200-411 Richmond Street E, Toronto, ON M5A 3S5
☎ (416) 494-9224 🖷 (416) 967-6320
info@cafii.com www.cafii.com

CAFII ALERTS WEEKLY DIGEST: October 6 – October 13, 2023

October 13, 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.

TABLE OF CONTENTS

200-411 Richmond Street E, Toronto, ON M5A 3S5
(416) 494-9224 (416) 967-6320
info@cafii.com www.cafii.com

GOVERNMENT/LEGAL/REGULATORY DEVELOPMENTS

Canadian Business Board Diversity Improves, But Journey Not Over: Report

C-Suite Change Is Slow For Women, Indigenous People And Those With Disabilities

By Maddie Johnson, Investment Executive, October 12, 2023

https://www.investmentexecutive.com/news/industry-news/board-diversity-improves-but-journey-not-over-report/?utm_source=newsletter&utm_medium=nl&utm_content=investmentexecutive&utm_campaign=INT-EN-All-afternoon&hash=6d73923380f292a40dc042b455f0fde3

Canada has seen continued progress in the representation of women on boards, with an upward trend emerging for visible minorities too. However, there has been little to no progress for Indigenous people and those with disabilities, and diversity in the C-suite continues to be a challenge, says a recent report from Toronto-based law firm Osler, Hoskin & Harcourt LLP.

The report, 2023 Diversity Disclosure Practices, examines the leadership practices at Canadian publicly traded companies, including the representation of women, visible minorities, Indigenous people, and people with disabilities at companies governed by the Canada Business Corporations Act (CBCA), which requires separate disclosure for such designated groups.

According to the report, as of mid-2023, women held 29% of all board seats among TSX-listed companies, up from 26% in mid-year 2022.
Canada's larger companies continued to lead the way, with women holding 36.2% of board seats among S&P/TSX composite index companies, and 38.2% of board seats among S&P/TSX 60 companies.

Women were added to boards at a faster rate than in any of Osler's previous reports, with newly created or vacant director positions being filled by women 45.3% of the time, reflecting "a push by companies which had only one-woman director to add more women, significantly reducing the number of one-woman boards," the report said.

Visible minority directors accounted for 10.2% of board seats among CBCA corporations, compared to 8.3% in 2022 and 6.8% in 2021.

"This progress reflects a growing demand by investors for visible minority representation on boards, and is consistent with initiatives to increase ethnic diversity on the boards of UK companies and the representation of under-represented groups under Nasdaq listing requirements," the report said.

At the C-suite level, progress was slower for women. On average, 21% of executive officers were women, compared to 20% in 2022 and 18% in 2021, the report said.

According to recent data from the Canadian Securities Administrators (CSA), the proportion of women CEOs has remained at 5% for four years, though women comprised 27% of corporate board seats in the CSA's data set, up from 24% last year.

The Osler report said the average number of executive officers who were visible minorities increased "significantly," with an average of 0.88 visible minority executive officers per CBCA company, up from 0.68 mid-year 2022.

No change was made in the C-suite representation of Indigenous people and those with disabilities. The number of CBCA board positions held by these groups was 17 and 12, respectively, the report said.

Osler said it expects a continued increase in the proportion of women directors and executive officers, and representation for other groups could increase at a greater rate than expected if disclosure is mandated — the subject of a recent CSA consultation.

"The journey is not over," the Osler report concluded.

Governor Releases Health Insurers Claims Data Report, Highlights Denial Appeal Process To Ensure Pennsylvanians Receive Benefits They Are Owed

By Diego Sandino, Pennsylvania Government Pressroom, October 6, 2023

https://www.media.pa.gov/pages/Insurance-details.aspx?newsid=517

Under Governor Josh Shapiro's leadership and commitment to consumer protection, the Pennsylvania Insurance Department (PID) today released Pennsylvania's inaugural 2023 Transparency in Coverage Report, outlining data on claims, claim denials, and appeal information for health insurers doing business in the Commonwealth.

"Pennsylvanians deserve clarity in how their health insurance companies operate, and PID is committed to helping consumers understand the benefits and rights afforded under their health insurance policies," said Pennsylvania Insurance Commissioner Michael Humphreys. "This report provides unprecedented insight into companies' claims denials and appeals processes that consumers may consider in preparing for upcoming healthcare services and underscores the importance of Pennsylvanians knowing that the appeals process is available to them. If any consumer has any questions about their health plan or a denied claim, they should contact PID if they aren't sure where to start. Our consumer services team is here to help and get them to the right place for assistance."

