

CAFII ALERTS WEEKLY DIGEST: November 17 – November 24, 2023

November 24, 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.

The Weekly Digest will take a three-week winter hiatus, spanning the months of December 2023 & January 2024. Following the December 22/23 edition, the next Weekly Digest will be produced for the week of January 8 to January 12/24.

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GOVERNMENT/LEGAL/REGULATORY DEVELOPMENTS

FSRA Sets Out Licensing Requirements in New Guidance Document

By Kate McCaffery, Insurance Portal, November 22, 2023

The Financial Services Regulatory Authority of Ontario (FSRA) has published new proposed guidance setting out the requirements which make agents suitable to hold a life insurance agent's license in Ontario.

"FSRA wants to ensure all life agents, including managing general agencies (MGAs), have the skills necessary to be licensed and will comply with the law, treat customers fairly and adhere to all legal and regulatory obligations," the regulator states in its announcement about the new guidance. "The proposed guidance provides a reference for applicants and agents to understand how past and current conduct may affect their suitability to hold a life insurance agent licence. It also reiterates oversight responsibilities for life insurance companies."

They further add that the guidance is part of a six-point action plan "to correct troubling business practices in the life insurance sector."

The regulator also plans to publish a new rule introducing new requirements and duties related to compliance monitoring and the oversight of life agents and their conduct. It adds that it plans to consult on the draft rule in the coming months. The consultation period for commenting on the new guidance published November 21, closes February 9, 2024.

"FSRA's supervisory reviews have found gaps and a lack of clarity relating to the roles and responsibilities shared among insurers, MGAs, and independent agents. This includes a lack of agent training and supervision, unsuitable product sales, and agent recruitment and compensation models that may lead to the unfair treatment of customers," they state.

"The six-point action plan sets out an enhanced approach to sector supervision, a new regulatory framework, industry guidance, enforcement, whistleblower protection, and a consumer education campaign."

Read article (subscription required): https://insurance-portal.ca/life/ontario-regulator-sets-out-licensing-requirements-in-new-guidance-document/?utm_source=sendinblue&utm_campaign=daily_complete_202311-22&utm_medium=email

Deepfakes Have Come to Investment Scams, AMF Warns

Regulator Says Fraudsters Deploying Increasingly Sophisticated Technology

By James Langton, Investment Executive, November 21, 2023

[Deepfakes come to investment scams, AMF warns | Investment Executive](#)

So-called “deepfakes” are a growing threat to investors, the Autorité des marchés financiers (AMF) is warning.

In an alert, the regulator reported that scammers are using increasingly sophisticated tactics and technology, including artificial intelligence, to defraud investors.

“Scammers can... use deepfakes to make anyone say anything in order to get you to, for example, put money into totally fictitious investments,” the AMF said.

Among other things, it warned that the technology enables scammers to impersonate anyone from a public figure to an investor’s friends and relatives, and to create realistic videos that can be used to deceive.

“Deepfakes are now prevalent on most social media platforms and the internet,” the AMF said, noting that the technology can also be used to design fictitious people with fake online profiles to trick investors.

To guard against these kinds of schemes, the AMF advised investors to take the standard precautions of checking registration, being wary about sending money or sharing personal information, and reviewing regulators’ watch lists.

It also warned investors to be alert to the common red flags of investment fraud, such as promises of low-risk, high-return opportunities, and prompts for immediate action.

Pressure Mounting on Liberals to Block HSBC Canada-RBC Merger

Critics and Opposition Leaders Say the Deal Would Lead to Less Competition, Higher Mortgage Rates

By Peter Zimonjic, CBC News November 23, 2023

<https://www.cbc.ca/news/politics/pressure-building-to-scrap-hsbc-rbc-merger-1.7038043#:~:text=Pressure%20is%20mounting%20on%20the,merger%20is%20bad%20for%20everyone>

Pressure is mounting on the Liberal government to block a proposed merger between the Royal Bank of Canada and HSBC Canada, with some civil society and environmental groups insisting the merger is bad for everyone.

The Stop the RBC Takeover Campaign said in a media statement on Thursday, November 23 that if the merger is allowed to proceed, it will saddle "Canadians with higher rates and fewer financial choices, while further concentrating the power and market dominance of Canada's biggest bank."

The group's call to block the merger comes a few weeks after the House of Commons finance committee asked Ottawa to reject RBC's \$13.5-billion acquisition of the British bank's Canadian arm, saying the deal would result in reduced competition in the financial sector.

"Removing competition in the financial sector could raise banking fees for Canadians who already pay more for financial services due to an already uncompetitive financial sector," the committee's November 1 report to the House of Commons said.

