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CAFII ALERTS WEEKLY DIGEST: June 30 – July 7, 2023

July 7, 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

FCNB Consumer Advisory Re Buying Insurance From Lenders, Dealerships, And Other Merchants

By Financial and Consumer Services Commission of New Brunswick Staff, July 4, 2023

https://fcnb.ca/en/guides/buying-insurance-from-lenders-dealerships-and-other-merchants

Certain businesses are allowed to offer insurance products as an additional service, secondary to their main business. This is called an incidental sale of insurance.

There are limitations on the types of insurance products and services that can be sold this way, and there are regulations that those selling the insurance must comply with. These rules are in place to protect consumers. In particular, in New Brunswick, the seller must now hold a restricted insurance representative (RIR) licence issued by the Financial and Consumer Services Commission of New Brunswick.

Licensing helps protect consumers because it sets out requirements for those selling insurance to be knowledgeable, accountable and to provide enough information for you to make an informed decision. Email insurance.licensing@fcnb.ca to see if the business is licensed before purchasing any insurance product.

Here Are Some Things To Keep In Mind When Considering These Insurance Products:

Only certain types of businesses can sell these products

Business who can apply for a RIR license to sell insurance incidentally in New Brunswick include:

- Vehicle dealerships (including automobile, RV and watercraft dealers)
- Banks, credit unions and trust and loan companies (deposit-taking institutions)
- Funeral providers
- Mortgage brokerages
- Vehicle rental businesses

You do not have to buy the insurance being offered by the business

Tied selling is prohibited. Tied selling is when:

- a business makes buying the incidental insurance product from them (or from a specific company or agent) a requirement for buying the primary product or service.
- a business tells you that you may only buy the insurance from them (or from a specific company or agent).

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

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Sometimes customers are required to purchase an insurance product as a condition for obtaining a credit product – this protects the lender if you are unable to pay back the loan. But they cannot tell you that you may only buy the insurance from them (or from a specific company or agent).

You May Still Want To Consult A Licensed Insurance Agent

An individual or business with a RIR license is not a licensed insurance agent. They can sell certain products, but a licensed insurance agent may be able to provide you with further information or guidance on your insurance needs and options.

Know The Details Before You Buy – Make An Informed Decision

Disclosure means sharing important facts and details, so you have enough information to make an informed decision about your purchase. A restricted insurance representative or their employee has these disclosure requirements:

- **Commissions Earned:** Insurance companies usually pay the business holding a RIR license or the business' employees a commission for selling insurance on their behalf. If the amount paid is more than 30 per cent of the price of the insurance, the business or its employee must disclose the commission amount or explain how the commission is calculated.
- **Written Information:** Within 20 days of the insurance becoming active, the business holding a RIR license must provide, in writing:
    - a summary of the contract terms, including any limitations, exclusions, and restrictions
    - an explanation of when the insurance starts and ends and how to make a claim
    - the cost of the insurance
    - a copy of your application and documentation describing the insurance
    - the policy or a certificate for group insurance
    - written documentation showing proof of the insurance

If you applied for insurance on a loan (disability insurance, life insurance, critical illness insurance or loss of employment insurance), the written summary of terms must include clear information on:

- the coverage and pre-existing conditions that may prevent you from being paid if you make a claim
- the consequences of any misrepresentation in the insurance application

Cancellation Information: When you buy certain types of insurance from a business holding a RIR license, you have 20 days from the day you receive the documents mentioned above to cancel the insurance and receive a full refund. After the 20 days, you can still cancel the insurance; however, you will likely not get a full refund. The business must notify you of your "right to rescind" at the time of purchase.

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The right to rescind for a full refund applies to:

- credit-related insurance on a loan (creditor's critical illness insurance, creditor's disability insurance, creditor's life insurance, and creditor's loss of employment insurance)
- funeral expense insurance
- guarantee asset protection insurance
- replacement cost insurance

If you have purchased insurance on a loan, the cost of the insurance may be added to your loan. Should you cancel the insurance within the 20-day period, your monthly loan payments might not change. Instead, the refund might be applied to the loan. Ask the business holding the RIR license for details.

Contact Information: When you buy insurance incidentally, you will be asked to sign an insurance contract. The contract is with an insurance company. The business holding an RIR license needs to give you the name and contact information of the insurance company. If you have questions, you should contact the insurance company and not the business holding the RIR license.

Do I Need The Insurance?

The risk of illness, theft, damage, fire, accident, or death is real. Many New Brunswickers choose to minimize the chance of a resulting financial hardship by purchasing insurance. If you think you may not be able to afford potential financial loss or damage from an unexpected event, then you may want to consider buying insurance.