Back to Table Of Contents

200-411 Richmond Street E, Toronto, ON M5A 3S5
☏ (416) 494-9224 🖷 (416) 967-6320
info@cafii.com www.cafii.com

This reporting of data is required under the federal Affordable Care Act (ACA) for health insurance companies that are seeking Qualified Health Plan (QHP) certification. A QHP is an insurance plan that is certified by Pennie®, Pennsylvania's health insurance marketplace, and provides essential health benefits, follows established limits on cost-sharing (such as deductibles, co-payments, and out-of-pocket maximum amounts), and meets other requirements under the ACA. QHPs are required to disclose certain claims and financial information to Pennie® and the Insurance Commissioner, and to make that information available to the public. The Transparency in Coverage Report therefore helps insurers fulfil that requirement of making information publicly available. This Transparency in Coverage Report provides claims and appeal data from 2020 through 2022.

The report found:

- Total claims received and total claims denied increased over the last two years, but the state-wide claims denial rate has been stable, between 12.6 and 14.5 percent of all claims received.
- In 2020, individual market QHPs in Pennsylvania received approximately 10.25 million claims and denied 1.29 million claims.
- By 2022, Pennsylvania's individual market QHPs received approximately 14.9 million claims, and denied 2.02 million claims.
- Based on the latest information reported by insurers for 2022, individual market QHPs in Pennsylvania had an aggregated claim denial rate of 13.6 percent.

PID also reminds consumers of the appeals process for denied claims, as consumers who are denied a claim often do not realize they have the right to file an appeal, and appealing a denied claim can be a valuable resource to ensure that Pennsylvanians are afforded all of the benefits that they are owed. Any member of a QHP has the option of pursuing an appeal when a plan denies a service due to circumstances including, but not limited to, lack of medical necessity, or based on the service being considered investigational, experimental, or cosmetic.

Denied claims can be appealed through an internal appeal process, meaning the insurer that denied the claim internally reconsiders their decision, and a member can appeal through an external independent review process, meaning the case is sent to an external review organization to independently review the claim and determine if it should be paid based on coverage terms.

Members may utilize both appeal options and are not limited to just one. Through the appeals processes, it is possible that the insurer's original decision to deny the claim may be overturned, meaning that the claim has been reconsidered, the services have been deemed medically necessary or appropriate for that member, and the claim must be paid as a result.

However, not all consumers decide to appeal, despite a significant number of internal and external appeals resulting in overturned decisions for those that do file an appeal. In 2022 alone, for individual market QHPs in Pennsylvania, 2,165 internal appeals were filed and 1,149 were overturned – a 53 percent turnover rate. But from 2020 to 2022, for Pennsylvania individual market insurers, less than 1 percent of denied claims were appealed by members annually.

Pennsylvanians with questions about their insurance, health plan, or a denied claim should contact the Insurance Department Consumer Services Bureau online or at 1-877-881-6388. Consumers looking to learn more about health insurance should visit the Department's dedicated Health Insurance page.

Pennie's upcoming Open Enrollment Period is the only time of year to enroll in individual and family health coverage for 2024. Open Enrollment begins this November 1, and December 15 is the deadline for coverage that starts on January 1. To learn more about Pennie, visit *pennie.comOpens* In a new window or call 1-844-844-8040. Pennie offers free help by phone and in-person across Pennsylvania.

Climate-Related Disclosures Need Work, Report Suggests

Task Force Details Progress And Areas Of Improvement

By James Langton, Investment Executive, October 12, 2023

https://www.investmentexecutive.com/news/from-the-regulators/climate-related-disclosures-need-work-report-suggests/?utm_source=newsletter&utm_medium=nl&utm_content=investmentexecutive&utm_campaign=INT-EN-morning&hash=6d73923380f292a40dc042b455f0fde3

With the International Sustainability Standards Board (ISSB) poised to take over as the global standards-setter for climate disclosures, the Task Force on Climate-related Financial Disclosures (TCFD) has published its final report documenting voluntary progress toward improved disclosure.

The TCFD reported that, while there has been some headway made toward useful climate reporting, just 4% of public companies now provide disclosure that is fully aligned with all 11 of its recommendations. The report also detailed some meaningful progress.

For example, in 2020 the organization found that 18% of companies were reporting in line with five of the TCFD's 11 recommendations; this year, that's increased to 58%.

Additionally, the TCFD found that the percentage of companies reporting on climate-related risks or opportunities, board oversight, and climate-related targets "increased significantly" between 2020 and 2022, jumping by 26, 25, and 24 percentage points, respectively.

Despite the signs of improvement, "more needs to be done," said TCFD chair Michael Bloomberg in the report. "[A]lthough companies continue to make progress in their disclosures, significant gaps in data remain."

"In particular, reporting on the impact of climate change on companies' businesses, strategies, and financial planning is still lagging behind," Bloomberg said.

Back to Table Of Contents

200-411 Richmond Street E, Toronto, ON M5A 3S5
(416) 494-9224 (416) 967-6320
info@cafii.com www.cafii.com

On the investor side, the report said that almost 70% of the world's top 50 asset managers, and 36% of the top 50 asset owners, provide disclosure that meets at least five of the task force's 11 recommendations.

