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

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CAFII ALERTS WEEKLY DIGEST: November 24 – December 1, 2023

December 1, 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 Looks To Tackle Life Insurance Agent And MGA Breaches

"We Felt That It Was Necessary To Clarify MGA Expectations," Says Conduct Lead

By David Saric, Insurance Business, November 28, 2023

https://www.insurancebusinessmag.com/ca/news/life-insurance/fsra-looks-to-tackle-life-insurance-agent-and-mga-breaches-468153.aspx?hsmemberId=83982452&tu=&utm_campaign=&utm_medium=20231128&_hsmi=284342746&_hsenc=p2ANqtz-9STdwVxyaY2mYYaMlTolxDg3Lb-Htln9JBTz_cCP3PuOWoTiEE-9Foo8XqAEjld7fygTZbJ1XuDoH50cs0wupumKZNvg&utm_content=&utm_source=

The Financial Services Regulatory Authority of Ontario (FSRA) has proposed new guidance to set out suitability requirements to hold a life insurance agent license in the province and the conduct of MGAs.

Proposals come as there needs to be more clarity on what “suitability actually means for a professional who sells life insurance,” according to Huston Loke, executive VP of market, conduct at FSRA.

This guidance has been informed by insight into the inner workings of the industry, including the MGA sector, where the majority of gross written premium is distributed for these types of products.

"We felt that it was necessary to clarify MGA expectations," Loke said. “The majority of agents out there are going to be professionals that are looking to take care of their customers, but there’s a small number that may treat this as perhaps a different type of profession.”

In an interview with Insurance Business, Loke spoke about what types of malpractice have necessitated this type of guidance, how it will look in practice and why consumer input is important to make better regulations.

Fixing Life Insurance Business Problems

According to investigative findings released by FSRA in 2022, the agency found the following areas of concern in three MGAs.

1. Agents were compensated based not only on their own insurance sales, but also on insurance sales made by the people they recruit. This could have motivated the recruitment of individuals who are not yet licensed and resulted in sales by many newly licensed agents.
2. Training of agents lacked important substance, rigour, and reporting mechanisms to ensure they understood and were able to serve customer needs.
3. Relatively complex products were sold by agents without adequate oversight to ensure product suitability and fair treatment of customers.
4. Insurers and MGAs performed minimal formal and proactive supervision of their agents to ensure fair treatment of customers.

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The three MGAs that were singled out were Greatway Financial Inc., World Financial Group Insurance Agency of Canada Inc. and Experior Financial Inc.

Furthermore, unethical agent behaviour may include not disclosing conflicts of interest or providing false or misleading information about a product, FSRA has said.

This review was the first of its kind and was led by FSRA for the Canadian Council of Insurance Regulators (CCIR).

“We’ve identified a number of breaches of laws or regulation, bankruptcies, consumer proposals and providing false statements to the regulator,” Loke said.

“This is going to impact life agents’ suitability, and we may refuse an applicant, if they if they show conduct like this.”

How This Guidance Will Look In Practice

FSRA will enact a six-point action plan that includes the following:

1. An enhanced approach to sector supervision
2. A new regulatory framework
3. Industry guidance
4. Enforcement
5. Whistleblower protection
6. A consumer education campaign

“This guidance is a key piece, because defines what it takes to become an agent,” Loke said.

“We know that the majority of agents out there are looking for a consistent standard and this makes it easier for them to understand what we're going to be looking for as part of the licensing process.”

Elsewhere, the consumer education campaign is integral to make sure those who are purchasing a product can be well-informed about the options out there to have more productive conversations with agents.

Fielding Consumer Concerns To Inform The New Guidance

The guidance is set to be consulted on until February 24th, 2024.

“This is the start of a conversation with industry,” Loke said. “We have already reached out to stakeholders to ask them to comment.”

Consumer input is expected to play a critical part in the process.

"We want consumers to be represented as this is for them," the EVP said. "It must be to a level where they would say, 'I just thought you were already doing this.'"

