

## CAFII ALERTS WEEKLY DIGEST: June 23 – June 30, 2023

June 30, 2023

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

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## GOVERNMENT/LEGAL/REGULATORY DEVELOPMENTS

### Insurance Council Of BC Eyeing Licensing Scheme For 'Incidental Selling Of Insurance'

#### *Council Is 'Refocusing' Approach To Public Protection*

*By Gia Snape, Insurance Business Canada, June 5, 2023*

[Insurance Council of BC eyeing licensing scheme for 'incidental selling of insurance' | Insurance Business Canada \(insurancebusinessmag.com\)](#)

The Insurance Council of British Columbia (ICBC) is making a strong push towards structuring a new licensing regime that enables the “incidental selling of insurance,” according to CEO Janet Sinclair.

“There are certain industries where you can buy a primary product and be offered insurance alongside it. Is it right that those industries are exempt from having to have a license?” Sinclair told *Insurance Business*.

“The government is changing the legislation to add a little more structure and will be requiring licensure in the near future, so they’ve tasked us with making sure that we oversee those sales through a licensed agency.”

The Insurance Council will engage with stakeholders and related government agencies, such as the BC Financial Services Authority, to create the regime, Sinclair added. But the industries set for licensing under this new regime have yet to be revealed by the British Columbia government.

“Some of the ones that government put forward in a recent consultation include travel agents that sell travel insurance or car dealers that offer credit insurance when you take out a loan on your car, and so on,” the CEO said. “Those would be the entities that the government is considering whether or not should be licensed.”

#### **Insurance Council Reveals Three-Year Strategic Plan**

The new incidental selling of insurance licensing regime is part of the regulator’s three-year strategic plan, as it seeks a “refocused” approach to safeguarding British Columbians and making sure their insurance needs are met.

Mandated to ensure licensed insurance agents, salespersons, and adjusters act within a professional framework, the Council’s new three-year strategic plan includes four over-arching goals:

- To implement effective regulatory practices that meet international standards
- To provide regulatory oversight that protects consumers and enables industry innovation
- To create strategic engagement that enhances public protection
- To provide efficient and fair access to its services

“Our main goal is to keep the public protected. That’s our North Star every day,” Sinclair said. “But we’ve been refocusing our approach over the last few years to making sure we’re licensing the right people who are qualified to do what they should, and who have the values and ethics one would expect of an insurance advisor.”

### **Stronger Support For Licensees**

The Insurance Council is also intensifying its efforts to support successful licensees, including “best-practice” audits to assess insurance agents’ business and make recommendations for improvement.

The audits also help the regulator distinguish between agents who need more resources and agents who are deliberately engaging in egregious misconduct.

“We want to make sure we put guidance in place, and that we have people that licensees can reach out and talk to if they have questions about the appropriate course of action,” Sinclair said.

### **Meeting International Regulatory Standards**

Sinclair emphasized that the Insurance Council’s mission is to align its regulatory practices, policies, and disciplinary processes with current and emerging international standards, particularly as Canadian businesses become increasingly global.

“Many of our licensees practice beyond British Columbia because they often will have licenses across the country, and even in other countries besides Canada,” Sinclair said. “By understanding international standards, we can make sure that British Columbians don’t expect less than what consumers in other countries receive.”

Improved regulatory oversight also allows the Insurance Council to encourage and support innovation among insurance businesses while protecting policyholders. That includes more oversight of distribution systems that leverage cutting-edge technology such as AI.

“We need to have appropriate oversight and regulations in place, but not so much that we stifle that innovation because the public appreciates that the industry is advancing,” said Sinclair.

### **Message For Agents And Brokers**

As the Insurance Council of BC seeks to strengthen its oversight and support for insurance distribution systems, its chief executive issued a message to British Columbia agents and brokers.

“We want to continue to provide support to the people who are licensed with us so that they continue to understand what’s required for them to best serve their clients,” Sinclair said.

“We’d like brokers to reach out to us and ask questions. We want to help you be successful and to let us know where the gaps are.”

## FSRA Announces Heightened Scrutiny Of Ontario's Property And Casualty Insurance Sector

By Kate McCaffery, *The Insurance Portal*, June 28, 2023

The Financial Services Regulatory Authority of Ontario (FSRA) announced on June 26 that it intends to be more proactive in its efforts to regulate the property and casualty (P&C) insurance sector going forward. "Ensuring the fair treatment of consumers in the P&C insurance sector is a key FSRA priority," the regulator announced.

Since its launch, FSRA says that it has developed a comprehensive market conduct supervisory approach for the sector. "It began with new supervision activities in high risk and priority areas such as cyber incidents and commercial insurance, in addition to FSRA's ongoing auto insurance supervision activities."

