

CAFII ALERTS WEEKLY DIGEST: NOVEMBER 28 to DECEMBER 4, 2020

December 4, 2020

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GOVERNMENT LEGISLATION/JUDICIAL DECISIONS NEWS

Ontario Moves To Shut Down Insurance Side Account Loophole

Budget proposal linked to legal dispute between hedge fund investor and Canadian insurers

By Rudy Mezzetta, Investment Executive, November 20, 2020

The Ontario government is proposing legislative changes that would prevent what it characterizes as “exploitative” transactions that involve investors depositing large sums of money into side accounts of universal life insurance policies.

Ontario’s proposed amendments to the provincial Insurance Act were announced in the government’s 2020 budget, released November 5. Four other provinces have enacted similar changes over the last two years.

The transactions targeted by Ontario’s proposed legislative changes currently feature at the heart of a legal dispute between a hedge fund manager and the Manufacturers Life Insurance Company. Two other actions were brought by hedge fund managers against BMO Life Assurance Company and Industrial Alliance Insurance and Financial Services Inc., respectively.

[Read the full article here.](#)

Bank Of England Warns That P&C Insurers Risk Unexpected COVID Losses

By Huw Jones, Reuters, November 13, 2020

Insurers in Britain risk being optimistic in estimating losses from COVID-19 related claims and should stress test their underlying assumptions, the Bank of England said on Friday.

British property and casualty insurers have come under fire for failing to pay out on claims from businesses disrupted by lockdowns to fight the pandemic that tipped the economy into a steep recession.

The Bank of England (BoE) set out in a letter to insurers on Friday its findings from a review across the general insurance sector on reserving, managing exposures and dealing with uncertainty over contracts in light of COVID-19.

It said that COVID-19 had added complexity and uncertainty to estimating ultimate losses from policyholder claims.

“Our work has highlighted that a number of firms have not been able to accurately identify and track COVID exposed policies, leading to unexpected COVID losses,” the BoE said in a letter to insurers.

"Firms should ensure that this uncertainty is reflected in the reserve estimates and that, where possible, appropriate procedures are put in place to identify and track exposed policies."

A number of insurers' estimates for COVID-19 losses on casualty classes like employer's liability or professional indemnity may be "optimistic", it said.

[Read the full article here.](#)

INSURANCE REGULATOR/POLICY-MAKER NEWS

FSRA Seeks To Raise Standards For Mortgage Brokers

Regulator proposes guidance on complying with national code

By James Langton, Investment Executive, November 27, 2020

In an effort to raise conduct standards among mortgage brokers, the Financial Services Regulatory Authority of Ontario (FSRA) is proposing guidance on complying with a proposed national code of conduct for the sector.

The regulator published its proposed approach to incorporating a code of conduct that's being jointly developed by the industry and the Mortgage Broker Regulators' Council of Canada (MBRCC).

"The code promotes high standards of business conduct to protect consumers of mortgage brokering services," FSRA said.

The MBRCC's consultation closes December 23.

[Read the full article here.](#)

UK Financial Conduct Authority Head: We Won't Act as Fail-Safe for Anticipated Pandemic-Sparked Business Failures

by Frank Klimko, BestWire, November 12, 2020

The UK Financial Conduct Authority's Chief Executive Nikhil Rathi says the agency will not operate as a "zero-failure regulator" and save UK insurers and other firms it anticipates will be crushed by economic pressure from the ongoing COVID-19 crisis. "The firms we regulate don't operate in a vacuum, they're subject to the same economic forces as any other business, and we know that that has resulted in financial pressure for a number of the firms we oversee," he said.

Read Story (Subscription Required): [FCA Head: UK Regulator Won't Act as Fail-Safe for Anticipated Pandemic-Sparked Business Failures \(ambest.com\)](#)

DIVERSITY/INCLUSION/FIGHTING SYSTEMIC RACISM NEWS

TD Asset Management Commits To Providing A Diverse And Inclusive Workplace

By The Insurance Portal Staff, November 26, 2020

[TD commits to providing a diverse and inclusive workplace - Insurance Portal \(insurance-portal.ca\)](https://insurance-portal.ca)

TD Asset Management (TDAM) has become a founding institutional investor signatory to the Responsible Investment Association's (RIA) investor statement on diversity and inclusion (D&I).

