

CAFII ALERTS WEEKLY DIGEST: May 19 – May 26, 2023

May 26, 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 Issues Restricted Licensing Framework Update

By Galen Aker, Stakeholder Engagement Specialist, Insurance Council of BC, May 22, 2023

<https://www.insurancecouncilofbc.com/news/articles/2023/may/restricted-licensing/>

The Insurance Council is currently developing a new licensing framework that will regulate the sale of insurance products that are incidental to the vendor's primary business. This development is in response to the BC Ministry of Finance introducing the Financial Institutions Amendment Act, 2019 (Bill 37), which enables this restricted licence. The restricted licence will be established through provincial regulations and the framework which the Insurance Council is developing.

Organizations that offer insurance products incidental to their ordinary business will be required to obtain and hold a licence with the Insurance Council in order to sell insurance through their employees and representatives in BC. The specific products and services that will be included in this regime are still being considered by the Ministry of Finance and will be confirmed when regulations are published.

Currently, Insurance Council staff are meeting with industry stakeholders to gather important feedback regarding performance requirements which will help inform the restricted licensing framework. Industry stakeholders will have the opportunity to provide their input for consideration at various points throughout the regime's development.

How Can I Stay Updated And Get Involved?

The Insurance Council will continue its work on developing the restricted licensing framework and engage stakeholders throughout its development; we anticipate the publication of regulations in the coming months. If you would like to receive communications about the restricted licensing framework as information becomes available, including consultation opportunities, please visit our restricted licensing framework engagement page to sign up for updates.

Insurance Council Of BC Publishes 2024-2026 Strategic Plan

Council Invites CAFII To Discuss Strat Plan And Development Of RIA Regime

Considerations During June 14/23 In-Person/Hybrid Liaison Meeting In Vancouver

By Galen Aker, Stakeholder Engagement Specialist, Insurance Council of BC, May 23, 2023

[Strat Plan \(insurancecouncilofbc.com\)](https://www.insurancecouncilofbc.com/strat-plan)

The Insurance Council of BC is excited to announce its 2024-2026 Strategic Plan. The plan outlines the Insurance Council's key goals and priorities over the next three years.

To view the full strategic plan, please visit the Strategic Plan and Annual Report section of our website.

Key elements of the 2024-2026 Strategic Plan are:

- The creation of a guiding principle that the Insurance Council will apply to all its work as a regulator and how we conduct ourselves as an organization.
- A focus on developing tools to support and educate licensees on expected practices.
- Prioritizing the modernization of technology, processes, and governance structures to effectively regulate a fast-changing industry.
- Positioning the Insurance Council as a trusted partner through its outreach initiatives.
- Focusing on the development of people and providing fair, equitable, and efficient services.

The Insurance Council develops its strategic plans in three-year increments, enabling effective public protection that aligns with the fast pace of change in the insurance industry.

If you have any questions regarding the 2024-2026 strategic plan, please reach out to Galen Aker at gaker@insurancecouncilofbc.com.

Advisor Chargebacks Need Robust Controls, CCIR and CISRO Say

Insurance Regulators Promise New Guidance On Upfront Compensation Structures

By James Langton, Investment Executive, May 15, 2023

<https://www.investmentexecutive.com/news/from-the-regulators/advisor-chargebacks-need-robust-controls-regulators-say/>

Insurance regulators remain concerned that the use of advisor chargeback structures in seg fund sales represent a risk to consumers — a risk they plan to address in forthcoming guidance.

In a joint release, the Canadian Council of Insurance Regulators (CCIR) and the Canadian Insurance Services Regulatory Organizations (CISRO) said that, following a public consultation on the use of up-front compensation models in segregated funds, they've determined that "there is a risk of customer harm" with advisor chargeback structures. Those compensation models require reps to pay back some of their up-front sales commissions if customers redeem their funds within a set period.

"For example, up-front commissions may motivate advisors (particularly less experienced advisors who have lower incomes) to sell this product to customers for whom the product is not suitable," they said.