The committee's advice came weeks after the Competition Bureau approved the transaction. The deal, which was announced in November 2022, is now being reviewed by the Office of the Superintendent of Financial Institutions (OSFI).

Conservative Leader Pierre Poilievé and NDP Leader Jagmeet Singh have called on Deputy Prime Minister and Finance Minister Chrystia Freeland to block the deal. They argue it would reduce competition and drive up the cost of mortgages.

"Let's be clear: this is an opportunity for RBC to make even more money while hardworking people playing by the rules and doing everything right still can't get ahead," Singh said when the deal was announced. "The Liberal government has the power to stop this merger and protect Canadians."

'Eroding competition'

The Stop the RBC Takeover campaign members include the Canadian Anti-Monopoly Project, Environmental Defence, Greenpeace Canada, Shift: Action for Pension Health, and Planet Health, For Our Kids, Climate Action Network Canada, and others.

"This takeover will put further pressure on housing affordability and cost of living at a time when Canadians are already suffering," the group's statement said.

Keldon Bester, the executive director of the Canadian Anti-Monopoly Project, said a shortage of banking options is already contributing to higher mortgage payments and the merger would only make things worse.

"Canadians should not have to bear the cost of eroding competition in our banking sector as a result of our weak competition laws. Minister Freeland must block this transaction and protect competition," Bester said in a media statement.

The campaign also says that RBC isn't investing enough in clean energy while it maintains its investments in fossil fuels that contribute to climate change.

"If the federal government wants to keep its promises to Canadians about climate action, it has to regulate the financial sector in a way that aligns with Paris Agreement commitments," Julie Segal of Environmental Defence said in a media statement.

After she toured a housing development in Toronto, CBC News asked Deputy Prime Minister Freeland if she was considering blocking the deal or if she believes fewer banks could lead to higher mortgage rates for consumers.

"The proposed acquisition of HSBC by RBC is right now under... review [and] I am not going to make any further comment," she said.

HSBC has been operating in Canada since 1981 and currently has about 130 branches and 4,200 employees serving roughly 780,000 customers in Canada.

According to its most recent quarterly report, HSBC Canada had \$120.5 billion in assets at the end of September, and posted a total operating income of \$660 million in the first three quarters of this year. HSBC holds about two per cent of all the bank deposits and mortgages in Canada.

Federal Transport Committee Launches Investigation into Accessibility At Canadian Airlines

By *The Canadian Press*, November 15, 2023

https://www.theglobeandmail.com/business/article-federal-transport-committee-launches-investigation-into-accessibility/?utm_medium=email&utm_source=Globe%20Advisor&utm_content=2023-11-20_17&utm_term=Federal%20transport%20committee%20launches%20investigation%20into%20accessibility%20at%20Canadian%20airlines&utm_campaign=newsletter&cu_id=Ts6FwhWx6n2rSHCOx7MiReEeFJOJkTb

A parliamentary committee is launching an investigation into accessibility at Canadian airlines, with a focus on the country's two largest carriers.

Following a motion put forward on Monday, November 20 by NDP lawmaker Taylor Bachrach, the federal transport committee voted to undertake a study on the state of accessible transportation for Canadians living with disabilities as well as the regulatory regime surrounding it.

The committee cited recent news reports of air travellers "facing discrimination and unacceptable treatment" on board, and it invited the CEOs of Air Canada and WestJet to testify along with Transport Minister Pablo Rodriguez, Auditor-General Karen Hogan, and other experts and industry players. The motion further calls on the government to table a response to a committee report slated to be presented to the House of Commons.

Earlier this month, Air Canada CEO Michael Rousseau apologized for the airline's accessibility shortfalls and announced new measures to improve the travel experience for hundreds of thousands of passengers living with a disability.

The move followed a number of reports of passenger mistreatment, including an incident in August where a man with spastic cerebral palsy was forced to drag himself off of an Air Canada plane in Las Vegas due to a lack of assistance.

Artificial intelligence in Financial Services: The Canadian Regulatory Landscape

By Koker Christensen, Christopher Ferguson, Iara Griffin, Felicia Yifan Jin, Isabelle Savoie, Fasken, November 23, 2023

<https://www.fasken.com/en/knowledge/2023/11/artificial-intelligence-in-financial-services-the-canadian-regulatory-landscape>

Introduction

Artificial intelligence (AI) promises to dramatically transform the financial services sector, and is being increasingly used by financial services providers.