This is especially important since life insurance is a decades' long product, and it may not be as easy to opt out of a policy then find a similarly favourable rate as when a consumer first signed up.

Sound off in the comments section on what you think life insurance guidance should include.

What Worries Canadian Businesses About Quebec's Language Law

By Jason Contant, Canadian Underwriter, November 22, 2023

[*What worries Canadian businesses about Quebec's language law (canadianunderwriter.ca)*]

Quebec's recently enacted French language law is causing some Canadian businesses concerns about compliance and even fear of losing employees, a new business risk report from Beazley suggests.

Bill 96, *An Act respecting French, the official and common language of Québec*, became Law 14 this past June. The law requires written publications and "documents," which includes insurance, to be in French. There can be a version in English or another language, as long as a French version is available.

Ongoing supply chain issues along with new legislation appear to be on Canadian business executives' minds, Beazley said in its first-ever *Canada Snapshot Report – Risk & Resilience in a Time of Change*, published on Tuesday, November 21. Twenty-two per cent of 500 polled Canadian firms said business interruption is the largest risk they face right now.

Under the law, businesses with operations in Quebec with contracts of adhesion now need to present documentation in French-only first.

"[This is] resulting in some businesses struggling to adapt to the far-reaching impacts of the new law, and having to engage legal expertise and translation services to keep their business on-side with the updated guidelines," Beazley said in the report.

"Firms with operations in Quebec navigating the implications of Bill 96, that don't have local or in-house legal or translation resources, can find the requirements of the bill complex and time-consuming," said Kim Podolak, broker relations manager for Canada with Beazley.

Talent Woes

Beazley even suggested that small businesses are at risk of losing their employee base (and theoretically customers) as they will be required to declare the proportion of their workforce that are unable to communicate in French. "This comes at a time where there is a challenge to recruit and retain talent."

Canadian Underwriter has heard concerns that the French language law may prompt small insurance providers to consider pulling out of the province. Curtis Killen, president and commercial insurance broker at KBD Insurance, a brokerage with offices in Montreal and Ottawa, told *CU* he had one small client who has already decided to pull out of the market rather than translate their insurance policies into French.

But he said that other insurance providers, such as small Lloyd's cover-holders or brokers, may be affected by the law.

"If you're a cover-holder, a lot of times the software to issue the policies, you can only issue the policy in one language," said Killen, who is also a Lloyd's cover-holder. "You can't do it in both. And so, it creates a lot of back-end administrative work."

Beazley's *Canada Snapshot Report* also found that 35% of Canadian business leaders say they operate in a high-risk environment, up from 20% in 2022. This perception is set to rise to 37% as recessionary fears have grown among the G7 country's leading economists.

Nearly one-third (32%) of business executives said they are unprepared to deal with business interruption risks, rising to 34% among small businesses (Cdn$250,000 to Cdn$999,999 in revenue). The report also found that

- 29% of Canadian firms feel unprepared to deal with climate risks and disruptive technologies such as artificial intelligence;
- 30% of Canadian boardrooms ranked cyber risk as the top technology threat facing their business in 2023, but 31% of boardrooms report being unprepared to deal with cyber risks; and
- 32% plan to explore insurance options that include risk and crisis management.

RBC, TD Remain Global Systemically Important Banks

The FSB's Annual List Of Banks That Require Extra Capital And Oversight Shrank By One

By James Langton, Investment Executive, November 27, 2023

https://www.investmentexecutive.com/news/from-the-regulators/rbc-td-remain-global-systemically-important-banks/?utm_source=newsletter&utm_medium=nl&utm_content=investmentexecutive&utm_campaign=INT-EN-morning&hash=f9f4f6eaaf33f1b05c846d7c2a532f58

Royal Bank of Canada (RBC) and Toronto-Dominion Bank (TD) remain Canada's only global systemically important banks (GSIBs), according to the Financial Stability Board's (FSB) annual list of banks that require extra attention from regulators.