The statement acknowledges the existence of systemic racism and its impacts on Black and Indigenous communities and People of Colour in Canada and globally.

Bringing in new viewpoints

"We are committed to the betterment of our society by providing a diverse and inclusive workplace," said Robert Vanderhooft, Chief Investment Officer, TDAM. "Having a diverse workplace benefits everyone as it brings new viewpoints and perspectives to a company allowing for more innovation, high job acceptance and stronger performance."

As a signatory, TD Asset Management endeavours to enhance the public disclosure of diversity data, adopt policies, targets and timelines to improve diversity on boards and senior management, and expand and disclose organizational efforts to address barriers to diversity and inclusion.

As a signatory, TDAM also endeavours to engage with Canadian investee companies to convey the expectation of improved disclosure and performance on diversity and inclusion practices, integrate diversity and inclusion into TDAM investment processes and improve diversity and inclusion practices.

US Insurers Dig Into Corporate Diversity Practices As Lawsuits Pile Up

By Suzanne Barlyn, Reuters, November 30, 2020

U.S. insurers are taking a closer look at the recruiting and succession practices of corporate customers, worried about mounting lawsuits over a lack of diversity among top executives and directors, industry sources said.

Insurers are meeting company officials to examine diversity practices before renewing or signing new so-called D&O policies to cover lawsuits against directors and officers, insurers and brokers said.

Before pricing coverage, insurers want details about top-level succession planning and how companies recruit, they said.

"This is an operational risk that's not going to go away," said Amber Finch, a lawyer who negotiates insurance coverage for companies.

[Read the full article here.](#)

CAFII MEMBER AND/OR PARENT COMPANY-SPECIFIC NEWS

TD Insurance Expands In Atlantic Canada

By The Insurance Portal Staff, November 30, 2020

TD Insurance announced November 30 that it is opening a new bilingual client advice centre in Dieppe, New Brunswick. The move expands TD Bank Group's existing New Brunswick campus, which presently employs 1,000 banking and finance operations employees. TD's new space has the capacity for more than 135 people.

Read Story (Subscription Required): [TD Insurance expands in Atlantic Canada - Insurance Portal \(insurance-portal.ca\)](#)

Sun Life CEO Dean Connor Will Retire Next August; CFO Kevin Strain To Replace Him

By The Canadian Press, December 2, 2020

[Sun Life CEO Dean Connor will retire next August, CFO Kevin Strain to replace him \(msn.com\)](#)

Sun Life Financial Inc. says its president and chief executive will retire next year. The Toronto-based insurance company says Dean Connor, 64, will depart Sun Life on August 6, 2021.

The company's current executive vice-president and chief financial officer, Kevin Strain, will take over Connor's presidential duties on December 15.

He will become chief executive when Connor retires and will continue working as chief financial officer until the company names a replacement in the first half of 2021.

Strain joined Sun Life in 2002 as part of the acquisition of insurance company Clarica. He became CFO in 2017.

Strain launched Sun Life Global Investments Asset Management and expanded the company's footprint to Vietnam and Malaysia, before climbing the company's executive ranks.

It's His Job To Prepare For Calamities. COVID-19 Pushed TD Beyond Its Playbook

When Canada plunged into a COVID-induced lockdown in mid-March, TD Bank chief risk officer Ajai Bambawale spearheaded the bank's response for its over 2,000 branches across Canada and the U.S.

By James Bradshaw, Banking Reporter, The Globe and Mail, November 27, 2020

On the weekend of March 15 and 16, as Canada plunged into a lockdown to contain the novel coronavirus, top executives at Toronto-Dominion Bank Toronto-Dominion Bank made a choice that would have seemed unthinkable even just weeks earlier: The bank would temporarily shut 40 per cent of its branches and reduce hours at the rest. The decision, which was announced March 17 and coincided with similar closings by other major banks, came after more than six weeks of daily crisis response across the bank, spearheaded by its chief risk officer, Ajai Bambawale. In his role, Mr. Bambawale is used to preparing for the worst, from market crashes and other financial crises, to cyberattacks. But now he was grappling with an unfamiliar kind of risk: how to keep thousands of frontline staff and customers from catching and spreading a virus that had already proven how deadly it could be.