Although Canada currently has no AI-specific regulatory framework, federal legislation to regulate AI is presently before the House of Commons. In addition, there are a number of financial services regulatory initiatives that will impact the use of AI, along with privacy and other laws of general application that apply to the use of AI. This bulletin provides a snapshot of Canadian AI regulation and initiatives relevant to the financial services sector.

Bill C-27: The Digital Charter Implementation Act, 2022 Artificial Intelligence and Data Act

The Digital Charter Implementation Act, 2022 (Bill C-27) is currently under review in the House of Commons. The Artificial Intelligence and Data Act (AIDA), a component of Bill C-27, is Canada's first comprehensive attempt at regulating AI. Under the Bill, an AI system is "a technological system that, autonomously or partly autonomously, processes data related to human activities through the use of a genetic algorithm, a neural network, machine learning or another technique in order to generate content or make decisions, recommendations or predictions." AIDA is notably intended to mitigate risk related to high-impact AI systems. Note that the government intends to propose substantial amendments to AIDA (read about those changes in our previous bulletin on Bill C-27).

It is proposed that AI systems used to determine whether to extend services to an individual, assess service costs and types, and prioritize the provision of services be deemed high-impact systems. Thus, we expect that AI systems used to determine whether to extend credit, provide insurance, or price financial products would be classified as high-impact systems. Indeed, Industry Minister Champagne had previously called out such systems, targeting them for AI regulation.

The government also plans to add specific obligations for generative AI systems (e.g., ChatGPT), which could impact the use of AI for customer service.

Since many details of the law are left to regulation, AIDA's full impact on the financial services sector is unclear. For example, key terms, such as "biased output" and "material harm," remain undefined. The term "harm," however, includes "economic loss to an individual," which is relevant to financial services. The government's amendments to the Bill could also be tabled in the coming weeks, shedding additional light on AIDA's application to the financial services industry. Ultimately, the question is not whether financial services will fall within AIDA's ambit, but the extent to which the legislation, once passed, will impact financial services providers.

Consumer Privacy Protection Act: Automated Decision-Making

Bill C-27 would also overhaul the federal private-sector privacy regime, replacing the privacy portions of the existing law (PIPEDA) with the Consumer Privacy Protection Act (CPPA). Although the CPPA does not focus solely on AI, it would regulate the use of "automated decision systems," defined as any technology that assists or replaces the judgment of human decision-makers through the use of a rules-based system, regression analysis, predictive analytics, machine learning, deep learning, a neural network, or other techniques. In particular, organizations will have to make available a general account of their use of automated decision systems to make predictions, recommendations or decisions about individuals that could significantly impact them and must, on request, provide an affected individual with an explanation of the prediction, recommendation, or decision made by the system. This explanation must include the types of personal information used, the information source, and the reasons or principal factors that led to the prediction, recommendation, or decision. These provisions would presumably encompass systems used to make credit or other financial determinations about individuals.

Current Legislation Applicable to AI

Quebec's Law 25

With its Act to modernize legislative provisions as regards the protection of personal information (Law 25, formerly Bill 64), Quebec was the first province to overhaul its privacy legislation (see our Resource Centre on Law 25). Law 25 amended some 20 statutes, including the province's public and private sector privacy laws, and the Act to establish a legal framework for information technology (ALFIT). Most provisions took effect in September 2023. Key requirements apply to AI tools that rely on the use of personal information. In particular, Law 25 mandates privacy impact assessments, enhanced transparency, and the reporting of biometric authentication tools and biometric databases.

Privacy by Design. Inspired by the concept of privacy by design, Law 25 calls for privacy to be considered throughout the engineering of a project involving personal information. As such, it requires organizations to carry out a privacy impact assessment (PIA) for all projects involving acquiring, developing, or overhauling information systems or electronic service delivery systems involving collecting, using, communicating, keeping, or destroying personal information. In other words, before acquiring or developing an AI system involving personal information, organizations must conduct a risk analysis, considering all the positive or negative consequences of such a system for the privacy of the individuals concerned. Further, Quebec privacy laws now require that the confidentiality parameters of technological products or services come with the highest degree of confidentiality by default, with no action required by the individual.

Transparency Requirements. Two transparency requirements are particularly relevant to AI. First, an organization that uses a technology that involves profiling – that collects and uses personal information to assess certain characteristics of a natural person, in particular for the purpose of analyzing that person’s work performance, economic situation, health, personal preferences, interests or behaviour – must:

- inform the individual of the use of such a tool; and
- provide the individual with the means to activate the profiling function (i.e., profiling functions must be deactivated by default).

