the pandemic is now losing a third summer due to ArriveCan.

“I mean 75 per cent of the revenues in our tourism community here are generated during a four-month period.”

Ottawa Admits Some Travellers Were Incorrectly Told To Quarantine Due To ArriveCan App Glitch

By Sophia Harris, CBC News, July 22, 2022

<https://www.cbc.ca/news/business/ArriveCan-app-quarantine-glitch-1.6528312>

Ottawa says that due to a glitch with the ArriveCan entry app, some travellers who recently entered Canada were sent erroneous notifications instructing them to quarantine.

The admission comes at a time when the federal government is facing mounting pressure from politicians and tourism groups to scrap the COVID-19 screening tool, arguing it impedes tourism and creates headaches for some travellers.

The ArriveCan app certainly caused problems for Don and Karin Bennett of Burlington, Ontario, after they returned to Canada on July 10 from a trip to Chicago.

Don Bennett said there were no issues at the land border, as they had diligently filled out the app and are fully vaccinated — making them exempt from quarantine.

However, six days later, Bennett said Karin discovered several emails in her junk mailbox from ArriveCan with quarantine instructions.

"She was confused," he said. "It kind of came out of nowhere."

Bennett said while he believed the problem was a glitch, Karin decided to begin her quarantine, fearful of the possible fine for travellers who break the rules.

"There's the threatening language of fines of \$5,000, plus potentially sending police to your house," he said.

But Bennett said his wife has now decided to end her quarantine, after hearing from CBC News that the government has admitted it sent out incorrect quarantine information.

The Canada Border Services Agency (CBSA) "has identified a technical glitch with the app that ... can produce an erroneous notification instructing people to quarantine," Audrey Champoux, press secretary to Public Safety Minister Marco Mendicino, said in an email.

The problem appears to be linked to Apple devices, and less than three per cent of users have been affected, Champoux said, adding that the CBSA has identified a solution that will be fully implemented by the end of the week.

She said travellers should rely on the instructions they get at the border if they conflict with subsequent notifications about a 14-day quarantine.

Time To Scrap The App?

The government's admission was in response to a CBC News inquiry pointing out that there are dozens of complaints on social media from travellers who say they entered Canada with no issues and then later received a surprise alert about a mandatory quarantine.

Following his experience, Bennett said he believes the ArriveCan app should be axed.

"If the government's asking you to do something, make sure it works, because if it doesn't, that's a trust issue."

Canada has lifted most of its travel restrictions for fully vaccinated travellers. Even so, people entering the country are still required to input their travel and vaccination information on the ArriveCan app.

Travellers who fail to do so could face a 14-day quarantine and even a \$5,000 fine.

Since the app was introduced in 2020, it has sparked complaints that it's cumbersome, has glitches, and creates barriers for those who are technically challenged.

Consequently, as travel begins its resurgence, many people with stakes in the tourism industry are calling on the government to end the mandatory use of the app.

"Why do we need it?" said Beth Potter, president and CEO of the Tourism Industry Association of Canada.

"Anything that is complicating the travel process, the travel journey right now is having a negative impact on the return of people travelling again."

Federal Government Responds

The Public Health Agency of Canada (PHAC) told CBC News that the pandemic isn't over and that the ArriveCan app is a necessary and efficient tool to help keep Canadians safe.

The app "improves processing times at the border, as it reduces the time needed for border services officers to question travellers and input their public health information manually," PHAC spokesperson Tammy Jarbeau said in an email.

However, the union representing CBSA officers argues that the app can lead to congestion because officers have to spend time helping challenged travellers fill it out.

"[Some] people didn't know there was an app, some people just have a hard time filling it out. We've seen people who don't have the technology to fill it out," said Mark Weber, national president of the Customs and Immigration Union.

Blanche Lewis of Mississauga, Ontario said that before she and her husband, Valerian, returned home from a road trip to Michigan on July 10, she tried to fill out the app multiple times, but due to some kind of technical issue, it simply wasn't working.

Lewis said a border officer let the couple off with only a warning and made no mention of a 14-day quarantine.

However, three days later, they received an email stating that they're supposed to be in quarantine.

Lewis said a PHAC enforcement officer also confirmed by phone that they must isolate — even though the couple are fully vaccinated.

"This is nothing but a nightmare for us," said Lewis from her home, where she and her husband are now stuck in quarantine. "We are being punished for something that was ... out of our control."

It's not clear if the Lewises were affected by the ArriveCan app message glitch, as PHAC declined to comment on their case.

Pearson Travellers Report Smooth Arrival Process During First Day Of Random COVID-19 Testing

GTAA Says The Decision To Move Random COVID-19 Testing Off-Site, Along With Increased Staffing, Helped Ease Airport Congestion.

By Josh Rubin, Toronto Star, July 19, 2022

At least it didn't make things worse.

On the first day that COVID-19 testing was reinstated for international air travellers arriving in Canada, it was business largely as usual on Tuesday, July 19. Or at least what passes for it these days.

Last week, the federal government announced that it was reinstating random testing for international air travellers arriving in Toronto, Montreal, Vancouver, and Calgary. Rather than on-site at the airports, the random testing now takes place off-site.

At Pearson International Airport on Tuesday morning, July 19, some travellers said they had a smooth experience on arrival, despite bracing for the worst.

Kerry Carstairs arrived on a flight from Newark, New Jersey, for a business trip and said she expected to be dogged by long lines and problems with documentation. Instead, she said, "it couldn't have been easier."

"I was impressed with the technology. I didn't really have to talk to a soul ... then, just went to the first customs official, they asked me a few questions, and I was off," she said, adding she was not selected for a random test.

Bill McDonald said he's familiar with the recent airport chaos, taking work trips to Toronto around once every two months.

But when he arrived from Minneapolis, Minnesota, on Tuesday, July 19, he was off the plane and through customs in a "matter of minutes" without having been selected for a random test, he said.

"It could've been the time of day, not sure, but it was just perfect," he added.

Even on social media, which has lately been filled with complaints of long lines, lost baggage, and cancelled flights, the reinstated testing barely made a ripple.

That, according to the Greater Toronto Airports Authority, which runs Pearson, is little surprise.