While the industry maintains that the chargeback structure facilitates access to advice for certain clients and warns against banning its use, the regulators said the risks demand, "at a minimum, robust control measures to ensure customers are treated fairly when this option is used."

The controls they have in mind include measures such as using a short duration for chargeback schedules; permitting clients to redeem a portion of their holdings without triggering chargebacks; and not running promos that involve temporary commission boosts to drive sales.

The regulators also indicated that insurers shouldn't "inappropriately" increase seg funds' management expense ratios due to their use of up-front commission structures.

To that end, the regulators said they'll develop guidance on the controls firms need to have in place, which will be incorporated into planned guidance on designing and selling seg funds generally.

That broader guidance, which is to apply to all compensation structures, will aim to ensure that clients are treated fairly and receive suitable advice, that reps are properly trained, and that risks involving leverage and other strategies are properly managed.

The guidance will be issued for public comment before being adopted, the regulators noted.

Additionally, CCIR and CISRO indicated that they plan to share their findings on the risks associated with the use of chargeback structures with the Canadian Securities Administrators (CSA) and "monitor any work the CSA undertakes with respect to similar compensation models on the sale of mutual funds."

The regulators also stressed that they will "continue to monitor the customer outcomes relating to up-front compensation" in seg funds.

"Should CCIR and CISRO become aware of unfair outcomes in the future, we will consider taking further action," they said.

Seg Fund Deferred Sales Charges Ban On Track Across Canada: CCIR *Ban Should Apply In Provinces That Have Yet To Announce It, Regulators Say*

By Greg Meckbach, Investment Executive, May 19, 2023

<https://www.investmentexecutive.com/news/industry-news/seg-fund-dsc-ban-on-track-across-canada-ccir/>

Insurance regulators expect the industry to stop selling new segregated funds with deferred sales charge (DSC) structures after May 31, even in provinces that have yet to announce their own regulations.

"Although some jurisdictions may not have issued communications specific to DSCs and the June 1 ban, [Canadian Council of Insurance Regulators] and [Canadian Insurance Services Regulatory Organizations] members expect industry to comply with the national policy direction," CCIR policy manager Tony Toy wrote in an email to *Investment Executive*.

On Wednesday, May 17, Ontario Finance Minister Peter Bethlenfalvy approved the ban on DSCs on new individual seg fund contracts, effective June 1. Quebec's Autorité des marchés financiers published its proposed ban for public consultation in December 2022 with comments due on January 31, 2023.

A Canada-wide ban was proposed in 2022 by the CCIR and the CISRO over concerns that regulatory arbitrage could be created by having one set of rules for mutual funds and another for seg funds.

"All CCIR and CISRO members support the policy direction regarding DSCs as released on February 10, 2022," Toy said.

Investment Executive reached out to several provinces for a status update, and only Nova Scotia responded by press time.

"Nova Scotia supports the ban and will publish a bulletin to provide guidance to agents doing business in Nova Scotia," Finance Department spokesperson Steven Stewart wrote in an email.

AMF Prohibits Segregated Fund Deferred Sales Charges

By Alain Thériault, *The Insurance Portal*, May 19, 2023

The Autorité des marchés financiers has just published a Regulation that will prohibit segregated fund deferred sales charges. The Regulation will come into force in less than two weeks, on June 1, 2023.

Entitled *Regulation respecting the prohibition of charging certain fees from the holder of an individual open-ended contract relating to segregated funds*, the Regulation was approved by the Minister of Finance on May 17, 2023, and published in the *Gazette officielle du Québec* on the same day. It applies to insurers governed by the *Insurers Act*, and firms, independent partnerships, and independent representatives whose activities in insurance of persons are governed by the *Act respecting the distribution of financial products and services*.

Louis Morisset, the AMF's President and Chief Executive Officer, pointed out that the Regulation is the result of work designed to enhance the fair treatment of customers. Morisset added that the Regulation targets both intermediaries and insurers, "highlighting the shared responsibility between each stakeholder in the distribution chain for the fair treatment of the customer."