The TCFD said investors pointed to a lack of information from companies as the primary obstacle to meeting its recommendations in their own disclosures.

"With global temperatures continuing to rise in the near term — leading to larger extreme events — the task force emphasizes the importance of companies considering the impact of climate change and associated mitigation and adaptation efforts on their strategies and operations and disclosing related material information, including in their financial statements," it said.

This kind of information "is critical for investors, lenders, and insurance underwriters to appropriately assess and price climate-related risks and opportunities and allocate capital," it said.

Alongside the TCFD's final progress report, the Financial Stability Board (FSB) published its annual report on climate-related disclosures, noting that the publication of the ISSB's final standards earlier this year was central to the "significant" progress on climate disclosures that it observed over the last year.

The FSB said it will work with the ISSB, the International Organization of Securities Commissions, and other global standard-setters to "promote the timely and wide use of the standards."

It also pointed to the development of a global assurance, ethics and independence framework for sustainability disclosures as a key step.

"Compliance with, and enforcement of, high-quality sustainability assurance requirements could serve to deter greenwashing," it said.

The FSB report also noted that all of its members have either requirements, guidance, or proposals in place to establish climate-related disclosures.

Looking ahead, the FSB said it has asked the ISSB to monitor the state of climate disclosures.

200-411 Richmond Street E, Toronto, ON M5A 3S5
(416) 494-9224 (416) 967-6320
info@cafii.com www.cafii.com

Regulators Learn From Latest Banking Sector Turmoil

Report Highlights Risk Management Failures, Supervisory Shortcomings

By James Langton, Investment Executive, October 6, 2023

[*Regulators learn from latest banking sector turmoil | Investment Executive*]

In the wake of the most acute turmoil in the global banking sector since the global financial crisis, a regulatory review found that regulators' post-crisis reforms helped guard against greater damage, but that bank supervisors must be alert to weaknesses in banks' business models.

The Basel Committee on Banking Supervision, the global group of bank regulators, published a report examining the banking sector stress that arose this spring, which resulted in several large U.S. banks failing and Swiss giant UBS AG taking over its struggling rival, Credit Suisse.

Among other things, the report found that the reforms to global capital rules adopted in response to the 2008 financial crisis largely worked as hoped.

"The Basel III reforms that have been implemented to date helped shield the global banking system from a more severe banking crisis," the report concluded. "The regulatory framework is not calibrated to produce 'zero failures', but seeks to reduce the likelihood and impact of a banking stress, while facilitating financial intermediation and economic growth."

The report said that the episode highlighted the importance of prudent regulatory standards and the necessity of fully implementing the Basel III reforms, which remains a work in progress.

"Despite the enhanced levels of resilience provided by Basel III, the recent turmoil highlighted that banks can be vulnerable to rapid changes in market sentiment. The combination of high leverage and long-term opaque assets that are funded with short-term runnable deposits makes banks especially vulnerable to a loss of trust in their long-term solvency," the report noted.

The report also pointed out that "the first and most important source of financial and operational resilience comes from banks' own risk management practices and governance arrangements."
The turmoil revealed weaknesses in banks' basic risk management, failures to understand how individual risks are inter-related, and inadequate and unsustainable business models, the report said, "including an excessive focus on growth and short-term profitability (fuelled by remuneration policies), at the expense of appropriate risk management."

There are also lessons for regulators: bank supervisors must be willing to quickly take, and enforce, regulatory action when weaknesses are identified; supervisory teams need to be adequately resourced; and, regulators must continuously monitor and adapt to structural changes in the banking system "especially for banks that are rapidly growing in size or adopting novel business models."

The report also stressed the importance of cross-border supervisory co-operation.

200-411 Richmond Street E, Toronto, ON M5A 3S5
☎ (416) 494-9224 (416) 967-6320
info@cafii.com www.cafii.com

In response to the findings, the Basel Committee said it is prioritizing work to strengthen supervisory effectiveness and identify areas that may need added regulatory guidance at a global level. The committee also plans to examine how well the Basel III regime worked during the turmoil in certain areas, such as liquidity risk and interest rate risk, with a view to assessing the need for further reforms in the medium term.

Separately, the committee also approved the results of the annual assessment exercise for global systemically-important banks, which will be published in November.

It also agreed to consult on a disclosure framework for banks' exposures to climate-related financial risks, and to consult on disclosure rules for banks' crypto exposures. Those proposals are expected to be published in the coming weeks.

Bank Failures Prompt Possible Reforms

FSB To Examine Whether Anti-Bailout Measures Need To Be Expanded

By James Langton, Investment Executive, October 10, 2023
Bank failures prompt possible reforms | Investment Executive

The failures of Credit Suisse and several U.S. banks earlier this year has global policy-makers reviewing measures designed to prevent taxpayer bailouts, measures adopted in the wake of the global financial crisis, and contemplating whether more banks need requirements to guard against bailouts.

