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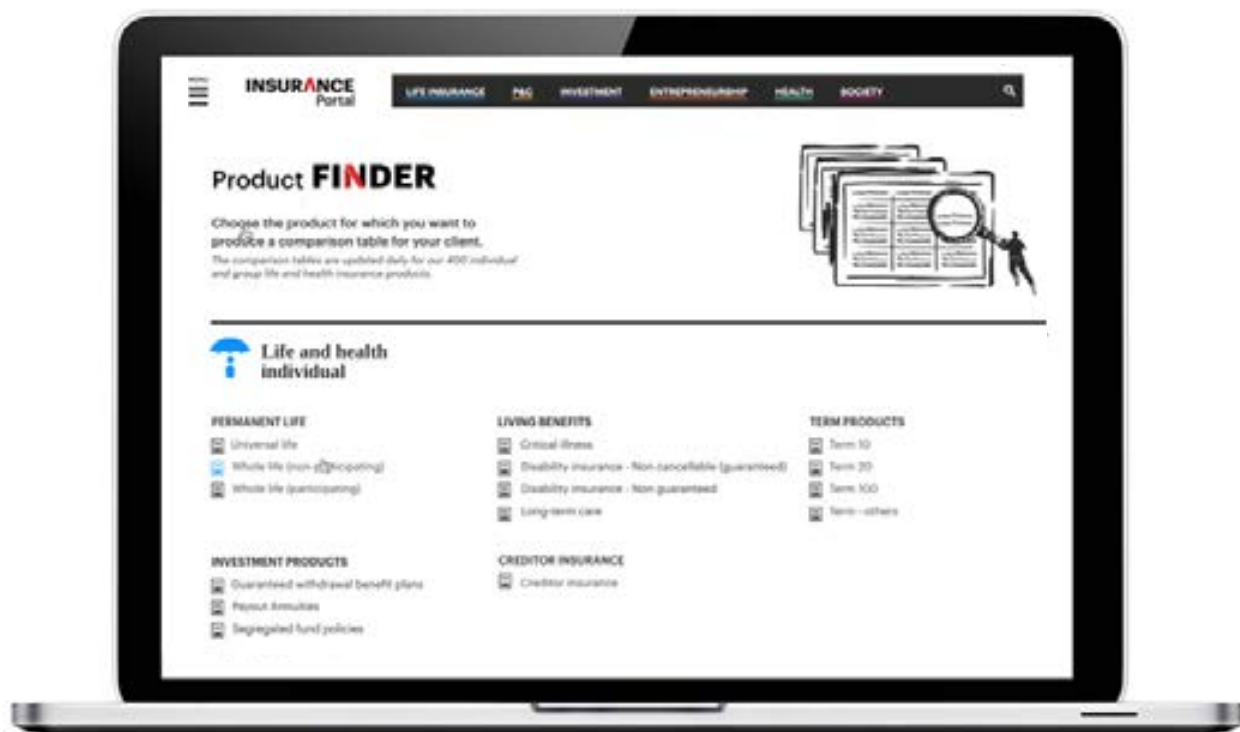
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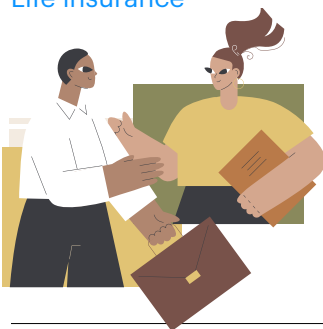
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Jim Ruta

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Something to think about...

“We have really been able to attract some great firms and do some great acquisitions which brings us now to the place where we have all the pieces of the puzzle. It’s just a matter of bringing them all together, articulating that (value proposition) clearly, and rolling it out across the country.”

— Terri Botosan, HUB International’s regional president, employee benefits, retirement and life



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HUB International's attention turns to the employee benefits space

Terri Botosan, former CEO of HUB Financial Inc. has assumed responsibility for Canadian operations as HUB International's regional president, employee benefits, retirement and life. Her mandate? Among others, to unite and grow the company's acquired businesses in these areas.