The March Of Harmonization

The Regulation is also another step towards a more level playing field between mutual funds and segregated funds. Mr. Morisset explained that its implementation will contribute "significantly to the achievement of our objectives of harmonizing the framework for the distribution of mutual funds and segregated funds, while respecting the aspects specific to these investment products."

On April 20, 2023, the AMF took another step towards regulatory harmonization between mutual and segregated funds. The Canadian Securities Administrators (CSA) and the Canadian Council of Insurance Regulators (CCIR) then published amendments to enhance disclosure requirements on the total cost of mutual funds and individual segregated fund contracts.

Those two accomplishments, to which the Québec regulator contributed, will be an important legacy for the AMF's CEO, who will step down on July 1, 2023 at the end of his 5-year term.

Exceptions And Fines

Under Section 2 of the Regulation, an insurer, firm, independent partnership, or independent representative in insurance of persons may not charge a fee to a client when the client withdraws money from a segregated fund or transfers an amount to another fund. That rule applies to both partial and total withdrawals. It also applies when the customer requests a change in a fee option provided for in the contract.

Insurers who contravene Section 2 may receive an administrative monetary penalty of \$1,000 when a person commits the offence, or \$5,000 in other cases.

The AMF is providing an exemption from the prohibition imposed by the Regulation for four categories of fees:

- Management fees, operating expenses, transaction fees, or minimum balance fees;
- Insurance costs, where such costs are not included in the fees referred to in sub-paragraph 1;
- Fees related to consulting services paid by the policyholder to the firm, an independent partnership, or an independent representative, paid by the insurer from the amounts invested by the contract holder; and
- Withdrawal or transfer fees, where they do not vary according to the time between the time of investment of the money and the time of their withdrawal or transfer to another segregated fund.

A Firm Timeline

The march towards regulations that prohibit segregated fund deferred sales charges was sparked by a joint announcement on February 28, 2022 by the Canadian Council of Insurance Regulators (CCIR) and the Canadian Insurance Services Regulatory Organisations (CISRO). The final text of the Regulation is the result of a consultation on the draft Regulation that was published by the AMF on December 15, 2022. The consultation closed on January 31, 2023.

Among the comments received during the consultation period, the Canadian Life and Health Insurance Association (CLHIA) expressed support for the regulatory guidance. "The industry is currently making changes to its segregated fund products to comply with this requirement as of this date," wrote Lyne Duhaime, president of CLHIA-Quebec and senior vice-president, market policy and regulation, CLHIA.

However, the CLHIA called for a more flexible and principled approach should implementation challenges arise by the June 1, 2023 deadline. The Association considered the deadlines to be tight. The Regulation does not mention an alternate deadline other than the date of entry into force of June 1, 2023.

The AMF stated that at the time of the joint CCIR/CISRO announcement in February 2022, it had asked insurers to stop imposing segregated fund deferred sales charges as of June 1, 2022.

Read Story (Subscription Required): [Segregated Funds Deferred Fees: The Knife Falls - Insurance Portal \(portail-assurance.ca\)](#)

OTHER CAFII MEMBER-RELEVANT NEWS

Actuaries Examine The Difference Between Inclusive And Traditional Insurance

By Kate McCaffery, *The Insurance Portal*, May 19, 2023

A new discussion about the differences between inclusive and traditional insurance has been published by the Canadian Institute of Actuaries, suggesting that many insurers working to deliver commercially viable products to those not covered by insurance – contract workers, those without employer-sponsored coverage, gig workers, and new Canadians – have faced a steep learning curve.

The report, *Inclusive Insurance – A Different Game*, highlights the large populations around the world without access to insurance. “Inclusive insurance products are relevant to economically disadvantaged groups in all countries, so it is incorrect to presume that these products are only applicable in countries with relatively low average incomes,” the report’s authors state. “The characteristics of these segments of uncovered Canadians are similar to the characteristics of those accessing inclusive insurance internationally – they have variable incomes and are not affiliated with a group or association offering insurance.”

