



Communiqué

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Fintech Working Group

Background

Fintech has been identified as an emerging issue for the financial services sector, both by stakeholders and regulators. Several of Canada's financial services regulators have already established fintech initiatives in order to better understand new technologies and products, monitor developing issues and ensure the right balance between innovation and consumer protection.

As part of its 2017-2020 Strategic Plan, the CCIR agreed to pursue a co-operative approach to fintech and work with other regulatory authorities in order to develop a framework for coordinated research, information sharing and the regulation of emerging technologies.

In 2017, CCIR established a Fintech Working Group to pursue its strategic objective to keep abreast of Fintechs and emerging technologies both internally amongst members as well as externally with other regulatory authorities here and abroad. Representatives of the Canadian Insurance Services Regulatory Organizations (CISRO) also participate in the Working Group. The Working Group keeps track of new and notable Fintechs in each jurisdiction in Canada as well as looks at the regulatory approach to emerging technologies, in other jurisdictions around the world.

Objectives

Over the next two years, the CCIR Fintech Working Group will be working on two main initiatives: a CCIR Fintech/Insurtech Advisory Hub and an issues paper on autonomous vehicles. Two sub-working groups have been established to carry out these initiatives.

Initiatives

The CCIR Fintech/Insurtech Advisory Hub (Advisory Hub)

The Advisory Hub will serve as a portal for interested entities to seek and obtain clarification on what would be required for them to operate or provide their innovative insurance products or services in one or more jurisdictions across Canada.

Through the CCIR Advisory Hub, new Fintech/Insurtech entities

as well as incumbents (insurers and distribution firms) that are developing or planning to develop innovative products and services that may affect the insurance sector, will receive advice and guidance on Canadian regulatory/licensing requirements.

The Advisory Hub will not offer pre-market testing. It aims at facilitating the emergence of innovative products and services within the actual rules and legal environment. The main purpose will be multi-fold, to provide:

- increased visibility of the regulated insurance sector, to Fintechs and other entities wishing to develop innovative products and services;
- a common access point to all jurisdictions, especially for those without a distinct fintech program, giving ease of access to all regulators, for Fintechs and other entities and;
- an initial resource for entities to get clarification and direction about the insurance sector and regulations, prior to any launching in individual jurisdictions.

The Working Group expects to launch the Advisory Hub in Fall 2019.

Issues paper on autonomous vehicles

The arrival on the road of autonomous, semi-autonomous and even connected vehicles is one of the main factors likely to disrupt the automobile insurance industry. The automation of vehicles raises a host of questions and risks. In response to this new reality, Canada will have to consider regulatory amendments, in particular to the various *Automobile Insurance* related Acts as well as to the concepts of liability.

The Working Group will determine the current limitations of the laws regarding autonomous vehicles and insurance, which will also help to identify future regulatory needs and stakeholders who will need to be involved in the process. The Working Group will also monitor the development of autonomous vehicles usage and different approaches or business models.

The Working Group intends to consult with stakeholders to identify possible outcomes and expects to publish an issues paper in Spring 2020.