GTAA spokesperson Ryan White said airports had long been asking the Public Health Agency of Canada to move any testing off-site, to help reduce airport congestion. In its announcement last week which reinstated random testing after a one-month pause, it did just that.

“We’re pleased to see that the government has moved testing off-site. Customs officers will also not need to manually select travellers for testing, which will help move passengers more smoothly through arrivals,” White said in a written statement. White also said that the temporary pause had helped settle the situation down, resulting “in a smoother experience for arriving passengers.

“This, along with increased CBSA staffing, contributed to lower wait times for planes that need to be held on arrival due to high passenger volumes in the customs hall,” White said.

Rather than on-site at the airport, the testing now takes place at various off-site labs and pharmacies, or via a virtual appointment with self-swabbing. Instead of passengers being randomly selected by a Canadian Border Services Agency worker for the testing, they are now chosen at random via computer algorithm. Anyone selected will receive an email; travellers have 24 hours to complete the testing.

For travellers arriving at Pearson, there’s a walk-in testing site run by LifeLabs five kilometres from the airport. To register for other options, including a virtual appointment, travellers can log in to LifeLabs’ site.

Over the last few months, airports across the country have been scenes of chaos, with lengthy customs halls delays, security screening, cancelled flights, and lost baggage.

Travel industry officials had urged the government not to reinstate random testing, fearing it would add to the delays.

In an emailed statement, the National Airlines Council of Canada praised the move to off-site testing, but said the federal government should ditch the testing altogether.

“While NACC members welcome the step to move testing outside of airports in order to reduce traveller congestion, we reaffirm our position that it is time to utilize alternative methods of assessing the presence of COVID-19 in the community, rather than rely on testing of travellers to do so. This is in line with over 50 countries that have removed barriers to travel altogether,” said NACC interim president and CEO Suzanne Acton-Gervais.

Still, the Public Health Agency of Canada says the testing serves a valuable role in monitoring for new COVID-19 variants. Roughly 4,600 travellers per day will be chosen for testing.

“The objective of mandatory random testing (MRT) is to monitor the prevalence of COVID-19 among international travellers entering Canada and to monitor for new COVID-19 variants of concern that could pose increased risk to the health and safety of people in Canada,” said PHAC spokesperson Tammy Jarbeau in an email.

Read Story (Subscription Required): <https://www.thestar.com/business/2022/07/19/pearson-travellers-report-smooth-arrival-process-during-first-day-of-random-COVID-19-testing.html>

Questions Raised About Value Of Random COVID-19 Tests For Travellers

By Laura Osman, *The Canadian Press*, July 20, 2022

<https://torontosun.com/news/local-news/questions-raised-about-value-of-random-COVID-19-tests-for-travellers>

Infectious disease experts are at odds over how valuable it is to randomly test travellers arriving in Canada for COVID-19, as the federal government relaunched its mandatory testing program.

The government put a pause on random testing at airports in June as long customs delays caused chaos at Canada's airports, but relaunched the program on Tuesday, July 19 at four major airports: Toronto, Calgary, Vancouver, and Montreal.

Random tests for vaccinated travellers at the land border have continued all the while.

Randomly selected air travellers at those four airports must now report to off-site locations to be tested for COVID-19 or pick up a self-swab kit.

"Resuming mandatory random testing outside of airports will allow the Government of Canada to maintain its ability to quickly respond to new variants of concern, or changes to the epidemiological situation, while helping alleviate congestion issues in airports," Canada's transport, tourism, health, and public safety ministers said in a joint statement on Wednesday, July 20.

The Public Health Agency of Canada (PHAC) couldn't provide information on Wednesday, July 20 about how much the off-site tests cost compared to the previous iteration of the program.

PHAC is billed on a per-test basis, and the model has changed since the tests were moved outside of airports, the agency said in a statement.

A comparative analysis is expected in a few months, once the invoices have come in.

In December, the government awarded contracts worth up to \$631 million to carry out testing and other screening services and the costs have only climbed from there.

Dr. Theresa Tam, the chief public health officer, has called random tests an "early warning system" for new variants of COVID-19 as they enter Canada.

The government posts the data online so the public can see which variants and subvariants are gaining ground among travellers coming into the country.

Roughly one in 15 people who flew into Canada was either randomly selected for a test or needed one because they were unvaccinated between April and June, PHAC data shows.

Of those who were considered fully vaccinated, about 3.2 per cent tested positive.

Infectious disease physician Dr. Zain Chagla says there are more efficient ways to watch for variants.

“There’s lots of other ways to obtain that information without necessarily the cost and inconvenience to travellers to deal with it,” he said in an interview.

“The added expense of millions of dollars in airport testing and land border testing is probably not returning the investment we want in terms of doing that monitoring of variants coming into Canada.”

At the beginning of the pandemic, the government assembled a team of experts to weigh in on the optimal use of COVID-19 tests, including in long-term care facilities, in people’s homes, and at the border.

The group of 12 health policy and infectious disease specialists has not met since April 2021.

In their report on the border published the following May, the panel recommended the government continue to monitor for variants of concern. It’s particularly important when variants prove more resistant to vaccines, the experts said.

“This screening will provide a surveillance tool to monitor for novel or emerging variants of concern. Additional short-term measures may be necessary if and when new emerging variants of concern are identified in Canada or internationally,” the report reads.

But they also warned that Canadians will be more likely to adhere to the rules if they avoid creating unreasonable delays.

Chagla suggests that the government look at sequencing airport wastewater to look for new offshoots of the coronavirus, which has proven to be a helpful way to monitor the spread in communities.

The program makes even less sense at the land border, he said. The U.S. Centers for Disease Control and Prevention releases data about variants of concern in the United States, he said, and there’s no need for Canada to spend money duplicating those efforts, particularly when it comes to people from border towns who cross between the two countries regularly.

“Why are we recreating a system at the expense of travellers?” Chagla said.

Canada’s Passport Ranked Eighth Most Powerful In New Report

By Rhythm Sachdeva, CTV News, July 19, 2022

<https://www.ctvnews.ca/canada/canada-s-passport-ranked-eighth-most-powerful-in-new-report-1.5994204>

Canada’s passport retained its eighth place spot in a ranking of international travel documents, as passports for three Asian countries continue to dominate the listing.