The report’s authors add that traditional carriers have struggled to understand the inherent differences between inclusive and traditional insurance provisions.

“It is well-established that increased access to inclusive financial services, including insurance, helps to reduce poverty and improve social and economic development. It is also the case that insurance of all types not only provides protection coverage for adverse risks but also provides the confidence to undertake riskier commercial activities, playing both a positive social and economic incentive role and providing security in adverse circumstances. These supports are especially valuable to those living near the poverty line.”

They add that the inclusive insurance landscape is evolving rapidly, discussing the differences between inclusive and traditional insurance, along with actuarial considerations and assumptions. “There is a risk that standard actuarial tools and approaches may not be appropriate in inclusive insurance markets, and that their application may lead to unintended outcomes, such as inappropriate premiums or claims processing,” they warn.

“Globally, there is a great need for inclusive insurance products,” they conclude. “Actuaries need to be aware of the differences between traditional and inclusive insurance products.”

Read Story (Subscription Required): https://insurance-portal.ca/society/actuaries-examine-the-difference-between-inclusive-and-traditional-insurance/?utm_source=sendinblue&utm_campaign=daily_complete_202305-22&utm_medium=email

ESG Attacks Prompt Urgent Talks As Insurers Quit Coalition

"Global Companies Find Themselves Between A Rock And Hard Place"

By Alastair Marsh, Bloomberg News, May 25, 2023

[ESG attacks prompt urgent talks as insurers quit coalition | Insurance Business Canada \(insurancebusinessmag.com\)](#)

The world’s biggest climate coalition for insurers is set to hold emergency talks after a wave of defections revealed the extent to which anti-ESG rhetoric in the US is unsettling members.

Signatories of the Net Zero Insurance Alliance (NZIA) are due to meet on Thursday, May 25 to discuss next steps after some of the group’s biggest members including Munich Re walked out, according to people familiar with the process who asked not to be identified as they were discussing private information.

The development follows an escalation of Republican Party attacks on businesses and investors perceived to be embracing environmental, social and good governance goals. In a May 15 letter, attorneys general representing 23 US states said they were “concerned with the legality” of the NZIA, as they blamed the group for rising insurance and gas prices, and linked the alliance to “record-breaking” inflation.

The letter is the latest example of the GOP turning to anti-trust rules as a lever through which to vilify ESG. GOP senators announced plans last year to fight “ESG collusion,” while House Republicans ended 2022 by launching an investigation into whether climate alliances “are violating anti-trust laws.” The goal is to single out those “advancing the ESG agenda,” they said.

“Global companies find themselves between a rock and hard place,” said Karl Racine, a former attorney general of the District of Columbia, who’s now a partner at Hogan Lovells. While Europe has “embraced ESG and established regulatory and legal requirements to support it,” the situation in the US is shaped by partisan politics. “Global companies are, thus, confronted with challenging questions as to how to navigate these disparate waters,” he said.

The United Nations Environment Programme (UNEP), which convened the NZIA in 2021, said in a statement on Wednesday, May 24 that the decision by some signatories to walk away from the alliance was “in light of the recent discussions within the United States.” UNEP didn’t immediately respond to a request for comment on Thursday, May 25’s meeting.

NZIA, which hasn’t had any US members since being convened, has seen four major insurers walk out since the end of March. Munich Re’s defection was followed by Zurich Insurance Group AG and Hannover Re. This week, Swiss re-joined the exodus. All four have said they remain committed to climate goals, but preferred to pursue them in isolation rather than as part of the NZIA.

“The biggest success of the anti-ESG movement is getting companies to talk less about ESG,” said Joshua Lichtenstein, a partner at law firm Ropes & Gray LLP in New York. “They have slowed the trajectory of ESG communications here in the US. But clearly, the pro-ESG side is still winning by a pretty large margin.”