In deciding whether you need the insurance, review your existing coverage or speak with your licensed insurance agent to see if you are already covered through an existing insurance policy. Shop around for other options; you may be able to find a similar insurance product for a better price elsewhere.

Always Be Honest

Finally, always provide complete and accurate information when applying for insurance. Falsifying or leaving out information could result in the contract being voided and having a claim being denied. Learn more about insurance in New Brunswick.

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FCNB Industry Advisory Re New Insurance Licence Regime Compliance Resources

By Financial and Consumer Services Commission of New Brunswick Staff, July 4, 2023

On February 1, 2023, two new Rules under the *Insurance Act* came into effect resulting in updates to the regulatory framework.

Any firm or individual who sells insurance in New Brunswick must familiarize themselves with the Rules and the new licensing requirements in order to comply with the licensing and market conduct expectations.

The following resources will help insurance intermediaries understand these changes, what they need to do to comply, and what this means for their clients.

Industry Resources

- Insurance Licences
- Applying for your Insurance Licence
- Application Fees
- News Release: Updates to New Brunswick Insurance Act increase consumer protections
- Coming into force of Rule INS-001 Insurance Intermediaries Licensing and Obligations and Rule INS-002 Insurance Fees
- Insurance Notice: Notice to Industry with Transition Information – Update Intermediary Licences based on requirements of Rule INS-001 Insurance Intermediaries Licensing and Obligations

Consumer Resources

- Printable brochure: Do you want insurance with that?
- Buying insurance from lenders, dealerships, and other merchants

Rules

- Rule INS-001 Insurance Intermediaries Licensing and Obligations
- Rule INS-002 Insurance Fees

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FCNB Insurance Bulletin 2023-02 – Incentive Management Guidance

By Financial And Consumer Services Commission Of New Brunswick (FCNB) Staff, July 6, 2023

Insurance Bulletin 2023-02 – Guidance: Incentive Management Guidance | New Brunswick Financial And Consumer Services Commission (FCNB)

On November 30, 2022, The Canadian Council Of Insurance Regulators (CCIR) And The Canadian Insurance Services Regulatory Organisations (CISRO) Jointly Published The Incentive Management Guidance (IMG). The Img Sets Out The Expectations Of The CCIR And CISRO For The Management Of Incentive Arrangements For The Sale And Servicing Of Insurance Products. The IMG Provides Additional Details Which Complement CCIR And CISRO's Guidance: Conduct Of Insurance Business And Fair Treatment Of Customers Guidance (FTC), Which Was Released In September 2018.

The IMG Provides Clarity On Compensation And Conflicts Of Interest Under Section 6 (Customer Outcomes And Expectations) Of The FTC. The IMG Applies To Insurers And Intermediaries And Is A Principles-Based Guidance.

The IMG Covers The Areas Of:

1. Governance
2. Design And Management Of Incentive Arrangements
3. Risks Of Unfair Outcomes To Customer
4. Controls

FCNB's Insurance Division Participated In The Design Of The IMG.

It Is The Expectation Of The Insurance Division That Insurers And Intermediaries Adopt The Principles As Outlined In The IMG And Ensure That Measures Are In Place To Abide By Them.

The Full Document Can Be Found On The CCIR Website: 3735 (Ccir-Ccrra.Org)

Should You Have Any Questions Or Concerns Regarding The Ftc Or Img, Please Contact FCNB's Insurance Division At (866)-933-2222 Or By Email At *Info@Fcnb.Ca*.

FCAC Unveils Guidelines Requiring Financial Institutions To Support Mortgage Borrowers Under Financial Stress

By Stefanie Marotta, The Globe and Mail, July 5, 2023

Canada's financial consumer watchdog has issued new guidelines for lenders aimed at helping financially distressed mortgage borrowers, in part by discouraging banks from charging interest on interest when the time frame for paying off a loan is extended.

The Financial Consumer Agency of Canada issued the guidelines on Wednesday, July 5. They outline the agency's expectations for how banks should provide support for existing residential mortgage borrowers who are facing "severe" financial challenges. The guidelines also outline processes for helping these borrowers adjust to higher costs by lengthening their amortization periods – the amounts of time they have to pay down their loans.

Spiking interest rates have put pressure on borrowers, particularly variable-rate mortgage holders, who have experienced sharp payment increases. These borrowers have had to increase their monthly payments or significantly extend their amortization periods.

The FCAC's guidelines apply to existing mortgage loans on the principal residences of consumers who are at risk of mortgage default in "exceptional circumstances." This includes people facing difficulty as a result of high household indebtedness, rapid increases in interest rates, and increased costs of living.

