



Members' Update

The Assuris Members' Update provides articles and papers on key industry issues as well as insights on regulatory news, global perspectives and Assuris updates.

Issue 6 - December 2023

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Assuris - Protecting Policyholders

Paul Petrelli
President & CEO, Assuris

If you are fortunate enough to be a homeowner, you have probably faced the always unexpected and dreaded failure of some critical part of your home's infrastructure. You know, like that time the furnace refused to start on the first really cold day of the year. What do I do? Who do I call? What happens now?

Fortunately, these problems don't happen very often, which is why we forget how to deal with them. Insurance company failure is a little like that. It doesn't happen often (but does happen sometimes!) and we can easily forget what to do and how to do it.

This is where Assuris comes in. We are always ready to deal with the failure of a Canadian life and health insurance company. It's our job! And it's one of the ways we make sure that policyholders are protected in the rare case that a life and health insurer fails.

Okay, so what exactly does happen if my life and health insurer fails?

Every life and health insurer in Canada is regulated by a prudential supervisor at the federal or provincial level. If a life and health insurer gets into trouble, you can rest assured that the regulator and Assuris will have been talking to each other about that company. The regulator's job is to help the company correct and recover from its problems, and usually they are very successful in doing just that! But sometimes a company will fail despite the company's and the regulator's best efforts to prevent it.

While the company and the regulator are working on recovery, Assuris will have started to plan for the best way to resolve a potential failure. Our focus is always on protecting policyholders and minimizing the cost of failure, so we will develop a good understanding of the value of the failed company, the problems we may face in resolving it, and strategies for the best resolution, such as how best to sell the failed company's policies to another strong and healthy life and health insurance company.

The regulator will decide if and when the company just can't be saved. At that point, the regulator will put the company under court protection and the court will appoint a liquidator, who is usually an insolvency restructuring professional, to oversee the resolution of the failed insurer. Assuris will work closely with the liquidator and the court to ensure that policyholder benefits are protected up to Assuris' protection levels.

The first thing that often happens is that Assuris and the liquidator will sign a loan agreement, where Assuris will promise to lend enough money to the liquidator so that the liquidator can continue to make payments on policyholder claims (e.g. the death benefit on a life insurance policy, or retirement income payments under an annuity, or disability payments under a long term disability policy) for the time it takes to finally resolve the failed insurer. Assuris maintains a \$200 million liquidity fund for this and can raise a further approx. \$2.5 billion from the life and health insurance industry if needed. That's a lot of fire power to make sure that policyholder benefits will not be disrupted while things are getting sorted out!

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Assuris and the liquidator then get to work assessing the value of the company's assets and the cost of the debts it owes, including the promised benefits to policyholders under their policies. If the company does not have enough assets to pay for all the policyholder benefits it has promised, then Assuris will top up the assets supporting policyholder benefits to Assuris' protection levels. The funds for this top up come from Assuris' member companies in the life and health insurance industry.

Usually, the best way to finally resolve the failure of a life and health insurance company is to sell or transfer all the policyholders' policies to a strong life and health insurer. This will cause the least amount of disruption to policyholders. Assuris and the liquidator will work together to find a home for the failed insurer's policies, and the court will also have to approve any transfer.

So that's what happens if a Canadian life and health insurance company fails. If you don't remember anything else after reading this, just remember that policyholders are well protected by Assuris through the whole process. We've got your back!

Now if only I could get some help with that furnace...



Paul joined as the President & CEO of Assuris in 2021, bringing extensive experience from over 20 years in the life and health insurance industry, having held various leadership positions at Sun Life.

Paul is passionate about the value of sound financial planning and the critical role of life and health insurers in helping to protect the life, health, and wealth of Canadians. He is proud to be part of a dedicated team ensuring the financial security of Canadians.

As President & CEO, Paul is a member of Assuris' Board of Directors.

Assuris – Taking Stakeholder Engagement to the Next Level

Adrien Bonhomme
Director, External Relations, Assuris

Hello!