FSRA's stated intention of becoming a more proactive supervisor of P&C insurance was published in its 2023-2026 Statement of Priorities. "FSRA has started to and continues to build supervision capacity and market intelligence in the P&C sector," it wrote. "FSRA wants to work with the sector to develop a deeper understanding of the entities involved in product manufacturing, distribution, claims management and service to ensure fair outcomes for consumers."

Among its current activities, the regulator is conducting a thematic review of home insurance claims, which it says will help identify the greatest risks for consumer harm. It is also gathering market intelligence "to understand the relationships between insurers and P&C managing general agencies, the activities being outsourced to these entities, and the potential impacts on consumers."

Read Story (Subscription Required): [Ontario regulator announces heightened scrutiny of property and casualty business - Insurance Portal \(insurance-portal.ca\)](#)

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## How Insurance Regulators Plan To Push Through Many Key Reforms

By Deanne Gage, *The Globe and Mail*, June 27, 2023

Between banning deferred sales charges on segregated funds and releasing a scathing report on best practices for dealing with errors in managing general agencies (MGAs), it's been a busy year for the Canadian Council of Insurance Regulators (CCIR). They say all the projects are aimed at protecting consumers better.

Globe Advisor reporter Deanne Gage spoke with Huston Loke, incoming chair of the CCIR, who is also executive vice president of market conduct at the Financial Services Regulatory Authority of Ontario (FSRA), about these organizations' extensive to-do lists.

## **What Are Your Main Objectives For This Year?**

The first one happened earlier this month. As of June 1, we announced a ban on deferred sales charges (DSC) on new individual segregated fund contracts. Any new segregated fund purchased after June 1 will not be subject to a DSC to get out of the contract. Investors will not have to pay redemption fees to access their own money.

Now, the CCIR is working on a total cost reporting project with the Canadian Securities Administrators.

Investors currently receive statements on how much their advisor is charging for fees. But for this next stage of the project, they'll also have information about fees paid from the asset management and the trading side of the equation. Those are not being reported now on a consistent basis.

This information, which we call total cost reporting, will be available to all investors, whether they hold segregated funds or the more traditional mutual funds. Investors generally need more information about what they're paying. That makes them more empowered, [and] helps them make better decisions.

## **What Has Been The Industry Feedback On This Total Cost Reporting Project?**

We have received some concern that this project imposes considerable costs on the industry. At the back end, someone has to re-engineer the systems. We have asked for some granular information where the manufacturers and the distributors will have to work together to provide additional reporting. But we think that the benefits and the information to the investors outweigh the costs involved.

## **In A Recent Report, You Outlined Best Practice Issues With Some Mgas. Were You Surprised To See How Many Life Agents Were In Breach?**

That was a random sample of life agents but we were very disappointed about the lack of analysis on the appropriate use of life insurance. In those cases, customers were not being well-advised or getting the kind of protection they needed. They may be lacking the right type of policy or the policy may not cover the risks that are most important to those customers.

## **For Title Protection, Why Did FSRA Choose To Set It Up The Way It Did?**

You have two choices for setting up a title protection framework. One is not using any title that talks about wealth, investments, or money. The other choice is strengthening what it means to be a financial advisor and a financial planner. And that's exactly the way our framework operates. You have to have certain proficiency; you need continuing education; you need ongoing accountability. We're continuing to review submissions about who is able to assign titles of financial advisor or financial planner. Right now, we have four credentialing bodies approved.

## Why Not Just Restrict Most Titles From Being Used?

It becomes a much larger exercise. At some point, you have to let them use some protocol because they do something, right? Investment counsellor, wealth advisor, product specialist, salesperson ... you'd have to make a conscious decision that people can't call themselves anything, which is difficult. Because these folks do certain things right now and some of the titles are protected by regulators. If we would go and say you can't use any of those titles, then that creates another problem.

## How Do You Handle Enforcement If Someone's Using A Title They Haven't Been Given Permission To Use?

We're still in the implementation stage. We're giving the industry some time to come up to speed and to make sure their business cards, websites, and social media presence accurately reflect the title they're permitted to use.

We do intend to create a searchable registry for individuals who are permitted to use the titles financial advisor and financial planner. So, if you encounter someone and you want to see what credentials they hold, then you'll be able to go to a centralized website, punch in that individual's name, and you'll be able to see what credentials they hold and any regulatory sanctions against that individual. That's not currently something that's available. We think it will be a big step forward in terms of setting investors up to know about the individuals they're working with.

## How Much Time Is FSRA Giving The Industry To Come Up To Speed?

We're planning to announce exact timetables this summer of when we believe the transition period should end and [then] we should move into full implementation.

