



Strategic Plan 2020-23

Overview

In the spring of 1914, insurance superintendents from the four western provinces met in Calgary, “to discuss ways and means to secure uniformity in the laws relating to contracts of insurance.” The meeting led to the formation of the Association of Western Superintendents of Insurance, which, by 1917, developed into the Association of Provincial Superintendents of Insurance of the Dominion of Canada.

Over the following decades, the association expanded to include all of the provinces and territories and the federal Office of the Superintendent of Financial Institutions. In 1989, it took on its current name: the Canadian Council of Insurance Regulators (CCIR).

For over 100 years, CCIR has adapted to changes in the regulatory landscape. Throughout its history, it has been at the forefront of promoting consistent regulatory approaches across jurisdictions and leading the way for reforms to protect consumers and to maintain confidence in the insurance sector. Building upon its strong foundation, the CCIR remains committed to working with industry to meet the challenges and seize opportunities presented by a rapidly changing marketplace.



Message from the Chair



On behalf of the members of the Canadian Council of Insurance Regulators (CCIR), it is my pleasure to present CCIR's 2020-2023 Strategic Plan.

Significant regulatory transformation has been underway in Canada over the last three years, culminating in the formation of the Financial Services Regulatory Authority of Ontario (FSRA) and the BC Financial Services Authority (BCFSA). We were pleased to welcome both FSRA and BCFSA as members of CCIR as we developed this new Strategic Plan.

As each jurisdiction in Canada has its own regulatory approach to the conduct of business based on its unique culture, traditions and legal regime, the CCIR plays an essential role in promoting information sharing and regulatory cooperation through the development and enhancement of supervisory partnerships. This was most recently demonstrated as the CCIR was able to bring together members and industry to monitor and respond to issues arising from the COVID-19 pandemic. When appropriate, CCIR will continue to demonstrate leadership in the development and enhancement of supervisory partnerships.

Our collaborative work with the Canadian Insurance Services Regulatory Organizations (CISRO) to develop the CCIR/CISRO Guidance on the Conduct of Insurance Business and Fair Treatment of Customers (joint FTC Guidance), a key deliverable of our last Strategic Plan, demonstrates the value of these supervisory partnerships to regulators and industry alike.

Modelled after the international standards for insurance regulation, the joint FTC Guidance reflects the specifics of the Canadian insurance market and is a resource for all insurance market participants as they interact with customers. The joint guidance is principles-based, clarifying regulatory expectations while providing insurers and intermediaries with the necessary latitude to determine how best to achieve the expected customer outcomes based on the nature, size and complexity of their activities.

As in the past, the development of this Strategic Plan benefited from engagement with and the insights of key industry stakeholders. With many challenges and opportunities prominent, particularly those arising from technological innovations and climate change, effective engagement between regulators and industry is the best foundation for a dynamic marketplace.

CCIR's new Strategic Plan reflects our continued commitment to collaboration, cooperation and information sharing, which are essential pillars to achieving efficient and effective regulatory supervision, supporting innovation in the industry and enhancing the fair treatment of customers.

Patrick Déry, Chair

Mandate

The CCIR is a forum for Canadian insurance regulators to strengthen regulatory oversight of the Canadian insurance industry.

Vision

To regulate effectively by being responsive to market changes, promoting consumer protection and enhancing confidence and stability, while enabling transformation in the Canadian insurance marketplace.

Mission

We work collaboratively to find solutions to common regulatory issues, increase cooperative supervision, consider international standards and promote harmonization in conjunction with financial services regulators, policy makers and stakeholders.

Values

Organizations are driven by the shared values of their members. We have a shared commitment to:

- Cooperation
- Accountability
- Leadership
- Responsiveness
- Respect
- Integrity
- Accessibility
- Creativity
- Innovation



Structure

The CCIR functions through a secretariat, standing committees and working groups, operating under the direction of the CCIR Executive Committee:

Chair

Mr. Patrick Déry

Superintendent of Solvency, Autorité des marchés financiers - Québec

Vice-Chairs

Mr. Robert Bradley

Superintendent of Insurance, Department of Justice and Public Safety - Prince Edward Island

Mr. Frank Chong

VP and Deputy Superintendent, Regulation, BC Financial Services Authority - British Columbia

Mr. Huston Loke

Executive Vice President, Market Conduct, Financial Services Regulatory Authority - Ontario

Mr. J. Scott Moore

Superintendent of Financial Institutions, Financial Institutions Regulation Branch - Manitoba

The CCIR Secretariat is responsible for coordinating, monitoring and reporting on all CCIR projects and policy initiatives as well as administering CCIR activities, including strategic planning and budgeting. It also provides project management support to CCIR strategic initiatives.

Approach

- We coordinate our regulatory activities and share information.
- We conduct ongoing research and gather market intelligence.
- We actively engage with our stakeholders to understand key issues, as we develop and recommend policies to our members.

Strategic Themes

To enhance the regulatory framework and regulatory practices in Canada, CCIR intends to remain focused on the advancement of consumer protection and interests, enhancing collaboration and cooperation among regulators and fostering effective relationships with industry stakeholders. In setting our overall direction and strategic priorities for the next three years, CCIR considered the following key strategic themes in the insurance sector:

Technological Innovation

The need persists for appropriate supervision of processes, products and institutions in an evolving insurance marketplace characterized by accelerating innovation, shifting consumer demands, new products, and related vulnerabilities including cybersecurity. Advancements in other markets, such as the development of autonomous vehicles and advances in bioscience, may alter that traditional insurance product.

