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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 7 – October 14, 2022

October 14, 2022

The CAFII Alerts Weekly Digest is intended to provide a curated compendium of news articles, analyses, editorials, and opinion commentary on insurance, regulatory, business/industry/economic, and societal topics of relevance to CAFII Members – drawn from domestic and international industry trade press and mainstream media – to aid in Members' awareness of the spectrum of recently published media content in those areas. Inclusion of a news article, analysis piece, editorial, or opinion column in the Weekly Digest in no way implies CAFII's support or endorsement of the interpretations, analyses, views, and/or opinions therein.

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GOVERNMENT LEGISLATION AND STRATEGY NEWS

AMF Superintendent Eric Jacob Speaks At Roundtable On Fintechs

By Denis Méthot, Insurance Portal, October 7, 2022

Since the beginning of this millennium, we have witnessed the emergence and even the explosion of digital technology. The financial services sector is no exception with fintechs.

This is creating new ways of doing business for the industry, its intermediaries, and consumers, with its share of benefits, but also challenges and concerns. The benefits and risks posed by these financial technology companies were the subject of a roundtable presented at Université Laval as part of the official launch of the *Laboratoire en droit des services financiers* (financial services law laboratory), which was created by Cinthia Duclos, a lawyer and professor at the institution's Faculty of Law.

Described as a "somewhat wild project" by the dean of the Faculty, Anne-Marie Laflamme**,** the lab has given itself several missions: to accentuate the synergy between teaching and research in the field of financial services law, to popularize and transmit its knowledge, to train a new generation of creative lawyers in this sector, and to better educate and protect consumers.

"One of our wishes is to develop new areas of research in the field of insurance," said Duclos at the launch. The lab's next activity will be a conference in the fall on the holistic approach to investor protection in the field of life insurance and securities.

New players

One of the panelists at the roundtable, Éric Jacob, superintendent, client services and distribution oversight, at Quebec regulator the Autorité des marchés financiers (AMF), and chair of the Canadian Insurance Services Regulatory Organizations (CISRO), said that the financial industry is undergoing a transformation. We are in the midst of this change, which has been accelerated by the COVID-19 pandemic. This shift is marked by many upheavals. "New players have come in and disrupted the financial industry, both in a positive and negative sense," he said, noting the arrival of smaller, creative players who sometimes don't know or care about regulation.

"In some cases," said Duclos of the growth of fintechs, "they have simplified or solved problems, but in other cases they have created issues.

For the AMF, the advent of fintechs has shaken up several things. Digital transformation and automation call for an agile and efficient framework, said Jacob. "It's important to take into account the presence of new players, but also institutions that are major employers and respect the framework. The role of the regulator becomes even more important in maintaining the balance between its mission to assist and protect consumers while promoting a healthy and dynamic market."

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Multiple applications

In the insurance industry, fintechs are now present on many levels. Dominic Veilleux, a lawyer at Beneva**,** summarized them during the roundtable: data-driven product design, pricing, customer services, automated decision-making based on historical data, computerized form entry, intelligent identification of calls and emails, and potential identification of fraud cases.

For policyholders, they can take the form of sensors and self-monitoring systems such as smartwatches, telemedicine, driving telematics, online group insurance and annuity enrollment, online claims and price comparison, e-signatures, and secure extranet platforms for customers and insurance representatives.

Backlash and challenges

Fintechs, digital platforms, big data, and artificial intelligence are bringing about some rather profound changes for consumers and investors who are facing an explosion of choices from different markets and access to products which they didn't have access to before.

"The benefits have convinced many consumers. It's clear that the phenomenon will continue to grow at a rapid pace," said the AMF's Jacob. The generations entering the workforce have advanced digital and technological skills that are driving these needs forward.

But democratization thanks to fintechs can have a downside, said Duclos.

"The multiplication of services raises security issues, agreed the AMF's Jacob. Believing oneself to be autonomous can entail risks."

Marketing practices of some digital service providers aim to exploit certain consumer behavioural biases. Add to this the fact that consumers are now using non-traditional sources of information, such as social media or a new phenomenon that Cinthia Duclos recently learned about – fintech influencers.

Security issues

With new technologies, we are witnessing a generational shock, and important issues," said Dominic Veilleux of Beneva. He listed information security, internal and external breaches due to hackers, privacy, and consumer solicitation. However, there also are security barriers, guides for insurers to follow, the implementation of controls, and the appointment of several people responsible for managing information technology risks.