Read Story (Subscription Required): [How insurance regulators plan to push through many key reforms - The Globe and Mail](#)

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## FSRA Solicits Feedback In Stakeholder Survey

By Kate McCaffery, *The Insurance Portal*, June 9, 2023

[Ontario regulator solicits feedback in stakeholder survey - Insurance Portal \(insurance-portal.ca\)](#)

The Financial Services Regulatory Authority of Ontario (FSRA) has launched an online inquiry, with the help of Forum Research, to get stakeholder and consumer feedback about the regulator.

"We want to hear about your experiences, ideas, concerns, and expectations of FSRA. We have engaged an independent research firm, Forum Research, to conduct this survey on our behalf," the regulator states in an announcement about the survey's launch.

“Treat this as a reflection of your own personal experiences with FSRA,” the regulator adds. “We are committed to seeking feedback every two years and incorporating that feedback into all aspects of our work.”

The statement further says that a high-level summary of the survey results will be published in the fall of 2023.

Engaging with industry stakeholders, FSRA indicates, is an important part of the regulatory process. Among other things, the 10-minute survey asks how satisfied stakeholders are with the interactions they’ve had with FSRA, requests an assessment of how well it responds to market changes, whether it fosters competition, and whether it promotes the good administration of insurance.

The survey is available on the regulator’s website until June 30, 2023. “Your answers will not be saved if you close the survey window before fully completing,” FSRA notes. “Please complete the entire survey before exiting the browser.”

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## Office Of The Superintendent Of Financial Institutions Launches Climate Risk Forum

By Kate McCaffery, *The Insurance Portal*, June 22, 2023

[Office of the Superintendent of Financial Institutions launches climate forum - Insurance Portal \(insurance-portal.ca\)](#)

The Office of the Superintendent of Financial Institutions (OSFI) announced on June 19 that it is organizing its climate engagement activities and launching a new Climate Risk Forum (CRF) “to build awareness and capacity within Canada’s financial sector to respond to climate-related risks.

Partners and stakeholders are encouraged to subscribe to various information streams. “They can also signal their interest in other CRF activities including roundtables, workstreams, practitioner sessions, and external advisory groups,” OSFI states in its announcement about the CRF launch.

“We hope that these engagements will provide unique insights on the potential impact of these risks on the Canadian financial system,” added Peter Routledge, superintendent of financial institutions at OSFI.

A consultation on a draft document titled *Climate Risk Returns* is also planned for later this summer. The Climate Risk Hub, meanwhile, is a team of experts whose primary focus is to lead OSFI’s response to climate-related risks.

Twice a year, OSFI also plans to convene information sessions to update subscribers on the progress of climate change-related initiatives and its regulatory direction. “External advisory groups will be set up using calls for expressions of interest so that selected representatives can inform our climate risk roundtables, technical workstreams, and practitioner sessions,” OSFI writes. “We anticipate issuing our first call for expressions of interest in the months ahead.”

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## OTHER CAFII MEMBER-RELEVANT NEWS

### RBC Employee Suffering Burnout, Anxiety, And Depression Is Denied Disability Claim

*Insurance Provider Manulife Says Financial Planner’s Disability Claim Lacks Evidence*

*By Erica Johnson and Kimberly Ivany, CBC News Go Public, June 26, 2023*

<https://www.cbc.ca/news/gopublic/rbc-employee-burnout-insurance-manulife-1.6883652>

Just a few years ago, the Royal Bank financial planner won performance awards for bringing so much business into his branch in Quebec.

But earlier this year, he says, the pressure of hitting sales targets — compounded by the death of a family member and a break-in at home — became too much.

He says he couldn't eat, couldn't sleep for more than a few hours a night, and felt constantly stressed, anxious, and exhausted. Even getting out of bed was a chore.

All of it affected his work.

"It was harder and harder every day," he told Go Public. "It was difficult to focus and I would forget things for clients, or appointments."

CBC News is not revealing his identity, as he fears professional repercussions.

His doctor diagnosed severe burnout and prescribed time off work and psychotherapy.

But when he applied for short-term disability to take that break, Manulife — which provides insurance benefits for RBC — rejected the claim.

The employee has been off work without pay for four months. RBC told him he had to get back to work last week or he'd be fired.



"I can't believe that, in 2023, with the big talk that companies give about caring [about mental health], they just send me a letter saying, 'Go back to work,'" he said.

After Go Public contacted RBC, the bank sent its employee another letter saying it is reviewing new information, so his termination is on hold.

### **Burnout Rates 'Too High'**

More than one in five Canadians said they "frequently" experience workplace burnout in a recent online survey by the non-profit Mental Health Research Canada (MHRC).