"The guideline is a response to the challenges facing homeowners with a mortgage in the current economic environment," FCAC deputy commissioner of supervision and enforcement Frank Lofranco told reporters on Wednesday, July 5. "FCAC's research shows that homeowners with a mortgage are increasingly at risk of facing financial hardships, such as having to increase their borrowing for daily expenses or to draw on their savings."

The FCAC initially revealed the proposed guidelines in March when it launched a consultation. It received more than 30 submissions from the industry, stakeholders, and members of the public.

The watchdog emphasized that it does not endorse any particular measures for managing risky mortgage debt.

Many variable-rate mortgages have fixed monthly payments, which means that more of each payment is put toward interest as the Bank of Canada hikes interest rates. With less of each payment going toward the principal of a loan, the time it takes to pay off the mortgage is extended.

When a payment is not large enough to cover interest, the mortgage negatively amortizes, meaning the unpaid portion is added to the principal, increasing the size of the loan. When the mortgage comes up for renewal, the amortization period snaps back to its original length, boosting the monthly payment.

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Toronto-Dominion Bank, Canadian Imperial Bank of Commerce, and Bank of Montreal offer products that allow variable-rate mortgages to negatively amortize. Mortgages with amortization periods longer than 30 years now account for more than a quarter of residential loan portfolios at most of Canada's biggest banks.

The FCAC guidelines say that lenders should work with at-risk customers to provide temporary mortgage relief. This could include waiving prepayment penalties when a borrower sells their principal residence or makes a payment to avoid negative amortization. The watchdog also says it expects lenders to implement short-term measures, such as waiving internal fees or costs for a limited time, and ensuring that no interest is charged on interest when a mortgage negatively amortizes.

The guidelines also suggest that financial institutions develop plans with customers to return amortization periods to their original lengths. The FCAC says amortization periods should be "reasonable," and that the plans should include options for restoring the original payment terms, as well as assessments of the long-term, negative financial implications of negative amortizations for the customers.

In cases where a bank and customer agree that a negatively amortizing mortgage is the best way to help the borrower manage higher costs, the FCAC says, the extension should be for the "shortest period possible," accounting for the borrower's ability to restore the payment term to its original period.

Peter Routledge, the head of the Office of the Superintendent of Financial Institutions, Canada's banking regulator, said in an interview on Friday, June 30 that the guidelines are the "most important regulatory initiative" to address the issue of negative amortizations, and a "potential antidote" to financial stressors that have arisen in recent years. He also said that, with the bulk of outstanding mortgages up for renewal in the next few years, some borrowers could see 50-per-cent increases to their payments when their terms end. OSFI contributed to the development of the FCAC's new guidelines.

Mr. Lofranco said that the FCAC expects lenders to monitor risk among their customers, and to pro-actively reach out with options to help them absorb rising costs.

"The earlier the engagement by way of financial institutions and consumers, the more options consumers will have at their disposal to prepare for what may be a payment shock down the road," he said.

The Canadian Bankers Association said in a statement that lenders already work with at-risk customers by offering a range of measures to help them manage their mortgage debt. It said lenders also comply with "high standards for risk management" set by federal regulators.

"Canadian banks know the financial well-being of their clients is critically important to the individual, to the health of communities, and the economy," the statement added.

Read Story (Subscription Required*): [Financial consumer watchdog issues new guidelines to help support struggling borrowers - The Globe and Mail]*

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Autorité Des Marchés Financiers Publishes Its 2023 Annual Report On Life Insurers

By Alain Castonguay, The Insurance Portal, June 26, 2023

[The Autorité des marchés financiers publishes its report on life insurers - Portail de l'assurance (portail-assurance.ca)]

In its most recent "Annual Report on Financial Institutions and Credit Reporting Agents," the Autorité des marchés financiers reported that 79 insurers are authorized to offer life and health insurance in the Québec market.

Of these, three also disclosed their activities as property and casualty insurers. Aggregated data for the other 76 insurers was presented by the AMF in its annual report. Some 38 of them hold a Canadian charter or a charter issued by another province and are grouped under the term "Canadian insurers."

The latter together held 42.8% of the market share based on direct premiums written in Quebec in 2022, a proportion similar to that from the previous year. The volume of these premiums increased by 1.9% last year compared to the previous year.

The 15 Quebec-chartered insurers make up just over half of the Quebec market with 56.3% of premium volume. This volume increased by 2% in 2022 compared to 2021 and that was the 10th consecutive year that sales were up.

The remainder, or 0.9% of the market share, is attributable to premiums written by 23 foreign insurers. The report notes that the volume of direct premiums written by foreign insurers was down 2.7% in 2022 compared to 2021. That was the fourth consecutive year of decline for foreign life insurers.