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The number of GSIBs on the FSB's 2023 list declined by one, from 30 to 29, as Credit Suisse and UniCredit were both removed and China's Bank of Communications was added.

The FSB publishes an annual list of GSIBs based on an assessment methodology developed by the global group of bank regulators, the Basel Committee on Banking Supervision. The practice was developed in the wake of the global financial crisis, when numerous large banks had to be bailed out by taxpayers for fear that allowing them to fail would severely damage the global financial system.

Banks that are on the list face added capital requirements and extra supervisory attention on the basis that they are large and/or interconnected enough that their failure could have consequences for the global financial system.

The banks on the list are further segmented into buckets, based on their systemic importance, with the most "important" banks attracting the toughest added requirements.

In the latest rankings, there are no banks in the top bucket, and only JP Morgan is in the second bucket. The third bucket only includes Citigroup, HSBC, and Bank of America, with most of the GSIBs in the fourth and fifth buckets. RBC and TD Bank are both in the fifth bucket.

Any shifts between the buckets "largely reflect the effects of changes in underlying activity of banks, with the cross-jurisdictional activity category being the largest contributor to score movements," the FSB reported.

Canadian Securities Regulators Propose Binding Regime For Investment-Related Disputes

FCNB News & Alerts, November 29, 2023

https://fcnb.ca/en/news-alerts/canadian-securities-regulators-propose-binding-regime-for-investment-related-disputes

VANCOUVER and TORONTO – The Canadian Securities Administrators (CSA) today set out a proposed regulatory framework for an independent dispute resolution service whose decisions would be binding.

Under the proposed framework, it is expected that the Ombudsman for Banking Services and Investments (OBSI) would be the designated or recognized independent dispute resolution service for the investment industry. The proposed regulatory framework also includes proposed rule amendments to certain complaint-handling provisions under Canadian securities law.

"The CSA is seeking comment on proposed changes to the system of redress available to Canadian investors when they have a dispute with their investment firm," said Stan Magidson, CSA Chair and Chair and CEO of the Alberta Securities Commission. "While we continue to develop key areas of the regime, we are soliciting feedback from industry and retail clients to help inform this ongoing work."

Outside Québec, all registered dealers and advisers must take reasonable steps to make OBSI available to their clients as a dispute resolution service. However, OBSI cannot currently issue binding decisions.

In developing the proposed framework, the CSA considered various public reports, consultations and reviews that contemplated the benefits of giving OBSI binding authority. The notice issued today seeks general feedback on several structural elements of the proposed framework and includes questions for stakeholder consideration.

There is a 90-day comment period, and stakeholders are invited to provide comments in writing on or before February 28, 2024. There will be outreach to stakeholders to solicit feedback on the proposals and encourage written comments.

The CSA Notice and Request for Comment can be found on CSA members' websites.

The British Columbia Securities Commission (BCSC) supports the outcomes intended by this project but is not participating in the proposal for comment on the rule amendments. British Columbia is considering legislative changes that may achieve the same outcomes as those intended by the proposed framework. The BCSC is interested in feedback on the proposed framework and will take comments into consideration.

In Québec, the Autorité des marchés financiers (AMF) already provides a dispute resolution service, along with conciliation and mediation services, to consumers of financial products and services, including retail investors, under its governing legislation. The AMF is participating in the CSA consultation by proposing to maintain the exemption applicable to firms registered in Québec regarding dispute resolution services requirements.

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

FCNB Notice: Planned Licensing Portal Outage

By FCNB Staff, November 27, 2023

Due to planned system maintenance, the Financial and Consumer Services Commission of New Brunswick (FCNB)'s self-serve licensing portal will be down between December 2 and 4.

Your patience is appreciated during this time. If you need assistance, please email *support@fcnb.ca*.

See notification *here*.