BY KATE MCCAFFERY

The announcements that HUB International Limited and its subsidiaries are acquiring firms could be taking a new spin in the future, as the private equity-backed insurance brokerage turns its considerable focus now to employee benefits.

Those working the space should also take note: The as-yet unnamed business entity, today known as the Canadian employee benefits, retirement and life division at HUB International, is being led by former CEO of **HUB Financial Inc., Terri Botosan.**

Under her new title as regional president (at HUB International, Canada is a region), Botosan retains responsibility for HUB Financial but is also tasked with the business of organizing the various acquired employee benefits businesses (Hub International has acquired several employee benefits firms in Canada in the last two years), creating a value proposition for that business line and deploying the resources needed to build out the new entity. "Our plan is to dominate," she told the *Insurance Journal* in an interview. "We really do think we have all of the pieces of a tremendous benefits and retirement organization."

Uniting the businesses

The plan to unite the businesses would appear to be remarkably similar to the effort Botosan was tasked with when she first took the helm of HUB Financial back in September 2000.

At a presentation of the [Alexander S. Melvin Award](#) (Botosan was the recipient of the award in 2021 for influencing change and positively impacting the marketplace through her dedication to the industry and encouragement of other professionals.), she describes in conversation with **Goshka Folda**, president and CEO of **Investor Economics**, the early days of her tenure with the company.

"I sometimes describe it as untangling a bag of Christmas lights where you're trying to figure out what the culture is going to be. We didn't do a lot of acquisitions in those early days because I didn't really know what we were bringing people into," she said. "I couldn't describe who we were and what we stood for. Once we established that and a culture that I'm incredibly proud of, honestly from there it was easy."

Today, in discussion with the *Insurance Journal*, she says HUB Financial is one of the more mature businesses within the larger organization. "It has a defined leadership team, our value proposition has been built out, we've got structure across the country and a clear mandate on serving the independent advisor in the Canadian individual life and investment space."

While the benefits business today has some similarities to HUB Financial, it is also quite different in that it is considerably bigger than the brokerage was in its early days.

For the new business, she says "we really want to find our value proposition in the small, middle market, consultative space and then also in retirement and investment consulting."

Targeted growth in the area began for the company in 2017 before HUB's benefits business was officially launched in 2018. "It was probably 2017 when the strategy was identified rather than when the acquisitions began. We really saw an opportunity to start acquiring in an adjacent business to what we were already doing," she says. "We have really been able to attract some great firms and do some great acquisitions which brings us now to the place where we have all the pieces of the puzzle. It's just a matter of bringing them all together, articulating that (value proposition) clearly, and rolling it out across the country."



*“ We really do think we
have all of the pieces of a
tremendous benefits and
retirement organization.”*



Terri Botosan

Botosan says the company sees tremendous opportunity in the space and will continue to acquire going forward, but adds that there is no specific number or target for that activity. For advisors in the space, she says consolidation in fact means more tools at their disposal. “I think it means that they have more to offer their customers,” she says. “We can deliver service excellence and be sure that advisors have all the tools necessary to serve their clients.”

When asked about HUB’s transformation and continued success over the years, not only as a serial acquirer, but also as both a public and privately held company (the company existed first as a group of 11 Canadian brokerages, then as a publicly traded company, before being taken private again in 2006-2007), she says the entrepreneurial spirit and teamwork at the company is a decidedly pervasive thing. “That drive to win and the entrepreneurial spirit, it’s like nothing I’ve ever seen before,” she says.

“The company has enough framework, because you have to have some framework in a company in this size, but also enough autonomy to make sure that people can run their businesses, they can inspire their people locally and form those relationships, either with customers or employees, and do what’s right for the customer.”

More, she adds that the firm’s executive management team has always enjoyed the backing and high confidence of its investors, regardless of the ownership structure it operates under.

“Growing by merger and acquisition has always been a cornerstone of our plans and our ability to grow. Regardless of the ownership structure, the confidence has been in the management team.”

Ethics in leadership

The Alexander S. Melvin Award-winner for influencing change in the industry and positively impacting the marketplace through her dedication to the industry and encouragement of other professionals, HUB International’s regional president Terri Botosan says the main thing leaders bring to the table is their word

and the actions that follow their words.