The total volume of direct premiums written was close to $22 billion in 2022, up 1.9% from 2021.
Concentration

The 10 largest insurers or groups of insurers collected 92.7% of direct premiums written in Quebec in 2022. That proportion was almost identical to that from 2021 when it reached 92.8%.

More than two-thirds (68.1%) of the market share was held by the top four life insurers. Thus, iA Financial Group had 22.4%, a decrease of 1.1 percentage points compared to 2021. Sun Life's market share also declined in 2022 to 14.4% from 15% the previous year.

Beneva's market share changed little, at 16% (15.9% in 2021), while Desjardins' increased from 14.4% in 2021 to 15.4% in 2022.

Canada's other two major players, Great-West Life (10%) and Manulife (8.7%), followed in 5th and 6th place respectively and saw market share increases of one percentage point and 0.5 percentage points respectively.

In the case of Beneva, Sun Life, Great-West Life, and Manulife, the brands are groups of insurers and all the institutions that are part of the group were taken into consideration in the annual report, said the AMF.

Financial Results

For all insurers doing business in Quebec, net profits totalled $17.6 billion in 2022, up 3.8% from the previous year.

The annual report also includes information on premiums by product type, market concentration, financial results, pre-tax earnings (EBITDA), investments, solvency and risk, as well as detailed data by institution.

OTHER CAFII MEMBER-RELEVANT NEWS

CAFII EOC Member Moira Gill, TD Insurance, Receives Insurance Business Canada Elite Women 2023 Award

By Insurance Business Canada Staff, July 6, 2023

Women Leaders in Insurance | Elite Women 2023 | Insurance Business Canada (insurancebusinessmag.com)

Insurance Business Canada has revealed the awardees for Elite Women 2023, the annual list of exceptional female insurance leaders bringing meaningful change, challenging the status quo, and empowering their peers in a traditionally male-dominated field.

The report highlights the contributions of the 2023 awardees to the industry and explores the methods that led to their success. The winners also shared ways to empower others, promote advocacy, and increase diversity and inclusion.

The 2023 Winners' List Includes:

- Christine Wilson of Canada Life
- Erika Schiavoni of TD Insurance Canada
- Moira Gill of TD Insurance Canada
- Sarah Lenore Gibson of TruStar
- Melissa Bajwa of PROLINK
- Anita Swamy of Medavie Blue Cross
- Christa O'Neil of McFarlan Rowlands Insurance Brokers

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- Cheryl Roberts of McDougall Insurance & Financial
- Kawkab Jamal of SCU Insurance Agencies
- Farzina Coladon of AXA XL
- Nikki Keith of Wilson M. Beck Insurance Services
- Carole J. Bissett of Wilson M. Beck Insurance Services
- Sonia Boyle of Gore Mutual Insurance

Profile: *https://premium.insurancebusinessmag.com/ca-ibc-elite-women-2023-moira-gill/p/1*

Driven to make an impact on issues critical to our environment and our customers, Moira Gill harnessed her negotiation, advocacy, public policy, and government relations skills to push for progress on these issues both within TD Insurance and in the national and international insurance industry.

She is a tenacious voice for developing approaches to address the protection gaps in under-served groups, physical regions, or types of coverages that consumers and communities need in order to be financially and climate risk resilient.

The assistant vice president of environment, government and industry relations had her sights set on a career in international relations before joining the financial services sector. "I have taken opportunities ever since then that incorporated the most valued aspects of that original goal," explains Gill, whose strengths lie in her diplomacy and leadership abilities.

"Not only was it personally fulfilling to hone those skills, but it also meant that when opportunities similar to my original goal presented themselves, I had the qualities necessary to succeed."

Gill's path to success may not have been straight, but she has tweaked her goals along the way. A maxim that has served her well throughout her career says, "Be prepared to be lucky." Her education, experience, and professional relationships have stood her in good stead to take advantage of unexpected opportunities.

In her current role, Gill's mandate has expanded to include leadership of TDI's sustainability strategy. She learned that part of her mandate from the ground-up over the past seven years, thanks to her commitment to lifelong learning.

Her peers note that she applies that same philosophy to employee engagement and development. For more than 20 years , she has been recognized as an influential TD leadership team member, providing valuable guidance on emerging industry issues.

She's a passionate advocate for insurers to enact meaningful environmental and social responsibility changes, and her leadership has brought attention to ESG opportunities within TDI.
She is a regular speaker at industry conferences on sustainability issues and leads several sector-leading committees prioritizing education and action through Canadian and international partner collaboration.

She is a standout leader in the industry and a champion for sustainability and economic inclusion.