The Financial Stability Board (FSB) published the results of a review of the banking sector turmoil that arose in the spring, culminating in Credit Suisse's takeover by Swiss rival UBS AG and the failure of several regional U.S. banks.

The review found that the Credit Suisse episode validated the "appropriateness and feasibility" of the framework for resolving global systemically important banks (G-SIBs) that run into financial trouble without resorting to a government bailout.

Requirements for the world's biggest banks to adopt "living wills" and other provisions were developed in the wake of the global financial crisis, which triggered a series of public bailouts of failing financial institutions.

The framework "provided the Swiss authorities with an executable alternative to the solution that they deemed preferable in the case of Credit Suisse," the review said.

The report also set out "important lessons" for policy-makers in deploying the G-SIB resolution framework, "including the need for an effective temporary public sector liquidity backstop and operational readiness of banks to access it as a last resort."

Additionally, the failures of Silicon Valley Bank, Signature Bank, and First Republic Bank in the U.S. showed that the collapse of banks that aren't considered G-SIBs "can still be systemically significant or critical upon failure," the report found.

While the three bank failures were effectively resolved without bailing out shareholders and unsecured creditors, they raised the question of whether resolution planning requirements and loss-absorbing capacity requirements need to be expanded, the FSB said.

It also highlighted the potential for faster bank runs due to the availability of mobile banking, the use of social media, and round-the-clock payments access, the report said.

In response, the FSB said it will conduct further work on the implementation of the resolution framework for G-SIBs and other systemically important banks. That work will include effective designs for public sector funding backstops, studying the choice of resolution strategies, and regulators' approach to crisis communications and co-ordination, given the potential for speedier bank runs.

It will also look at assessing systemic significance for non-GSIBs, resolution planning, loss-absorbing capacity, and the interaction between resolution frameworks and deposit insurance for those sorts of banks.

OTHER CAFII MEMBER-RELEVANT NEWS

Cancer Drives Surge In Critical Illness Insurance Claims

By Alain Thériault, The Insurance Portal, October 9, 2023

Following a three-year period marked by social distancing, curfews, and hospital resource re-allocations, life appears to be returning to its pre-2020 norm. So are critical illness insurance claims.

Charles Tremblay, Head of Claims at Munich Re in Montreal, observed that the incidence of critical illness insurance claims has returned to pre-pandemic levels. "During the pandemic, it had decreased because people stopped visiting their doctors and seeking treatment. Since 2022, the incidence has been on the rise. This will have an impact on morbidity," he said.

Cancer: The Number One Cause

Tremblay noted that claims related to cancer still make up 65% of the total claims year after year. Claims related to heart disorders remain the second leading cause of claims, but Tremblay couldn't quantify their incidence.

The incidence of cancer in claims has returned to pre-pandemic levels, he added. "During the pandemic, the incidence rate of cancer-related claims in critical illness insurance had dropped by 10% to 15%, and now it's rebounding. There will be an impact on the morbidity rate," he predicted. The morbidity rate represents the incidence of all covered illnesses.

Confirmation From An Insurer

Philippe Cleary, Vice President of Pricing, New Business, and Claims at iA Financial Group, confirmed the trend. "We are witnessing a resurgence of cancer, but there were fewer diagnoses during the pandemic," he noted. With restricted access to doctors, Cleary explained that cancers that couldn't be diagnosed earlier can now be detected.

He traced the trend of claims over the past three years:

In 2020, there was a decrease in the number of critical illness insurance claims "across all causes." Cleary believes that this decrease was likely linked to the difficulty of obtaining a diagnosis during the pandemic.

In 2021, a significant increase occurred in the number of critical illness insurance claims, across all causes. This appears to be the "catch-up" for what had not been diagnosed in 2020.

"In 2022 and 2023, the increase in cancer and tumor-related causes is greater than historical trends, and also greater than the increase for other causes," Cleary stated.

Read Story (Subscription Required): *Cancer drives surge in claims - Insurance Portal (insurance-portal.ca)*

Is There A Life Insurance Gap In Affluent Canadians' Estate Plans?

Survey Suggests High-Net-Worth Canadians' Prioritizing Legacy And Next-Generation Wealth Transfer Still Underserved.

By Leo Almazora, October 06, 2023

While an overwhelming majority of high-net-worth Canadians are planning to transfer their estate to the next generation, they may be missing one crucial planning tool.

In a recent survey of high-net-worth individuals surveyed by IG Wealth Management, nearly 90% said they're planning to pass their estate to the next generation, and 78% said they're working with a financial advisor.