He also highlighted the need for particular attention to be paid to vulnerable clients. He mentioned cases where insurance representatives were designated as the beneficiary of an insurance policy or an annuity contract. There should be special measures in place, especially when vulnerable people such as the elderly are concerned, Veilleux said.

Read Story (Subscription Required): *Insurance in the age of fintechs - Insurance Portal (insurance-portal.ca)*

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OSFI's Third-Party Guidance To Include Insurer-Broker Contracts

By David Gambrill, Canadian Underwriter, October 12, 2022

[OSFI's third-party guidance to include insurer-broker contracts (canadianunderwriter.ca)]

Canada's solvency regulator is preparing guidance that legal experts say will shift the scope of the regulator's concerns about outsourcing data and technology to a much broader inquiry about insurers' arrangements with third parties generally — including with broker partners.

"The new guidance specifically refers to brokers," said Stuart Carruthers, partner of Stikeman Elliott LLP, at the NICC Conference of Canada held in Halifax in mid-September. "The old guidelines specifically excluded brokers. So, the distribution via agents and brokers was not outsourcing.

"One of the things the industry is thinking about and commenting on is, 'Do we now have to go back and look at all of our broker agreements and see whether they comply with any guidance?"

The Office of the Superintendent of Financial Institutions' (OSFI) review of how insurers are managing their relationships with third parties also includes contracts with reinsurers. Legal experts see this as an expansion of OSFI's recent guidance on reinsurance, which also regulates the nature of insurers' relationships with their reinsurers.

"Reinsurance relationships are already subject to separate OSFI guidelines and that's already gone through a long process over the past five years," Carruthers commented. "OSFI is also thinking the guidance should apply to operational considerations with your reinsurance partners, whether that's cyber, business continuity, and so on."

In April 2022, OSFI began consultations on revised Draft Guideline B-10 – Third-Party Risk Management, which sets out enhanced third-party risk management expectations for federally regulated financial institutions (FRFIs).

"The financial industry has long made use of third-party arrangements to introduce efficiency, drive innovation, manage shifting operational needs, and improve service," OSFI noted in its communications introducing the Draft B-10 Guideline. "Increasingly, FRFIs are relying on an expanded third-party ecosystem to execute on and deliver more of their critical activities. This increases the likelihood that these arrangements could impact a FRFI's operational and financial resilience."

OSFI noted that the Draft B-10 guideline on third-party risk emerged from OSFI's 2019 Third-Party Risk Study, feedback on OSFI's 2020 Technology Risk Discussion Paper, and industry's response to OSFI's draft Technology and Cyber Risk Management Guideline *(Guideline B-13).*

"In response to consultation feedback, OSFI modified its approach to expectations on technology and cyber risk in third-party arrangements," OSFI noted on its website.

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"OSFI's perception is that there was an increased reliance on third parties, including a rise of third parties that went beyond what was considered outsourcing for the purposes of the current…guidelines," said NICC panellist Koker Christensen, a partner at Fasken. "So, outsourcing under the current B-10 [guidelines] was defined as getting a third party to do something that the financial institution could do itself. Some things were in, some things were out, based on the definition of outsourcing.

"Now, the focus is on third-party maintenance. And that's defined very broadly to basically any arrangement with a third party. So, there are things that are now in scope of the B-10 [guidelines] that weren't in scope before. For example, corporate relationships are now in scope, whereas they weren't before.

"I think what it means in practice is that institutions are going to have to…assess their current practices, policies, and procedures against these new expectations. I think that means you're going to have to do additional due diligence, including with respect to the third parties who were maybe not in scope of the prior approach because of the definition of outsourcing. And I think it's going to, in some cases, have implications for agreements with third parties."

Advocis CEO To Represent Advisors On Ontario Regulatory Committee

By Kate McCaffery, Insurance Portal, October 13, 2022

Greg Pollock, the president and CEO of Advocis, Canada's association for financial advisors, will join the Financial Services Regulatory Authority of Ontario (FSRA) stakeholder advisory committee for financial planners and financial advisors. Committee members are appointed for two-year terms which can be extended to three years to allow staggered membership and some continuity from one term to the next.

The regulator says it has a target membership of 14 stakeholder members for the planners' and advisors' committee. Appointments to the committee are made through an open nomination process. Also, the chief operating officer of the Institute for Advanced Financial Education (IAFE), Pollock is the 12th named member of the committee charged with the task of informing FSRA's annual business planning.

The committee's mandate also includes providing feedback to the FSRA board on rule-making activities in sectors affecting planners and advisors, as the regulator works to establish minimum standards, both for credentialing bodies and for planners and advisors themselves.

