



Communique

Fall 2019

What's New?

The Canadian Council of Insurance Regulators (CCIR) held its Fall Meeting in Winnipeg, Manitoba, on September 26 and 27.

This included the first joint meeting with members of the Canadian Insurance Services Regulatory Organizations (CISRO), to discuss issues of common interest. Direct engagement with other regulatory bodies in the financial services sector builds regulatory capacity and enhances the efficiency and effectiveness of the regulatory framework in Canada.

CCIR Members welcomed Blair Morrison, CEO, BC Financial Services Authority (BCFSA). The BCFSA replaced the Financial Institutions Commission (FICOM) as British Columbia's integrated regulator of credit unions, insurance companies, trust companies, pension plans and mortgage brokers as well as the administrator of the Credit Union Deposit Insurance Corporation (CUDIC), on November 1.

Alister Campbell, President and CEO; Grant Kelly, Vice-President Financial Analysis and Regulatory Affairs; and Ian Campbell, Vice-President Operations of the Property and Casualty Insurance Compensation Corporation (PACICC) provided a presentation on coverage and benefit limits.

Financial Sector Assessment Program (FSAP)

In June 2019, the International Monetary Fund (IMF) published the 2019 FSAP report for Canada. During the assessment, the IMF discussed with CCIR that significant progress has been made in market conduct oversight in the insurance sector, particularly with respect to CCIR's Memorandum of Understanding and Protocol on Cooperation and the Exchange of Information, Annual Statement on Market Conduct, and the jointly issued CCIR/CISRO Guidance on Conduct of Insurance Business and Fair Treatment of Customers.

While the IMF acknowledged the high quality of financial sector oversight, it also found that, "cooperation between federal and provincial authorities should be further improved, supported by additional memorandums of understanding (MoUs)" and CCIR continues to work with other regulators on this matter.

Joint CCIR/CISRO Meeting

Members of CCIR and CISRO met formally for the first time and discussed items of common interest, including, travel insurance, fair treatment of customers (FTC), Fintech, segregated funds and each organization's strategic plan. The Executive Committees of CCIR and CISRO will discuss the timing of future joint meetings and opportunities for continued collaboration.

Fair Treatment of Customers (FTC)

The Fair Treatment of Customers Working Group (FTCWG) released its inaugural [communiqué](#) on November 4 highlighting discussions with stakeholders and responding to specific questions about the FTC guidance.

The FTCWG has engaged industry representatives, from both the manufacturing and distribution sides, to learn about compensation and incentive structures. Industry has volunteered to help the FTCWG better understand the schemes currently in market.

The Canadian Securities Administrators (CSA) published its Client Focused Reforms on October 3. The FTCWG intends to review the reforms, including the additional guidance on conflicts of interest related to remuneration and incentives, and assess their pertinence to the insurance sector in the context of other FTCWG activities and industry initiatives.

Segregated Funds

The Segregated Funds 2.0 Working Group is working towards facilitating a harmonized implementation of the recommendations from the updated (June 2018) CCIR Position Paper. CCIR has engaged the Canadian Life and Health Insurance Association (CLHIA) in this exercise to ensure an adequate transition for insurers.

Some of the recommendations include full cost disclosure and CCIR released a prototype document last year, providing an example for insurers of how the new disclosure requirements can be met. CCIR is working with the CLHIA on next steps for cost disclosure for segregated funds products.



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Annual Statement on Market Conduct

In preparation for the year 4 filing of the Annual Statement on Market Conduct (ASMC), CCIR hosted consultations and information sessions with the industry in the spring to review the 2019 ASMC. Based on feedback received from stakeholders, minor changes have been made to the 2019 ASMC. CCIR has also undertaken a robust review of the 2020 ASMC, considering the feedback received, ensuring that relevant data is being collected, and reducing regulatory burden where appropriate.

In early November, a PDF version of the 2019 ASMC form was made available to insurers on the Autorité des marchés financiers (AMF) website, with a [link](#) from the CCIR website.

CCIR is hosting information sessions in November to present the most recent changes to the 2019 ASMC as well as the proposed changes to the 2020 ASMC. Insurers will have an opportunity to provide feedback on the 2020 ASMC.

CCIR is also reviewing the 2018 data quality to determine how best to proceed with sharing industry wide-results and trends.

2019 Stakeholder Dialogue

CCIR's Stakeholder Dialogue was held on November 5th Toronto, Ontario. As CCIR's current plan (2017-2020) expires on March 31, 2020, the meeting was exclusively focused on CCIR's draft 2020-2023 Strategic Plan. Invited stakeholders provided feedback on CCIR's proposed priorities and initiatives. The final 2020-2023 Strategic Plan will be informed by these stakeholder discussions.

Next Meeting

The CCIR's 2020 Winter Call is scheduled to take place on January 23, 2020.