“It honestly never occurred to me to behave any other way. If I say I’m going to do something, I do it, or I explain why I wasn’t able to do it.”


After 36 years in the individual insurance business and 22 years at HUB, she says she knows having her own, strong, personal brand makes all the difference in the interactions she has with people and companies she deals with. “I just know the currency that I can bring, based on the fact that people know they can trust me and rely on me, and know what they’re getting. They’re getting the straight goods.”

Her “why” in the equation is also strong: Her goal is to deliver good insurance solutions to Canadians. “The insurance industry is a tremendous industry that has impacted so many lives,” she says.

As for encouraging others, she points out that “you’re only as good as the people you are surrounded by. It doesn’t take very long for a leader to figure out you can’t do everything, you can only impact those around you.”

A big believer in “servant leadership,” she adds that a big part of her role is to remove roadblocks so people can do the work of delivering those solutions to Canadians.

Within the industry she is also a recognized mentor and champion, particularly of women. “There are some amazing women in leadership roles in the industry. I think that’s inspirational to a lot of other women and I’m thrilled to be a part of that.”

In addition to organizational design, she says one favourite part of her job is to challenge people. “Provide them with the guardrails and then just let them soar. Really, our business, whether its property and casualty insurance, individual life or group benefits, you can say most, or maybe all of those are relationship businesses. They’re built on the people that we have delivering those solutions,” she says. “My favourite things to do are to find good people in the organization and challenge them. Make sure they’re aligned with the vision and then just watch what they can accomplish.” 

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COVID-19 means a long and uncertain recovery for some

Recovering from COVID-19 takes days to weeks for most people. Others, however, may still be experiencing symptoms several months after infection. These cases, known as Long COVID, are raising concerns for the medical community and insurance companies. For sufferers of this debilitating condition, treatment options are just beginning to emerge.

BY SUSAN YELLIN



Long COVID-19 is an unmet burden on the healthcare system

COVID-19 wreaked havoc around the world when it showed up in January 2020. And for thousands of Canadians the illness continues to cause disruptions even months after they were first infected with the lingering disabilities caused by “Long COVID-19.”

BY SUSAN YELLIN

As of February 2022, the **World Health Organization (WHO)** had not decided on a formal definition of Long COVID-19, which would help advance research and produce appropriate management of the condition.

But it says that depending on the severity of the original symptoms, the name Long COVID has been ascribed to those who have ongoing signs of COVID-19 for weeks and even months after the initial infection.

Long COVID symptoms can include fatigue, breathing difficulties, insomnia, pain and “brain fog” and can impact [multiple organ systems](#), including the kidneys, lungs, pancreas, gastrointestinal system and heart, especially if they have pre-existing conditions.

Several risk factors

Long COVID is not contagious, but about 10 per cent of those who get COVID-19 are at risk of becoming a so-called “Long Hauler.” Several risk factors for developing Long COVID-19 after recovering from acute COVID-19 have been identified by the WHO as those having a higher acuity of the original COVID-19 or the presence of many acute COVID-19 symptoms, as well as being obese, female and older.

“Part of the challenge is that we’re still learning about it,” said **Dr. Neil Maharaj**, Chair, Sector for Respiratory Disease with the **Ontario Medical Association**. “There is better recognition of Long COVID, but we’re still studying criteria and developing ways to approach it.”

So far, researchers have found the major symptoms among those who have first gone through COVID-19 and now suffer from Long COVID-19 are:

- Fatigue
- Shortness of breath or difficulty breathing
- Cough
- Joint pain
- Chest pain
- Memory or concentration issues, also known as “brain fog”
- Insomnia
- Muscle pain or headache
- Fast or pounding heartbeat
- Gastrointestinal issues
- Depression or anxiety
- Loss of taste or smell
- Worsened symptoms after physical or mental stress

As scientists and other researchers continue to delve into why post COVID-19 patients continue to endure issues, others are searching for ways to treat these symptoms.

Dr. Maharaj said there’s probably a mixed bag of approaches, but there’s no really firm, established treatment to date acknowledged to be of significant help to the majority of patients. “It’s very, very challenging,” he said.