One of her biggest challenges is the continuing evolution of issues on both sustainability and government relations files. Learning and adapting is constant. For Gill, it's a labour of love due to the significant impact such involvement can bring.

Those volunteer efforts drive one of her most notable achievements: serving as board chairperson of the United Nations Principles of Sustainable Insurance and participating in recent UN conventions on biodiversity and disaster risk reduction. "The opportunity to have an impact on an agenda at the foundations of the insurance business model and is vital to the planet and our society drives and inspires me," she remarks.

"What I have learned from these experiences inspires, informs, enriches, and sustains all the work that I do with our Canadian associations and in my own company."

Gill is at her best when working collaboratively to find solutions and paths forward through challenging situations. She is an active listener who finds common ground even among the most disparate views. "Your career takes up a large portion of your life, so it should enrich you personally and create some intrinsic value to society," she notes. "The more time I spend in insurance, the more I understand how the industry is critical to the economy, society, and specific individual customers. If you base your strategies and decisions on improving the situation of your customers, that foundation will stand firm against the many pressures facing our industry."

Worried About Air Travel This Summer? How To Have A Headache-Free Vacation

By Salmaan Farooqui, the Globe and Mail, July 3, 2023

After two years of repeated delays and cancellations, Sylvia Beck has all but given up on flying to the Maritimes to visit her son.

First, there was a trip last year where her family lost all their luggage when flying from Toronto to Moncton.

Then, on another recent trip, her daughter flew from Hamilton to avoid Toronto Pearson Airport's congestion. But her budget carrier cancelled the flight just 45 minutes before takeoff, citing bad weather despite other airlines landing in Moncton around the same time.

This year, Ms. Beck says she'll probably do a two-day road trip instead. Gas and hotel expenses will make it more expensive, but Ms. Beck says it's worth it for peace of mind and to be able to travel through parts of the country she hasn't seen before.
"For me, it feels like if you book a flight now, you're not sure you're going to get on that flight," said Ms. Beck.

Travel agents say people are getting wary about their travel plans ahead of another summer that could be marred by staff shortages. Already in late June, more than 600 flights were delayed and nearly 90 were cancelled at Vancouver and Toronto's main airports in one weekend because of a shortage of air-traffic controllers.

Some, such as Ms. Beck, say they're avoiding air travel altogether, while others are being careful about the types of flights they book and the insurance coverage they purchase.

Lesley Keyter, founder and chief executive of Calgary-based agency the Travel Lady, says a couple of her clients have done a road trip from Calgary to Vancouver before boarding a cruise ship to Alaska.

She says it's an ideal option for people in Western Canada and the Prairies because cruise operators are offering lots of free perks to win back the trust of customers who were shaken by the spread of COVID-19 on ships during the beginning of the pandemic.

Some of the promotions include free Wifi, alcohol, and credits toward on-shore excursions.

"People who have cruised a lot were ready to go back to cruising very quickly, but people who had never been on a cruise had been hearing all that negative publicity, I think it deterred them from trying it out," said Ms. Keyter.

"They're working very hard to win back people's confidence."

Toronto-based travel agent Leila Lavaee said she's also seeing growth in "expedition cruises," which are smaller boats that go to more remote destinations such as the Arctic, parts of Alaska that are difficult to access, and the Galapagos Islands.

She says these types of cruises typically only carry 100-500 passengers (compared with large cruises that take many thousands), and may appeal to consumers who aren't keen on the experience of larger cruises.

However, Ms. Keyter and Ms. Lavaee say avoiding flights or flying during off-peak times is simply not an option for some Canadians who have limited vacation time, or who have kids who can only travel during school breaks.

For those who have to fly, Ms. Lavaee says insurance is one of the only ways consumers can protect themselves in a tumultuous air industry. One of the services her agency offers is to audit a customer's existing travel insurance coverage to see whether it'll adequately protect them in the case of a disruption.

She says people who rely on their credit card's travel insurance or budget packages should make sure they're completely covered.

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"There are a lot of times where people come across a cheaper insurance quote and when we actually dig in and see why it's cheaper, you come across things that are excluded or not covered," said Ms. Lavaee. "The devil is in the details, and it's so true when it comes to insurance."

Ms. Keyter also says travellers who have connecting flights to far-flung destinations can research whether certain transfer hubs are known for massive delays. When booking flights for customers, she's had better experiences with German airports such as Frankfurt and Amsterdam's Schiphol airport. On the other hand, she avoids sending customers through Pearson or London Heathrow whenever possible.

Despite worries about disruptions this summer, demand has remained strong at her agency – strong enough that she has started turning customers away if they're simply looking for a flight ticket or an all-inclusive package.