According to the latest passport index report by London-based immigration consultancy firm Henley & Partners, Canada's passport ranking shared its spot with Australia, Greece, Czech Republic, and Malta.

Canada registered the eighth spot on the list in 2021, moving up from the ninth position in 2020. Its pinnacle was reached in 2014 when the Canadian passport ranked second highest on the list.

As of 2022, Canadian passport holders can visit 185 countries visa-free. Japan's passport was ranked as the most valuable for travellers in 2022, with holders able to access 193 countries visa-free, followed by Singapore and South Korea tying for second place, whose passport holders have access to 192 countries.

Other higher ranking countries mainly included European Union members, with Germany and Spain tied for third place, while Finland, Italy, and Luxembourg tied for fourth. Denmark, the Netherlands, and Sweden tied for fifth.

The U.K. and the U.S. both slipped one spot, to sixth and seventh, respectively, while Afghanistan remained at the bottom of the list, with its citizens only being able to travel to 27 countries without a visa.

However, the freedom which a passport can offer doesn't necessarily indicate travel habits, Henley & Partners said in a release.

While Asian countries rank high on the scale of passport power, they're less likely to use it due to their region's stricter approach to COVID-19, the firm states, with their international travel demand still less than a quarter of pre-COVID-19 levels.

But, the travel mobility markets in North America and Europe have recovered to about 60 per cent of their prior levels, according to Henley & Partners.

Canada's national airports have faced months of chronic issues, including long lines, cancelled flights, and lost luggage, prompting calls for immediate solutions.

Staffing shortages have forced Air Canada to cancel thousands of flights, with the airline announcing that it will be reducing flights in July and August.

"The shock of the pandemic was unlike anything seen in our lifetimes, and the recovery and reclamation of our travel freedoms and our innate instinct to move and migrate will take time," Dr. Christian H. Kaelin, Chairman of Henley & Partners, said in a release.

While several factors go into assessing a country's visa-free access, the consulting firm said there is a strong correlation between a nation's passport power and its Global Peace Index score.

Canada ranked 12th on 2022's Global Peace Index, just after Switzerland and Japan, with a score of 1.39 out of five. The lower the score, the more peaceful the country.

"Now more than ever, it's a mistake to think of a passport as merely a travel document that allows you to get from A to B," Stephen Klimczuk-Massion, Fellow at Oxford University's Saïd Business School, said in a release.

"The relative strength or weakness of a particular national passport directly affects the quality of life for the passport holder and may even be a matter of life and death in some circumstances."

B.C. Woman Wins \$1,200 Payout From Air Canada After Baggage Was Delayed 2 Days

Tribunal Rules In Favour Of Woman Who Bought Shoes, Clothes And Toiletries While Waiting For Luggage

By Joel Ballard, CBC News, July 19, 2022

<https://www.cbc.ca/news/canada/british-columbia/air-canada-1200-delayed-baggage-1.6524587>

In September 2021, Jessica Kalynn arrived in Dubai for a six-day trip.

Her baggage, however, didn't make it there until two days later.

Air Canada offered Kalynn \$500 in compensation, but she filed a claim with B.C.'s Civil Resolution Tribunal (CRT), demanding more money to cover her expenses.

Last week, the tribunal ruled in her favour.

Baggage delays are one of many frustrations travellers are facing at airports across Canada as airlines scale up operations to meet post-pandemic travel demand.

In the dispute, Kalynn argued she was entitled to \$2,120.67 for all the items she claimed she was forced to purchase in Dubai while she waited for her baggage.

Since Air Canada had already paid \$500, she sought another \$1,620.67.

Four Pairs Of Shoes, Five Tops

Once she learned her baggage was delayed, Kalynn purchased more than \$2,000 in items, including four pairs of shoes, six bottoms, five tops, one bathing suit, two bras, two pairs of underwear, one package of socks and toiletries, according to the tribunal's written judgment.

Kalynn told the tribunal that she needed the clothing because her trip included a work conference, a professional dinner at a high-end restaurant, and gym workouts.

Air Canada argued the expenses were excessive and tribunal member Shelley Lopez agreed — to a degree.

"I find it was reasonable for Ms. Kalynn to purchase some different clothes and shoes given the activities she undisputedly had scheduled," she wrote.

"Even with the different activities, I find Ms. Kalynn has not adequately explained why she needed four pairs of footwear (in addition to what she wore on the plane) and six bottoms and five tops, even if she had to change her clothes during a day."

Still, Lopez found that Air Canada owed Kalynn further compensation. She ordered the airline to pay \$700 in compensation on top of the \$500 the airline had already paid.

Passengers Entitled To Compensation

Gábor Lukács, an air passenger rights expert, welcomes the decision.

"[It] shows that passengers going to the CRT are going to get justice," he said, adding that passengers don't need to simply accept whatever amount an airline initially offers and deems reasonable.

In Canada, if baggage is delayed, passengers can claim up to about \$2,200 in damages.

But the key, Lukács says, is to make it clear that your purchases were justifiable.

"This decision ... signals to the passenger that when your baggage is delayed, it's not a reason to go on a shopping spree," said Lukács.

If a traveller can prove to the CRT that all the purchased items were necessary, he says it's entirely reasonable to expect the maximum in compensation. He encourages air passengers who lose their baggage to keep all their receipts, as well as documentation regarding how the items were used.

How To Avoid Airport Chaos By Choosing Flight-Free Travel This Summer

By Fiona Tapp, Special To The Globe and Mail, July 19, 2022

<https://www.theglobeandmail.com/life/travel/article-travel-airport-delay-summer-chaos/>

Pandemic travel restrictions have lifted, and those eager to return to flying are creating a boom in bookings. But many environmental advocates are encouraging us to stay grounded, repeating the message that air travel is destroying the planet. Wasn't the pandemic supposed to be the pause we needed to reflect on our unsustainable travel habits?

As Ariella Granett, co-founder of Flight Free USA, says: "People are struggling with this cognitive dissonance. They know what we should do, but they're still not quite ready."

According to the David Suzuki Foundation, fossil-fuel emissions from flights stay in the atmosphere and will continue to warm it for hundreds of years; by 2050, a quarter of all carbon emissions could be from flying. To put things into context: You'd have to drive your car for a year to match the emissions produced from a single flight from Toronto to Barcelona.