Upon request, the committee also provides a forum for input related to the sector's issues.

"The stakeholder advisory committee advises the board on FSRA's priorities, budget, and other matters the board deems appropriate, as they relate to the financial planners and financial advisors sector. It is an important part of FSRA's stakeholder engagement process," the regulator states.

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Read Story (Subscription Required): *https://insurance-portal.ca/economy/pollock-to-represent-advisors-on-ontario-regulatory-committee/?utm_source=sendinblue&utm_campaign=daily_complete_202210-13&utm_medium=email*

IOSCO Takes On The Risks Of Innovation

New Guidance Tackles Risks Posed By Finfluencers, Gamification, Social Media

By James Langton, Investment Executive, October 12, 2022

https://www.investmentexecutive.com/news/from-the-regulators/iosco-takes-on-the-risks-of-innovation/?utm_source=newsletter&utm_medium=nl&utm_content=investmentexecutive&utm_campaign=INT-EN-morning&hash=6d73923380f292a40dc042b455f0fde3

Amid the rise of finfluencers, gamification tactics, and social-media marketing, policy-makers are grappling with how to address the accompanying novel risks to investors.

In a new report, the umbrella group of global securities regulators, the International Organization of Securities Commissions (IOSCO), set out its recommendations for regulators to ensure that policy and enforcement can keep up with the emerging challenges posed by the digitalization of marketing and distribution to retail investors.

In the new guidance, IOSCO said the use of gamification techniques and finfluencers that impact retail investor trading behaviour pose risks, as do other digital innovations, including complex crypto offerings that "give rise to novel regulatory and investor protection challenges, spanning the whole distribution chain."

As these changes outpace regulatory frameworks, "there is a risk that retail investors could be exposed to harmful or even fraudulent online activity," the report warned.

"Apparent risks are associated with the accrued complexity of financial products and services, the rapid pace of innovation, the ongoing gamification trends, and increasing levels and volumes of self-directed trading among retail investors, [which] may have not been accompanied by a proportionate increase in financial consumer education," the report said. Keeping up with these trends poses a "big challenge" for regulators, it said.

IOSCO said its recommendations aim to enhance retail investor protection in light of these emerging threats by providing a "toolkit" of policy measures that regulators around the world can use to address these risks, along with a set of enforcement techniques that leverage technology-based investigative tactics and powers to help ensure compliance with the rules.

The policy measures set out in the report address rules for firms' online marketing, distribution, and online onboarding, including supervision and proficiency requirements for those areas; cross-border compliance; and legal clarity for firms' internet domain usage.

The enforcement tools detailed in the report cover proactive tech-based detection and investigation techniques, and the powers that regulators need to take action against illegal online activity and misconduct. It also calls for enhanced collaboration with foreign and domestic lawmakers, and technology service providers (such as web-hosting services).

IOSCO said the report forms part of its efforts to build "trust and confidence" in markets amid new and emerging opportunities and risks, which requires an "increased regulatory focus on digital marketing and offerings" and more efficient global collaboration to ensure investor protection.

"A digital revolution is sweeping the world of finance," said Martin Moloney, IOSCO's secretary general, in a release.

"This revolution allows firms to refine the techniques they use in their digital marketing," he said. "While that innovation promises to provide investors with well-targeted information, it also creates new risks to investors via systemic targeting and unsolicited offerings, sometimes underpinned by gamification and 'finfluencer' activity that is not always helpful to investors. Digital fraudsters can hide behind a 'digital veil' that makes it difficult for regulators to locate, identify, and take action against them."

Moloney said IOSCO's policy and enforcement guidance is designed to "respond to the complex conduct challenges in today's digital world, and to achieve better financial consumer outcomes."

Saskatchewan Regulator Levies Fine For Violation Of Errors And Omissions Insurance Requirement

By Kate McCaffery, Insurance Portal, October 5, 2022

The market practices committee of the Life Insurance Council of Saskatchewan has entered into a consensual agreement and undertaking with Melchor Castro Asuncion, fining Asuncion $1,000 and imposing investigation costs after he admitted that he breached Council bylaws and *Insurance Act* regulations.

The Insurance Council, in its agreement with Asuncion, states that every business and individual which applies for or holds an insurance intermediary's license must meet and maintain financial security requirements prescribed under the province's *Insurance Act*. Specifically, they add that life, accident and sickness insurance agents must maintain and annually provide proof they hold a valid policy of errors and omissions (E&O) insurance from a Canadian licensed insurer, which provides a minimum of $1-million in coverage and $1-million in extended coverage for loss resulting from fraudulent or dishonest acts.