I am thrilled to introduce myself as the new Director, External Relations at Assuris. As a member of the communication team, I will be your point of contact for information about Assuris and its protection. I will be working with our stakeholders, focusing on financial advisors, member companies, industry partners, associations and the other Canadian compensation plans.

Our member life and health insurance companies are a key audience that can help us to broaden our reach and educate policyholders and financial advisors through established communication networks. My priority will be to develop and strengthen our relationships, and work with our member companies to seek insights and expertise on how to best support them.

I will also focus on establishing and growing our network of financial advisors including independents and MGAs. Financial advisors are a key stakeholder, as they are conduits for providing relevant and accurate information about Assuris to Canadian policyholders and financial consumers. By raising the awareness of – and affinity for – the Assuris brand among financial advisors, there is an opportunity to leverage the point of sale to educate Canadian policyholders about the Assuris value proposition.

Did you know that Assuris has a toolkit available for financial advisors?

Life and health insurance products can be difficult for consumers to understand, and this is where financial advisors play an important role. At Assuris, we want to support financial advisors to provide peace of mind and help their clients in making the best decisions for themselves and for their families and their businesses as they move through life.

The [FA Toolkit](#) provides everything financial advisors need to talk to their clients about Assuris' policyholder protection:

- ▶ CE eLearning course with Assuris higher protection levels
- ▶ Printable and downloadable Assuris brochure
- ▶ "Insurance means security" one-pagers about life insurance, health insurance and insurance-backed savings and investment products
- ▶ "Assuris means security" graphic for your client presentations or other sales materials
- ▶ Ready-to-share social media messages and graphics
- ▶ Website shortcuts, including the links to videos and to other useful resources for policyholders.

Be sure to share this with your sales network!

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And finally, I will be looking for opportunities to deepen and leverage our strong relationships with industry partners, associations and other protection plans in Canada.

Please reach out to me anytime at abonhomme@assuris.ca. I look forward to connecting and working together!

Adrien Bonhomme



Adrien Bonhomme joins Assuris as the Director, External Relations, responsible for developing, executing and evaluating the communication plan supporting and engaging financial advisors and member companies.

Most recently, Adrien worked at Manulife as the Marketing Director where he led the development and implementation of marketing strategies for advisor and customer-facing campaigns, including the launch of Manulife Vitality – Manulife’s behavioural insurance program. Adrien holds a Master’s Degree in Marketing and Communication from France and moved to Toronto in 2008.

Looking Back at Financial Literacy Month

In the ever-evolving world of personal finance, staying informed is essential. Financial literacy empowers individuals to make informed decisions in order to secure their financial futures and protect their loved ones.

In November, during Financial Literacy Month, Assuris shared information and resources to help Canadians build their knowledge about life and health insurance as a key component of any financial plan.

Here are some of the highlights:

“Women in Finance” Podcast Series

Assuris distributed a new podcast series, “Women in Finance” featuring insightful conversations with three influential women who have made their mark in Canada’s finance sector.

We were honoured to spotlight the achievements and capture the wisdom of remarkable leaders:

- ▶ Toni Ferrari, President & CEO, Canadian Investor Protection Fund (CIPF)
- ▶ Leah Anderson, President and Chief Executive Officer, Canada Deposit Insurance Corporation (CDIC)
- ▶ Jacqueline Friedland, Executive Director, Risk Assessment and Intervention Hub, Supervision Sector, Office of the Superintendent of Financial Institutions (OSFI)

The Assuris Podcast - Let's Talk Life... Insurance

WOMEN IN FINANCE

PODCAST SERIES

Listen to some of our top podcasts:



Toni Ferrari
President & CEO,
Canadian Investor
Protection Fund (CIPF)



Leah Anderson
President and Chief Executive
Officer, Canada Deposit
Insurance Corporation (CDIC)



Jacqueline Friedland
FCIA, FCAC, FSA
Executive Director, Risk Assessment and
Intervention Hub, Supervision Sector,
Office of the Superintendent of
Financial Institutions (OSFI)




Each of these women chatted with Josée Rheault, Executive Vice President, Operations, Assuris, about their careers in the financial sector and their thoughts on the importance of financial literacy and financial planning.