Read Story (Subscription Required): [It's his job to prepare for calamities. COVID-19 pushed TD beyond its playbook - The Globe and Mail](#)

COVID-19 PANDEMIC RESPONSE, RESILIENCE AND RECOVERY NEWS

CIBC, BMO Extend Work-From-Home As Banks Prepare Results

Big banks' staff remain home as challenges for the sector remain

By Steve Randall, Wealth Professional, November 26, 2020

Canada's biggest banks continue to face the challenging conditions of the pandemic, but how will that affect their bottom line?

This week, the ongoing impact of COVID-19 with cases rising again, prompted two of Canada's Big Six banks to announce extensions to their work-from-home policies.

CIBC and BMO will now keep some employees out of the office for many more months.

Those who are already working from home for CIBC were expecting a return to their desks in January, but this will now not happen until April at the earliest. Many BMO employees will also be at home until spring.

[Read the full article here.](#)

Allianz Global Assistance Enhances Assistance Capabilities For Travel Insurance Customers

By Lyle Adriano, Insurance Business Canada, December 4, 2020

[Allianz Global Assistance enhances assistance capabilities for travel insurance customers | Insurance Business \(insurancebusinessmag.com\)](#)

Allianz Global Assistance (AGA) has launched two new services which enhance its assistance capabilities for its travel insurance customers.

The first provides customers virtual access to certified MDs while abroad. AGA's Virtual Care is part of the company's proprietary Guided Care Assistance platform, which ensures that customers receive the most accessible and appropriate care abroad.

Through Virtual Care, customers can speak to qualified MDs in real time via video or teleconference through their mobile devices, tablets, or laptops. Virtual Care services may include a consultation, medical advice, as well as confirmation of a diagnosis and issuance of a prescription when required. In addition, prescriptions provided during the virtual consultation are directly sent to a pharmacy nearest to the patient.

AGA has also unveiled a new online claims portal, optimized so that both browsers and mobile devices can access the platform 24/7. Customers can also create a secure account on the portal so that they can submit claims for all benefit types (including non-medical travel benefits, such as trip cancellation, interruption, flight delay and baggage loss). The portal enables customers to upload all necessary documents and photos to process a claim, save claim submissions they have started but haven't completed, and even check the status of their claim online.

"The global pandemic has shone a spotlight on health and safety standards. The true value of travel insurance is realized when customers and partners place their trust in our ability to provide unmatched assistance and support during a travel emergency or when in need to quickly and efficiently submit a claim," said AGA chief sales officer Lucy Hathaway. "Helping is at the heart of what we do, and while the industry awaits the return of travel, we're following through on our commitment to finding new and innovative ways to be there for customers during the moments that matter most."

A company release said that both services are embedded within all products offered across AGA's national distribution network of broker partners.

Travel Health Insurers Answering Call For Assurance Amid COVID-19

By Leo Almazora, HomeNews, November 30, 2020

Pent-up demand for travel is motivating the majority of Canadians to make plans for 2021, but lingering concerns about the COVID-19 are keeping most of them focused on [domestic adventure](#).

In a recent survey of 1,000 Canadian consumers, the Travel Health Insurance Association of Canada (THIA) found that 80% plan to travel in 2021, though most have no intentions of going outside the country anytime soon. Among those surveyed, 53% said they'll only start thinking about cross-border travel when a vaccine against the novel coronavirus becomes available.

Absent a vaccine, three fourths (74%) said carriers, from airlines to train operators, should allow for physical distancing by blocking off seating or staying below maximum capacity before they can comfortably book any travel.

Around six tenths (62%) said they also want travel health insurance providers to give assurances that they have appropriate coverage in case they or their travel companions come down with COVID-19 while on holiday.

[Travel health insurers answering call for assurance amid COVID-19 \(lifehealthpro.ca\)](#)

Health Canada Close To Approving COVID-19 Vaccine Before Christmas, But Rollout Plan Remains Uncertain

By Marieke Walsh, Kelly Grant, and Laura Stone, The Globe and Mail, November 26, 2020

Health Canada is on track to approve the first COVID-19 vaccine in mid-December, but uncertainty around delivery and distribution mean the federal government cannot yet say when Canadians will start getting their shots.

The issue has landed at the centre of an increasingly heated debate in Ottawa, with opposition parties accusing the government of failing to put a plan in place while the minority Liberals insist Canada is one of the best positioned countries to receive vaccines. The pressure on the federal government has increased steadily this week as allies such as the United States and Britain rolled out detailed plans with earlier start dates.