In addition to being sanctioned for failing to maintain E&O coverage, Asuncion is being sanctioned for failing to notify the Insurance Council upon discovering the failure to maintain the prescribed financial security requirements.

In addition to the $1,000 fine, the Council also assessed investigation costs totalling $550.

Read Story (Subscription Required*): https://insurance-portal.ca/life/saskatchewan-levies-fine-for-errors-and-omissions-coverage/?utm_source=sendinblue&utm_campaign=weekly_summary_202210-07&utm_medium=email*

OTHER CAFII MEMBER-RELEVANT INDUSTRY/BUSINESS/SOCIETAL NEWS

PolicyMe (A Canadian Premier Life Insurance Company Partner) Raises $18 Million To Scale Its Product Suite And B2B2C Distribution

Insurance Industry Leaders RGAX, Securian Financial And Siriuspoint Join Existing Investors HCS Capital And Westdale Properties And A Tier 1 Canadian Bank To Round Out The $18M Series A Funding For PolicyMe.

By *Insurtech Insights, September 23, 2022*

https://www.insurtechinsights.com/policyme-raises-18m-to-scale-its-product-suite-and-b2b2c-distribution/?utm_medium=email&utm_campaign=Newsletter%2020%20Sep%202022%20All&utm_content=Newsletter%2020%20Sep%202022%20All+CID_3eeae08994647f10fcbb4628a373f279&utm_source=Campaign%20Monitor&utm_term=Read%20More

With over $5 billion in life insurance coverage sold to date, the Canadian insurtech company will accelerate its release of new insurance product offerings, with its critical illness product slated for release in early Q4 2022. The funding will also be used to develop its B2B2C pillar; PolicyMe is set to announce several key partnerships with some of Canada's leading fintechs and employee benefits providers, launching embedded solutions that will enable access for millions of Canadians.

PolicyMe, the digital-first insurance provider on a mission to deliver simple and affordable insurance for Canadian families, today announced that it has raised $18 million CAD in Series A financing. New investors, RGAX, Securian Financial (U.S. parent company of Canadian Premier Life Insurance Company), and SiriusPoint, join existing investors HCS Capital and Westdale Properties, in the new round of funding. A Tier 1 Canadian bank rounds out the $18 million equity and debt financing which was raised in a series of tranches over the past year.

The funding will accelerate PolicyMe's development of a comprehensive suite of products that will be distributed via direct-to-consumer and B2B2C channels across large membership and employee groups. PolicyMe will also be launching its embedded solution later this year with two of Canada's leading fintechs, ahead of several other launches earmarked for Q1 and Q2 2023.

PolicyMe was founded in 2018 by Andrew Ostro, Laura McKay, and Jeff McKay, who experienced first-hand the inefficiencies that existed across the traditional life insurance valuation chain through their years in the insurance and tech industries.

At inception, the company first tackled distribution with the initial launch of its coverage calculator and price comparison platform, and then launched a fully underwritten digital product in March of last year with Canadian Premier Life Insurance Company. By eliminating inefficient underwriting and distribution costs, the digital-first product is priced 10 to 20 per cent lower than most traditional offerings. Furthermore, 84 per cent of PolicyMe's customers purchased policies without having to complete a medical exam, with most customers being able to apply and secure their policy in 20 minutes or less, a stark contrast to the traditional industry average of six weeks or more.

Since March 2021, PolicyMe has remained relentlessly focused on building a best-in-class digital experience for Canadian families, launching additional product and user experience features that enable couples to purchase coverage together and receive free life insurance for their children.

"Our proprietary technology allows us to automate many aspects of the life insurance value chain while still staying close to the customer and personalizing their experience," said Andrew Ostro, CEO of PolicyMe. "As a result, we believe we have built the best term life insurance platform in Canada, and are excited to continue pushing the industry forward with our innovative products, strong partnerships, and new distribution channels."

PolicyMe has now sold over $5B in life insurance coverage and has grown over 1,050 per cent from 2019 to 2021. With a track record of creating one of the fastest, most affordable term life insurance products in Canada, PolicyMe continues to push the envelope across both product and customer experience.

"We aren't satisfied with just providing the best life insurance experience in Canada, our mission is to improve the lives of Canadians across the entire life and health product spectrum," said Ostro. "With the support of our partners and recent funding, our roadmap for the next 12 months includes the release of additional products that will drastically raise the bar for the insurance industry in Canada."
The company is set to release a new critical illness insurance product which will cover over 40 different conditions, surpassing what other major Canadian insurers cover.