Listen to the series here: <https://assuris.ca/i-am-a-financial-advisor/podcasts/>.
(Recordings available in English only. Transcripts available in English and French.)

Finance Protection Video - collective strength of the financial services protections

Assuris was pleased to share a short video developed by Canada Deposit Insurance Corporation (CDIC) to highlight the collective strength of the financial services protections offered to Canadians. The video invites Canadians to learn more about the various protections in place by visiting

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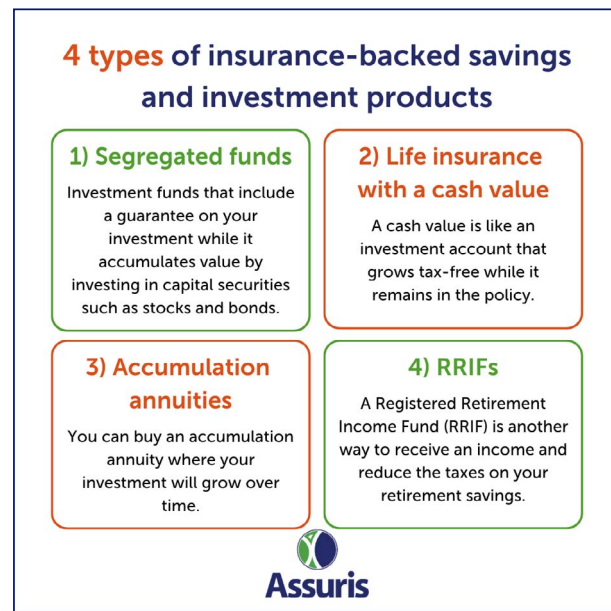
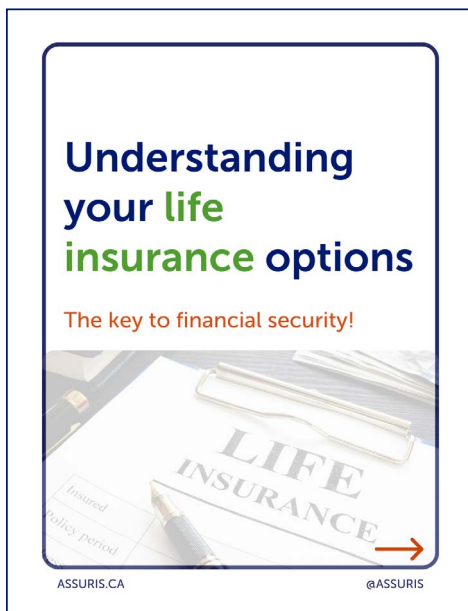
the Canadian Financial Services Consumer Protection website at financeprotection.ca (<https://financeprotection.ca/>).

Click here to watch the video: https://youtu.be/eGpdjGnVv_Q.

Social Media Campaign - Insurance Means Security

To help Canadians learn more about life and health insurance products so they can make informed financial decisions, we managed a social media campaign to educate and promote the following product categories: [life insurance](#), [health insurance](#), and [insurance-backed savings and investments](#).

Policyholders and financial consumers may have seen the following posts in their social media feeds during November.



By joining in and celebrating Financial Literacy Month, Assuris provided Canadians valuable knowledge so they can better navigate the complex world of personal finance with confidence.

We are committed to supporting Canadian policyholders and financial consumers, as well as financial advisors and sales networks, by providing resources that support financial knowledge and peace of mind.



Laura Parente is the Senior Communications Specialist at Assuris, focusing on the development, implementation, and evaluation of Assuris' communications strategies with the goal of raising Canadian financial consumers and financial advisors' awareness about Assuris protection.