Another 34 per cent of respondents reported "sometimes" experiencing burnout. The online survey of more than 5,500 people was conducted in March and April this year.

"We have not prioritized mental health sufficiently in the workplace," said Michael Cooper, a statistician and vice-president of development at MHRC.

"Everyone's burnout rates remain too high."

One Toronto psychologist — who says her practice is seeing a growing number of people suffering from burnout — also says employers are not doing enough to address the issue.

"A lot of workplaces are starting to use language to promote mental wellness," said Dr. Taslim Alani-Verjee. "But the people who have the power to make decisions... their views are not changing."

She says burnout, left unchecked, can be accompanied by severe mental health illnesses, often leading employees to turn to their insurance providers for a break.

Despite its prevalence in society, Alani-Verjee says burnout is widely misunderstood.

It's a "depletion of resources," she said, which can cause symptoms such as significant shifts in one's energy and motivation, choosing to isolate socially, and to disengage from daily tasks.

"We live in a culture that interprets burnout quite lightheartedly ... rather than a way for us to consider that a person is far beyond their capacity right now."

### **Burnout Not Recognized For Coverage**

Manulife initially rejected the employee's request for short-term disability because the company doesn't recognize burnout as a condition that's covered.

When he returned to his doctor for further medical testing, he was also diagnosed with generalized anxiety disorder and major depressive episode — not uncommon, according to Alani-Verjee.

"Burnout kind of becomes an umbrella term for those major depressive symptoms and those anxiety symptoms," she said.

Armed with that diagnosis, the employee tried again to get short-term disability coverage. But again, Manulife declined.

In a letter to him, which Go Public translated from French, the insurance giant outlined its reasons.

Among other things, Manulife said his condition was not severe because he was not prescribed medication, only therapy — an argument which frustrates Alani-Verjee, who says using psychotherapy as a first line of treatment is common and recommended.

"The recommendation made by his family doctor is a totally appropriate first line of treatment, even if Manulife doesn't think so," she said.

Manulife also claimed the employee took too long to see a psychologist — seven weeks — which Alani-Verjee calls "illogical," given that there could be any number of reasons for that, including that the pandemic increased demand for therapists.

The employee says many therapists he called had no availability or were not trained in the type of counselling his doctor recommended.

Manulife also cited the fact that the employee said he could watch TV, visit his parents once a week, and go to church as evidence that he does not have a "totally disabling condition."

Those "basic activities of daily living" are not indicators of whether someone has a mental illness, said Alani-Verjee, noting that the stressors of his workplace are completely absent in those situations.

### **Pressure-Cooker Environment**

The financial planner says his job requires him to convince people to invest with RBC and bring existing investments to the bank.

"There is a lot of pressure," he said. "Everyone at the bank has objectives and targets. The financial advisors bring me referrals and expect me to close the clients. The branch manager has objectives, too."

He described weekly, sometimes daily, meetings with his manager, urging him to meet his targets.

Every month she would show him a chart, he said, showing the performance of every other financial planner in the country so he could see how he compared.

"They say it's for motivation," he said. "But it's extra pressure."

Go Public investigated the high-pressure sales culture inside Canada's big banks in 2017.

Thousands of bank employees past and present described relentless pressure to meet sales targets, sometimes unethically, or risk losing their jobs.

The House of Commons finance committee called a banking hearing that year and the banking regulator, the Financial Consumer Agency of Canada, conducted a review.

It concluded that the sales culture increased the risk of selling customers products they don't need, can't afford, or that were based on unclear or incomplete information.

In correspondence with Go Public at the time, all of the big banks denied having high-pressure sales environments.

### **'No Help Whatsoever'**

The financial planner says when he told his manager that his mental health was suffering and he needed time off, she didn't listen.

Instead, he says, she encouraged him to get back on track, saying she had confidence he could do the job.

"She would tell me she cared, but I wouldn't see any real concrete action from her part," he said. "They talk about mental health, but I've seen no help whatsoever."

That's when he decided he would have to take unpaid leave.

Alani-Verjee, the psychologist, says most people have an inherent drive to be productive and contribute to society.

"So when we have someone who is coming to us for help, the appropriate response is to say, 'How can we help you?'" she said. "Not, 'You can do this. And if you can't do it, you'll lose your job.'"

She notes that workplaces are required to make accommodations when they're requested by a health professional, as in this case.

The employee's doctor wrote in a statement to Manulife dated March 16, 2023, that his patient needed time off and "support from his employer" to ensure that he could focus on treatment "without additional stressors."

In a statement to Go Public, RBC did not address whether accommodations were offered, citing privacy reasons.

The bank's director of communications, Cheryl Brean, wrote that employee well-being is a "top priority" and that the bank "is committed to maintaining a safe and healthy workplace" and to providing employees with access to resources to help them thrive.