In the years leading up to the pandemic, guilt was already starting to grow among would-be holidaymakers. In 2018, Swedes Maja Rosen and Lotta Hammar launched Flygfritt, a campaign and non-profit whose name translates to “flight free.” A year later, the general flygskam, or flight shame, movement also began in Sweden and sparked conversations and change around the globe, particularly in Europe.

Of course, it’s easier to eschew flights in places where alternative transportation links are well maintained, accessible, and relatively affordable. In North America, where distances between states and provinces are huge and train journeys are expensive, flight-free pledges can seem like more of a sacrifice.

Still, some North Americans have pledged to stay grounded for at least one year, as per Flygfritt. And others are going even further.

Nathalie Laplante, who lives in Val David, Quebec, hasn’t been on a flight for 15 years. The most recent trip she made by air was to Fernie, B.C., from Montreal for a six-month skiing trip with her then partner. While there, she read Heat by political and environmental activist George Monbiot.

In the 2006 book – essentially a treatise on how to live a zero-emission lifestyle – Monbiot argued that a necessary 87-per-cent reduction in emissions meant that most planes needed to be grounded. “I realize that this is not a popular message,” he wrote, “but it is hard to see how a different conclusion could be extracted from the available evidence.”

Laplante was moved by his warnings. “It became very clear as I read how much of an impact aviation has on climate change,” she says. “He exposed the truth and the alternatives to flying.”

She made the return journey to Montreal by train. It took three days but had the unexpected effect of giving her a sense of place and pride in her country. “There was no jetlag or harsh contrast between the place we left and the place we arrived at,” she says. “It was so gradual. It was an experience that made us realize how much beauty there is in our own country and how much there is to explore.”

Staying grounded doesn’t mean Laplante never travels. She is currently planning a 10-week road trip with her family, including her three children, for this winter. They’ll journey through British Columbia then along the West Coast to California, homeschooling as they go.

Yes, she’s still burning gas. But over all, “slow travel,” as such trips have been dubbed, contributes less to greenhouse gas emissions – and more to local economies, proponents say. Tourists have greater opportunities to contribute to the places they visit through volunteering, renting accommodation from locals, or buying from small businesses.

For a recent 20th-anniversary trip, Laplante and her partner briefly considered flying to another country, but ultimately decided to visit Quebec’s Gaspé region instead. “It didn’t feel like a sacrifice at all,” she says. “It was a proof-of-concept for me at that point. If, for this big occasion, we don’t feel that flying is necessary, when will it be?”

She understands, however, the toll which long absences can have on families who live apart. Even Monbiot in *Heat* gives the okay for flights when they are necessary to cover “love miles” to see family and friends, differentiating them from “the toll of cross-country shopping trips, or unnecessary vacations, shopping trips to New York, parties in Ibiza, second homes in Tuscany.”

Many years ago, Laplante took a trip to Ireland. It was a wonderful experience, but when she later travelled to the much closer Îles-de-la-Madeleine in her own province, she couldn't believe how similar and transformative the landscapes were. “It really made me question, why did I go so far when I have this in my own backyard?”

How To Go Flight-Free

If you're ready to sign up for a flight-free pledge, it's important that you let others know about it by using the hashtag #FlightFree2022 and posting on your social media accounts, Granett says: “A pledge made that nobody knows about is worthless.” She would like to see less travel boasting posts on social media and more pledge shares. “What if the narrative was reversed, and we talked about the pride in living within our carbon budget. ... Could that influence people?”

Small Steps Count

If you have vacations already booked, want to visit family living abroad, or must fly for work, all is not lost. You can still move toward taking fewer flights overall. “My advice would be to take it one trip at a time. Don't see it as so rigid,” Laplante says. “The most important thing is to ... become aware of the impact.” Curious about the impact of a potential trip? Enter your flight plan into the Flight Emission Map to see the carbon emissions it will generate.

Change Your Mindset

Flying has become so commonplace that we jump on flights for weekend sporting events or to see a concert. “Eighty per cent of the world's population has never flown before and never will,” Laplante says. “Who are we as the 20 per cent worldwide to say, ‘I need to travel?’”

Give Back

If you continue to fly, consider paying into carbon offsetting programs, such as Terrapass or Plan Net Zero, that undertake conservation projects or give back to local communities. And don't forget the emissions are still being released into the atmosphere.

Porter Airlines Orders 20 More Embraer E195-E2 Jets

By Adena Ali, *The Canadian Press*, July 19, 2022

<https://www.stalberttoday.ca/national-business/porter-airlines-orders-20-more-embraer-e195-e2-jets-5597716>

Porter Airlines has announced a firm order for 20 Embraer E195-E2 passenger jets with a total list price value of US\$1.56 billion as the company looks to further strengthen its presence and customer base in Eastern Canada.

The airline said in a news release on Tuesday, July 19 that it plans to fly the new jets to business and leisure destinations in Canada, the United States, Mexico, and the Caribbean, from Ottawa, Montreal, Halifax, and Toronto's Pearson International Airport.

First delivery and entry into service of the new jets is scheduled for the second half of this year, the company said.

Porter said the purchase follows its deal last year for 30 Embraer E195-E2 jets, which have capacity of upwards of about 146 seats, with purchase rights for a further 50 aircraft.

The deal brings Porter's orders with Embraer to a total of 50 firm commitments and 50 purchase rights.

Porter CEO Michael Deluce said in a statement that the aircraft will become core to the airline's fleet.

In an interview, Deluce noted that the timing of the announcement is not tied to WestJet's plans to refocus its routes and fleet on Western Canada.

"(WestJet's Western Canada strategy) will enhance our plans and will help strengthen the core of our Eastern Canadian expansion, but it was not the instrumental piece in us deciding to trigger phase two of our growth plans," he said.

In June, WestJet said it would add more routes and connections in Western Canada and pull back on its regional routes in Eastern Canada. The Calgary-based airline said it would remain a national airline with a presence in Eastern Canada, but primarily through direct connections to Western cities.

Porter wants to "really provide a strong alternative to Air Canada," Deluce added.