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OTHER CAFII MEMBER-RELEVANT NEWS

Airfares Dropped 19% In Past Year As Consumers Pull Back, More Flights Added

By Christopher Reynolds, The Canadian Press, November 21, 2023

https://globalnews.ca/news/10106062/airline-tickets-prices-october-inflation/#:~:text=Money-,Airfares%20dropped%2019%25%20in%20past%20year%20as,pull%20back%2C%20more%20flights%20added&text=The%20annual%20inflation%20rate%20slowed,pumps%2C%20Statistics%20Canada%20said%20Tuesday.

Statistics Canada says that airfares have plummeted over the past year, as airlines shore up capacity even while consumers think twice about travelling in a world of higher costs.

In its consumer price index (CPI) released on Tuesday, November 21, the agency said the price of air transportation dropped 19.4 per cent last month compared with October 2022.

The figure follows a roughly 21 per cent year-over-year drop in September and a 20 per cent decrease in August, after rampant post-pandemic demand last year outstripped carriers' capacity to meet it, resulting in sky-high fares.

The data also showed that airfares declined four per cent on a monthly basis in October, when they typically rise ahead of the holiday season.

The travel sector continued to roar back this year, with seat capacity among big Canadian carriers at 92 per cent of 2019 levels, according to figures from aviation data firm Cirium.

But experts say that customers are now curtailing travel plans in response to strained purse strings and nearly two years of high inflation, even as airlines ramp up flight volumes and try to lure Canadians back on board with lower prices.

TD Cowen analyst Helane Becker said that there's "too much capacity" in some markets, including sun destinations and major routes between big cities.
Though bookings are up for American Thanksgiving, Christmas, and New Year's, they're worse than expected for off-peak periods as consumers scale back.

Observers have cited less disposable income amid increased costs on everything from rent and mortgages to food, gas, and student loans.

"We are in a period of a general domestic slowdown. And I think I would point directly at this whole inflationary situation," said aviation consultant Rick Erickson, even as the overall inflation rate slowed to 3.1 per cent last month.

"Travel tends to be one of the very first elements that gets cut. It's discretionary."

Nonetheless, ticket prices last month hovered 4.6 per cent higher than pre-COVID-19 levels.

"While September CPI data show that airfares in Canada overall have normalized from an exceptionally strong 2022, pricing remains above pre-pandemic levels despite the current economic uncertainty," said National Bank analyst Cameron Doerksen in a note to investors.

"We also note that the index is weighted more to domestic flights, and we believe that there is more downward pressure on fares domestically due to increased competition."

That competition is especially fierce on flights bound for sun-splashed spots and on major corridors such as Vancouver-Toronto and Calgary-Vancouver, generating lower fares, but often softer on regional routes. Air Canada has reduced its regional presence since 2019, and WestJet has largely withdrawn from short trips in Central and Eastern Canada, resulting in fewer competitors and flight options.

Flights across the Atlantic and Pacific Oceans also still come at a premium as flight volumes continue to catch up with demand, analysts say.

Boards Of Canadian Companies Slowly Becoming More Diverse: Report

Female Directors Are Driving Improved Ethnic Diversity

By James Langton, Investment Executive, November 24, 2023

https://www.investmentexecutive.com/news/research-and-markets/boards-of-canadian-companies-slowly-becoming-more-diverse-report/

Canadian companies have made some progress at improving the ethnic diversity of their boards, but there's a long way to go before they mirror society, according to a new report from ISS Corporate Solutions Inc.

The firm reviewed data on the ethnic composition of corporate boards between 2019 and 2023. It found that representation for all minority groups has improved over the past five years.
According to the report, 87.3% of the directors for S&P/TSX companies are Caucasian/White, down from 93.0% in 2019. The percentage remains over-representative since about 70% of the Canadian population is Caucasian/White, it said.

In 2019, 57.8% of S&P/TSX companies had all-white boards. That's down sharply, with 70% of companies now having at least one ethnically diverse director, the report said. About one-third of companies now have more than one diverse director, up from about 10% back in 2019.