The hope, officials here say, is for three million Canadians to get vaccines by the end of March.

[Read the full article here.](#)

Ottawa Extends Rules And Restrictions For Travellers Amid Steady Rise In COVID-19 Case Counts

By The Canadian Press, November 29, 2020

A slew of travel restrictions and rules meant to curb the spread of COVID-19 will be extended into January, the federal government said Sunday, as case counts continued to rise steadily across the country.

In a statement, Public Safety Minister Bill Blair and Health Minister Patty Hajdu said the measures would be in effect until January 21, 2021 for travellers entering Canada from a country other than the United States.

The rules were first imposed near the start of the global outbreak.

"We have introduced a number of policies to keep Canadians safe but must remain flexible and adapt to the evolving COVID-19 situation," Blair said in a statement.

The ministers said restrictions for visitors crossing the border from the U.S. are currently in place until December 21, but may be extended.

[Read the full article here.](#)

Canada's Prime Minister Says US Border Restrictions To Last A Long Time

By David Ljunggren, Reuters, December 1, 2020

OTTAWA (Reuters) - Canada will not agree to lifting a ban on non-essential travel with the United States until the coronavirus outbreak is significantly under control around the world, Prime Minister Justin Trudeau said on Tuesday.

Trudeau's comments were a clear indication that the border restrictions will last well into 2021. The two neighbors agreed to the ban in March and have rolled it over on a monthly basis ever since.

The ban does not affect trade. The two countries have highly integrated economies and Canada sends 75% of its goods exports to the United States every month.

"Until the virus is significantly more under control everywhere around the world, we're not going to be releasing the restrictions at the border," Trudeau told the Canadian Broadcasting Corp. when asked about the issue.

[Read the full article here.](#)

Pandemic Changes Migration Patterns Of Canadians Who Head South For The Sun

By Kevin Griffin, Vancouver Sun, November 29, 2020

Whether they call themselves snowbirds or winterbirds, Canadians who travel south are changing their migration pattern dramatically this winter.

In a normal year, more than one million Canadians head south to the U.S., Mexico and other destinations to follow the sun.

The COVID-19 pandemic is clipping their wings and forcing many to stay in Canada this winter. Of those who are travelling, some are driving west to RV parks on Vancouver Island.

Canadians staying at home include Monika and Wayne Hilson.

For about 12 years, the West End couple have spent January, February and March near sunny Puerto Vallarta, Mexico.

But not this year. Instead of travelling and spending three months in Playa Gemelas, they're staying close to home in Vancouver.

[Read the full article here.](#)

Airline Body IATA Develops Mobile Apps For COVID-Era Travel

By Reuters, November 23, 2020

Global aviation body IATA is developing a set of mobile apps to help passengers to navigate COVID-19 travel restrictions and securely share test and vaccine certificates with airlines and governments, it said on Monday. The International Air Transport Association (IATA), which represents many of the world's major airlines, plans to pilot the Travel Pass platform by year-end and deploy it for Android and Apple iOS phones in the first half of next year. Airlines are pressing governments to replace traffic-stifling quarantine requirements with systematic COVID-19 testing, with some success.

Read Story (Subscription Required): [Airline body IATA develops mobile apps for COVID-era travel - The Globe and Mail](#)

Airline Sector Disappointed By Absence From Fiscal Update

By Eric Atkins, Transportation Reporter, The Globe and Mail, December 1, 2020

The federal government is facing renewed pressure to bail out Canada's airline sector, which was left out of Finance Minister Chrystia Freeland's economic statement on Monday.

Ms. Freeland announced a series of spending measures aimed at mitigating the economic impact of the COVID-19 pandemic, including new credit for the tourism and hospitality industries, \$186-million for small and regional airports and \$206-million to support regional air transportation. Leisure carrier Sunwing Airlines said on Tuesday it is "disappointed" at the lack of sector-specific relief.