Deluce also explained that the E195-E2 aircraft would help materially move the needle on fuel burn and emissions as the entire aviation industry moves towards net-zero. Embraer describes the E195-E2 as one of the most "environmentally friendly aircraft in the single-aisle segment, delivering the lowest level of noise and emissions."

Amid chaos for many travellers at Canada's biggest airports, Deluce said a lot of people have been gravitating towards Porter in recent weeks and months, specifically people looking to fly directly to cities like New York City or Boston instead of using Air Canada to do so.

Deluce also said that he expects total passenger traffic levels this summer to return to close to 2019 pre-pandemic levels.

Porter returned to the skies last September after being grounded for almost 18 months because of COVID-19 public health and travel restrictions.

The airline progressively brought its schedule back online to 2019 levels by June.

United Airlines Returns To Profit, Reports Highest Quarterly Revenue In Company History

By Matthew Klint, Live and Let's Fly, July 21, 2022

[United Airlines Returns To Profit, Reports Highest Quarterly Revenue In Company History - Live and Let's Fly \(liveandletsfly.com\)](#)

Despite high fuel prices, United Airlines has swung back fully into profit in the second quarter of 2022, also reporting record quarterly revenue.

Jet fuel prices have risen 59.8% compared to the second quarter of 2019. Even so, United has returned to profit, also reporting the highest quarterly revenue in company history. Revenue doesn't mean much if expenses outpace it, but higher ticket prices offset the inflationary pressure we've seen in all segments of the economy.

United expects an economic slowdown, but does not believe it will adversely impact growth, noting that the "pandemic recovery is more than offsetting economic headwinds." For the full year of 2022, United expects to be profitable.

United also reported a record-setting TRASM (Total Revenue Per Available Seat Mile), up 24% versus the same quarter in 2019 and expects a 24 to 26% improvement in the third quarter over third quarter 2019.

Looking toward the future, United said:

We believe the airline industry is uniquely positioned to continue to benefit from the COVID-19 recovery and remain confident in achieving the long-term adjusted pre-tax margin targets of approximately 9 percent in 2023 and about 14 percent in 2026 that are part of the United Next strategy.

Even so, United is reducing its growth outlook in 2022, now planning for a capacity increase of only 8% in 2023 (versus 2019). This is because "running a reliable operation for our customers is our priority."

Addressing the results, United CEO Scott Kirby noted three challenges that will impact the level of profitability, but be partially offset by increased revenue:

"It's nice to return to profitability – but we must confront three risks that could grow over the next 6 to 18 months. Industry-wide operational challenges that limit the system's capacity, record fuel prices, and the increasing possibility of a global recession are each real challenges that we are already addressing. These fundamental challenges have already led to higher costs, higher fuel prices but, also higher revenue, which means we're as confident as ever that we will deliver on our 9 percent adjusted pre-tax margin target in 2023."

Foot Traffic In Downtown Toronto Hits Pandemic High As Employees Return To Office

By Vanmala Subramaniam, *The Globe and Mail*, July 20, 2022

Foot traffic in downtown Toronto reached a pandemic high in mid-June, as major employers began mandating a return to the office, data from the global commercial real estate company Avison Young showed.

And since the week of June 13, the number of people frequenting office buildings in Toronto's downtown core has remained roughly the same, indicating growing stability in the number of workers choosing to work from the office despite a recent surge in COVID-19 cases in the city.

Avison Young measures daily foot traffic in a select number of large office buildings in downtown cores across North America, using anonymized cellphone data.

The debate over returning to the office has raged over the past two years, as employers have grappled with whether or not to mandate a partial or full return to work for their employees, in the face of a tight labour market.

Overall, the data show that foot traffic in all major Canadian cities began rising from April onward, following the lifting of COVID-19 restrictions across provinces. Foot traffic was highest during the middle of the week. Although measurements were far below pre-pandemic levels, between the week of March 28 and the week of July 11, foot traffic in Toronto, Calgary, and Vancouver increased by more than 50 per cent.

Toronto, in particular, saw a sharp rise in the number of people frequenting office buildings in its downtown core – there was an 83-per-cent increase in foot traffic over the same period. Ontario lifted most of its COVID-19 restrictions in late March, including gathering restrictions and mask mandates.

Montreal's downtown core foot traffic increased by 46 per cent, while Edmonton's rose by 43 per cent in the same time period.

But those numbers were still nowhere close to what downtown core foot traffic was like before the pandemic hit in early March 2020. For example, in both Montreal and Toronto, foot traffic for the week of July 11, 2022, was 55 per cent less than what it was in the first week of March 2020, just days before the lockdowns began.

The number of people frequenting Toronto's downtown core during the week of July 11 was 264 per cent higher compared to the same week in 2021, when much of the city was still under heavy gathering restrictions.

"Larger tenants in the downtown cores of cities have started asking their employees to come back into the office two to three times a week," said Thomas Forr, director of data, analytics and innovation for Avison Young's Canadian office.

All of the Big Five banks – some of the largest employers in downtown financial districts – have mandated some hybrid form of return to the office. Toronto-Dominion Bank and Royal Bank of Canada, for example, had asked most of their employees to begin returning to the office as of April 2022, but left it up to individual departments to determine the frequency of in-office days.

Mr. Forr also noted that there are variations in the pace of foot traffic increases depending on the kind of employment in cities. "Ottawa, for example, has a lot more public sector workers and we have seen a slower back-to-office recovery there. Toronto, Montreal, and Vancouver are seeing large increases in traffic this summer."

The Avison Young data also showed a variation in which days employees tended to work from the office. Across all six major Canadian cities – Toronto, Vancouver, Montreal, Edmonton, Ottawa, and Calgary – employees tended to prefer working from the office on Tuesdays, Wednesdays, and Thursdays. Foot traffic was 20 per cent lower on Mondays and 23 per cent lower on Fridays.

Many employees have embraced remote work, finding it pleasant to not have to navigate long commutes and, for some, cheaper without child-care costs. For many workers, productivity levels have remained high despite working remotely, leaving the return-to-office argument particularly weak.

The most recent official data on the subject from Statistics Canada indicated that, as of June 2022, roughly 18 per cent of workers still worked all of their hours from home. About 6.7 per cent of workers spent some hours in the office and some at home on a weekly basis. Comparatively, roughly 20 per cent of Canadians were working from home as of May 2021, and 40 per cent worked remotely in April 2020.