Now, she only has time to work with customers who require more hands-on help with planning a full vacation with tours, cruises, and other experiences.

"If someone just needs to get on a flight to the U.K., we refer them directly to the airline website," said Ms. Keyter.

Read Story (Subscription Required): *Worried about air travel this summer? How to have a headache-free vacation - The Globe and Mail*

Term Life Insurance: A Product More Complex Than It Seems

By Alain Thériault, The Insurance Portal, July 6, 2023

With no cash value, profit-sharing or investment account, individual term life insurance seems to exist only to cover a death protection amount. Yet, the product hides a wide range of periods of coverage and guarantees that allow for tailored protection, as revealed by the information from the insurance products intelligence centre *InsuranceINTEL*, a sister publication of the *Insurance Portal*.

The 10-year term insurance (T10) and the 20-year term insurance (T20) are the most common coverage periods in the market. A key feature of these products is the eligibility age, which may vary from one insurance company to another. A look at T10 illustrates this well. Empire Life**,** Foresters Financial and Sun Life push the limit up to age 75. At the other end of the spectrum, iA Financial Group and ivari accept insured individuals from birth.

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Term 10 Insurance Comparative Table

MISSING: summary MISSING: current-rows.

Company	Product name	Issue age limits	Renewal age limit	Conversion age limit	Minimum sum insured	Preferred rates	Administration (policy) fees
Assumption Life	FlexTerm (T10)	18 to 75.	90	75	$50,000.	No.	$60 per year for the policy; $30 per year for the rider.
BMO Insurance	Term 10	18 to 75.	85	70	$100,000.	Yes.	$50/year.
Beneva	Term Plus 10	18 to 75.	85	71	$25,000.	Yes.	$60.
Canada Life	My Term	18 to 75.	85	70 (or 2 yrs from issue for policies issued at age 69+).	$100,000.	Yes.	None.
Co-operators Life & CUMIS Life	Versatile Term 10	16 to 75.	85	70	$25,000.	Yes.	$35. Each additional life: $35.
Desjardins Insurance	Term 10	18 to 75.	85	70	$25,000.	Yes.	$40 ($20 for additional coverages).
Empire Life	Solution 10	18 to 75.	100	75	$25,000 ($10,000 if age 66+).	Yes.	$50/year ($0 as a rider).
Equitable Life	10 Year R&C Plans	18 to 75.	85	71	$50,000.	Yes.	$50/year or $4.50/month per policy.

Legend
R&C Renewable & Convertible
Yr(s) Year(s)
Table: Insurance Portal Source: InsuranceINTEL Created with Datawrapper

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Besides the T10 and T20, many other coverage periods are available.

For example, Beneva's *Term Plus 10* product comes in T10, T15, T20, T25, T30, T35, and T40 versions. Canada Life offers coverage ranging from five to 50 years. Some products end at a specific age. Desjardins Financial Security and Manulife are among the insurers that offer term insurance ending at 65 years of age. Humania Assurance offers a fixed term to age 80. Under its *Pick-A-Term* term range, iA Financial Group offers all terms from T10 to T40. This data is not included in the tables in this article. To access a larger data registry, please subscribe to our *Product Finder*.

No Medical Exam

Simplified issue offerings, meanwhile, allow clients to subscribe to insurance protection without having to undergo medical tests. Thanks to insurers' digital platforms, these term insurance policies can often be issued immediately at the point of sale. Nine insurers offer simplified issue: Assumption Life; Beneva; Co-operators Life; Empire Life; Humania Assurance; iA Financial Group; Canada Protection Plan (CPP), a Foresters Financial company; Sun Life; and UV Insurance.

Term Life Products - Simplified Issue Comparative Table

Company	Product name	Premium payment period	Issue ages	Minimum face amount	Joint-life options
Assumption Life	Golden Protection Elite Term and Platinum Protection Term	10 or 20 years, depending on the term.	Age 18-70.	From 18 to 44: $50,000; From 45 to 70: $25,000.	No.
Beneva	Simplified Term Life	10 or 20 years, depending on the term chosen.	T10: 18-70. T20: 18-60.	$25,000.	No.
Canada Protection Plan	CPP Deferred Elite; and CPP Simplified Elite Term	10; 20; or 25 years, depending on the term.	T10: Age 18-70. T20: Age 18-60. T25: Age 18-55. T25 Decreasing: Age 18-60.	$25,000.	No.