Second, where an organization uses a decision-making system based exclusively on automated processing (e.g., via an algorithm), upon informing the person of the decision, it must:

- advise the individual that their personal information is being used to make a decision based exclusively on automated processing; and
- give the individual the opportunity to present their observations to a person in a position to review the decision.

An organization implementing a decision system based exclusively on automated processing of personal information must first carry out a PIA, as explained above. This may include an algorithmic impact analysis, especially to identify the risks of algorithmic bias or discriminatory effects.

Biometrics. ALFIT now requires organizations to report to the Commission d’accès à l’information:

- When they verify or confirm an individual’s identity using a system that captures biometric characteristics or measurements. Such biometric systems could be fingerprint, voice, or facial recognition systems, often involving AI. This will likely apply to businesses that rely on voice recognition to authenticate customers when they call, regardless of whether the underlying database is centralized or decentralized.
- If they create a centralized database of biometric characteristics or measurements – in this case, the disclosure must be made at least 60 days before the database goes into service.

Regulatory Initiatives

OSFI Guideline E-23

Technology-related risk – including the risks of AI – is a significant focus of the Office of the Superintendent of Financial Institutions (OSFI). In 2017, OSFI issued Guideline E-23: Enterprise-Wide Model Risk Management for Deposit-Taking Institutions, which set out the regulator’s expectations for establishing sound policies and practices for enterprise-wide model risk frameworks and model management cycles at federally regulated deposit-taking institutions.

On November 20, 2023, OSFI released an updated draft of Guideline E-23, and will hold a public consultation until March 22, 2024. The final guideline is set to take effect on July 1, 2025. The revised guideline includes forecasting economic conditions, estimating financial risks, pricing products and services, and optimizing business strategies. It also includes models used for non-financial risks such as climate, cyber and tech and digital innovation risks.

It recognizes that the surge in AI and machine learning (ML) analytics increases the risk arising from the use of models. The definition of “model” in the updated draft Guideline E-23 expressly includes AI/ML methods. Notably, the updated draft of Guideline E-23 would apply to federally regulated insurers and federally regulated private pension plans in addition to federally regulated deposit-taking institutions.

OSFI will expect (i) models to be adequately managed at each stage of their lifecycle, (ii) model risks to be managed proportionally to the organization’s model risk profile, complexity and size, and (iii) organizations to build out a well-defined enterprise-wide Model Risk Management Framework. The updated Guideline will also address issues of model bias, fairness and privacy that could lead to reputational risk.

Industry Thought Leadership: OSFI and AMF

OSFI has issued a number of discussion papers and reports on AI. In 2020, it published *Developing Financial Sector Resilience in a Digital World*, which discusses the impact of advanced analytics on model risk and principles for the responsible use of AI and ML.

More recently, in collaboration with the Global Risk Institute (GRI), OSFI hosted a Financial Industry Forum on Artificial Intelligence and published a summary of the views expressed. The forum was an opportunity to discuss appropriate safeguards and risk management for AI use by financial institutions. These topics were discussed under the general titles of explainability, data, governance, and ethics (collectively called the “EDGE” principles). While the summary states that the report should not be interpreted as guidance from OSFI, it highlights key regulatory considerations.

In November 2021, Quebec’s Autorité des marchés financiers (AMF) published a report on the use of AI in finance, issuing ten recommendations for framing the laws and regulations from a financial regulatory perspective. Of these recommendations, the following are the most relevant for financial institutions:

- Financial institutions should adopt an AI governance framework that includes human liability and accountability for certain decisions made by AI systems or agreement with its recommendations.
- Financial institutions must ensure that AI systems are resilient, efficient, robust and secure, in order to contribute to the stability of the financial system.
- To the extent that the use of AI significantly increases the volume of decisions and decreases consumer control, financial institutions must adapt their dispute and redress procedures to facilitate consumer action. In the event of disputes, they must offer fast and flexible dispute resolution mechanisms, including mediation.
- Financial institutions must ensure that the use of AI systems does not undermine equity, i.e., the equal treatment of consumers, their current or potential customers. In particular, they must avoid reinforcing discrimination and economic inequality.
- Financial institutions must ensure that the use of AI systems respects consumer autonomy by providing all the information required for free and informed consent, by justifying decisions made with the help of algorithms using clear language, and by respecting the diversity of lifestyles.

OTHER CAFII MEMBER-RELEVANT NEWS

Calgarian Forced to Pay More Than \$100K and Stranded by Insurance Company After Vacation Heart Attack

By Mark Villani, CTV News, November 22, 2023

<https://calgary.ctvnews.ca/calgarian-forced-to-pay-more-than-100k-and-stranded-by-insurance-company-after-vacation-heart-attack-1.6657034>

A Calgary man who had a heart attack and required emergency life-saving surgery while on a tropical vacation more than two weeks ago is still waiting for a hospital bed back home.