But only around half (54%) said they have a life insurance policy, and just 17% said they're knowledgeable about the tax advantages and benefits of life insurance for estate planning.

"When you're talking to clients about estate planning and or legacy planning, life insurance shouldn't be a separate conversation," says Alana Riley, head of Insurance, Mortgage and Banking at IG Wealth Management. "I think that there's just such a great opportunity for advisors to consider life insurance, specifically permanent life insurance."

Life Insurance Planning: Still Much Work To Do

Generally speaking, Riley says Canadians who work with a big bank advisor have to be referred elsewhere to get advice on life insurance in the context of estate planning. At IG Wealth Management, she says advisors can provide clients with planning guidance on both investment and life insurance products.

“We still see that we have much work to do, partly on the part of advisors and partly on the part of Canadians,” she says. “No matter how sexy we make this, we're still talking to someone about death, either theirs or their loved ones. And those are not easy conversations for anyone to have.”

While nearly four-fifths of HNW individuals surveyed said they have financial advisors, just two-fifths (42%) said their FA provided them with strategic options for tax minimization through life insurance. That indicates almost 60% of HNW clients are not having conversations around planning with life insurance.

As Riley notes, the death benefit from permanent insurance can be used to fund tax liabilities to someone’s estate when they pass away, which helps to preserve their wealth upon death. That advantage may be lost on most affluent Canadians, as only one-third of those in IG’s survey said they have a good understanding of the tax implications of passing on their estate to their beneficiaries.

Avoiding Infighting With Estate Equalization

Insurance can also be used to address complex estate planning situations where assets may not be so easy to distribute among beneficiaries. As Riley notes, estate equalization can be a thorny problem – a business owner may have three children, for example, with only one involved in the business – with grave consequences if left unsolved.

“Unfortunately, when we don't have these specific [estate equalization] plans in place, that's when we see family breakdown,” Riley says. “It's very sad to see when those in the next generation are left to almost fend for themselves in trying to determine what their loved one’s intentions really were.”

With 58% of HNW clients not having a life insurance-based estate plan, Riley also sees a gaping gap in terms of estate maximization; aside from the death benefit being paid tax-free to the beneficiary, the cash value of life insurance is tax-sheltered. Using life insurance, she adds, also creates an opportunity for estate settlement processes to happen much more quickly than they otherwise would.

“Maybe the family needs to address funeral costs or make other arrangements immediately – perhaps they need to fly relatives across the country to attend the service,” she says. “And maybe they’re expecting some money through the inheritance, but it has to go through probate or is still locked up in an investment strategy.”

With just 36% of polled HNW Canadians saying their financial advisor discusses life insurance in the context of financial and inheritance planning, there’s clearly room for improvement. But as Riley stresses, advisors may also need to bring in a specialist team to properly address their complex needs.

"When you have a complex situation, like planning for a business owner or a high net worth individual, I think that's where advisors really need to use their expertise both internally, with insurance and estate specialists, and advanced financial planning teams … working hand-in-hand with estate lawyers and accountants," she says. "That's still a real big opportunity for us in the industry as a whole."

https://www.wealthprofessional.ca/investments/life-and-health-insurance/is-there-a-life-insurance-gap-in-affluent-canadians-estate-plans/380308?hsmemberId={{contact.hs_object_id}}&utm_source=GA&e=cm9ieW4uamVubmluZ3NAY2FmaWkuY29t&utm_medium=20231006&utm_campaign=WPCW-Newsletter-20231006&utm_content=&tu=

The Rise Of Sober Group Travel: For Many People, A Vacation Is A Time To Get Tipsy. But What If You Don't Want To?

By Liisa Ladouceur, Special to the Toronto Star, October 8, 2023

Lauren Burnison took her first alcohol-free trip alone. At the time, the Brit was living in South Korea, and part of an expat community that centred boozy nights and shrugged off blackouts. One morning, after a particularly heavy drinking session, Burnison decided she was done. She bought a bike and a tent and set off to cycle the East Coast of Korea for 10 days, completely sober.

"It was exhilarating!" she recalls. "I soon realized how much more fulfilling and adventurous travel became when I wasn't nursing a hangover or spending all my money on partying."

Many sober backpacking trips later, Burnison found she didn't miss the alcohol, but she did miss the camaraderie. This inspired her to launch We Love Lucid, the U.K.'s first alcohol-free travel company, in 2019. She now leads small groups of other sober and sober-curious travellers on active adventures, such as river tubing in Scotland or windsurfing off the coast of Spain.

"More people are waking up to how much more of an epic time you can have without the booze," says Burnison.

While the sober-curious movement predates the pandemic, tour companies specifically targeting travellers who opt not to drink are a newer phenomenon, bolstered by a rising interest in wellness tourism in general.