“The virus has always been 10 steps ahead of us. That includes our ability to realize that ‘recovered’ patients still have symptoms.”

— Dr. Neil Maharaj

A multi-disciplinary approach

There is some indication that a multi-disciplinary approach is the best, a method that includes neurologists, psychiatrists, social workers, physiotherapists and rehabilitation specialists. Family doctors are usually the first to see patients with Long Hauler symptoms. But once the baseline is constructed, specialists in the areas where symptoms seem to be the most active in the patient are pulled in, said Dr. Maharaj, who conducts independent medical assessments for insurance and legal purposes for cases of a respiratory nature.

There are some “brain clinics” taking on this multi-disciplinary approach. Those most likely to take advantage of these clinics live in large, urban centres. Patients in less populated areas may find the search for these clinics more challenging. Instead, suggested Dr. Maharaj, there may be a local Long COVID physician or neurologist who can help out.

“It’s very, very piecemeal unfortunately. It depends on availability.”

Some hospitals, like Toronto’s Scarborough Health Network and large medical centres in the United States are also introducing a hub and spoke model of service where patients are assessed to find the specialized “spoke” services.

→

“As the Long-COVID-19 service grows, more specialty care providers will enhance the service, in addition to leveraging community programs and allied health services for support. This co-ordinated approach to multi-service follow-up care provides patients with the care they need when they need it and helps to reduce emergency department visits,” the hospital said.

Dr. Maharaj said the outlook for Long COVID is a definite concern, despite the fact that the rates of illness and death have come down.

“I do think that Long COVID is definitely here to stay,” said the Niagara Falls, ON doctor. “The burden of the disease is pretty significant and the economic and health impacts are significant. I don’t think people need to be worried, per se, but I think they need to be ... mindful of the symptoms and seek out supports.

“We as healthcare providers also have to develop policies, such as a workflow, so we can deal with all these ramifications. We need to ramp up and meet the demand – which is already overwhelming, and it will just get worse.”

The **Chartered Institute of Personnel and Development** conducted a survey in Great Britain and found that 26 per cent of employers now include Long COVID as a main cause of long-term sickness absence.

A ray of hope may lie in the fact that many researchers around the world are looking into ways to alleviate issues caused by Long COVID. In addition, many illnesses, like cancer, had once been seen as an imminent sign of death, but with increased research scientists may be finding ways to either cure or treat it.

But Dr. Maharaj said it may be some time before this happens with Long COVID.

“The virus has always been 10 steps ahead of us. That includes our ability to realize that ‘recovered’ patients still have symptoms,” he said.

“I think you will see in the upcoming months and years a lot of activity and therapies and approaches to Long COVID that will hopefully change the outlook. But it’s a significant burden – an unmet burden – and so we really have to address that.” **A**

LONG HAULERS FACE CHALLENGES ACCESSING CARE

Susie Goulding felt it first as a sore throat, then she had difficulty swallowing, and even though the symptoms dropped into her intestine with an unusual flu-like bug and expanded to her heart with palpitations, doctors couldn’t figure out the cause.

COVID-19 was just beginning its pandemic infancy when all this took place, and even then, she did not fit the criteria to be tested because of a test shortage. Even when she landed in the hospital three months after her first symptoms started, she tested negative.

Then Goulding started having insomnia, severe mood swings and tachycardia that would start in the middle of the night, causing exhaustion to the point where she had to quit her job as a full-time floral designer.

Cognitive impairment

Cognitive impairment (or “brain fog”) and a difficulty concentrating interrupted her short-term memory. “It is very profound and very debilitating,” said Goulding, now 54.

Around the world, cases like Goulding’s are multiplying. While many people suffer from mild or moderate COVID-19 for a few weeks, others face exhausting and lingering health issues long after.

According to a recent Ontario Science Table report, this second group, who suffer from Long COVID-19 and become “Long Haulers,” number about 150,000 in Canada alone, reporting more than 200 different symptoms.

Prevention and treatment

“More research is required to develop a consensus definition of the post COVID-19 condition, understand risk factors including the role of viral variants, quantify the impact on specific populations such as children, and develop strategies for prevention and treatment,” said the report.