His family has been forced to pay more than \$100,000 in medical bills and travel expenses, despite having travel insurance.

Michael Smyrl, 70, suffered a major heart attack on Nov. 5, just five days into a 20-day cruise to the Panama Canal with his wife.

The ship docked the following day at Cabo San Lucas, Mexico, where Smyrl was admitted to a local hospital and immediately underwent surgery, suffering two more heart attacks during the procedure.

The surgery was successful and he was released from the ICU on Nov. 8.

He recovered in hospital and was cleared to fly home Nov. 16 on a medically assisted flight, but the delays continued because the insurance company, World Travel Protection, was unable to secure a hospital bed in Alberta.

"Our insurance company works with a bed-finder company who liaises with all of the hospitals and we're trying to get to Edmonton, even Red Deer – just get us to a hospital. There was nowhere to go, so that became problematic and frustrating," said Kim Cameron, Smyrl's step-daughter.

"And (Monday), I reached out to the insurance company again and said we're in a very real situation where the hospital is going to say, 'Pay your bill and get out because you're not sick anymore, and you don't need to be here.'"

Cameron flew down to Cabo San Lucas herself to advocate for her parents, but she was told by the Mexican hospital that her father would have to pay his full bill before being discharged.

"The hospital itself will 100 percent of the time not deal with insurance. They will only deal with the patient. (They) will only take direct payment from the patient," she said.

"The insurance aid companies have been selling us this almost false sense of security. We think we can go on vacation – that it will be covered and everything will be fine.

It's not fine. You had best make sure that you have access to, in this case, \$100,000, and that doesn't count hospital bills. That doesn't count the meds that have been picked up, food or hotels."

Insurance Company Told by Bed-Finder No Hospital Beds Were Available

CTV News contacted World Travel Protection to ask about details related to Smyrl's coverage but did not receive a response.

But emailed documents were obtained from Cameron of her correspondence with World Travel Protection.

The documents sent on Nov. 19 from a case manager read:

"Good morning, Kim,

"My sincere apologies for this ongoing delay. I just spoke with our bed-finding team in Alberta. They do not have an update this morning and have asked us not to call back for another update until tomorrow. I know how frustrating this all is, and I'm so sorry for this. It's an unfortunate situation, and I wish there was a faster result; however, please know we are doing all we can to expedite this process and want to get you all home as soon as possible.

"We will continue to keep you updated on the progress of this bed. Please feel free to reach out to us anytime though."

CTV News was unable to identify the bed-finding team, and those details were also not released to Cameron.

Smyrl is still recovering and was not physically able to do an interview with CTV News.

For now, his medically assisted flight back home to Calgary is scheduled for Thursday, but once he arrives there, it is still unknown if he will have a hospital bed or if he will be forced to go back home.

"He has to be with a medical nurse. He has to get his blood saturation checked. They have to set up oxygen in the house," Cameron said.

"His family doctor, which we had some phone calls and appointments with, also wasn't super comfortable with him not being in hospital. That was a lot of surgery and there's still a lot to follow up on."

AHS Confirms Hospitals Beds Are Available in Calgary Zone

CTV News also contacted Alberta Health Services (AHS) for comment as to whether hospital beds would be available for Smyrl.

In a statement, AHS says it does have the resources and health-care teams available to look after the needs of all its patients and that there are currently beds and capacity available in the Calgary zone.

"When a family requests an out-of-country transfer, and provided the patient is stable enough to be transferred, we will do our best to work with health-care and health insurance providers to facilitate repatriation of the patient to Alberta," read the statement.

"Patient care and safety are of the utmost importance and AHS works diligently to ensure the safest, most appropriate environment and care team is available prior to receiving Alberta patients from out-of-country."

AHS was unable to speak on the specifics of Smyrl's case due to patient confidentiality agreements but did confirm efforts to get him home to Alberta via medical transfer will continue.

Public Health Insurance Typically Won't Cover Medical Bills Outside Canada

Onanta Forbes is a local travel expert in Calgary with nearly 40 years of experience in the industry.

She says her best advice to travellers is to make sure they purchase travel insurance to protect themselves against financial investments, but she also warns that out-of-country trips have different terms and conditions.

"One thing to note is that the Government of Canada will not pay your medical bills outside of Canada, and your territorial or provincial insurance will cover little to nothing with regards to travel interruption or medical bills," Forbes said.