There's a growing awareness of alcohol's health effects, too, with months like Sober October and Dry January taking off. Canada's Guidance on Alcohol and Health — the Health Canada-funded report released in early 2023 — notes that having even three drinks a week comes with a moderate risk of harms.

200-411 Richmond Street E, Toronto, ON M5A 3S5
(416) 494-9224 (416) 967-6320
info@cafii.com www.cafii.com

While some people may scoff at the report's recommendation to consider consuming less alcohol, research suggests that drinking is indeed decreasing. According to Statistics Canada figures released earlier this year, sales of alcohol dropped 1.2 per cent by volume in 2021/2022 — "the largest decline in over a decade."

The rise in consumers abstaining, or reducing their drinking, is reflected in many trends: non-alcoholic beers and zero-proof spirits going mainstream; more bars in general mixing up mocktails much more sophisticated than Shirley Temples; and even cruise companies offering more choice.
Carnival Cruise Line, for example, announced this year that its Alchemy Bar would make a full range of boozeless drinks — iterations of their most popular cocktails.

Now, travellers looking to get away from drinking culture altogether can also choose an entire packaged vacation created for non-drinkers, by non-drinkers.

Vancouver's Hooked — Alcohol-Free Travel Adventure launched in fall 2021, when travel agent Darci Murray got tired of feeling like a social recluse after giving up alcohol. She recently took a Hooked group sightseeing in Italy, traditionally the land of wine tours. They swapped out vineyard visits for olive oil tastings and Vespa rides.

One of her upcoming trips to Mexico includes hands-on food classes and dancing lessons. "I call it 'full-sensory travel,'" says Murray. "Being alcohol-free heightens your awareness drastically. Colours become brighter, food tastes better, touch is more intense — making a new experience in an unfamiliar place euphoric."

Both Burnison and Murray make the point that their tours are not "recovery retreats," and they do visit bars where alcohol is served. We Love Lucid even partners with local beverage makers to offer non-alcoholic bubbly or mocktails.

The idea is to have all the fun of a traditional group tour, but without the morning-after headaches. As such, these new non-alcoholic tours are also attracting anyone looking for a break from booze (even if temporary), or those who want to travel with a sober friend.

Mixed groups — some non-drinkers, and some drinkers who are abstaining for the duration of the trip — have been signing up for Sober Safaris, a bespoke tour launched this year by the Australia-based Safari Guru, which runs trips across Africa, including in Namibia, Botswana and Kenya.

"Typical safaris are synonymous with sundowners and drinks by the fire," explains Suse Lock, journey planner at Safari Guru. "That's fine if you're comfortable around alcohol, but certain people are not. Our sober safaris are aimed at anyone who wants a safe space with like-minded, interesting people."

"Like-minded" is a key element propelling the sober small-group tour trend, where nobody is going to ask you why you're not drinking or treat you any differently.

Back to Table Of Contents

"Going on a boozy-themed holiday as an alcohol-free person can be mind-numbingly boring," admits We Love Lucid's Burnison. "Going on holiday with a bunch of other booze-free people, on the other hand, is a breath of fresh air."

Read Story (Subscription Required): [*Sober travel group tours are increasingly popular (newhamburgindependent.ca)*]

Checking In? Here's Why Hotels Will Likely Cost You More In 2024

Rates Across Canada Are Expected To Increase According To A Report By American Express Global Business Travel, Including A Nearly Seven Per Cent Increase In Toronto.

By Jeremy Nuttall, Toronto Star, Tuesday, October 10, 2023

Hotel rates across Canada are expected to increase next year, according to a report released last week by American Express Global Business Travel, including a nearly seven per cent increase in Toronto.

The expected higher rates come after an already record-breaking year, according to American Express Global Business Travel's Hotel Monitor 2024, with part of the increase due to the return of business travel.

"We're seeing quite a lot of demand from meetings and events from companies," Daniel Beauchamp, head of consulting for AMEX GBT, said. "They're actually getting together in hotels, small meetings to kind of build relationships, to collaborate, to learn about company culture. That's certainly fuelling some of the demand aspects to it."

At the same time, Beauchamp said, the wave of so-called revenge travel — people hitting the road after COVID lockdowns — has lost momentum. The report said it appears that leisure travel is "normalizing." It looked at hotel price trends in 80 cities around the world. In Canada, Toronto's prices are expected to go up 6.7 per cent with increases of 8.3 per cent in Montreal and 8.9 per cent in Vancouver.

But the increases won't be as high as those within the last year, the report said. Aside from steady business travel, inflation and simple supply and demand issues are playing a role in price increases on a global scale.

According to Destination Toronto's dashboard, as of August 2023, demand for accommodation in the city was up nearly 18 per cent compared to the previous year. Hotel occupancy rates have hit 68 per cent. The highest demand comes throughout the summer months.

But occupancy rates don't play as big a role in hotel room costs as they once did, according to the AMEX GBT report.