"PolicyMe continues to make huge strides in the industry, and has solidified its standing with one of the simplest and most affordable life insurance offerings in Canada," said Luis Felipe San Martin, Managing Partner of HCS Capital. "Their ability to deliver a consumer-centric product with a seamless experience puts them in an ideal spot to expand their suite of offerings and distribution channels. We're excited to be part of PolicyMe's continued success."

Since March 2020, the PolicyMe team has more than tripled its headcount to 47 and is fully remote with optional access to an office in downtown Toronto. As its product and partnership roadmaps continue to scale rapidly, PolicyMe is actively recruiting engineering, product, advisor, and growth talent.

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Airbnb Launches Travel Insurance

By Avi Ben-Hutta, Editor, Coverager, August 25, 2022

[Airbnb launches travel insurance (coverager.com)]

In January 2022, Airbnb announced the upcoming launch of a "custom-built" guest travel insurance product offering exclusive to Airbnb guests. The product was set to be launched in the spring with a "reputable insurance carrier" as the underwriter.

The product is now live for guests in the US, and the reputable insurance carrier is Generali.

Airbnb states in a post from June that over "the next few weeks," guests from other countries including the UK, Germany, Spain, Italy, Ireland, the Netherlands, Belgium, Austria, and Portugal will also be able to buy travel insurance when booking a trip, and that it plans to make travel insurance available to guests in other countries in the future.

The Generali travel insurance plan covers trip cancellation, travel delay, medical, and baggage claims.

When 'WFH' Means 'Work-From-Hotel': Workcations Are On The Rise – And The Tourism Industry Is Taking Note

Remote And Hybrid Offices Are Allowing Employees To Work From Anywhere – And For Some, That Means The Beach

By Alyssa Schwartz, Special To The Globe and Mail, September 23, 2022

https://www.theglobeandmail.com/life/travel/article-workcation-remote-work-from-hotel/?utm_medium=email&utm_source=Sightseer&utm_content=2022-10-9_9&utm_term=When%20%E2%80%98WFH%E2%80%99%20means%20%E2%80%98work-from-hotel%E2%80%99%3A%20Workcations%20are%20on%20the%20rise%20%E2%80%93%20and%20the%20tourism%20industry%20is%20taking%20note&utm_campaign=newsletter&cu_id=Ts6FwhWx6n2rSHC0x7MiReEeeFJOJkTb

Six weeks. Five countries. This summer, Erin Bury and her husband packed up their six-month-old baby and took a trip that wouldn't have been possible just a few years ago. "We had friends getting married in Tuscany and instead of just going over for the wedding, we thought why don't we extend?"

It wasn't just the fact that their infant isn't crawling yet that made this summer opportune. Bury, the founder and CEO of online will-planning platform Willful, says she wanted to test out her own "work from anywhere" policy, a trend that's blurring the lines between business and pleasure travel. Despite a push back to the office this summer for many businesses, nearly half of Canadian employers are extending remote work to attract and retain talent, according to data from the staffing firm Robert Half.

"Our trip never, ever would have been possible in past jobs, or if COVID-19 hadn't happened," Bury says. "In my previous role, I ran a marketing agency for six years and even though we had work from home policies, there was a perception it was something you did occasionally and that people working from home weren't as productive. I was not a work from home person myself."

Not only has Bury come around – Willful now subleases its Toronto office space – but her company has introduced new policies, such as greater schedule flexibility built around mandatory but abbreviated "core hours" to ensure overlap across time zones, to enable employees to collaborate while working from wherever they want. "We have someone working from Colombia right now, from Ireland, from Paris, you name it," she says.

But it's not just employers who are shifting to meet the needs of travelling staffers. For many such workers, WFH doesn't mean "work from home"; it means "work from hotel." And in the rush to become their new home – and office – both new and legacy hotel brands are moving to address their needs.

"Hotel rooms were really built for a world where we lived at home and worked at the office and just stayed overnight in the hotel room," says Will Lucas, founder and CEO of the hotel group Mint House.

"But that's not really what many of us are doing any more. The traditional hotel room becomes less and less palatable the longer you're staying there. You're going to want a kitchen, you're going to want groceries, you'll want a dedicated workspace, because instead of just sleeping and showering there, you'll need a place to actually work."

More than a quarter of employed Canadians – and 38 per cent of Gen Z workers and 35 per cent of millennials – planned to take a blended business and leisure trip, referred to as "bleisure" within the travel industry, this year according to booking engine Kayak.