The legal foundation of the GOP’s attacks on ESG remains unclear. Sonali Siriwardena, partner and global head of ESG at Simmons & Simmons in London, England said that with the AGs requesting documentation on the types of communications between NZIA members, as well as the kinds of commitments made and the factors influencing efforts to cut emissions, it now “remains to be seen how robust these allegations will be and how NZIA members will respond.”

Other NZIA members have signalled they remain committed to the group.

The alliance “has played an important role developing the critical standards and frameworks for insurers to meet net zero,” a spokesperson for Aviva Plc said in an emailed comment. “In light of recent developments, we are working with the UN and other members to determine the best course of action going forward. We remain fully committed to pursuing our ambition of becoming a net zero company by 2040.”

For firms that remain in the alliance, “they are going to have to evaluate whether their continued participation is actually going to harm them commercially in terms of contracts from red states,” Lichtenstein said.

The NZIA, which at its peak represented roughly 15% of the insurance industry’s global premiums, is one of eight climate finance coalitions within the Glasgow Financial Alliance for Net Zero (GFANZ) of which former Bank of England Governor Mark Carney was the principal architect.

In an emailed statement, UNEP said that “regardless of the situation,” it “reaffirms its conviction ever since it initiated, convened, and launched the NZIA — that in order to successfully tackle the climate emergency, there is a fundamental and urgent need for collaboration, not just individual action.”

(Michael R. Bloomberg, the founder of Bloomberg News parent Bloomberg LP, is co-chair of GFANZ together with Carney.)

Canadians Can Apply To Renew Their Passports Online Beginning This Fall

By Laura Osman, *The Canadian Press*, May 10, 2023

<https://www.ctvnews.ca/canada/canadians-can-apply-to-renew-their-passports-online-beginning-this-fall-1.6392318>

Canadians who need their travel documents renewed before visiting far-off shores will soon be able to skip the line at the passport office, Canada’s immigration minister announced on Wednesday, May 10.

Starting in the fall, Canadians with simple passport renewals will be able to apply online and upload the necessary documents and passport photo on a secure government website, Immigration Minister Sean Fraser said.

He made the announcement at an event to unveil a new design for Canada's passport, which includes updated security features and colourful new pages -- and removes some references to key moments in Canada's history.

"The federal government is going to continue to work to improve our services and security for Canadians. This passport update is one of the many efforts that is going to improve travel and security," Fraser said at a press conference at the Ottawa International Airport.

Those applying for new passports, including children, will still need to go through the traditional application process with Service Canada.

The digital option is a result of the lessons learned last year when the department was swamped with passport applications, which led to long lines and even longer waits for people to get their documents, Social Development Minister Karina Gould said.

"For people who are just doing a simple renewal of a valid passport, it will be a lot quicker and easier to process as well, because we already have that data in the system," she said at the press conference.

Her department recently got back on top of a large passport backlog after pandemic travel restrictions ended and the passport office was flooded with applications.

During the recent public service strike, the government urged people to hold off on passport applications. Gould warned that longer lines could ensue once workers were back in place, due to the pent-up demand -- but she said that hasn't happened yet.

The vast majority of applications the government receives are for new passports, but the minister said she expects a surge in passport renewals over the next year, as the first 10-year passports issued in 2013 are set to expire.

"We've already started to see that in terms of the applications coming in," she said. It's impossible for people to know when they apply whether they will get the current version of the passport or the new one, Gould said.

Production is expected to begin on the newly designed passport this summer. In the meantime, people will continue to receive the current version of the passport and can continue to use it until it expires.

The travel document design was refreshed as part of a routine effort to update the Canadian passport every 10 years.

The last time the passport was updated in 2013, the pages were designed to feature historical images of the Fathers of Confederation, the Canadian National Vimy Memorial in France, the completion of the Canadian Pacific Railway, and Terry Fox on his Marathon of Hope.

The new designs are more colourful and generic, replacing eminent Canadians with faceless figures working and playing in natural Canadian landscapes.