It points out that low occupancy rates are no longer linked to lower prices globally, with hotels content to host fewer guests as long as their rates can be raised.

In places where staff shortages prevent hotels from using all of their inventory, the trend is especially pronounced but, last year, those travelling for leisure after the pandemic kept demand and rates high.

“Hotels were kind of constrained in terms of staffing levels,” Beauchamp said. “So, again, it had an influence on supply.”

The short supply and the post-COVID demand managed to boost hotel rates, even as they faced competition from short-term rental sites such as Airbnb, he said.

President of the Association of Canadian Travel Agencies, Wendy Paradis, said she wasn’t shocked by the coming price increases listed in the report, as inflation has hit every sector.

The increase in business travel likely won’t have a great impact on those booking hotels for leisure, she said, because traditionally most business travel takes place during the week and weekends are for holiday travellers.

But the “complex” travel market in the post-pandemic era has led to an increase in people blending business and pleasure travel, she said, and part of the reason for that is that companies are being more flexible about remote work.

“Business travellers aren’t necessarily so much in a rush to get home or back to the office,” Paradis said. “Things are really evolving.”

Those who are travelling for leisure are choosing more high-end holidays and accommodation, she said. The sustainability of hotels in which they are staying and the overall experience are being taken into consideration moreso than in the past, Paradis said.

“It’s really the value that travellers perceive,” she said. “We’re seeing that moreso in 2023 and 2024 than I’ve certainly ever seen in the history of travel.”

People don’t want “inexpensive” or “cheap” as much as a memorable time, she said.

Beauchamp, meanwhile, said he expects a slate of hotel construction across the country to help eventually ease demand and put some downward pressure on room rates.

“There are about 70 properties that we believe will come online next year in Canada,” he said, “which will add about 4,500 rooms, we believe, to the market.”

Still, across Canada, the average cost of a hotel is expected to increase by 7.8 per cent.

Though Canada is expected to see the price increases, other parts of North America are anticipating a much steeper spike. Chicago hotels are predicted to see price increases of 12.6 per cent, followed by Boston at 11.3 per cent.

Buenos Aires, Argentina topped the anticipated hotel price increases around the world with an expected 17.5 per cent spike expected next year.

The Greater Toronto Hotel Association did not respond to a request for comment.

Read Story (Subscription Required*): https://www.thestar.com/business/checking-in-here-s-why-hotels-will-likely-cost-you-more-in-2024/article_6691636e-6daf-54ba-a75b-145a914ffa70.html?source=newsletter&utm_source=ts_nl&utm_medium=email&utm_email=6D73923380F292A40DC042B455F0FDE3&utm_campaign=next_up_201434*

Breeze Airways Pitches Cheap Tickets To Florida For Quebeckers Willing To Travel To New York Airport

By Eric Atkins, The Globe and Mail, September 13, 2023

https://www.theglobeandmail.com/business/article-breeze-airways-quebec-cheap-flights-south/

A U.S. discount airline is pitching itself to Quebeckers as a cheap way to fly south, but is counting on snowbirds driving across the border to do so.

Breeze Airways, a 33-plane airline launched two years ago by David Neeleman, co-founder of WestJet and founder of JetBlue Airways, says it will fly to Orlando from Plattsburgh, New York, three times a week beginning at the end of November for $80 one way.

“We’re looking to attract a lot of Quebeckers to come across the border, come to Plattsburgh and fly to Orlando,” Mr. Neeleman, Breeze Airways’s chief executive officer, said in a webcast news conference on Tuesday, September 12.

Mr. Neeleman, an American entrepreneur, co-founded WestJet in 1994 along with Clive Beddoe and others. WestJet began flying in 1996 as a low-cost airline based on the model set by Southwest Airlines and Morris Air and has become Canada’s second-largest full-service carrier. Mr. Neeleman also co-founded Morris Air, JetBlue Airways, and Azul Brazilian Airlines.

Breeze flies mainly to secondary airports, with less congestion and cheaper costs, to offer low fares but charges about US$80 more for carry-on and checked luggage, and extra legroom.

Mr. Neeleman said every airline he has led that has flown near the border has attracted customers from Canada.

200-411 Richmond Street E, Toronto, ON M5A 3S5
(416) 494-9224 (416) 967-6320
info@cafii.com www.cafii.com

"Be it in Bellingham [Washington] or be it in Buffalo or any places where we flew along the border … it always attracted Canadians," he said. "The Canadian dollar isn't equal to the U.S. dollar but there are always costs added on in Canada that make crossing the border and buying things more attractive."

Breeze's new service is timed to capture the busy holiday season travel traffic, and coincides with new winter routes announced by Canadian airlines. It also follows a summer in which congestion and staff shortages have slowed passenger flows at many major airports in Canada and the United States. The roads feeding Montreal-Pierre Elliott Trudeau International Airport have been gridlocked many weekends, as passenger traffic has returned to pre-pandemic volumes.