But there's no one way to workcation. For nearly seven in 10 workers, such a trip typically lasts between one and four weeks, while roughly 10 per cent of trips are shorter than that, as people tack on a few extra days at a conference destination or add a couple of work days to extend a long weekend getaway. And more than 20 per cent leverage remote work policies to travel for a month or more, found a U.S. survey by Passport Photo Online.

Either way, the workcation trend means more nights away from home and heightened requirements for where you stay. Vacation home rentals once seemed a natural fit. But with the average cost of one night in a studio or one-bedroom in Toronto on Airbnb now clocking in at just $33 less (before cleaning and service fees) than a hotel, as a recent analysis by the hospitality data companies STR and AirDNA found, and social media backlash over associated fees and house rules, there's an opening for brands that can offer the best of both worlds.

"We're taking the very best elements of a traditional hotel and the very best elements of a high-end Airbnb and putting them together," Lucas says of Mint House, which has 23 fully serviced apartment-style properties in 14 U.S. cities. "It's the consistency, reliability, trust, and security that you would get in a branded hotel but combined with the comfort, amenities, and privacy that you get at an Airbnb. We call it residential hospitality."

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Mint House launched in 2017 and its leadership includes veterans of Four Seasons and Starwood Hotels and Resorts, which was acquired by Marriott in 2016. “The trend we saw coming was probably accelerated by 10 years because of the pandemic,” Lucas says.

With an inventory that includes both entire hotels and dedicated floors within residential buildings, the company focuses on technology to bridge the gap. “We power Mint House with a fully mobile and digital guest experience,” he says. “Digital check-in, keyless entry through your phone. … We have a program called Stock Your Stay so through SMS or the app you can order groceries and they’ll be in the fridge when you walk in the door. We offer live exercise classes through a partnership with Fitness Mirror in many of the rooms.” Mint House at 70 Pine, the group’s 132-suite New York City property, was the highest-rated hotel in the U.S. on TripAdvisor for 2021.

But it’s not just upstarts trying to capture this growing segment. Marriott has seen a 15-per-cent increase in stay length in suite-level rooms among bleisure travellers at its brands across Canada and it is currently trialling 13 new room prototypes at its Bethesda Design Lab, an experimental hotel adjacent to the company’s international headquarters. The hotel group has grown inventory for its vacation rental offering, Marriott Homes and Villas, from 2,000 homes to more than 76,000 since launching in 2019. Don Cleary, president of Marriott Hotels of Canada, says its Bonvoy program, one of the largest hotel loyalty programs in the world, is a big differentiator for bleisure guests because it offers ways to offset the cost of an extended trip, and the ability to connect with unique local experiences during off-work hours is integrated into the app and booking process. Ninety per cent of Homes and Villas bookings are from Bonvoy members, outpacing member bookings at Marriott’s hotel properties, Cleary says. “We’re the only one in this space where you can both earn and use Bonvoy points to book. That’s proving very popular for this mix of work and play.”

With workspaces, consistency, and convenience addressed, the resort brand Selina is focused on improving the last missing piece: community. While cost and time zone differences were cited as key challenges associated with workcations in Passport Photo Online’s survey, nearly one in five people say loneliness is a detractor from this type of travel.

At Selina’s 150 properties around the world, accommodations range from dorm-style rooms to luxury suites, targeted at Gen Zs and millennials who’ve outgrown the hostel scene. Selina co-founder and CEO Rafael Museri sees facilitating connections between guests as his brand’s biggest opportunity, even going so far as to make guests’ new friendships a key performance indicator for the company. “Over 50 per cent of our customers say they made a friend staying with us,” Museri says.

While the company has invested heavily in workspaces and WiFi delivery across its global resorts, Museri believes wellness and music programming – from full moon ceremonies and surf lessons in Costa Rica to a three-day music festival in Morocco next month – are the company’s secret sauce.

Selina is also trying out subscription models and a points credit card to make resort-hopping more seamless and cost efficient – both for solo travel or with those new friends. “Travelling to one hotel for three days and then another for three days, if I’m going to stay in hotels and work … that’s not easy to do,” Museri says. “We want to package the whole experience into one bucket.”

Canadian Companies Turning To Amenities To Lure Staff Back To Offices

By Tara Deschamps, The Canadian Press, October 9, 2022

https://globalnews.ca/news/9187637/canadians-firms-offices-amenities/

When Lightspeed Commerce Inc. staff headed back to their Montreal office this year after a pandemic hiatus, they found a space double the size of their last with a restaurant serving free meals, a smoothie bar, and a barista to craft custom drinks.