While the report noted the improvement, it added that "unfortunately, the pace is slow."

"At the current rate, it would take 10 years for overall board representation of diverse ethnicities to match the country's demographic makeup," it said.

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For instance, while Indian/South Asian directors now account for 3.1% of all board seats — ranking second to Caucasian/White — this is still "less than half of the 7.1% this ethnicity represents in the total population," the report said.

The research also indicated that much of the improvement in ethnic diversity has come alongside companies' efforts to improve the gender balance of their boards.

According to the report, female directors have accounted for almost 70% of the increase in ethnic diversity.

As a result, women from ethnic minorities now account for almost half (47.7%) of diverse directors, up from 29.5% in 2019.

"At this pace, women directors from ethnic diverse groups will outnumber men in the next couple of years," the firm said, noting that women already outnumber men in certain minority groups.

Ethnic diversity also varies with company size and industry, the report found.

For instance, it noted that while just 16.9% of S&P/TSX 60 companies have no ethnic diversity on their boards, about one-third (33.1%) of the companies in the TSX Composite index have no diversity.

By sector, more than 40% of companies in the energy and materials industries have no diversity, it reported.

Conversely, the consumer discretionary sector is the most diverse, with almost 20% diverse directors, followed by financials at 13.6%.

"While progress is welcome in terms of fewer homogenous boards of directors, Canadian companies could pick up the pace in terms of welcoming more potential directors with diverse backgrounds and ethnicities, who better reflect all stakeholders," the report concluded.

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Canadian Association Of Black Insurance Professionals Forms Partnership With Swiss Re Canada

Move Aims To Bring Awareness To Career Options

By Mika Pangilinan, Insurance Business, November 20, 2023

https://www.insurancebusinessmag.com/ca/news/diversity-inclusion/canadian-association-of-black-insurance-professionals-forms-partnership-with-swiss-re-canada-467283.aspx?hsmemberId=88547&tu=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8&utm_campaign=&utm_medium=20231120&_hsmi=283299867&_hsenc=p2ANqtz-90tj3SvKMmuSPacvcNJswx4Mtf2lXbmj4NwArtf8zmeOhFJlG8ZfhMJl8ctnmCYuu7QRdSCjM6Dsz1bg5kGscw0TjWdw&utm_content=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8&utm_source=

The Canadian Association of Black Insurance Professionals (CABIP) has named Swiss Re its new partner.

In a news release announcing the partnership, Jolee Crosby, CEO of Reinsurance, Canada and English Caribbean, emphasized the alignment of CABIP's mission with Swiss Re's values.

"We're proud to be a partner of CABIP," said Crosby. "Their mission aligns with our values, and we are happy to be part of an organization dedicated to bridging the opportunity gap for Black professionals within the Canadian insurance industry."

James Gasco, who heads Swiss Re Corporate Solutions' Canadian operations, also spoke of the importance of diversity of thought in managing risks and the company's commitment to advancing diversity, equity, and inclusion (DEI).

"Partnering with CABIP aligns with our commitment to provide equitable opportunities for all and, in turn, create a stronger, more resilient Canadian insurance industry," said Gasco.

CABIP co-founder and chair-elect Dionne Bowers additionally expressed enthusiasm about the association's new partnership with Swiss Re, calling it a "big step in bringing awareness to career opportunities, specifically, within the industry that Black insurance professionals may not have previously had on their radar."

Bowers also commended Swiss Re's commitment to diversity and inclusion, quoting an excerpt from its Leading with Inclusion: Our 2023 Diversity, Equity & Inclusion report:

"Unlocking the value of our diversity means, among other things, having honest conversations with one another and building a culture that empowers every one of us to deliver innovative, sustainable business success. It also means holding ourselves to our DEI commitments."

She went on to highlight the importance of "honest conversations, empowerment, and accountability" in expanding DEI initiatives.

"This is what we encourage organizations to consider and embrace," Bowers said.