Read Story (Subscription Required): [Airline sector disappointed by absence from fiscal update - The Globe and Mail](#)

Atlantic Canada Had COVID-19 Under Control. But Now The 'Bubble' Has Burst

By Noah Richler, Special To The Globe and Mail, November 27, 2020

Noah Richler divides his time between Toronto and Sandy Cove, N.S. His most recent book is *The Candidate: Fear and Loathing on the Campaign Trail, a finalist for the Shaughnessy Cohen Prize for Political Writing*

Rural Nova Scotia, heart of the Atlantic Bubble that is now on life support, has been and remains a place of extraordinary COVID-19 privilege. Here, the challenge of physical distancing is to actually find someone, anybody, going about their business as close as two metres away. And as for the contagious young – those problematic super-spreaders communing in distant city pubs – despite years of enviable traffic in university students, this is a province that has never made a concerted effort to hang on to them, and they've left.

The young have been fleeing this province in existential panic for decades. Get me to a metropolis! Find me people under 50! Not all, there's a small and vibrant contingent making imaginative headway here and, as with the Atlantic Bubble's calculation of COVID-19 cases, any group of more than a couple of young people is something to be excited about – a surge, an outbreak, a milestone, a cluster.

Said the CBC web headline of August 8, our national disgorging of lousy news I've come to think of as the COVID Broadcasting Corporation: "Nova Scotia Reports No New COVID-19 Cases, Extends State of Emergency."

[Read the full article here.](#)

Two Pandemics: Canada's Largest City Endures Pre-Holiday Lockdown While Nation's Capital Offers Indoor Dining And Gym Workouts

By John Ibbitson, The Globe and Mail, November 27, 2020

While Toronto endures a grim new lockdown, Ottawa's restaurants offer indoor dining, people work out in gyms and socially distant customers shop for Christmas presents in stores. The COVID-19 pandemic worsens in Canada's largest city, even as the situation steadily improves in the nation's capital. The reasons that Ottawa remains open and Toronto is forced to close offer a glimpse into the nature of the two cities, and how their differences shape the path of the pandemic. By November 25, Toronto had accumulated 1,349 cases per 100,000 people; the national capital's figure was 881. The number of COVID-19 patients in Toronto hospitals has been increasing; in Ottawa, hospitalizations are steadily going down. In the spring, during the first wave of the pandemic, Ottawa was hit less severely than Toronto, a situation that is repeating itself in the second wave. Why is that?

Read Story (Subscription Required): [Two pandemics: Canada's largest city endures pre-holiday lockdown while nation's capital offers indoor dining and gym workouts - The Globe and Mail](#)

INDUSTRY NEWS UNRELATED TO COVID-19

Empire Life Launches Disability Credit Protection Endorsement That Competes With Banks' Mortgage Disability Insurance

By Charles Mathieu, The Insurance Portal, December 2, 2020

Empire Life launched a disability insurance endorsement for its term and whole life insurance policies in mid-November. Named Disability Credit Protection, the endorsement "is designed to provide additional protection for an individual if he or she cannot work because of a disability and still has to pay his monthly obligations such as a mortgage or payments for a car." The endorsement, when combined with 25-year term insurance, is a good alternative to mortgage insurance offered by banks.

Read Story (Subscription Required): [Empire Vie lance un avenant en invalidité qui fait concurrence aux banques - Portail de l'assurance \(portail-assurance.ca\)](#)

Exclusive Insurance Portal Table: The 2019 Market Shares Of Life Insurers In Canada

By The Insurance Portal, December 1, 2020

Who won the market in 2019 among life insurers in Canada and Quebec? Who fell back last year? Based on data from MSA Research and the AMF, the Insurance Portal has collected the market shares of life insurers operating in Canada in 2019. To make comparison easier, you'll also find 2018 market share data set out in the table.

Read Story (Subscription Required): https://portail-assurance.ca/personnes/tableau-exclusif-les-parts-de-marche-des-assureurs-de-personnes-en-2019/?utm_source=sendinblue&utm_campaign=daily_complete_202012-01&utm_medium=email

Nasdaq's Acquisition Of Newfoundland-Based Verafin Shines Spotlight On Banks' Anti-Money Laundering Challenges

By Lannah Nguyen, Bloomberg, November 19, 2020

Nasdaq Inc. agreed to acquire Verafin, a provider of technology that fights financial fraud and money laundering, for \$2.75 billion in cash.

Verafin, based in St. John's, Newfoundland and Labrador, provides a cloud-based platform that helps customers detect and report financial crimes, according to a statement Thursday. Its current clients include 2,000 banks and credit unions in North America, and Nasdaq aims to expand those services to the largest banks and second-tier institutions, including in Europe.