Goulding, from Oakville, ON, said many people have problems getting care because they don’t have positive test results and don’t have a lot of knowledge about the illness. Some physicians, she said, haven’t even heard of Long COVID-19.

“Imagine someone suffering for two years with doctors who deny them even the acknowledgement that they are having struggles. People are being told that it’s all in their minds and they should wait it out.”

A brain injury clinic in Burlington, ON, called the Pillars of Wellness, took on Goulding to participate in a study with a number of professionals to determine what treatments are best for specific ailments. During this time, she went through about 15 sessions with a speech therapist, a physiotherapist, a naturopath, an acupuncturist and a counsellor.

“Doctors and researchers are still trying to come up with a good protocol to be able to treat Long Haulers,” said Goulding, now in the film industry as an on-site medic. “They’re treating symptoms and what needs to be done is to take an interdisciplinary approach.

“They offered me a program to test their theories, so I received an interdisciplinary program that really helped me.”

A huge information gap

While much of the public focus is understandably on hospitalizations and deaths, Goulding says there is rarely a mention of Long COVID-19. Not only does this not provide any information to Long Haulers, but it also means a huge gap of information for insurers and adjusters, she said.

As a way to help others, Goulding started a national support group for Long Haulers, considered the largest Canadian online community for COVID-19 survivors, their families and any supporters searching for the most up-to-date information. (SY)



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Efforts to help Long COVID sufferers are just beginning

The World Health Organization doesn't yet have a fixed definition of the illness, but Long COVID-19 with its 200 or so symptoms, has nevertheless left a debilitating effect on hundreds of thousands of people around the world.

BY SUSAN YELLIN

“Organizations need to make sure services are in place and are prepared to support their people with Long COVID, whether it's two claims or 20,000. No one life should be taken for granted.”

— Paula Allen

But finding ways to help sufferers has really just begun.

“We're just only starting to scratch the surface of understanding Long COVID,” said **Paula Allen**, global leader and senior vice president, Research and Total Wellbeing at **LifeWorks**. “There's a fair bit of academic research starting in 2020 ... and it's only been the last few months that some of the academic research is coming out to help us understand what it is and how to identify it. We're still figuring out what to do about it to be perfectly honest.”

A recent Ontario COVID-19 Science Advisory Table estimates that post-COVID-19 symptoms affect about 10 per cent of those who were originally infected and can last anywhere from months to years.

One estimate suggests that about 150,000 Canadians have contracted Long COVID-19 symptoms. In Ontario alone, 57,000-78,000 people are affected by Long COVID-19.

Brain fog and breathing difficulties

These include anything from fatigue to “brain fog,” breathing difficulties and trouble sleeping and can also affect the kidneys, lungs, pancreas and heart.

For some people, Long COVID-19 and its symptoms are more likely to occur among those who had severe symptoms when they first had COVID-19, although Allen said even those who had relatively mild symptoms can still have get some Long COVID-19's reactions.

Right now, most of what LifeWorks has seen about the illness are short term in nature and people are managing with the illness.

Disability management

“But at the end of the day disability management is not just to pay people when they are off work and have some support to go back to work; it's what can you do to help people continue with their lives even if they're struggling with a health issue and make sure they get the support they need for that health issue,” said Allen.

LifeWork's disability management service ensures people are getting the right kind of care for their issue – if they are not able to work or only able to work partially – with a multi-disciplinary approach being the ideal therapy. In some ways Long COVID-19 is similar to illnesses like fibromyalgia in that there is a cluster of symptoms that need to be treated. →



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Insurance industry faces recruitment challenges

Many insurers are having challenges attracting experienced workers, a trend that has hit other industries as well. COVID-19 has made an existing problem worse, causing some to retire earlier than had been previously expected. Some insurers are looking at new ways to attract employees, such as enhanced benefits, or higher salaries.



Covid-19 spurs changes in the life insurance industry

The pandemic has spurred an acceleration in technological change in the life insurance industry. Insurers are future proofing by investing in ways to modernize their businesses. To address multiple challenges, they are prioritizing innovation, attracting new talent and helping advisors meet the needs of their clients, a recent LIMRA conference was told.