Chubb Studio Boosts Digital Integration Reach With The Launch Of B2B2C Developer Portal

By Joanna England, InsurTech Insights, November 2023

https://www.insurtechinsights.com/chubb-studio-boosts-digital-integration-reach-with-the-launch-of-b2b2c-developer-portal/?utm_medium=email&utm_campaign=Newsletter%201711%202023&utm_content=Newsletter%201711%202023+CID_7b47c17c648cd03d060d5951b6bda888&utm_source=Campaign%20Monitor&utm_term=Read%20More

The global integration technology aims to streamline accessibility for partner companies operating in the B2B2C sector, facilitating seamless testing and integration of Chubb's digital insurance products and capabilities.

According to its developers, the Chubb Studio developer portal offers a comprehensive suite of digital insurance APIs, mobile SDKs, and microsites and enables developers to create and test new digital insurance campaigns while seamlessly integrating their applications with a partner's live APIs.

The portal also boasts an intuitive partner onboarding experience, providing access to dashboards, integration documentation, and other essential tools.

As part of Chubb's ongoing dedication to technological advancement, the company continues to invest in and expand the capabilities of its integration portal. This strategic initiative aims to deliver a superior, market-leading experience for developers, reinforcing Chubb's position at the forefront of innovation in the insurance industry.

"The new developer portal showcases the brand strength, product breadth and tech capabilities that Chubb delivers to its distribution partners, with an unmatched level of customization and development agility in the insurance industry," said Sean Ringsted, Chief Digital Business Officer at Chubb.

"Our partners' technology teams now have one convenient place to access and discover our digital insurance value propositions across different verticals and products as well as a sandbox environment where our growing suite of APIs and mobile software development kits (SDKs) can be tested and experienced in real time."

"This significant enhancement to Chubb Studio is the result of feedback from the technical teams of Chubb's B2B2C partners around the world," Ringsted said.

He added: “As we continue to scale our global network of partners, we recognise the critical overlap between the customer experience and the partner experience – the success of the alliance depends on both.”

Distribution: Insurance Supermarket International Embraces Full Digital Shift

By Alain Thériault, Insurance Portal, November 28, 2023

According to a source, layoffs have occurred at Specialty Life Insurance (SLi), a wholesaler whose simplified issue life insurance products are underwritten by third parties.

In an interview with the Insurance Portal, Alexandr Dudarev, founder and CEO of Insurance Supermarket International Inc. (ISI), confirmed the layoffs without specifying numbers, explaining that an ongoing project requires realigning resources.
Dudarev says he distributes SLi products "in 50 states in the United States, and in all provinces in Canada." Based in the Greater Toronto Area since its inception in the 2010s, ISI encompasses SLi and Insurance Supermarket, a lead generation platform for advisors.

ISI is about to launch a distribution project where advisors will meet their clients exclusively digitally. Dudarev explains that some company functions were becoming redundant in the wake of this change.

Testing Phase

ISI has nestled into a general agent model that generates leads for independent advisors located within a 15-minute drive of targeted consumers. If they accept, they must travel to the consumers to complete a transaction, sharing compensation.

ISI has maintained this digital distribution platform model through a network of independent advisors. Now, the insurtech aims to evolve towards a platform model that eliminates travel.

The revamped platform will enter a beta testing phase with the participation of subscribing advisors. "In Q1 2024, we’re launching our Ultimate Lead Program 2.0," reveals Alexandr Dudarev. "We’ll provide the advisors access to consumers with a platform where they are able to register for early access and be part of our beta group. We’ll send an invite to all our existing advisors before it grows out to all the advisors nationwide," he adds. The CEO of ISI specifies that the launch will occur simultaneously in the United States.

Dudarev mentions that independent advisors will be able to transact directly with Insurance Supermarkets or through their usual general agent, as is currently the case.

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Departures And Returns

Dudarev says the company is "shifting away from the traditional wholesaling model where the wholesalers meet with the advisors face-to-face and moving to more of a direct interaction with advisors."

