



Communiqué

Fall 2018

What's New?

The Canadian Council of Insurance Regulators (CCIR) held its 2018 Fall Meeting in Vancouver, British Columbia, on October 4 and 5. The meeting included updates and decisions on a number of key initiatives.

Guest speakers included Mark White, CEO of the Financial Services Regulatory Authority of Ontario (FSRA), who provided an update on FSRA and the transition plans underway for implementation next year. Teresa Cooper, Market Analysis Manager at the National Association of Insurance Commissioners (NAIC) provided a presentation on market analysis tools used in market conduct supervision in the U.S. insurance industry.

Fair Treatment of Customers

On September 27, 2018, CCIR and the Canadian Insurance Services Regulatory Organizations (CISRO) released a joint guidance entitled *Guidance Conduct of Insurance Business and Fair Treatment of Customers* (FTC Guidance) ([link](#)). The FTC Guidance sets out CCIR and CISRO members' common expectations for how insurers and intermediaries conduct insurance business and ensure the fair treatment of customers. As a principles-based guidance, insurers and intermediaries have the latitude to determine how best to achieve the expected customer outcomes based on the nature, size and complexity of their activities.

Prior to releasing the guidance, CCIR and CISRO held multiple consultations with other regulatory partners and industry stakeholders, during spring and summer 2018. The Fair Treatment of Customers Working Group will continue to engage stakeholders, as the industry confirms that the principles of the FTC Guidance are reflected in everyday practices.

Annual Statement on Market Conduct

The deadline for the second year filing of the Annual Statement was May 1, 2018. All insurers that were required to file have filed. However, 13% did not file by the May 1 deadline and may be subject to regulatory action. The CCIR and its members are now assessing the data received.

CCIR is also preparing for the year 3 filing and hosted webinars in November to advise insurers of requirements and minor changes.

Segregated Funds

The Segregated Funds Working Group fulfilled its mandate by releasing a prototype disclosure document in June 2018 ([link](#)). The document, developed in consultation with the industry and tested with consumers through focus groups, provides an example for insurers of how the new requirements and regulatory expectations can be met. This prototype and the position paper that was released in December 2017 express CCIR's position and expectations regarding the new disclosures and other matters. CCIR urges insurers to implement the disclosure within the next three years.

During the summer, a Segregated Funds Working Group 2.0 was formed to carry on the work of the original Working Group. The new Working Group intends to facilitate a harmonized implementation of the CCIR Position Paper recommendations by each jurisdiction, including working with the Canadian Life and Health Insurance Association (CLHIA) on implementation timelines; overseeing the provision of alternative disclosure to segregated fund clients by insurers who face potential "legacy" system obstacles; and analyzing and engaging with the Canadian Securities Administrators (CSA) on initiatives that would impact segregated funds.

2018 Stakeholder Dialogue

CCIR's Annual Stakeholder Dialogue was held on October 25, 2018 in Toronto, Ontario. These stakeholder meetings provide industry members an opportunity to discuss current and emerging issues of common concern. Regulatory harmonization, fair treatment of customers, technology and increasing occurrence of natural catastrophes were some common themes.

Next Meeting

The CCIR's 2019 Winter Call will take place on January 24, 2019.