Manulife also said in a statement to Go Public that it could not comment specifically due to privacy reasons.

"While we strive to do everything within our power to serve our customers, there are times when claims are denied following a thorough investigation," wrote Manulife's head of media relations Luke Shane.

He says that the insurer is "proud of the work we do to support the health and well-being of Canadians" by providing coverage for many diagnoses "including Generalized Anxiety Disorder, Major Depressive Episodes, stress, fatigue, and insomnia."

He did not address why Manulife then denied coverage to a customer with those medical issues.

The financial planner says his anxiety and depression are constant, and that he is struggling to pay the bills, with no income or insurance benefits.

After RBC told him on June 16 that plans to terminate his job were on hold, he's heard nothing further.

So much in his life is uncertain, he says, but one thing.

"I know that I cannot do this job right now."

## Long-Term Disability Claims – A Look Through The Pandemic And Beyond *Amid A Sharp Rise In Mental Health Issues And Long-Term Disability Claims, Experts From Sun Life, Hootsuite, And Ernst & Young Discuss How Employers Can Respond*

By Canadian HR Reporter, June 12, 2023

[https://premium.hrreporter.com/ca-2023-roundtable-long-term-disability-claims-a-look-through-the-pandemic-and-beyond/p/1?utm\\_campaign=idc&utm\\_medium=email&hsmi=262603958&hsenc=p2ANqtz-8wZtW4epqfx3Pqd-3KFquRK1SnHPIqFNav5MNYSkS\\_koKxd2c38\\_d8cw6xCM88D5fkfNZVvzCbEPL3XRODXq1lqPRvDw&utm\\_content=KMADV-011191&utm\\_source=hubspot](https://premium.hrreporter.com/ca-2023-roundtable-long-term-disability-claims-a-look-through-the-pandemic-and-beyond/p/1?utm_campaign=idc&utm_medium=email&hsmi=262603958&hsenc=p2ANqtz-8wZtW4epqfx3Pqd-3KFquRK1SnHPIqFNav5MNYSkS_koKxd2c38_d8cw6xCM88D5fkfNZVvzCbEPL3XRODXq1lqPRvDw&utm_content=KMADV-011191&utm_source=hubspot)

*(Lockdowns imposed during the pandemic had a profound and transformative impact on almost every aspect of society. While most people have seen their lives slowly return to normal, for many, the struggle isn't over. Employers today are seeing a rise in long-term disability claims related to mental health as more workers continue to suffer from the social isolation of lockdowns as well as the ongoing uncertainty in the economy today. Several experts recently participated in a webinar to discuss how organizations can respond to these issues and others. Drawing on their deep experience in the Canadian workplace, they provided important solutions to help both employees and their employers move ahead. During the discussion, moderator Sarah Dobson, the managing editor of Canadian HR Reporter, was joined by Carmen Bellows, director, mental health solutions at Sun Life; Yvonne Murphy, director, group disability at Sun Life; Tara Ataya, chief people and diversity officer at Hootsuite; and Darryl Wright, talent & future of work lead at Ernst & Young.)*

The stress, anxiety, and depression arising from prolonged social isolation and economic uncertainty together present many challenges to workers and their employers. They can mean higher medical costs, delayed access to treatment, and disruptions to stability at home and in the workplace. However, these issues also offer an opportunity for organizations to take a hard look at what contributes to mental health so that they can create a healthier and more supportive workplace in the future.

### **Mental Health And Depression**

Sun Life has undertaken a detailed study of its 1.5 million members to identify post-pandemic impact. In a report called *Designed for health: Long-term disability claims – a look through the pandemic and beyond*, they found that mental disorders are the main drivers of disability claims, with chronic disease and chronic pain having an impact as well. Research has found that three in 10 Canadians now report having a diagnosis of a major depressive or anxiety-related disorder, Bellows said. That's helped fuel a 30 percent increase in long-term disability claims. Bellows also noted the rise of comorbidity disorders, in which a person's mental health is affected by their physical health. "This is really starting to evolve the conversations that we're having around how we're managing long-term disability claims," she said.

Murphy agreed, emphasizing that mental health continues to be the leading diagnostic claim that they're seeing at Sun Life. She added that mental health claims can have a disproportionate impact on an organization's resources compared to physical claims.

That's because every individual has a unique and complex story to untangle, and it's important for organizations to have patience and learn what lies behind their issues. And that takes time. The reality is that mental health services aren't accessible in the same way as physical health services, and they aren't often accessible through provincial health care plans. "We've not only seen an increase in the number of claims through long-term disability, we're also seeing an increase in the length of those claims," Murphy said.