Read Story (Subscription Required): https://www.theglobeandmail.com/business/article-foot-traffic-in-downtown-toronto-hits-post-pandemic-high-as-employees/?utm_medium=email&utm_source=Streetwise&utm_content=2022-7-20_21&utm_term=Foot%20traffic%20in%20downtown%20Toronto%20hits%20pandemic%20high%20as%20employees%20return%20to%20office&utm_campaign=newsletter&cu_id=Ts6FwhWx6n2rSHC0x7MiReEeeFJOJkTb

OTHER CAFII MEMBER-RELEVANT INDUSTRY/BUSINESS/SOCIETAL NEWS

Successful Rule Implementation Requires Industry Collaboration

The Delivery Of Policy Shouldn't Be A Last Step

Opinion by Paul Bourque, Special To Investment Executive, July 18, 2022. Paul Bourque is president and CEO of the Investment Funds Institute of Canada.

https://www.investmentexecutive.com/inside-track/_/paul-bourque/successful-rule-implementation-requires-industry-collaboration/?utm_source=newsletter&utm_medium=nl&utm_content=investmentexecutive&utm_campaign=INT-EN-morning&hash=6d73923380f292a40dc042b455f0fde3

When it comes to regulatory proposals, discussions between regulators and the investment industry have typically focused on content. In most cases, the regulatory objective of a rule is clear and rarely the subject of debate. Implementation of the rule, however, is a different matter. Focus has increasingly shifted from the “what” to the “how” and “how fast,” and implementation issues are increasingly the subject of regulatory consultations.

Early collaboration between regulators and the industry prior to launching consultations and establishing timelines would help address this shift and enhance the ultimate outcome of proposed rules.

Rule implementation is an extremely complex undertaking, often requiring complicated technology builds to comply. The investment industry is increasingly reliant on remote online access, digital applications, artificial intelligence and big data, accelerated by the pandemic. These new technologies are deployed across the enterprise, from front-of-house client-facing services to mid- and back-office product development, control, supervision, and compliance.

Two good examples of this trend are the implementation of the ban on mutual funds that pay trailer fees on the order-execution-only (OEO) platform or discount channel and the implementation of total cost reporting. There is little disagreement with the objectives of these proposals. Ending the payment for advice on a channel where the discount broker is prohibited from giving advice and providing investors with more complete fee information concerning the funds they hold are worthy objectives. But to successfully deliver the value of these policies into the hands of investors requires a high level of IT project planning, development, and execution.

Specifically, both projects require the creation of new communications networks connecting investment fund managers, dealers, industry utilities, and investment industry service providers. It is also necessary to build new data elements and data fields to populate the electronic systems that control supervision, compliance, and internal and external reporting.

The OEO trailer fee ban, after receipt of the final rule on September 17, 2020, was implemented successfully by the investment industry on June 1, 2022. A joint committee of the Investment Funds Institute of Canada (IFIC) and the Investment Industry Association of Canada met weekly, with Fundserv participation and regular reporting to the Canadian Securities Administrators (CSA). The goal was to find solutions that accommodated the different operations and technology systems of the investment fund companies and the large and small OEO dealers while achieving a positive investor experience.

The joint committee prepared a roadmap for managers and dealers to transition and align their businesses to comply with the OEO trailer ban. The roadmap allocated the major tasks of managers, dealers, and Fundserv, including deadlines.

The CSA provided regulatory relief and simplified some elements of the rule to ensure the project could be achieved on time with minimal client disruption.

The final rule for total cost reporting has not been provided. However, the CSA has announced its expectation that the rule will be implemented 18 months after the final rule is approved sometime in Q2 2023.

Working with industry utilities, IFIC has estimated a best-case scenario that will require a 30-month implementation period. Like the OEO trailer ban, this proposal will require a large, complex IT development and build involving close collaboration with investment fund managers, dealers, Fundserv, and third-party service providers. Similar to the OEO trailer ban, this work can start only when the final requirements are known and a roadmap is developed that assesses constraints such as the availability of industry, third-party, and CSA resources, and competing priorities from other regulatory initiatives.

These are not ideological issues over which regulators and the industry may agree to disagree. These are non-partisan technical questions that require careful analysis by industry and CSA operations and IT experts.

The CSA should reconsider its practice of publicly announcing an expected implementation date well before a final rule is approved. This practice puts at risk the successful implementation of important policy, often many years — sometimes decades — in development, for the sake of an additional six or 12 months.

IFIC recommends that significant rule changes that require technical and operational expertise be managed in advance by a committee of the investment industry and the CSA with necessary internal or external experts. The committee would also expeditiously review the final rule, the technology constraints and barriers to implementation, and develop a realistic implementation timeline. Ultimately, this is a CSA decision, but one that would gain industry support and result in lower risk and faster implementation.

The OEO trailer ban implementation demonstrated that the industry can work collaboratively and in good faith with CSA staff to implement complex technical changes. Earlier consultation on implementation timelines should be standard operating procedure for the CSA to ensure rule changes are implemented as soon as possible, through a well-executed critical technology path that keeps the interests of the investor uppermost.

Advocis Names Catherine Wood As New Board Chair

National Association For Advisors Appoints Two-Time Awardee Of Canada's Top 50 Most Powerful Women

By Jean Dondo, Wealth Professional, July 19, 2022

https://www.wealthprofessional.ca/news/industry-news/advocis-names-catherine-wood-as-new-board-chair/368325?utm_source=GA&e=YnJlbmRhbi53eWNrc0BjYWZpaS5jb20&utm_medium=20220719&utm_campaign=WPCW-Newsletter-20220719&utm_content=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8&tu=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8

The Board of Directors of Advocis, The Financial Advisors Association of Canada, is happy to welcome Catherine Wood, MBA, MIST, ICD.D, CFP, CLU, TEP, CHS, to the position of Chair.

Wood is currently Chief of Strategy, Product & Marketing at Coast Capital Savings, where she manages the product portfolio, strategy, member experience, marketing + brand, and social purpose mandate.