"Financial crime, including money laundering, is among the biggest and most difficult challenges that banks face around the world," Nasdaq Chief Executive Officer Adena Friedman said in a presentation. "Regulators are becoming more demanding of banks, brokerages, fintechs and other financial intermediaries as the frontline defense against criminals using the financial system to fund their illicit activities."

About \$2 trillion is laundered a year, and the \$12.5 billion market for combating financial crime is expected to grow 17% through 2024, Nasdaq said. The purchase fits a strategy laid out at the company's investor day earlier this month, when Friedman said it was seeking acquisitions to provide more software and analytics to the financial industry. The exchange operator already provides trade and market surveillance for its clients.

[Read the full article here.](#)

Swiss Re Foresees Partial Recovery For Life Insurance Premiums In 2021

By Charles Mathieu, The Insurance Portal, November 26, 2020

Swiss Re expects life insurance premiums to increase worldwide by 2021. However, this will not be enough to make up for the losses in 2020. In 2021, Swiss Re expects life premiums to increase by 3%. In 2020, the company expects premiums in the global life insurance industry to contract by 4.5%. However, this is an improvement over the reinsurer's previous forecast of a 6% contraction.

Read Story (Subscription Required): [Reprise partielle prévue en 2021 pour l'assurance de personnes - Portail de l'assurance \(portail-assurance.ca\)](#)

Insurance Brokers Association Reacts To Possibility Of Credit Unions Selling Insurance In Branches

By Greg Meckbach, Canadian Underwriter, November 19, 2020

Ontario's broker association is keeping a close eye on a provincial government proposal to relax restrictions on credit unions selling insurance in branches.

"We believe there is a public consultation that is going to take place in 2021, so we will wait and see what the details are," Colin Simpson, CEO of the Insurance Brokers Association of Ontario, said in an interview Wednesday.

He was commenting on the budget document released November 5, in which the Ontario government says it is proposing to allow credit unions to sell insurance in their branches and online through a subsidiary or partnership.

For years, broker associations have opposed the concept of banks or credit unions selling insurance to consumers at the point of granting credit. The thinking is that insurance should be sold by a qualified insurance professional rather than someone who is in the business of loans. Also, brokers are concerned that a consumer applying for credit might feel pressure to purchase insurance from the lender for fear of not qualifying for the loan.

[Read the full article here.](#)

RESEARCH/THOUGHT LEADERSHIP/TECHNOLOGY/DIGITIZATION NEWS

Canadians Prioritize Financial Resilience But Which Bank Helps Most?

Index reports how households are coping with the pandemic impact and how they believe their FI is supporting them

By Steve Randall, Wealth Professional, December 4, 2020

[Canadians prioritize financial resilience but which bank helps most? | Wealth Professional](#)

This year has reinforced the importance of maintaining financial resilience for Canadian households.

And as they bolster their defences, more than half now have new or improved expectation that their financial institution has their back.

The October 2020 edition of the Seymour Resilience Finance Index, a new measure that was launched in May this year, shows that there is some work to do to build the financial resilience that is recognized as crucial.

Just 28% of households said that they are already financially resilient but with a mean financial resilience score above 54 nationally, most households are “approaching resilience” according to the index.

More than three quarters of households reported having excellent, very good or good credit scores in October, but only 36% of these are “financially resilient”.

Despite government support programs, 340,000 households said they were “financially vulnerable” between June and October, and there were 700,000 more households reporting as “extremely vulnerable” in this period. These two segments combined represent 10.64 million adults.

How FIs are helping

As well as tracking how Canadian families are coping with their finances, the index also looks at the extent to which they feel well supported by their financial institutions (FIs).

Among those who said they are financially resilient, 54% of respondents rate their primary FI highly for helping to improve their financial wellness (as of October 2020) compared to less than three in ten of those whose finances are “vulnerable” or “extremely vulnerable”.

Of the major Canadian banks, BMO is ranked top with 7 out of 10 respondents (where BMO is the primary FI) saying it had helped to improve their financial wellness as of October, compared to 37% for CIBC, 36% for TD, 35% for RBC and 34% for Scotiabank.

Eloise Duncan, CEO and founder of Seymour Management Consulting, said that measuring how FIs are helping customers is a key part of the index along with tracking Canadians’ financial wellness.