### **Return Of Cancer And Other Issues?**

Murphy also highlighted the effect of lockdowns on other diseases and conditions, warning that cancer diagnoses could begin to reverse the decline that was occurring pre-pandemic. "We do believe that individuals, through COVID and through this recovery period, haven't been able to get in for their [usual] pre-screenings. And our concern is that as these systems and these pre-screenings come back online, we will start to see people farther along in disease progression, and farther along in their conditions." One worry involves musculo-skeletal conditions. The lockdowns caused a lot of people to stay home and reduce their physical activity. Now they are returning to work after a prolonged period of inactivity, and people could see an increase in these types of issues.

### **Early Prevention And Intervention**

One of the common themes for all participants in the discussion was the importance of preventing disease, or at least intervening before it gets serious. An organization can take several actions here. These could include implementing wellness programs that focus on physical and mental health and encouraging regular exercise and healthy eating. Supporting mindfulness is important, as is the cultivation of stress management to keep mental-health triggers at bay. Employers might also consider offering flexible working arrangements to support employees in managing health conditions without affecting work performance. Sun Life has created a toolkit for developing a mental-health strategy that walks an organization through the process, from building understanding and identifying problems to acting and maintaining continued focus.

Ataya said that Hootsuite has emphasized the need for early intervention during the pandemic and beyond, planning ahead to ensure that it had resources for employee assistance, financial health, and wellness systems, too. “Pay equity was a part of our strategy as well,” she said. “We were transparent about our pay equity” and “really leaned in heavily on the early intervention and redesigning of benefits programs to support our employees' mental health, their physical health, as well as their family and financial health.” She said that the lack of a significant increase in Hootsuite’s long-term disability claims was largely due to their focus on early intervention and ensuring that employees see a way to get help early instead of later. Wright nodded in agreement, saying that prevention was a key investment at Ernst & Young, not just for its workforce, but for its clients as well. “We are seeing an increase in organizations reaching out to us to do a readiness assessment around what psychological health and safety look like post- pandemic,” he said. “To measure the impact on individuals, specifically as it relates to remote and hybrid work and the impact that has on wellness and well-being in the workspace.”

### Education And Addressing Stigma

The first step to addressing the rise in issues involving mental and physical health is more education. That applies to employees, who need to learn the signs and symptoms of ill health, as well as to employers, who must be prepared to provide support and resources both before and after these issues emerge. Little education can occur without communication. There is a tendency to suppress feelings of stress or discomfort due to fears about what others may think. To destigmatize these issues, organizations and especially leaders should talk openly about mental health in the workplace, regularly highlight resources that are available, and encourage employees to come forward and seek help. It’s clear that the pandemic triggered a decline in physical and mental health that is now manifesting itself in a sharp rise in long-term disability claims. This presents a powerful opportunity for employers to step up and enhance the role they play in supporting the health and well-being of their employees. “Gone are the days when employees don’t hold their organizations accountable,” Ataya said. “It behooves us all, even as an organization, to lean into those conversations – because healthier employees mean a healthier business.”

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## Is Genuine Progress Being Made When It Comes To DE&I?

### *Global Insurance Executives weigh in*

*By Mia Wallace, Insurance Business Canada, May 3, 2023*

[Is genuine progress being made when it comes to DE&I? | Insurance Business Canada \(insurancebusinessmag.com\)](https://insurancebusinessmag.com)

For long-serving industry leaders who have seen insurance through good times and bad times alike and helped to weather those storms, seeing the progress of diversity, equity & inclusion (DE&I) initiatives has alternately served as a lesson in patience and an illustration of the power of persistence. With that in mind, these leaders are well-placed to tackle a question fundamental to the future of the market – is genuine headway being made when it comes to DE&I?

## Progress In DE&I Initiatives

Offering his perspective, as somebody who has served the insurance profession for over three decades, Alastair Swift, head of CRB global lines of business at WTW and CEO of Willis Ltd., noted that insurance has changed a lot since he started. That's something he is very glad of, he said, as it would be fair to say that back when he first came to the sector, DE&I was not a subject on the agenda of most organizations.

"There has been a massive change for the better," he said. "Bit by bit, the industry has grown and your own journey grows with it as you see the change and you see the benefit in embedding this in the DNA of your business and how you run your business."

Chief people officer for AXIS, Noreen McMullan also attested that when she started her career in insurance, DE&I was not a topic that was up for discussion in any meaningful way. At most, she said, it was something included in a report reviewed once a year and shelved the rest of the time. However, it has been heartening to see how far so many companies have come since then, for all that there is still more work to be done.