Mr. Neeleman said he favours smaller airports because of their lower costs and ease of use by customers.

"You have to walk long distances [at large airports], it's a big hassle. Some people would rather just drive an hour and be able to park and get right on the airplane," Mr. Neeleman said. "I'm sure getting over the border isn't a piece of cake either, so there are trade-offs."

He said Breeze is not licensed to fly internationally but has applied to do so. He said he would consider flying into Canada, although he suggested that was unlikely given the higher costs.

From Plattsburgh, New York, Breeze will fly the Airbus A220, formerly known as the Bombardier C-Series.

Former Air Canada CEO Robert Milton is a director and investor in Breeze Aviation Group, the parent company.

Plattsburgh International Airport, just over 100 kilometres south of Montreal on the shore of Lake Champlain in upstate New York, bills itself as "Montreal's New York airport," and has a Canadian traveller information button on its website.

Canadians account for 60 per cent to 70 per cent of the travellers at Plattsburgh airport, which had between 250,000 and 300,000 originating and terminating passengers before the pandemic, said Chris Kreig, director of the airport. "We appreciate that Canadian travellers use the airport for their travelling needs," Mr. Kreig said in an e-mail.

Air Canada and WestJet Airlines finished 10th and eighth, respectively, on Cirium's August on-time performance ranking, released on Tuesday, September 12.

WestJet, meanwhile, has reduced its Montreal schedule for November by 74 per cent or 14,400 departing seats, compared with November 2022, according to Cirium.

Montreal-Trudeau airport, like most of Canada's hubs, is a user-pay entity and charges $35 per passenger for the airport improvement fee. U.S. passenger fees charged by airports are capped at US$4.50.

200-411 Richmond Street E, Toronto, ON M5A 3S5
☎ (416) 494-9224 🖷 (416) 967-6320
info@cafii.com www.cafii.com

Air Canada offers one-way non-stop flights to Orlando from Montreal-Trudeau in November for $200 and up. The basic fare includes carry-on but not checked luggage.

UPCOMING CAFII MEMBER-RELEVANT WEBINARS AND EVENTS

Webinar By Digital Insurance: The Future Of Insurance: Grow Trusted Relationships With Data, AI, And Trust

Date: Tuesday, October 17, 2023
Time: 2:00 pm – 3:00 pm EST

The insurance industry is experiencing a profound transformation driven by cutting-edge technologies. Join our webinar, "The Future of Insurance: Grow Trusted Relationships with Data, AI, and Trust," where we delve into the pivotal role of artificial intelligence, data analytics, and automation in reshaping the insurance sector.

Featuring insights from the Salesforce/Arizent Future of Insurance Study, attendees will hear how insurance leaders are integrating AI in front, middle, and back office operations. Discover how AI can revolutionize underwriting and claims processing, enhancing accuracy and efficiency while minimizing risks. By attending this webinar, you'll gain the knowledge and strategies needed to position your business at the forefront of this transformative wave.

Register Here

Webinar by Blakes: AI and Employment Law

Date: Thursday, October 19, 2023
Time: 12:00 p.m. – 1:00 p.m. (EST)

Are you an employer or legal professional looking to stay compliant and competitive in the swiftly evolving and transformative age of AI? Please join us for a discussion on AI's impact on employment and labour law.

Topics:

- AI's role in the hiring and recruitment process
- AI screening, AI-generated employment contracts and more
- Privacy, data and human rights concerns
- Labour/union concerns
- Updates on AI-related legislation
- What jobs can AI do?

200-411 Richmond Street E, Toronto, ON M5A 3S5
(416) 494-9224 (416) 967-6320
info@cafii.com www.cafii.com

Register Here (*Please register by Wednesday, October 18, 2023)*

The Travel Health Insurance Association of Canada's Innovation Summit

Date: Friday, October 20, 2023
Time: 9:00 am – 5:00 pm EST

Explore the leading edges of technology, business and insurance advancements, while meeting travel health insurance influencers and other industry leaders. The day will feature keynote speaker Amber Mac, an award-winning podcaster (#TheFeed, This Is Mining, The AI Effect, Marketing Disrupted), co-host of the weekly emerging technology radio show and podcast #TheFeed on SiriusXM, and a bestselling author. Spend the day learning from a range of experts, including Data Scientist Mike Delorme of Manulife and Mukul Ahuja, AI Strategy Leader at Deloitte. See what's on the horizon during our startup showcase of companies and services that are breaking new ground in the industry and adjacent industries.

A light breakfast, lunch and a networking reception at the end of the day are included in your purchase price.

Use the Access Code *23Innovate!* to receive the THIA members and friends discount rate of $250.

Register Here