Moving to a new distribution model, traditional distribution structures thus become redundant, explains Alexandr Dudarev. "As a result, the wholesalers, as well as some members of our operations, finance and product development that were supporting them, got affected. As the new model takes shape, we are hopeful that we will recall some, if not most, of our teammates," states the CEO of ISI, SLi, and Insurance Supermarket. These three entities are chaired by Ray Mackenzie, a former executive of ivari.

Humania Behind The Products

Humania Assurance assumes the risk of SLi products distributed on the Insurance Supermarket platform. SLi has previously had two other underwriters. "Although the new program will initially focus on SLI products underwritten by Humania, we will, however, continue to support SLi products underwritten by Chubb and ivari within Canada," specifies Alexandr Dudarev. ISI distributes permanent and term life insurance products, critical illness insurance, and accidental death and dismemberment insurance.
He does not rule out the possibility of adding underwriters. "As we scale up, we intend to introduce additional products and carriers to all our advisors and consumers," adds Dudarev.

In the United States, ISI distributes Whole Life and Easy Life insurance products, underwritten by EMC National Life, as well as Independent American Plan, underwritten by American-Amicable Life (acquired by iA Financial Group in 2010).

Increasing Productivity...

By eliminating the need to travel to the client, Ultimate Lead Program 2.0 aims to enable advisors to produce at their full capacity. "We feel that there is a more effective way of how to get the advisors to speak to the customers in real time," says Alexandr Dudarev. And this way, according to him, is to bring advisor and client together in real-time.

He estimates that clients no longer wish to receive an advisor at home. "If you're looking for life insurance, the most convenient way is to go on your computer and within half an hour, you'll have a policy on your desk that meets your needs," he states.

Dudarev notes that the Insurance Supermarket system "asses the consumer needs, and assesses the performance of the advisors and scores the conversation to ensure that the advisor did everything correctly." It also allows for increasing advisor productivity, according to Dudarev. "In the previous model, we were able to give the advisor maybe 10 appointments a month before it became too much work for him, and the performance started to go down. In the new model, we can lead the advisor to speak to 3, 4, 5 customers a day. We will make their unproductive times productive," he explains.

... And Reach More People

The time saved by advisors will allow them to increase their income and ensure more middle-class consumers, estimates Dudarev. "Everybody talks about serving the middle market, but the vast majority of life premiums come from high net-worth market. As an industry, our premiums go up, but the number of policies goes down," he laments.

Other industry sources raise the red flag on this situation. In an interview after his appointment to oversee all distribution networks of iA Financial Group in October 2023, Pierre Vincent stated that the number of life insurance policies sold in Canada decreased from about 700,000 to about 600,000 from 2010 to 2022.

Alexandr Dudarev will share more comments on underinsurance in the December issue of the Insurance Journal. We will also publish LIMRA data supporting the statements exchanged by Pierre Vincent, during the interview he granted to the Insurance Portal on October 19.

https://insurance-portal.ca/life/distribution-insurance-supermarket-international-embraces-full-digital-shift/?utm_source=sendinblue&utm_campaign=daily_complete_202311-29&utm_medium=email

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UPCOMING CAFII MEMBER-RELEVANT WEBINARS AND EVENTS

Webinar By Digital Insurance: Predicting The Future: Insurance Issues To Watch In 2024

Date: Tuesday, December 19, 2023
Time: 2:00 pm – 2:30 pm EST

In October 2023, Digital Insurance reached out to insurance professionals to learn which trends they believe will be shaping the industry and affecting their businesses in 2024 and beyond. Join us for Predicting the Future: Insurance Issues to Watch in 2024 - a Transformation Forum that examines the risks and other factors insurers anticipate will affect their coverage and their policyholders in the coming months. Understand the increasing role of technology in the industry, economic concerns and how they relate to business planning, and how carriers are addressing the talent shortage and more. The data presented is proprietary and available only through Digital Insurance.

Register Here