"Today, more organizations, including AXIS, subscribe to the belief that diversity of talent brings diversity of thought," she said. "As a result, diverse organizations benefit from a wider range of knowledge and experience which contributes toward driving business results."

"At AXIS, DE&I continues to be a top priority and we approach this work with a bottom-line driven mentality. For example, we set a DE&I goal to achieve global gender parity in all levels of our workforce by 2025, as well as goals to increase ethnic and female senior representation."

## The Evolution Of The DE&I Proposition

Speaking with Insurance Business shortly following the publication of WTW's 'Global Gender Wealth Equity Report', John Ball, head of Great Britain at WTW, highlighted how action around DE&I has evolved. It started with diversity, he said, and now it includes equity and equitable outcomes.

On the subject of gender pay, Ball noted that: "Gender pay is not the only factor that impacts retirement wealth but, of course, the amount people are paid is a very important factor and differences can be dramatically exacerbated over the course of a career. Several of the strategies we are using to narrow our own gender pay gap include understanding the barriers that women face in navigating the corporate environment and focusing on equitable career trajectories."

"This will help more women to reach the most senior, high-paying roles and help us in closing the wealth gap. We also see that retirement plans, including state benefits, are a significant component of accumulated wealth. Our research highlights the importance of employer-sponsored plans and awareness of the financial advantages of these."



## Changing Attitudes And New Conversations

UK CEO of the re/insurance broking giant BMS Ian Gormley revealed that he too has seen changing attitudes to DE&I and has found it encouraging to see the insurance profession open up to having new conversations. He also emphasized the work being done by market bodies and individual market players to create dedicated, specialist roles to “navigate the change in recruitment and development strategies that is required.”

“Internally,” he said, “I’ve seen our conversations really progress following the roll out of our Speaking Up and Inclusive Leadership program, focusing on effective communication, allyship and leading with empathy. We designed this in partnership with an excellent provider, using forum theatre and actor-coaches to bring scenarios to life and the impact has been huge. We recognized that real shift comes from continued conversations and have invested in ongoing workshops and touchpoints for all colleagues.”

Touching on how the outlook toward DE&I has shifted in the Lloyd’s market, Lloyd’s CEO John Neal pinpointed that Lloyd’s ‘Culture Survey’ results reveal that the market is now a more inclusive place than it has been before.

He added that it’s critical to note that one of the true differentiators of the insurance marketplace has been its ability to attract talent, which is why the market needs to be inherently inclusive if it wants to attract and represent the very best in insurance. The market is highly attuned to the need for more education around DE&I to ensure that it meets its culture goals, he said, and leadership accountability for change is an important part of shifting attitudes.

“Does it feel different on the ground, or in the room? I’m not sure it does yet – but that’s hopefully the step that follows a mindset shift,” Neal said. “Every year for the last eight years, the insurance industry globally has hosted Dive In which is all about DE&I. [In 2022], there were over 25,000 attendees to events from 98 countries. This is absolutely showing that attitudes are shifting but we need to work out how to turn this into action.”

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## "Post-COVID Travellers Are A Lot More Cautious About Their Coverage"

### *Business Trips Are Returning To Pre-Pandemic Levels*

*By David Saric, Insurance Business Canada, May 30, 2023*

["Post-COVID travellers are a lot more cautious about their coverage" | Insurance Business Canada \(insurancebusinessmag.com\)](https://insurancebusinessmag.com)

2023 has seen a voracious return to travel, as pandemic restrictions ease internationally, and business trips pick up in frequency. As a result of this nomadic rebound, travellers must be well-equipped with insurance that provides robust coverage in the face of any potential medical emergency.

“Increased overseas travel calls for better insurance options,” said James Walloga, SVP of North American Accident and Health at Allied World. “However, as a result of the pandemic and rampant political unrest on a global scale, post-COVID travellers are a lot more cautious about their coverage and what is included in it.”

Speaking over lunch during RIMS in Atlanta, Walloga detailed the specific coverage that both travellers and some foreign countries are requiring, how “bleisure” trips and digital nomads are becoming more commonplace, and why underwriters need to tailor their packages to specific needs.

### **“People Are Beginning To Ask More Questions To Ensure They’re Fully Covered”**

According to data from the Global Business Travel Association, which collated responses from 803 business travel managers, 63% of participants said their annual spend is already at pre-COVID numbers for international treks, while another 72% said the same for domestic travel.

“There is definitely an uptick in travel on the corporate side,” Walloga said. “However, people are beginning to ask more questions to ensure they’re fully covered no matter what country they visit.”

Employees tasked with venturing into foreign terrain for business matters are now booking appointments with human resources or management to really delineate how they will be protected in case of an emergency or accident.

“They’re definitely concerned with having robust medical coverage, but more and more are also inquiring about security coverage,” Walloga said.