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Company	Product name	Premium payment period	Issue ages	Minimum face amount	Joint-life options
Canada Protection Plan	CPP Preferred; and Preferred Elite Term	10; 20; or 25 years, depending on the term.	T10: Age 18-70. T20: Age 18-60. T25: Age 18-55. T25 Decreasing: Age 18-60.	Preferred: $50,000; Preferred Elite: $500,000.	No.
Canada Protection Plan	Express Elite Term	20 or 30 years.	T20: Age 18-60. T30: Age 18-50.	$100,000.	No.
Co-operators Life	Term Life 1	1 year.	Age 18-49.	$50,000.	No.
Empire Life	Simplified 10 and Simplified 20	10 or 20 years, depending on the term.	Simplified 10: 18-60. Simplified 20: 18-55.	$50,000.	No.
Humania Assurance	Insurance Without Medical Exam - Life	10 or 20 years, depending on the term.	Age 18-60.	$5,000.	No.
iA Financial Group	Access Life Deferred Plus and Immediate Plus	15, 20 or 25 years.	T15: Age 20-65. T20: Age 20-60. T25: Age 20-55.	$10,000.	No.
Sun Life	Sun Life Go	10 years initially, but can reach age 85.	Age 18-69 (+ 364 days).	$50,000.	No.

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Company	Product name	Premium payment period	Issue ages	Minimum face amount	Joint-life options
UV Insurance	T-10, T-20, T-25 et T-30 Superior+	10, 20, 25 or 30 years, depending on the chosen term.	T10 and T20: Age 18-65. T25: 18-60. T30: Age 18-55.	Simplified Issue Express: T10: $25,000; T20, T25 and T30: $10,000. Simplified Issue Immediate: $150,001.	Yes.

Table: Insurance Portal Source: InsuranceINTEL Created with Datawrapper

CPP has long made this niche a favoured ground. The company offers several simplified issue products, including their *Express Elite Term*, *CPP Deferred Elite,* and *CPP Simplified Elite Term*, *CPP Preferred* and *Preferred Elite Term*.

It is also possible to get some policies for small insurance amounts. Humania Assurance stands out with *Insurance Without Medical Exam - Life*, with face amounts starting at $5,000. iA Financial Group offers *Access Life Deferred Plus and Immediate Plus* policies offering $10,000 in coverage.

Cheaper

For whole life or universal life policies, the premiums paid may also reflect cash surrender values, dividends, or investment amounts accumulated in the policy, depending upon the type of insurance. Term insurance premiums, meanwhile, only reflect the pure cost of insurance. In addition, the period of coverage is limited. These characteristics make it a less expensive product than whole life insurance or universal life insurance.

The one-year term, found in group insurance and in the annual renewable term (ART cost) of universal life insurance policies are the cheapest of all. The price of term life insurance also increases with longer coverage. For example, 20-year term life insurance will cost more than 10-year term insurance, for an equal insurance amount.

This quality makes it the preferred product of young families and women (as Chantal Mackenzie, regional vice president of sales for southern Alberta, Northwest Territories and the Yukon at Canada Protection Plan, told the *Insurance Portal*). While women are often the ones making insurance decisions, they tend to sacrifice their personal needs to maintain the family budget and often prefer a term product over a whole life product.

This is a detail not to be overlooked, as the wage gap between men and women remains significant. A survey by ADP Canada conducted by Maru Public Opinion shows the gender pay gap persists in Canada. It reveals that the average salary reported by men was $72,743 in 2022, compared to $57,725 for women, a gap of more than $15,000. The gap is, however, narrowing. According to the ADP Canada survey, it reduced from 25 per cent in 2018 to 21 per cent in 2022.

This article is a Magazine Supplement for the June issue of the *Insurance Journal*.

Read Story (Subscription Required): *Term insurance: A product more complex than it seems - Insurance Portal (insurance-portal.ca)*

The Labour Shortage: Both A Challenge And An Opportunity For Insurers

By Alain Thériault, The Insurance Portal, June 30, 2023

The difficulty of attracting and retaining employees will play out in an employer's favour with better adoption of employee assistance programs (EAPs), believes Eric Trudel. The executive vice-president and leader of group insurance at Beneva shared this opinion in an interview with the *Insurance Portal.*

Joining Trudel was Brigitte Marcoux, the director of practice excellence, health and wellness expertise at Beneva, who says she's noticed low utilization of EAPs in small and medium-sized businesses.

The Shortage Will Help

"The labour shortage will help," says Eric Trudel about promoting employee assistance programs. He says his client policy-holders understand the importance of keeping workers healthy, "because as a company, you can't recruit as easily as before." He says insurers too are facing the same reality.

Trudel recalls the days when an employer could easily replace an absent employee. That is no longer the case, he says. The labour shortage, in his view, is an incentive to align communication about these programs. "I also think that insurers, intermediaries, and policy-holder employers work better together than they did 30 years ago. Before, we worked much more in silos. We now work as partners," he says.