"Some people look at their travel credit card to be covering them also, but it doesn't really cover you for the actual bill that may incur. Like in the United States, for example, your bill can just rise into high amounts that your travel credit card may not cover."

Forbes says it is best to know what kind of travel policy you're dealing with before you book your vacation.

"It's really important that you read the fine print because not all insurances are the same, and not all current coverages are the same. You may have to look at getting that money back after the fact through insurance," she said.

"So, you don't want to have to incur a large bill because no matter what the amount is that you have to pay, maybe that's just not accessible."

CTV News also reached out to Desjardins Insurance as experts for more information and was provided the following statement:

"If you're hospitalized while you're outside of your home province, the insurer will generally pay the hospital bill directly to the hospital, though some hospitals may require the patient to pay immediately," the statement read.

"Every policy is different. This is why people who have travel insurance should contact their insurer to learn all about the coverage."

Why You Need to Consider Embedded Insurance

By Jason Contant, Canadian Underwriter, November 23, 2023

<https://www.canadianunderwriter.ca/technology/why-you-need-to-consider-embedded-insurance-1004240477/>

Embedded insurance not only enhances the customer experience but also provides greater access to data for insurers, speakers said during KPMG's recent 2023 Insurance Conference in Toronto.

"You unlock a lot of data that will change the way you do your underwriting right now, but also change the way you can conceptualize your product," said Madeleine Roussel, executive director of management consulting with KPMG in Canada.

In the more sophisticated versions of embedded insurance, insurers can take the data they receive from partners that they wouldn't have otherwise had access to before.

"So, it gives you a broader view of who your client is," Roussel said. "With all of this data, what you want to do is to be a little more creative and innovative in your product..."

The goal is that the embedded insurance product appears to the customer as the only solution.

Jonathan Weir, an advisory partner with KPMG in Canada, defines embedded insurance as something that has to seamlessly integrate coverage into a non-insurance product. "It really has to create more value for the customer than the traditional alternative," Weir said during the session, The accelerating shift to embedded insurance.

For example, a customer shopping for a mortgage could be prompted or provided with a home insurance offer, personalized based on their needs (using data from the partner's platform). Or a customer can buy a plane ticket through Air Canada and receive a quote for travel insurance.

Mortgages are an ideal use case, agreed Derek Szeto, founder of insurtech Walnut. "[Mortgage brokers] are not constrained by the same Bank Act regulations."

"Imagine you go to a mortgage broker, you get a commitment letter as part of a package, one of those pages tells you, 'Hey, you need home insurance to be able to close your mortgage. Would you like to work with our partner to be able to facilitate that?'"

Then, with the customer's permission to share personal property data from the home insurance application, the first discussion revolves around a quote rather than repeating the question-and-answer process to obtain all the same data.

"We often think about this as the customer actually does not want the mortgage, they don't want the insurance," Szeto said. "They just want to get into the home. How do we help them get to that end state?"

There are more platforms, with more data, and more of an ability to share on a permission basis, Szeto explained.

"And that's driving consumers to demand more customized experiences, to be able to demand more digital-first experiences so that they can do what they want to accomplish without going through some of the pain that they might associate with insurance."

To capitalize on the opportunities, Weir recommends an embedded insurance strategy. This needs to consider the business model, capability and alignment of existing products and underwriting pricing ability, as well as partnerships or potential partners.

"Who you have access to as a partner defines the data that's going to fuel this and defines the customer segment that you're going to have access to," he said.

Next, look at technology capability. "You have to have a certain amount in-house... to be able to integrate with other partners," Weir said.

The third consideration revolves around the underwriting process, which needs to become more flexible; finally, customer-centricity needs to be at the heart of the value-creation process.

"This isn't just a one-trick pony here... this is actually going to have an impact on a broader part of the business," Weir said.

In fact, it may become the dominant form of insurance for some lines in the future. "It's not hard to believe that all travel insurance, or the majority of it, will be purchased in an embedded way.

IBAO Forms New Partnership With Canadian Association of Black Insurance Professionals

Issue is a “Key Priority”

By Lyle Adriano, Insurance Business Canada, October 8, 2023

[IBAO forms new partnership with Canadian Association of Black Insurance Professionals | Insurance Business Canada \(insurancebusinessmag.com\)](#)

The Insurance Brokers Association of Ontario (IBAO) has entered into a partnership with the Canadian Association of Black Insurance Professionals (CABIP).

CABIP is a recently-launched organization that advocates for the representation, inclusion, and advancement of Black professionals within the insurance industry.