Conservative Leader Pierre Poilievre denounced the new designs in the House of Commons on Wednesday, May 10, and charged the Liberals with attempting to erase essential Canadian history.

"Why will the prime minister not stand up for our history, get connected to reality, and keep the images in our passport that make us so proud to be Canadian?" Poilievre asked during question period.

The Royal Canadian Legion also expressed disappointment that images of the Vimy memorial are not featured in the new design.

"Removing that image in the context of a design change and without knowing the rationale was, to put it bluntly, a poor decision," the legion said in a statement.

Fraser said the government consulted with several groups on the new design, which reinforced the need to reflect Canada's natural environments and diversity, "rather than historical artifacts or symbols that we're still very proud of."

It was also important to change up the design as a security measure, he said.

"If you maintain elements that may have existed in the previous design, it becomes easier to counterfeit the Canadian passport, which is something we want to protect against," he said.

The cover of the new passports will still feature the Canadian coat of arms, but will also include a large maple leaf.

Along with new graphic designs on the cover and inside pages, the updated passport will feature a polycarbonate page -- similar to a driver's licence -- and other new security features.

"Passport holders' personal information will now be laser engraved, instead of being printed with ink, which is going to make the data page more durable and resistant to tampering and counterfeiting," Fraser said.

The new passport will also feature a see-through window with a second image of the passport holder, an additional laser image, and temperature-sensitive ink.

Swiss Re's New Canadian President And CEO

By Alyssa DiSabatino, Canadian Underwriter, February 21, 2023

https://www.canadianunderwriter.ca/announcements/swiss-re-new-canada-president-and-ceo-1004230792/?utm_medium=email&utm_source=newcom&utm_campaign=CanadianUnderwriterWeek&utm_content=20230224160825&hash=6d73923380f292a40dc042b455f0fde3

Jolee Crosby has been appointed president and CEO of Swiss Re Canada & English Caribbean and will succeed Monica Ningen, who has been named CEO of U.S. P&C Reinsurance at Swiss Re. Both roles become effective July 1, 2023.

Crosby joined Swiss Re in 1998 and has 25 years of experience in the (re)insurance industry. She is currently Swiss Re's global head of life and health underwriting and medical reimbursement.

She has a bachelor's degree in Political Science and Government and a J.D. of law from the University of Missouri, Kansas City.

Crosby will manage Swiss Re's P&C and L&H businesses in Canada and the English Caribbean regions and will oversee teams managing claims, underwriting, and client and broker relationships.

Ningen has been Swiss Re's Canada president and CEO for five years and joined Swiss Re 17 years ago, when GE Insurance was acquired by the company. Since then, she has held several leadership roles with the reinsurer in property underwriting, including head of property underwriting US & Canada. She has more than three decades of insurance experience.

Ningen will continue in her current role until July 1 to ensure a smooth transition for clients, Swiss Re says, and both her and Crosby's roles are subject to regulatory approval.

Applying For A Job? Getting It May Come Down To Your Personality Score, Not Your Resume

By Daina Lawrence, Special To The Globe and Mail, May 19, 2023

<https://www.theglobeandmail.com/business/careers/article-applying-for-a-job-getting-it-may-come-down-to-your-test-score-not/>

Every year Scotiabank recruiters visit Canada's colleges and universities to find candidates for more than 1,000 intern positions – and since 2021 they haven't reviewed a single resume in the process.

Two and half years ago, the Canadian bank started using a talent assessment test from the Kitchener-Waterloo-based Plum in its intern hiring process, doing away with traditional resumes. The switch meant a noticeable increase in the quality of its hires, with a 6-per-cent rise in students who "exceeded expectations" on their evaluations (71 per cent) and a 12-per-cent spike in those who were identified as extremely strong candidates for future positions (80 per cent).

"We challenged our thinking around going from traditional resumes to moving toward psychometric assessments," says Sloane Muldoon, senior vice-president of global HR services at Scotiabank. "What we found is that accuracy [of the test] was a very good predictor of success for the student."

