



August 25, 2016

Canadian Council of Insurance Regulators (CCIR)
Secretariat
5160 Yonge St., P.O. Box 85
Toronto, ON, M2N 6L9

ccir-ccrra@fsco.gov.on.ca

Re: CCIR's July 12, 2016 "Draft Annual Statement on Market Conduct"

CADRI is a trade association representing insurance companies that offer automobile, home and commercial insurance products to Canadians on a direct basis. Whether through the web, on the phone or face-to-face, CADRI members provide end-to-end service and are in direct relationships with their customers through all steps of the sales and service process. www.cadri.ca

CADRI appreciates the opportunity to provide feedback on CCIR's *Draft Annual Statement on Market Conduct*.

In principle, CADRI welcomes measures that will increase harmonization and eliminate the need for our members to provide information to multiple regulatory authorities. In addition, we are supportive of activities that will assist regulatory bodies, CCIR members among them, to be better informed about insurer activities and market practices. We commend the CCIR on its collaborative work and recognize the value of its members having the information they need in a timely manner.

We would like to refer CCIR to our previous submission, dated December 14, 2015, wherein we focused on two areas of concern:

- Enabling the CCIR to meet its goals, and
- Protocols to protect proprietary information.

We have reviewed the July 12, 2016 *Draft Annual Statement on Market Conduct* in detail. Having done so, we would like to assist the CCIR in making the collection of annual data as focused and effective an exercise as possible. For instance, we embrace the principles of fair treatment of consumers as described by the International Association of Insurance Supervisors. If the consequence of the CCIR's process is to raise the bar for our industry on the fair treatment of customers, that would be a win for both consumers and the industry.

However, we are concerned about the administrative burden that the July 12, 2016 *Draft Annual Statement on Market Conduct* collection of the data will place on our members, and whether the data requested will enable the CCIR to meet its goals. As it stands today, the CCIR's approach is very different from the way the industry collects and uses data. Providing the information as presented, will require generation of data in formats not usually used by members, and may mean that some of the data the CCIR is requesting will not be available in the first, and, possibly, the second year of collection.

In this context, we would like to propose that CCIR reconsider its current approach requiring each licensed entity within a group to complete an annual statement. This would see our members undertake a significant administrative effort to provide multiple statements. An effort which offers no apparent benefit to either the regulators or customers, particularly when the regulators' stated intent is to identify trends within the industry – a task that requires aggregate data. The typical customer relationship is with a group, not a licensed or legal entity. For example, the AMF research on cyber security accepted a single survey submission for a group as long as all the legal entities were named. Given the amount of data currently being requested, and the work it will take to separate it, we strongly suggest the CCIR reconsider this requirement.

CADRI continues to be interested in learning about the CCIR's protocols for proprietary information. *Access to Information* legislation exists across the country. While the spirit of those laws is consistent, the exact language and implementation of each regime is not. From time to time, an insurer may provide sensitive data to regulators in the course of an audit. The information is shared in situ, discussed, but retained by the insurer. The design of the current statement anticipates the collection of some new and competitive information. CADRI is interested in assurances about how that information will be used and by whom, as well as the protocols CCIR would have in place to ensure that data is handled in such a way as to retain the confidentiality of its source.

On a technical matter, CADRI is interested in whether the Facility Association/risk-sharing pool is covered by the survey. A confirmation or refutation would be appreciated.

Once again, CADRI appreciates the opportunity to work with CCIR to increase its access to relevant data, available in a timely fashion. We look forward to working with you to refine the proposed approach so that it can best meet CCIR's members' needs.

Yours sincerely,



Alain Thibault,
CEO & Chairperson

cc: CADRI Board of Directors