Citing a case of close collaboration between Beneva, a brokerage firm, and the employer, Trudel points out that it once was the broker who helped companies communicate the details of the assistance program to the employees. "Sometimes, it is the employer who will communicate on their intranet and the insurer will participate in the message. What is important is that all stakeholders are more sensitized and work better together. That's what will help," Trudel says.

Incredible Excitement

For her part, Marcoux says her team experienced an almost 200 per cent increase in employer requests for support in organizational health, compared to before the pandemic. "The labour shortage has created incredible excitement in organizational health," she observes.

"Future workers entering the job market have expectations and needs from their employers. They expect a culture focused on health and well-being, a culture that takes care of their mental as well as physical health. Employers have no choice but to meet these expectations," she further explains. She adds that this is a positive legacy of the pandemic and labour shortage.

Read Story (Subscription Required): *The labour shortage: Both a challenge and an opportunity for insurers - Insurance Portal (insurance-portal.ca)*

Sun Life Focuses On Socialization To Address Labour Shortage

By Alain Thériault, The Insurance Portal, July 5, 2023

In a recent report on mental health and well-being at work published in the *Journal de l'assurance* in June 2023, Jacques Goulet praised the 75,000 square feet of office space tested since April 2023 at his Sun Life Waterloo building to encourage face-to-face meetings. In an exchange with *the Insurance Portal*, the President of Sun Life Canada explained how Sun Life will leverage flexibility and meeting opportunities to address the labour shortage.

Commenting on this initiative, Goulet said "people are looking for flexibility, but also opportunities to meet colleagues. Based on our observations and internal data, our employees want to come to the office for human connections."

Sun Life Canada's test phase also revealed that the busiest days at the Waterloo office are Tuesdays, Wednesdays and Thursdays, "with an occupancy rate of about 16%," Goulet said. "Since the pilot project is still in its early stages, we believe that the occupancy rate should increase in the near future," he commented.

Mr. Goulet pointed out that employees particularly enjoy using modernized workspaces to carry out certain activities that promote relationships between colleagues. Among them: welcoming new members to their team, meeting their manager, doing mentoring sessions, or celebrating significant moments.

Around The World

In 2021, Sun Life was the first insurer to publicly announce that it would not require a fixed number of days at physical offices from its employees. In his discussions with the *Insurance Portal*, Jacques Goulet spoke of a decision guided by flexibility and choice.

While another project to open offices was underway in 2021 in Waterloo and Montreal, traffic did not exceed 10%, revealed Mr. Goulet. "We maintain our position and are strongly committed to providing this flexibility to employees. They choose their place of work according to the tasks to be performed. So they work from where they best meet customers' needs," he said.

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Goulet sees hybrid work as a long-term strategy. "We adopted this way of working even before the beginning of the pandemic and we will continue it in the future. To better support this way of working, we are modernizing our spaces around the world. In Montreal, we began modernizing our offices in 2019. That work will continue gradually," he said.

Keeping The Commitment

The president of Sun Life Canada credits the 2023 project with benefiting staff retention. "Although it is still early to measure the impact of the pilot project on attracting new talent, our most recent data show that the engagement rate of our employees remains high (89%). The hybrid way of working helps support our diversity, equity and inclusion efforts and promotes the mental health and well-being of our employees," he said.

Goulet added that productivity also remains high. According to Sun Life's data, 87% of its teams overcome challenges effectively. Sun Life's culture helps attract new talent, "while retaining our staff," he said.

"We are convinced that our hybrid work model combined with our strong culture helps maintain our position in the market and remain competitive," insisted Goulet.

The Role Of Advisors

Canada is currently experiencing a labour shortage that affects all industries, observed Goulet. He believes that employers must focus on three main ways to address that shortage: IIB (diversity, equity, inclusion); a strong and inclusive group benefits regime; a group benefits plan that covers growing physical and mental health needs; and measures to alleviate financial stress.

It's no coincidence that inclusion often comes up in Mr. Goulet's words: "According to our data, the majority (60%) of applicants say they would refuse an offer from an employer that does not value diversity in the workplace," he revealed.

On the subject of financial stress, Goulet pointed out that the most important sources of stress in the workplace are related to money. "They can greatly affect the health of troops," he added.

Goulet believes that advisors play a key role in helping employers deliver these benefits. "Our network of counsellors plays an essential role in supporting the mental health of Quebeckers and Canadians. Their unique role allows them to ensure that their clients have a comprehensive plan covering all their health, protection, and savings needs," concluded Goulet.

Read Story (Subscription Required): *Sun Life focuses on socialization to address labour shortage - Insurance Portal (portail-assurance.ca)*