As part of the partnership, IBAO will be promoting CABIP initiatives including advocacy, mentorship, education, and networking to its membership of over 14,000 licensed insurance brokers. This will also include an introduction to CABIP at IBAO’s upcoming virtual convention on October 20 to 21.

“Diversity, Equity and Inclusion (DEI) has become a key priority for IBAO,” said IBAO chief operating officer Brett Boadway. “We’re seeking out opportunities to leverage our platform to boost the voices of visible minorities within the broker channel. We’re honoured to be partnering with CABIP, supporting their mission and helping to provide a more equitable future within the insurance industry.”

“We’re excited to partner with IBAO through the launch of our association and into the future,” said CABIP chair and co-founder Sheldon Williams. “Their strong membership and communication channels will help spread our message of inclusivity and support our mission to bridge the opportunity gap for Black professionals within the Canadian insurance industry.”

“Stay Authentic, Energized, Focused and Consistent” – Advice for DE&I Leaders

Where do Organizations Fall Down on DE&I – and Where Can They Rise Up?

By Mia Wallace, Insurance Business Canada, September 6, 2023

<https://www.insurancebusinessmag.com/ca/news/diversity-inclusion/stay-authentic-energized-focused-and-consistent--advice-for-deandi-leaders-458767.aspx>

In much the same way that everybody finds their own route into the insurance market, everybody has a unique path to recognizing the role they have to play in becoming part of the diversity, equity & inclusion (DE&I) solution.

For Jhan D. Doughty, global head of DE&I at Everest, the journey started when she began her career almost 20 years ago, working as a clinical mental health counsellor serving individuals with mental and physical disabilities.

“This was an honour as I valued the opportunity to support individuals through counselling to achieve their personal and professional goals,” she said.

“After I graduated with my doctorate, I completed a research post-doctoral fellowship and conducted HIV/AIDS education with persons of colour in New York and Connecticut. I learned the value of engaging individuals through that research and loved working in the communities I served.”

From there, Doughty transitioned to an “amazing” career in higher education working in roles supporting student recruitment, professional development, and retention at public research universities. It was during this time that she also worked as a professor teaching and conducting DE&I research and developed skills in grant-writing.

“I entered the non-profit and corporate sector working on a national contract aimed at DE&I for students in K-12 in the US,” she said. “There, I learned the joy and value of creating opportunities for underserved individuals as I developed national internship programs for undergraduate and graduate students and established research institutes at minority-serving institutions. Now, over 10 years later, I am thrilled to witness more than 100 former students thriving in their professional careers.”

Today, working at Everest, Doughty said she is pursuing “the work of [her] dreams” — developing and implementing DE&I initiatives on a global scale. She highlighted that working with her insurance industry colleagues in multiple countries and learning what DE&I means in various cultural contexts is what keeps her energized and inspired each day.

Looking back on her DE&I journey, she pinpointed some of the stand-out inspirational moments afforded by her career to date. These include such highlights as presenting her research and work at the International HIV/AIDS conference in Barcelona; launching research institutes at two Historically Black Colleges and Universities (HBCUs) in the United States; presenting strategies on recruiting and retaining diverse employees at the White House HBCU Conference; being named one of the Top 25 Women in Higher Education by *Diverse Issues in Higher Education* – and now serving as the inaugural global head of DE&I for Everest where she is, “fortunate to engage in work that underwrites opportunity each day.”

What are the key DE&I challenges facing insurance businesses?

Identifying some of the key challenges she sees facing insurance companies looking to create healthy DE&I strategies, Doughty noted that the insurance industry is ripe with interest in DE&I.

“Yet, our biggest challenge is attracting new talent and informing candidates about the vast available career opportunities,” she said.

“We solve for this by providing high school and college students with exploratory opportunities such as internships and exposure programs so that they can witness the work first-hand and see that the insurance industry is a viable and financially rewarding career option for them. Everest shares in this philosophy, and I am proud to shepherd this work.”

What do insurance businesses get wrong about DE&I?

For insurance businesses looking to move the dial, understanding what not to do is just as important as knowing the right steps to take – and Doughty shared insights into both. Highlighting some DE&I program approaches that “continue to miss the mark,” she advised against utilizing a one-size-fits-all approach. Each organization is different, she said, and engaging in this work requires time listening and learning about what matters most to different constituents and designing/co-creating solutions that will best serve each group.

She added: “I’ve made it a habit to listen, make iterative changes along the way and then create a strategy and execution plan.

