



# Communiqué

## Special Edition Spring 2020

### COVID-19

The COVID-19 pandemic and emergency response measures have affected consumers and the operations of the insurance industry.

In March, the Canadian Council of Insurance Regulators (CCIR), with representation from the Canadian Insurance Services Regulatory Organizations (CISRO), formed a working group to coordinate engagement with the industry and support the development of consumer-focused solutions to issues arising from the pandemic.

Weekly touch points have already taken place with the Canadian Life and Health Insurance Association (CHLIA) and the Insurance Bureau of Canada (IBC). Insurance provides essential protections to individuals, households and businesses, and it is imperative in these extraordinary times that consumers continue to be treated fairly. The insurance industry has affirmed its commitment to these principles. Several insurers have implemented relief measures to help consumers experiencing financial difficulties. CCIR supports these initiatives and encourage insurers to pursue them wherever possible and to communicate them in a timely manner to their customers.

### What's New?

CCIR held its Winter Call on January 23, 2020.

CCIR Members welcomed Sherri Wilson, Superintendent of Insurance, Alberta Treasury Board and Finance. Effective January 6, 2020, Ms. Wilson replaced Darren Hedley as the new CCIR member for Alberta. Due to temporary portfolio reassignments related to the COVID-19 pandemic, David Mulyk, acting Assistant Deputy Minister, is currently representing Alberta.

CCIR's in-person spring meeting in Montreal, scheduled from April 2 – 3, 2020, was adapted to a one-day afternoon teleconference to adhere to government health advisories.

### 2020-23 Strategic Plan

The 2020-23 Strategic Planning Committee concluded its work by presenting a new strategic plan to CCIR. The Committee surveyed its members for input towards CCIR direction over the next three years. CCIR also received valuable feedback and incorporated many of the responses from the Stakeholder Dialogue meeting in November 2019.

CCIR Members adopted the plan, which became effective as of April 1<sup>st</sup>, 2020.

The 2020-23 Strategic Plan is available on the CCIR website.

### Facility Association Committee

The mandate and responsibilities of the FA Committee were discussed at the winter teleconference and CCIR decided to wind down the committee. In February, the General Statistical Insurance Agency (GISA) assumed the oversight responsibilities within their structure.

### Condo/Strata Insurance

Since the fall of 2019, the strata corporation property insurance market in many jurisdictions, particularly in British Columbia (BC), has undergone an abrupt pricing correction that has seen insurers significantly increase strata property insurance premiums and deductibles. Some strata corporations are struggling to find coverage.

The BC Financial Services Authority (BCFSA) is working with relevant provincial ministries, councils, authorities, and market representatives to understand the size and scope of the issue. As part of this process, BCFSA has issued a series of data calls to help clarify the underlying issues pressuring the market.

The CCIR is monitoring developments closely.



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## Segregated Funds

The Segregated Funds 2.0 Working Group received member approval to work towards facilitating a harmonized implementation of the recommendations from the updated (June 2018) CCIR Position Paper. CCIR will engage the Canadian Life and Health Insurance Association (CLHIA) in this exercise to ensure a smooth transition for insurers.

## Fair Treatment of Customers (FTC)

Since the release of the joint CCIR/CISRO *Conduct Of Insurance Business And Fair Treatment Of Customers* guidance (FTC Guidance) in September 2018, the Fair Treatment of Customers Working Group (FTCWG) continues to meet regularly with industry as the principles are incorporated in business practices.

The FTCWG is actively engaging industry representatives, from product manufacturing and distribution, to examine the alignment of compensation and incentive structures with the principles of the FTC Guidance.

The FTCWG is also reviewing the Client Focused Reforms (CFR) released by the Canadian Securities Administrators (CSA) and is assessing the pertinence of the CSA's CFR to the insurance sector.

## Fintech Working Group

The Autonomous Vehicles (AV) Sub-Working Group sent out a survey in February on the AV landscape to government and industry association stakeholders. The sub-working group is analysing the results in advance of preparing an issues paper.

The Advisory Hub Sub-Working Group will launch the CCIR-CISRO Fintech/Insurtech Advisory Hub web pages in spring 2020, which will be accessible through both the CCIR and CISRO websites.

## Assuris/PACICC Committee

Following the presentation at the 2019 fall meeting by the Property and Casualty Insurance Compensation Corporation (PACICC), the CCIR subsequently received proposed changes to PACICC's Memorandum of Operation on coverage and benefit limits.

The changes are now in effect and increase the limits of selected coverages. Member jurisdictions were requested to review the changes and provide feedback and/or comments to PACICC. CCIR did not have any objections to the proposed changes.

## Electronic Proof of Insurance

The Government of Northwest Territories is the latest jurisdiction to permit the use of electronic proof of automobile insurance (EPAI). Other jurisdictions that permit EPAI are Quebec, Ontario, Nova Scotia, Newfoundland and Alberta.

## Travel Insurance Working Group

Since the release of the 2017 Travel Insurance Position Paper (Position Paper), CCIR has been actively engaged with industry to ensure consumers are being treated fairly while industry enhances its practices regarding travel insurance. Travel insurance remains a very important insurance product for Canadians and its importance has been highlighted with the recent issues related to COVID-19.

CCIR has increased its level of engagement with the travel insurance providers to ensure that during this time when Canadian travelers have faced even more uncertainties and issues while traveling they are being protected. CCIR has committed to continue this engagement with industry throughout this crisis, and post-crisis as travel restrictions begin to ease.

## Next Meeting

The CCIR's summer teleconference is scheduled to take place on Thursday, June 18, 2020.