“We wanted to help build accountability within the financial industry for banks, credit unions and others to help improve the financial well-being of their customers throughout their lives,” she said. “With the

COVID-19 pandemic and increased financial hardship and vulnerability a persistent issue, this is more important than ever."

Studies Show Canadian Banks Not So Green On Climate Change

Canadian banks' financing of the fossil fuel industry outpaces their peers, say critics

By Bob Weber, The Canadian Press, December 3, 2020

International analyses suggest Canadian banks are oiling the wheels of the fossil fuel industry at a far greater rate than their peers.

Bankers say they've made big strides in addressing climate change concerns and promise to reveal how dependent on carbon their portfolios are. They add the nature of Canada's resource-driven economy makes large investments in oil and gas all but inevitable.

But critics say not much is changing.

"There's no significant decrease in financing," said Olaf Weber of the University of Waterloo's School of Environment, Enterprise and Development.

A recent study from the Rainforest Action Network placed RBC, TD and Scotiabank in the global Top 10 for financing fossil fuels, providing more than \$89 billion to oil and gas companies in 2019 alone. The Bank of Montreal and CIBC are in 16th and 21st spots with a total of nearly \$42 billion.

In the 4 1/2 years since the Paris agreement on climate change, fossil-fuel lending has grown at all five major banks, says the study.

[Studies show banks not so green on climate change | Investment Executive](#)

COVID-19 Is Showing Canadians The Light On Life Insurance

By Leo Almazora, HomeNews, December 2, 2020

As the COVID-19 pandemic slowly threatens to become a fact of life, more Canadians are recognizing the importance of having life insurance coverage.

In its Canadian Life Insurance Landscape: Pandemic Checkup survey, online insurance brokerage PolicyAdvisor found the pandemic is causing most Canadians to feel anxious about their financial future – but not at the expense of their life insurance. More than three quarters (77%) of respondents said they'd cut discretionary expenses like entertainment and eating out over the holidays, but just 13% said they'd be cutting back on their life insurance premiums.

Almost two thirds of participants considered life insurance as one of the most important types of coverage to have during the global pandemic (64%). Nearly the same number said that it's more important to them now than before COVID-19 (63%), and that they depend on their group benefits for life insurance coverage (65%).

[Read the full article here.](#)

Insurers Losing Trust Battle Due To "Poor Communication"

By Bethan Moorcraft, Insurance Business Canada, November 11, 2020

There is an "information asymmetry" in the insurance industry, according to Christian Bieck, global research leader - insurance, IBM Institute for Business Value.

He's referring to a common challenge in the industry, which is that insurance policies are often too complex and verbose for the average consumer to understand. As a result, consumer trust in the industry is strained, and understandably so. Why trust something that you don't understand?

The industry's somewhat tarnished reputation was a hot topic in a recent panel discussion at the Future of Insurance Canada event, run by Reuters. Bieck shared some statistics from consumer research he's spearheaded at the IBM Institute, which included the headline figure that only 58% of consumers trust their insurance company. "That should tell you a lot about the insurance industry's reputation," he said.

"I did my very first study on consumer attitudes towards insurance in 2007, and at that point, we uncovered a series of gaps: the trust gap, perception gap, and the gap between what's promised and what people get," said Bieck. These gaps, while they've been in existence for over a decade, have been challenged further by the COVID-19 pandemic in terms of what customers expect from their insurers. Bieck added: "It really separates the wheat from the chaff in terms of customer experience, of promises given and kept, or promises given and broken."

[Read the full article here.](#)

Less Than Half Of Insurance Customers Trust Insurers To Respond To Basic Needs: Survey

By Ryan Smith, Insurance Business America, November 17, 2020

Although the insurance sector has invested nearly \$28 billion in customer experience, just 49% of customers feel their insurance provider will be responsive to their basic needs, according to the Customer Compass report, which is a survey by EIS, a core and digital platform provider for insurers.

EIS, in partnership with GlobalWebIndex, surveyed 1,057 insurance customers in the US, the UK, France, and Germany to gain insights into their expectations for customer experience. The survey suggested that as insurers pivot their business and operational models to respond to the COVID-19 pandemic,

those who will thrive will be the ones who are prepared for digitally-enabled customer interactions. Globally, the top three factors for consumers when purchasing insurance were the ability to purchase products and services online (44%), the ability to offer pricing based on individual consumers' specific needs (42%), and having an easy-to-use mobile app (32%).