A gym and a courtyard complete with foliage and a fountain are coming soon.

"We're making it like a very unique experience and the entire office is kind of a lounging area where we want people to just feel super comfortable," said J.P. Chauvet, chief executive of the Montreal-based company software company.

Amenities aren't unusual for tech companies, which have long offered luxurious office perks for talent acquisition and retention, but they have been beefed up in recent months to lure staff back to company workspaces at least a few days a week and to entice prospective hires.

It's seen as a necessity even as remote work gains popularity in C-Suites and staffing cuts continue across the sector.

The thinking at many companies is that staff might not be keen on returning to the office without something to ease the transition — such as a splashy new space with catered lunches, room for workouts, and other perks such as childcare.
Some have even taken an extra step and welcomed staff back with a party and swag such as backpacks with enough space for a laptop.

Many have also highlighted these efforts and their Instagram-worthy digs online and in negotiations with prospective staff in the hopes that they will make the difference for top talent.

"All companies are trying to recruit and retain talent and they're trying to be as creative and as innovative as possible," said Michael Halinski, associate professor of organizational behaviour and human resource management at Toronto Metropolitan University.

"Whether that means adjusting work arrangements or adjusting benefits or perks, organizations are going to continuously try to do different things to re-invent themselves."

Lightspeed's choice to revamp its space was made early in the pandemic, when Chauvet recalls other companies stopped leasing their offices or downplayed their importance.

"We actually took the completely opposite route," he said. "We said, 'Well, let's use this time to renovate everything while everybody's out, so that when they come back, they will be wowed.'"

Most staff, who are encouraged to visit the office three days a week, have been delighted with how much more space there is for meetings and even after-work gatherings, he said.

They also like the Ketra lighting which Lightspeed installed, which creates a mood-boosting ambience based on the season, weather, and time of day.

Chauvet credits the new office with helping the company reach one of its best months for performance last year in March, the same month staff returned to the office; and he believes it will help with hiring about 300 workers in the next five weeks.

But many workers are keen on avoiding offices.

A Hired study of 2,000 tech professionals in Canada, the U.S., and the U.K. found that job seekers have preferred remote-only roles to primarily-remote or non-remote roles since June 2021.

As of June 2022, 93 per cent of job candidates surveyed preferred remote or hybrid jobs.

"Commercial offices are now having to compete against many workers who enjoy remote work due to the time savings of commuting and flexibility of working closer to where their families are and the ability to get a jog in on their lunch break," said Aaron Short, the chief executive of B-Line, a Halifax-based workplace management and security platform, in an email.

He insisted that morale and the broader culture of companies are suffering because of remote work. People are happier when they have flexibility around where they work, but also need in-person collaboration, he reasoned.

"Video conference calls and emails do not always bring out the best in people, but having a meal together does," he said.

Despite the push for remote work, Natasha Koifman is keen on keeping her office.

The head of public relations firm NKPR bought a new building on Richmond Street West in Toronto that her company will move into next summer.

She'll model the office after the Public Hotel in New York, which has an outdoor space almost like a miniature Central Park, and add a rooftop deck, lounges and, perhaps, a café.

"We're currently in the office Tuesdays and Thursdays, but my goal is for people to want to come in all the days," Koifman said.

"The goal is to create an environment that feels as cozy for them as their house does."

But amenities aren't the be-all and end-all for many workers. Some other perks are even more desirable.

The Hired study found that flexible work schedules, paid time off, health benefits, retirement plans, and performance-based bonuses were the most compelling perks a company could offer beyond compensation in 2022.

Company culture matters too, Koifman said.

She's long celebrated staff birthdays and anniversaries because she knows it makes workers feel included and valued.

"I often think I care about the people I work with, they matter to me, and so, if that's the case, then how are you demonstrating that?" she said.

"It's not just in the office space, but it's also in the everyday of how you work with your people."

'Tensions Are Definitely Increasing': How Forcing Employees Back To The Office Could Backfire

Employers Need To Remain Flexible With Their Back-To-The-Office Demands Or They Risk Losing Employees, HR Experts Say

By Ghada Alsharif, Toronto Star, October 7, 2022

Amanda felt that she had no choice but to quit her job last spring when she was diagnosed with a chronic illness at the same that she was asked to return to the office when COVID-19 cases were spiking.

The Winnipeg-based non-profit where she worked for seven years had lifted its mandatory mask requirements and Amanda, not her real name, had been diagnosed with chronic fatigue syndrome. She feared being left bed-ridden for weeks or even months if she caught COVID-19.