Demand from employers to know more about how their employees think, feel, and work has led to a significant uptick in the use of personality tests as a key tool in the hiring process.

Caitlin MacGregor, the chief executive officer of Plum, says the test uses psychometric data to go beyond the average personality test and says demand for this kind of insight has allowed her company to double its annual recurrent revenue year-over-year since its inception a decade ago.

"I think we're at this place where we know that the traditional way doesn't work. We just don't know what the alternative is," says Ms. MacGregor, referring to HR reliance on key words in job postings and traditional resumes. These methods discount an applicant's soft skills, which have been proven to be an excellent predictor in job performance.

Plum's assessment (called the Discovery Survey) takes about 20-minutes and people are asked a series of questions – from 'what would you do if' scenarios to identifying the next series in a pattern – designed to illustrate a person's problem-solving abilities, social intelligence, behaviour, and attitude.

"Typically, assessments were always used at the very end [of the hiring process]. You narrow it down to three candidates and then [the results will] help you pick your final candidate," which, according to Ms. MacGregor, is the absolute opposite and the worst place to use an assessment.

Instead, she says, they should be used as a tool to narrow down candidates from the start, streamlining the process using data and, in some cases, giving opportunity to a candidate who may have been overlooked and getting rid of the decades-old practice of searching for keywords in cover letters and resumes.

“Every company has come to the realization that a structured interview is a great way of understanding if that person should move on in the process,” she says. “Plum is providing around the same level of accuracy [in selecting a candidate] as a structured interview.”

And it seems to be working as more and more companies are using Plum, which has 25,000-30,000 customers per month, (around 300,000-360,000 annually), with a clientele that includes global players such as Hyundai, General Electric, and Scotiabank.

For ages, whenever someone mentioned a personality test, many people’s minds went to the Myers-Briggs Indicator Type, which is a 92-question test developed in the 1940s by Katharine Cook Briggs and her daughter, Isabel Briggs Myers. Neither of them had any psychological training.

Ms. MacGregor says it’s a daily battle to shake off the legacy of tests like Myers-Briggs, which she calls a harmful comparison to the tests developed by her company that she considers a valuable tool for hiring practices. Sherrie Haynie, director of U.S. professional services for The Myers-Briggs Company, herself wrote in a 2021 Forbes article that the test shouldn’t be used in hiring, but for areas such as team-building.

But what brings companies back, says Ms. MacGregor, is that Plum’s talent assessment finds “that diamond in the rough” and can identify talent in candidates that might otherwise get overlooked.

While these types of tests may be the way of the future, it’s not displacing the traditional practice of the resume and interview just yet, says Aleka MacLellan, a principal at Kilberry, a management psychology firm based in Toronto and New York. The firm uses personality insights from the Hogan Suite of assessments to accompany their interview process.

When advising a firm on a new manager, “we would never solely focus on personality data in a hiring decision,” she says. “It’s just giving us one piece of that puzzle.”

“A personality test really describes what comes naturally to someone ...[and] it can be helpful for employers hiring and others to know what’s going to be easy for these candidates,” she says. “What these tests don’t often pick up on is that sometimes success depends on stretching beyond what your results might suggest.”

Ms. MacLellan cautions that there are no guarantees a person will behave exactly the way you’d expect based on the test. Take a quieter personality applying to be a salesperson, this doesn’t automatically mean they can’t network as well as those with more gregarious personalities.

Individuals may have to put more effort into exhibiting certain behaviours that don’t come naturally to them, but that doesn’t mean they can’t do it, she says.

Laura Tolhoek, the founder of human resources consulting firm Essential HR, says clients have been increasingly asking about personality tests for hiring, particularly the well-known Myers-Briggs and DISC tests.

“I believe there are some incredible tests out there that give some great information, but you have to consider what are you trying to get out of it?” says Ms. Tolhoek. “Are you trying to figure out the strengths of their technical skills? Are you trying to see what they would be like in the team? Are you trying to see what they would be like as a leader?”