Prior to joining Coast Capital, Wood had executive and senior leadership positions at Aviso, Qtrade, TD Bank, and Assante in a variety of capacities, including front-end shared services as well as the digital, wealth, and insurance verticals.

"Having been a member of Advocis for 20 years, it's both humbling and exciting to accept the responsibilities that come with this leadership position," said Wood. "Advocis is an exceptional association with a proud tradition of raising the bar on professionalism for financial advisors and planners. The newly elected board and I very much look forward to making significant progress on several key initiatives outlined in our 2023-2027 Strategic Plan."

Currently, Wood is also a board member at Holland Bloorview Kids Rehabilitation Hospital.

She has twice been recognized as one of Canada's Most Powerful Women, and has also been named among the country's Top 50 Wealth Professionals, and Top 50 Women in Life Insurance.

She is committed to increasing equity and variety of thinking for people with disabilities, new technology, minority groups, women, and those with disabilities, as well as improving financial literacy.

RESEARCH/THOUGHT LEADERSHIP/TECHNOLOGY/DIGITIZATION NEWS

The Biggest Problem With Remote Work

Companies Need A New Kind Of Middle Manager: The Synchronizer.

By Derek Thompson, *The Atlantic*, July 11, 2022

https://www.theatlantic.com/newsletters/archive/2022/07/remote-work-wfh-debate-management/670482/?utm_source=pocket-newtab

Remote work seems fully entrenched in American life. Offices are more than half empty nation-wide, while restaurants and movie theaters are packed. Housing prices in suburbs and small towns have surged as white collar workers take advantage of the demise of the daily commute.

But if the work-from-anywhere movement has been successful for veteran employees in defined roles with trusted colleagues, for certain people and for certain objectives, remote or hybrid work remains a problem to be solved.

First, remote work is worse for new workers. Many inexperienced employees joining a virtual company realize that they haven't joined much of a company at all. They've logged into a virtual room that calls itself a company but is basically a group chat. It's hard to promote a wholesome company culture in normal times, and harder still to do so one misunderstood group Slack message and problematic fire emoji at a time. "Small talk, passing conversations, even just observing your manager's pathways through the office may seem trivial, but in the aggregate they're far more valuable than any form of company handbook," write Anne Helen Petersen and Charlie Warzel, the authors of the book *Out of Office*. Many of the perks of flexible work—like owning your own schedule and getting away from office gossip—can "work against younger employees" in companies that don't have intentional structured mentorship programs, they argued.

Second, remote work is worse at building new teams to take on new tasks. In 2020, Microsoft tapped researchers from UC Berkeley to study how the pandemic changed its work culture. Researchers combed through 60,000 employees' anonymized messages and chats. They found that the number of messages sent within teams grew significantly, as workers tried to keep up with their colleagues. But information-sharing between groups plummeted. Remote work made people more likely to hunker down with their pre-existing teams and less likely to have serendipitous conversations that could lead to knowledge-sharing. Though employees could accomplish the "hard work" of emailing and making PowerPoints from anywhere, the Microsoft-Berkeley study suggested that the most important job of the office is "soft work"—the sort of banter that allows for long-term trust and innovation.

Other major studies have come to similar conclusions. In 2022, researchers from MIT and UCLA published a map of face-to-face interactions in the Bay Area made using smartphone geolocation data and matched it to patent citations by individual firms. They were looking for empirical evidence to support the old Jane Jacobs theory that cities promote innovation as people from disparate walks of life bump into each other and cross-pollinate ideas. They concluded that the Jacobs theory was right. The groups and firms with the most face-to-face interactions also had the most unique patent citations.

Third, and relatedly, remote work is worse at generating disruptive new ideas. A paper published in *Nature* by Melanie Brucks, at Columbia Business School, and Jonathan Levav, at the Stanford Graduate School of Business, analyzed whether virtual teams could brainstorm as creatively as in-person teams. In one study, they recruited about 1,500 engineers to work in pairs and randomly assigned them to brainstorm either face-to-face or over video conference. After the pairs generated product ideas for an hour, they selected and submitted one to a panel of judges. Engineers who worked virtually generated fewer total ideas and external raters graded their ideas significantly less creative than those of the in-person teams.

The Stanford economist Nicholas Bloom—a famous defender of remote work’s potential—told me that this study presented the “best research” on how in-person interactions foster complex, free-flowing discussion. “There are definitely situations, including mentoring new employees and innovative activities, that require some time in the office,” he said. “For me, that does not mean that [work from home] is bad, but that it cannot be 100 percent of work.”

Why might the quality of ideas degrade when people collaborate remotely? My favorite explanation is that collaboration requires trust, and trust implies a kind of intimacy, and it’s hard to build true intimacy via Zoom and chat. One of the most profound things that I’ve heard in my two years reporting on remote work is the idea that digital communications can be a minefield for trust.

“Whenever we read a sentence on Gchat or Slack that seems ambiguous or sarcastic to us, we default to thinking, You fu*ker!” Bill Duane, a remote work consultant and former Google engineer, told me. “But if someone had said the same thing to your face, you might be laughing with them.” In many contexts, remote work without physical-world reunions can flatten colleagues into simplistic caricatures and abstractions. It sounds hokey but it’s true: to see our colleagues as whole people, we have to literally see them as whole people—not just two-dimensional avatars.

The work-from-anywhere revolution has something of a kick-starter problem: it’s harder for new workers, new groups, and new ideas to get revved up.

So how do we fix this? One school of thought says that face-to-face interactions are too precious to be replaced. I disagree. I’m an optimist who believes that the corporate world can solve these problems, because I know that other industries already have.

Modern scientific research is a team sport, with groups spanning many universities and countries. Groups working without face-to-face interaction have historically been less innovative, according to a new paper on remote work in science. For decades, teams split among several countries were five times less likely to produce “breakthrough” science that replaced the corpus of research that came before it. But in the past decade, the innovation gap between on-site and remote teams suddenly reversed. Today, the teams divided by the greatest distance are producing the most significant and innovative work.

I asked one of the co-authors of the paper, the Oxford University economist Carl Benedikt Frey, to explain this flip. He said the explosion of remote-work tools such as Zoom and Slack was essential. But the most important factor is that remote scientists have figured out how to be better hybrid workers. After decades of trial and error, they've learned to combine their local networks, which are developed through years of in-person encounters, and their virtual networks, to build a kind of global collective brain.