Nonetheless, when her workplace asked employees to come in at least twice a week, she tried it for brief period of time.

"It was extremely stressful and I was constantly worrying about my health," she said. "I was really disappointed. I know there were other people who also felt unsafe going maskless."

Despite repeatedly raising her concerns to her supervisor, nothing changed. So she found another job that allowed her to work remotely full-time.

As the government eases pandemic restrictions, employers are expecting workers to return to the office. But human resource experts are warning companies to remain flexible with their back-to-the-office demands or they risk losing employees.

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

Employers "need to recognize that people are concerned about coming back. They may be immune-compromised, or they may have immune-compromised people at home. They have very real reasons for not wanting to come back to work, so they need to respect those concerns," said Janet Candido, a human resources specialist and owner of Candido Consulting Group, which provides HR services to 125 organizations.

"Tensions are definitely increasing between employees and employers," Candido said.

She estimates that 25 to 30 per cent of employees are raising COVID-19 health concerns and some are leaving their jobs entirely.

Candido said some employers that had originally set up a transition period to ease employees back into the office now feel that the transition period is over and want their workers back in the office.
But she urges employers to be more flexible. Unemployment is low and recruiting new talent could be difficult.

"Both sides have become very entrenched in their positions and that's raising tension. Employers are finding it very hard to hire at all levels," Candido said.

To ease any brewing conflict, Candido advises employers to be compassionate and understanding of their employees' concerns. She suggests setting up mental health supports and making masks mandatory in the office at the very least.

The number of job vacancies in Canada has reached a record high of nearly one million, while the unemployment rate remains low, Statistics Canada reported.

That combination could make employees less hesitant to leave companies that implement strict back-to-work policies or that fail to address health concerns.

As companies come under pressure to offer higher compensation to staff and to recruit skilled workers, the national average base salary increase for 2023 is projected at 4.2 per cent, according to a recent survey from consulting firm Eckler Ltd.

A recent survey by productivity software company OSlash about the "great disconnect" between bosses and workers found that 60 per cent of employers said they would offer employees a hybrid work schedule if they declined to return to the office.

Only 20 per cent would let employees go back to full time remote working.

Of the 800 work-from-home employees and 200 business leaders surveyed, nearly 80 per cent of remote workers believe that their employers would fire them if they said "no" to a return-to-office mandate.

Meanwhile, 78 per cent of employees surveyed said that they would be willing to take a pay cut to continue working from home, with Gen Z respondents being the most willing to do so.

"There's a massive competition for talent for Canadian employers," said Melissa Nightingale, co-founder of management training firm Raw Signal Group.

Nightingale cautioned that forcing resistant employees to go back to their pre-pandemic lives may drive away talent at a time when companies might be short-staffed and when employees have "other opportunities that are often with direct competitors."

The global shock of the pandemic has made people much more aware that anything can change at any given time, said Shimi Kang, a clinical associate professor at the University of British Columbia's psychiatry department.

"People are rethinking their priorities including how they spend their time and their days. We're seeing this play out in the 'Great Resignation' which has people choosing a better work-life balance," Kang said.

Mental health concerns are another factor, said Kang.

"There's increased anxiety; many people are burnt out and need a break and there are these big existential questions. People lost loved ones during the pandemic or fear losing loved ones," she said.

"All of this makes people rethink how they spend their time. If the workplace isn't a place of joy and connection and performance, then there definitely would be less interest in staying there."

Read Story (Subscription Required): *How forcing employees back to the office could backfire | The Star*

UPCOMING WEBINARS AND EVENTS

In-Person/Web Seminar by McCarthy Tétrault Advance™: Major *Competition Act* Amendments Will Affect All Employers in Canada: What You Need to Know.

Dates: Monday, October 24, 2022
Time: 11:30 a.m. – 1:15 p.m. EDT

Following similar developments in the United States, Canada's federal Parliament has adopted new criminal offences making ***per se* illegal** agreements between employers to fix salaries, wages or terms or conditions of employment, or to refrain from soliciting or hiring another firm's employees. These amendments to the *Competition Act*, which will enter into force in 2023, carry severe criminal penalties, and may also trigger civil class actions for damages.

Join our market-leading Competition/Antitrust and Labour & Employment groups for a luncheon seminar to learn more about these important developments, and how to achieve compliance in your workplace.

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Note*:* The presentation will take place in our Toronto office and will be given in English only. For those participants who cannot join us in person, we are offering this program via webinar. If you are interested in this alternative, please select the appropriate option during the online registration process. All instructions and information on how to access the webinar will be forwarded a few days before the event.

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