When it comes to legal issues, there is nothing illegal about using personality tests or insisting people take them, says Stuart Rudner, an employment lawyer in Markham, Ontario.

“I’ll add a caveat to that, which is that if the results of the test may be impacted by grounds that are protected by human rights legislation like gender or an ethnic background, origin, or religion in any way, then all of a sudden it’s a completely different story,” he says.

As for Scotiabank, it just entered its third hiring cycle for interns, and while Ms. Muldoon says they have no intentions right now of expanding the use of Plum beyond this campus program, never say never.

“We’re always going to challenge our innovation and the way we recruit so that we can differentiate ourselves.”

UPCOMING CAFII MEMBER-RELEVANT WEBINARS AND EVENTS

FCNB Public Dialogue Webinar With Cohesia On "The Barriers We Face: Newcomers and the Financial Markets"

Dates: Wednesday, May 31, 2023

Time: 12:30 pm – 2:30 pm EST

When immigrants arrive in Canada, they face many financial challenges. From opening a bank account to using a credit card, from buying a house to paying for insurance, the nuances of Canadian markets can be difficult to navigate. Newcomers rely on industry professionals to assist them in the many stages of financial decision-making.

The ability of industry professionals to understand and respond to newcomers’ challenges is critical to reducing barriers, building confidence in the financial and consumer markets, and developing a sense of belonging.

This public dialogue, The Barriers We Face: Newcomers and the Financial Markets, will provide institutions, organizations and industry professionals with an objective view of the challenges immigrants face when navigating New Brunswick’s financial and consumer services. The dialogue will be delivered with simultaneous translation in English and French.

[Register Here](#)

Canadian Underwriter Webinar On "The Inclusive Brokerage: Tactical DEI Strategies For P&C Insurance Firms"

Dates: Tuesday, June 6, 2023

Time: 1:00 pm – 2:00 pm EST

Canadian property and casualty insurance brokers appreciate how diversity, equity and inclusion (DEI) can help create more equitable and harmonious workplaces – and foster deeper client interactions. But there may be more than one way to get there. While some brokers assert hiring exclusively for merit will organically produce diverse workplaces, others advocate crafted programs to ensure employees understand how their actions might impact fellow team members, and see to it that everyone feels welcome and valued.

[Register Here](#)

Webinar By Torys LLP: “Beyond Outsourcing: Fintechs And The New OSFI B-10 Guideline”

Dates: Tuesday, June 13, 2023

Time: 12:00 pm – 1:00 pm EST

As lines blur between fintechs and regulated financial institutions, players are seeing increased regulatory focus and, as a result, heightened risk. Join us as we explore issues affecting fintechs and discuss how they can successfully navigate new regulatory requirements and supervisory interventions.

With its recent revisions to Guideline B-10, OSFI has extended the guideline’s scope from material outsourcing to all third party arrangements, regardless of whether the activities performed by the third party can be considered “outsourcing”. This update will impact fintechs that have entered, or are contemplating entering, into an arrangement with a federally regulated financial institution.

[Register Here](#)

In-Person Conference By Insurance Business Canada: “Fighting Fatigue – Insurance Leaders Share Strategies At ‘Women In Insurance Summit’”

Dates: Thursday, June 22, 2023

Time: 8:00 am – 4:15 pm EST

Venue: The Carlu, Toronto

Join us at the annual Women in insurance Summit Canada in Toronto this June 22, for Fighting fatigue – How to remain on top of your game – an engaging panel discussion with leaders from Marsh Canada, Sovereign Insurance, Intact Insurance, and Ridge Canada.

They’ll be addressing questions such as

- What are the best strategies for fighting fatigue, and how can we utilize them?
- How can we prioritize well-being; and, in turn, create a culture of empathy and support?
- What tools can we use to overcome challenges such as time management, multiple responsibilities, and burnout?

[Register Here](#)