If scientists can make remote work work, companies can do it too. But they might just have to create an entirely new position—a middle manager for the post-pandemic era.

In the middle of the 19th century, the railroads and the telegraph allowed goods and information to move faster than ever. In 1800, traveling from Manhattan to Chicago took, on average, four weeks. In 1857, it took two days. Firms headquartered in major cities could suddenly track prices from Los Angeles to Miami and ship goods across the country at then-record-high speeds.

To conduct this full orchestra of operations, mid-1800s companies had to invent an entirely new system of organizing work. They needed a new layer of decision-makers who could steer local production and distribution businesses. A new species of employee was born: the “middle manager.”

“As late as 1840, there were no middle managers in the United States,” Alfred Chandler observed in *The Visible Hand*, his classic history of the rise of America’s managerial revolution. In the early 1800s, all managers were owners, and all owners were managers; it was unheard of for somebody to direct employees without being a partner in the company. But once ownership and management were unbundled, new kinds of American companies were made possible, such as the department store, the mail-order house, and the national oil and steel behemoths.

In the 1800s, new technology allowed U.S. companies to extend their distribution and production tentacles across the continent, necessitating a new class of worker. Today’s hybrid companies, similarly extended across the country and even around the world, need to invent a new role to remain competitive and sane. This role would determine what work was “hard work” that could be done asynchronously and from anywhere, and what necessary “soft work” would require people to be in an office at the same time. Based on a comprehensive understanding of total workflow and team dynamics, this person would develop and constantly update a plan of who needs to be in the office, and on what days, and where they sit, and why they are there in the first place.

Operations teams at many companies are already doing some of this work. Often, these teams are spread across multiple challenges that existed before the pandemic— such as recruiting, IT, office maintenance, and normal pre-pandemic communications. For these stressed and over-stretched workers, co-ordinating the perfect hybrid cadence is the third priority for five different people. But managing a remote or hybrid workflow is too important to sprinkle onto old positions. It’s a discrete task, with discrete challenges, which deserves a discrete job.

The synchronizer—or, for large companies, a team of synchronizers—would be responsible for solving the new-worker, new-group, and new-idea problems. Synchronizers would help new workers by ensuring that their managers, mentors, and colleagues are with them at the office during an early onboarding period. They would plan in-person time for new teammates to get to know one another as actual people and not just abstracted online personalities. They would co-ordinate the formation of new groups to tackle new project ideas, the same way that modern teams in science pull together the right researchers from around the world to co-author new papers. They would plan frequent retreats and reunions across the company, even for workers who never have to be together, with the understanding that the best new ideas—whether in science, consulting, or media—often come from the surprising hybridization of disparate expertise.

The remote work debate has become deeply polarized between people who consider it a moral necessity that is beyond criticism and those who consider it a culture-killer that is beyond fixing. Like the office, remote work will never go away, and like the office, it has important problems that deserve our attention. Solving remote work's problems is a job worth doing.

UPCOMING WEBINARS AND EVENTS

Web Seminar By Digital Insurance: Modernizing The Insurance Experience: A Conversation With Mutual Of Omaha And Sun Life Canada

Dates: August 17, 2022

Time: 2:00 p.m. – 3:00 p.m. ET

While the P&C industry has been quick to transform, the Life and Health industries have generally lagged behind in digital transformation. In this webinar hosted by Amazon Web Services, enjoy a roundtable discussion with executives from Sun Life Canada and Mutual of Omaha, who are bucking the industry trend and will share their perspectives on building customer-centric, omni-channel businesses in the Life, Accident, and Health insurance space.

In this webinar, we'll discuss:

- Current trends outside of the industry impacting insurance business models
- The role of data and technology in creating new and improved customer and employee experiences
- The challenges legacy insurers face on the path to modernization

[Register Here](#)

Web Seminar By Digital Insurance: How Cloud Communications Can Drive Business Results And Customer & Employee Satisfaction In Insurance

Dates: August 23, 2022

Time: 2:00 p.m. – 3:00 p.m. ET

The insurance industry adapted to COVID-19 in a remarkable way. Overnight, insurance companies and agents shifted communications to omni-channel forms of interaction with each other and with their policyholders. Many agencies and carriers shifted from physical to digital workplaces. They reinvented work cultures, implemented new tools, and saw their teams thrive in remote environments.

Join us as we review compelling new research around best practices for cloud communications in the insurance industry, and discuss key statistics on performance measures like ROI, total cost of ownership, employee productivity, process improvement, and customer satisfaction.

We'll also discuss:

- The latest trends and innovations with unified communications in the coming year— and why it can be a game changer for insurance companies looking to drive improvements across their business
- What your employees and policyholders expect from their communications tools
- How the right unified communications platform can drive value for your business

[Register Here](#)

Made-in-Canada Life and Health Insurance Industry Orientation Boot Camp: LOMA's 2022 Insurance Immersion Virtual Program

Dates: September 12 - 15, 2022

1. CanCon: This made-in-Canada program provides a comprehensive overview of the Canadian market in these areas:

- Industry structure, players, and changing landscape
- Life insurance and wealth products, pricing, distribution, and sales
- Operations – new business, underwriting, customer service, and claims
- Regulation and compliance
- Finance and risk management

2. Expert Instructors: Taught by highly respected Canadian insurance leaders with over 125 years of combined industry experience, you'll benefit from their vast knowledge, experience, and insights.

3. Fast and Effective: Over 3-½ days, this intensive and interactive boot camp advances at a quick and efficient pace. The syllabus builds topics in a logical sequence to create a big picture view of the business. You'll participate in breakout group exercises, real-life case studies, and dynamic discussions to maximize your learning experience with the help of peer interaction.

4. Virtually Convenient: Delivered via Webex, it conveniently brings remote individuals together from any location for collaborative learning.

5. Great Value: The program fee is cost-effective and includes the classroom instruction, course materials, the Insurance Immersion Certificate, and the [FLMI Level I Certificate in Insurance Fundamentals](#). You'll also get a chance to win coveted prizes (and bragging rights) for the activities. Plus, you'll save big if you register before the early-bird deadline of August 12, 2022!

[Register Here](#)