Not engaging key stakeholders in the DE&I process is another area where organizations looking to make a change fall down. A big piece of DE&I work is relational, Doughty said, and it is important to have a clear sense of the individuals who will be affected by the work, and to understand their thoughts and perspectives.

“If individuals co-create solutions with you, solutions will be retained long after you leave,” she said. “While I have years of experience creating DE&I strategies and initiatives, each organization and environment that I enter is a new one and requires a tailored approach. I can only succeed if I involve others, and to witness success in action is amazing.”

What do insurance businesses get right about DE&I?

Sharing some of the most successful strategies to DE&I that she has seen - ones which consistently create value – Doughty identified the value of:

1. Having a clear strategy with tactics and accountability measures. Often, she said, organizations will only have tactics, but no vision or strategy to serve as the foundation for the work.
2. Accountability being key. While sometimes challenging to identify and implement, she said, committed individuals seek ways to measure their progress to ensure they are meeting the mark.
3. Being an authentic leader. People want to work with and alongside someone whom they can connect with, she said. Bringing your full self to your work is truly DE&I in action. “Each one of us is unique, and if you bring your culture and experiences to the work you’re doing and are open to examining your biases and growth areas, you will be successful.”

Offering words of encouragement for those leaders looking to take up the mantle of championing DE&I within their insurance businesses, Doughty had the following advice to offer.

“Stay authentic, energized, focused, and consistent,” she said. “Leadership in DE&I can happen no matter what industry you’re in or what role you hold. We need diverse individuals who are true to themselves and passionate about creating inclusive spaces and ways to foster belonging. If you are one of those individuals, then the industry needs you and I look forward to working alongside you.”

Manulife Cuts 250 Jobs in Investment Management Division

Firm is the Latest to Trim Staff as Economic Uncertainty Weighs

By IE staff, with files from Canadian Press, Investment Executive, November 14, 2023

https://www.investmentexecutive.com/news/industry-news/manulife-cuts-250-jobs-in-investment-management-division/?utm_source=newsletter&utm_medium=nl&utm_content=investmentexecutive&utm_campaign=INT-EN-saturday&hash=f9f4f6eaaf33f1b05c846d7c2a532f58

Manulife Financial Corp. says it has cut 250 jobs globally in its investment management division.

The cuts, first reported by trade publication Ignites, include employees in Canada, the United States, the United Kingdom and Asia.

The company, which had about 40,000 at the end of 2022, did not provide details as to how many Canadian employees were affected.

Manulife is just the latest financial firm to trim staff, with several Canadian banks also reporting job cuts this year as economic uncertainty weighs.

Scotiabank said in October it was trimming about 3% of its roughly 91,000 staff as part of its streamlining efforts.

RBC said in August it had trimmed 1% of its workforce of about 94,000 and planned to cut 1-2% more ahead of an expected economic slowdown.

In its third-quarter earnings in August, Bank of Montreal reported costs related to layoffs totalled \$223 million, though the bank didn’t disclose the number of employees let go. A month later, BMO Private Wealth Canada eliminated several roles and consolidated its regions to four from six.

UPCOMING CAFII MEMBER-RELEVANT WEBINARS AND EVENTS

Hybrid Webinar By Torys: Fundamentals Of Banking And Insurance Law

Date: Tuesday, November 28, 2023

Time: 12:00 pm – 3:00 pm EST

Type: Hybrid (In-Person or via Webinar)

Venue: Bay Adelaide Centre, 333 Bay St, Suite 2400, Toronto, ON

Fasken's Financial Services Group is hosting a regulatory seminar on Tuesday, November 28th.

The session will address current regulatory developments affecting the banking, insurance and payments sectors and look ahead to 2024. The session will cover artificial intelligence, OSFI's new powers to address integrity and security, and economic and deal trends. It will include speakers from Fasken, the Office of the Superintendent of Financial Institutions and PricewaterhouseCoopers.

We hope you can join us in-person or virtually.

Agenda

- 12:00 pm - 12:30 pm ET Registration and Networking Lunch (Toronto attendees only)
- 12:20 pm ET / 9:20 am PT Webinar registration opens
- 12:30 pm - 3:00 pm ET / 9:30 am - 12:00 pm PT Seminar and Q&A
 - Opening Remarks
 - Year in Review and Looking Ahead – Banking, Insurance and Payments
 - OSFI's New Powers Relating to Safeguarding Integrity and Security
 - Artificial Intelligence and Financial Services
 - The Road Ahead – Economic Outlook with a focus on Financial Services and M&A

Cost

This seminar is complimentary

Type

This is a hybrid event. You may attend in-person in Fasken's Toronto office or by webinar

[Register Here](#)