Climate Change and Natural Catastrophes

The large-scale and long-term nature of this issue poses significant financial challenges as well as opportunities. Federal, provincial and territorial governments have made progress in implementing the 'Pan-Canadian Framework on Clean Growth and Climate Change'. Insurance companies, investment managers and asset owners have an important role to play in providing better climate-related financial disclosures.

Conduct and Culture

As the financial landscape has changed, so has the industry's engagement model with the consumer as well as the regulator. Both industry and regulators are taking a new look at risk and compliance activities, ranging from a focus on regulatory burden to the impact of corporate culture on risk taking and the fair treatment of consumers.

Strategic Priorities

CCIR is committed to three strategic priorities, each of which is focused on consumers, regulators, and industry:

- Build upon cooperative supervision in alignment with international standards to enhance consumer protection.
- Work collaboratively with regulatory partners to grow and leverage national regulatory capacity.
- Partner with industry stakeholders to identify opportunities to increase regulatory and supervisory harmonization where feasible and appropriate.

In order to pursue our strategic priorities, we will work with stakeholders on new and continuing initiatives over the next three years:

#	Strategic Priority	Initiatives
1.	Build upon cooperative supervision in alignment with international standards to enhance consumer protection	<p>1.1 Fair Treatment of Customers</p> <p>1.1.1 Measure the fair treatment of customers through the principles outlined in the <i>Conduct of Insurance Business and Fair Treatment of Customers</i> (FTC Guidance).</p> <p>1.1.2 Continue monitoring of regulatory developments, internationally and in other financial services sectors, and evaluate their impact on and appropriateness for the insurance regulatory framework and industry implementation of the guidance principles.</p>

#	Strategic Priority	Initiatives
		<p>1.1.3 Research current industry incentive programs and their alignment with the FTC Guidance and assess whether additional guidance is required.</p> <p>1.2 Segregated Funds</p> <p>1.2.1 Facilitate a harmonized implementation of the Position Paper recommendations, address challenges with “legacy” systems, and follow up on alignment of requirements with mutual funds.</p> <p>1.3 Consumer Awareness and Understanding of Risks and Coverages Related to Natural Catastrophes</p> <p>1.3.1 Building on 2017 CCIR Findings Report and Position Paper, assess consumer awareness and increase consumer understanding of the risks related to natural catastrophes, preparedness and opportunities to mitigate these risks, insurance options and coverages as well as the features of disaster relief programs.</p>
2.	<p>Work collaboratively with regulatory partners to grow and leverage national regulatory capacity</p>	<p>2.1 Cooperative Approach to Financial Services and Insurance Technology</p> <p>2.1.1 Work with regulatory authorities across sectors to develop a framework for coordinated research, information sharing and the regulation of emerging technologies.</p>

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		<p>2.1.2 Develop an electronic commerce framework to share information, coordinate research and propose approaches to the regulation of emerging technologies and security of private information in a digital environment.</p>
3.	<p>Partner with industry stakeholders to identify opportunities to increase regulatory and supervisory harmonization where feasible and appropriate</p>	<p>3.1 Harmonization Opportunities</p> <p>3.1.1 Work with industry stakeholders to identify specific differences of import within the regulatory framework and work toward greater consistency in approach and/or harmonization across jurisdictions.</p> <p>3.1.2 Partner with industry to develop, finalize and monitor progress when implementing of initiatives such as the FTC Guidance, annual statement on market conduct, Fintech and travel insurance.</p>

Standing Committees

In addition to the above initiatives, CCIR will continue to partner with various stakeholders, through the work of the following Committees:

- **Cooperative Supervision Oversight Committee (CSOC)**

CSOC oversees the Memorandum of Understanding and Protocol on Cooperation and the Exchange of Information (MOU) and the Framework for Market Conduct Supervision in Canada. This includes oversight of CCIR's cooperative supervisory plans and activities, guided by the Insurance Core Principles (ICPs) established by the International Association of Insurance Supervisors (IAIS). The committee may also lead cooperative supervision activities where emerging issues are examined on a thematic and or insurer basis.

CSOC manages the collection of information and reporting through the Annual Statement on Market Conduct (Annual Statement), revising the Annual Statement data reporting requirements and reports as necessary (working with CCIR members, working groups and committees to identify beneficial changes and areas for data collection). CSOC manages the relationship with the data services provider and oversees the sharing of information among CCIR members regarding the jurisdictional usage and validation of market conduct data.

- **OmbudServices Oversight Standing Committee (OOSC)**

CCIR is responsible for ensuring that third party dispute resolution systems in the insurance sector, including General Insurance OmbudService (GIO) and the OmbudService for Life and Health Insurance (OLHI), fulfill the public interest objectives of complaint resolution as an important component of a well-functioning consumer protection policy framework.

- **Assuris/Property and Casualty Insurance Compensation Corporation (PACICC) Committee**

In accordance with the governance bylaws of both Assuris and PACICC, the compensation corporations for life and general insurers respectively, any regulator may oppose a proposed bylaw change. The CCIR Assuris-PACICC Committee, through enhanced engagement with Assuris and PACICC, will ensure that proposed changes are reviewed on a timely basis and all regulators have the information they require to make appropriate decisions.

- **Forms Committee**

The Forms Committee is charged with updating as required the annual and interim return forms and instructions for both P&C and Life required from every insurer registered in Canada.

- **Capital Requirements Information Committee**

The Capital Requirements Information Committee is charged with sharing information regarding developments in regulatory capital requirements.

CCIR Secretariat

- **Powers of Attorney and Undertakings (PAUs) Repository**

The CCIR Secretariat maintains and provides access to the repository of PAUs filed by insurance companies all over North America. This function means that insurers filing PAUs with respect to private automobile insurance do not have to file that document in each province or territory the policyholder might visit.

Members of the Canadian Council of Insurance Regulators