EIS said that consumer opinions of insurers' digital prowess are "astonishingly low." Just 23% of consumers expected insurers to integrate their experience across mobile, web and in-person channels, and only 19% expected insurers to know them and their preferences following an interaction. That low bar presents an opportunity for digitally savvy insurers to win business by exceeding expectations, EIS said.

"Customer expectations outpacing insurer capabilities is the clarion call from our Customer Compass report," said Anthony Grosso, head of global marketing at EIS.

"Getting user experience and personalization right across all digital channels is essential for insurers to meet consumers' expectations for today's digital lifestyle. However, insurers who can rapidly re-architect their IT infrastructure to simplify the customer journey, create products that better meet lifestyle and life-cycle needs can become the one-stop shop consumers crave. These insurers will build consumer confidence and grow their business within emerging consumer ecosystems."

[Read the full article here.](#)

Destination AI: Augmented Automated Underwriting And Life Insurance

By Colm Kennedy, EVP of Americas, Munich Re Americas, November 24, 2020

It's almost inevitable. Spend your working life identifying, analysing, quantifying and ascribing monetary value to risk, and you're likely to have a fairly strong aversion to it. Or more accurately, an aversion to undertaking new endeavours with inadequately understood consequences. The insurance industry is, on any number of levels, the very definition of risk-averse.

And yet, insurance still has an appetite for innovation. If the insurtech sector is any indication, an interest in and requirement for new solutions has been recognised and is being addressed.

It may not fully employ the language of disruption that runs through the wider fintech market, but a quiet tech evolution has been taking place in insurance nonetheless. Case in point: the advent of automated underwriting facilitated by more advanced algorithms and data analysis.

[Read the full article here.](#)

UPCOMING WEBINARS AND EVENTS

Climate Change: A Prudential Perspective with OSFI Superintendent Jeremy Rudin

GRI invites you to join **OSFI's Superintendent, Jeremy Rudin**, as he provides his views on what a changing climate means for the stability of Canada's financial sector, and how climate-related risks might affect banks, insurance companies, and private pension plans. He will also provide an update on next steps for the prudential regulator, including a forthcoming discussion paper on climate risk due in early 2021, and the recently announced pilot project with the Bank of Canada aimed at using climate change scenarios to better understand the risks faced by financial institutions.

The discussion will include:

- Climate related risks
- Scenario planning and stress testing
- Canada's transition to a low-carbon economy
- Other prudential aspects of climate change

When

Friday, December 11, 2020

Time

11:00 AM - 12:00 PM EST

How

Webex Video Meeting

[RSVP](#)

Empowering growth and resilience – Exploring the latest thinking and technology solutions for insurers

Used effectively, technology is a cornerstone of growth and profitability.

The right technology can deliver significant cost savings, in both time and resources, and empower analytics that create competitive edge – all critical to the long-term success of your business.

[Register Now](#)

EVENT INFORMATION

And in this already complex and rapidly evolving market, COVID-19 has accelerated the need to find the right solutions to deliver operational effectiveness and build longer-term resilience. But what are the right business challenges on which to focus? What are the technology options? And how should you decide where to focus your resources?

Over the four days of this virtual event we will discuss these issues through a series of on-demand video presentations, setting out new ways of thinking, looking at new applications of existing technology, and exploring some leading-edge technology solutions. The sessions will feature Willis Towers Watson experts from around the globe, who will be joined by senior figures from several leading insurers and technology firms, including: **HDI Assicurazioni, Microsoft, Old Mutual, QBE, Tokio Marine, and Voidmark AB.**

Over the course of the expo you can decide which of the sessions you want to watch and at a time that's convenient for you: all will be available on demand. For more information about the expo, the individual sessions we will be running and to register, please ['Register Now'](#).

When

7 December to 10
December 2020

On demand on-line streaming videos

Available on demand from:

Day 1 - 7 December
Day 2 - 8 December
Day 3 - 9 December

Live webinar Q&A

Two equivalent sessions:

Day 4 - 10 December

08:00 GMT / 16:00 HKT
and
11:00 EST / 16:00 GMT

Contact Us

[Lauren Stevens](#)