There seems to be a greater sense of caution embedded in business trips and employers are now ranking traveller safety near the top of their list when sending their employees to overseas destinations.

The increasingly fraught geopolitical landscape world-wide can have an impact on this, with people wanting to make sure that in the face of any potential evacuation that they will be well taken care of.

“Thankfully, this type of coverage has been in existence for over 10 years, and it has been honed over time as underwriters and insurers have assessed risk more thoroughly and reacted accordingly.”

### **The Rise Of “Bleisure” Travel And “Digital Nomads”**

The term bleisure is an amalgamation of business and leisure trips, where an employee who may be in a foreign country for professional obligations will extend their stay to include more recreational activities. “This type of travel predates the pandemic,” Walloga said.

“Millennials and Gen Z are particularly drawn to this as many prefer experiences over tangible items, admitting that they would trade personal time off (PTO) days for these opportunities.”

Employers have been responding quite positively to this type of arrangement, as they notice that when their employees return to work, they are much more focused and personally satisfied.

“They are coming back feeling invigorated and thankful to the company, which definitely boosts morale and productivity,” Walloga said.

There is also the presence of what Walloga calls “digital nomads,” which has also been gaining in popularity since the pandemic began.

“There’s a whole selection of individuals who, thanks to remote working methods, can set up a workspace in any location, whether nationally or internationally.”

As a result, the traditional insurance offered for business travel needs to become updated to reflect the needs of changing preferences, especially as younger generations enter the industry in larger quantities.

“Coverage needs to be more flexible and cover folks who are not just boarding a plane for business, but leisure as well,” Walloga said.

### **“The Best Way To Develop A Product Is By Talking To The End User”**

In order to offer the best services to prospective travellers who may have niche concerns or needs when flying overseas, insurers need to be a little more creative and attentive.

“In the early days, you would have underwriters from different carriers look at risk individually,” Walloga said. “They would then tailor their programs based on what they have assessed.”

However, Walloga believes that there should be a bit more collaboration with the individual whom the coverage is being written for.

“I’ve always felt the best way to develop a product is by talking to the end user,” Walloga said.

“This is the benefit of being at an event like RIMS. I get to speak to buyers, risk managers, and others in the field, and find out what is really important to them.”

“Having these conversations then helps me go back to the drawing board and tailor a coverage to fit what their actual concerns are and really emphasize value.”

## Rising Tourism Drives Travel Insurance Market Forward

### *Global Travel Insurance Market Exceeds US\$22 Billion*

*By Ryan Smith, Insurance Business Canada, May 1, 2023*

[Rising tourism drives travel insurance market forward | Insurance Business Canada \(insurancebusinessmag.com\)](#)

The global travel insurance market has grown from US\$19.14 billion in 2022 to US\$22.44 billion this year at a compound annual growth rate (CAGR) of 17.3%, according to a new study by analytics firm Research and Markets.

The travel insurance market is expected to hit US\$40.58 billion in 2027, growing at a CAGR of 16%. Major players in the travel insurance sector include Allianz SE, American International Group, Chubb, Generali, Zurich and others, Research and Markets said.

The adoption of new technology has emerged as a key trend gaining popularity in the travel insurance space, with major players in the sector focusing on new technologies to bolster their positions in the market, the study found. For instance, last year India-based insurance marketplace Policybazaar launched an AI-enabled WhatsApp chatbot to automate the claims settlement process for its clients.

A rise in tourism has contributed to growth in the sector. According to a report published last year by the United Nations World Trade Organization, global tourism increased from 400 million in 2020 to 415 million in 2021, a 4% jump year-on-year, Research and Markets said.

Asia-Pacific was the largest region in the travel insurance market in 2022, according to the report. The regions covered in the study were Asia-Pacific, Western Europe, Eastern Europe, North America, South America, and the Middle East and Africa.

Countries covered in the report were the US, the UK, Australia, China, Brazil, France, Germany, India, Indonesia, Japan, South Korea, and Russia.

## UPCOMING CAFII MEMBER-RELEVANT WEBINARS AND EVENTS

### Webinar Recording Of "Fasken Indigenous Group Webinar: A Fireside Chat with Chief Perry Bellegarde"

Chief Perry Bellegarde joined Fasken as a Special Advisor, a role which will allow him to share his deep experience, understanding and knowledge of First Nations peoples, issues and opportunities with our clients. On May 25th, Kevin O'Callaghan, Leader of the Indigenous Law Group, sat down with Perry for a fireside chat. To watch the recording, please click the link below.

*Please note that the recording will only be available until December 13, 2023.*

[Click here](#) to view the webinar recording from the Fireside Chat with Chief Perry Bellegarde.