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We're definitely seeing claims, but they're not representing a significant direct impact on our long-term disability. In the early days of the pandemic, everyone was expecting a tidal wave to come, and we've just not seen that in group disability.

— Cheryl Nicholson

LifeWorks has a disability management business separate from its employee assistance plan which provides counselling and other supports to employees. Some organizations also have health benefits plans that include physiotherapy and massage therapy and some psychological services.

The majority of companies in Canada have all three disciplines.

While Allen said she didn't have enough numbers yet on Long COVID-19 claims, she did say some are coming through and people are getting better.

Supporting people with Long COVID

"Organizations need to make sure services are in place and are prepared to support their people with Long COVID, whether it's two claims or 20,000. No one life should be taken for granted. But also they should be prepared for a fair bit more demand for supporting Long COVID in the future. We just don't know yet."

Insurers have been supporting COVID-related short-term disability claims since the beginning of the pandemic, said **Meredith Weldon**, director, Group Life and Disability at **Equitable Life of Canada**.

Weldon said the majority of COVID-19 cases are resolving within the first two weeks. But numbers are hard to come by when it comes to the prevalence of Long COVID data.

There have been some disability claims at Equitable, but Weldon said the issue here is whether Long COVID is "totally" disabling. Weldon said she knows of people who have had lingering symptoms and are still able to work, so they don't submit a claim, and if they were able to work from home, they might only have lost one or two days of work.

Other conditions

While not diminishing any of the effects of Long COVID-19, Weldon said there may be an influx of claims for other conditions, such as cancer or cardiovascular disease, because COVID shut down access to diagnosis and/or treatment.

"I think that's where we're going to see the biggest impact from COVID," said Weldon. "It's not going to

be COVID cases in and of themselves from a Long COVID perspective: I think it's going to be around the co-morbidities and the impact that COVID and our health care system being so stressed in addition to the fact that we already had issues dealing with wait times prior to COVID."

In the early days of the pandemic, insurers decided to have a form that members could fill out to say they either had symptoms or they had a positive test. Many companies are not waiving the waiting period any more with a positive test. Weldon said it doesn't make sense for a COVID patient to get paid from the first date of absence if someone – such as a cancer patient who needs treatment – has to wait the waiting period.

At **iA Financial Group** in Montreal, staff are seeing and managing claims. But **Cheryl Nicholson**, director, Claims Strategy, Group Benefits, said iA, like other insurers, isn't seeing a large rise in claims.

"We're definitely seeing claims, but they're not representing a significant direct impact on our long-term disability. In the early days of the pandemic, everyone was expecting a tidal wave to come, and we've just not seen that in group disability" either in terms of short- or long-term disability.

There have been a number of staff who have had mild infections and recovered from most indications of the illness, but may still have some persistent symptoms, such as cough, chest tightness and shortness of breath.

If someone had been in the ICU during their most trying time, there may be psychological issues, such as new or worsening anxiety, often among those who haven't even had COVID-19.

Mental health impact

The **Centre for Addiction and Mental Health** (CAMH) noted COVID-19 is having a negative impact on Canadians' mental health, with many seeing their stress levels double since the onset of the pandemic.

"Fortunately, most Canadians who are struggling with their mental health as a result of COVID-19 are experiencing a normal stress response to the health, social and economic crisis, and readily available mental health resources and supports can help them to cope," CAMH said in a July 2020 report.

Nicholson noted that in most workplaces mental health supports have become a fixture for employees. There are some emerging clinics testing out different methods of recuperation for those with Long COVID-19 and it's there that some Long Haulers may find comfort and relief.

As well, a number of free resources have opened up to help Canadians dealing with all mental health issues, she said.

"One of the better things about COVID is the fact that we now have virtual health and it's out there for everyone," she said. ■

Long COVID joins list of conditions that could be met with skepticism

Chronic fatigue syndrome, post cancer treatment malaise and now Long COVID-19.

BY SUSAN YELLIN

What these three illnesses have in common is that they are often dealt with by some insurance companies with skepticism, citing what they say is a lack of objective medical evidence as grounds for denying a claim, said lawyer **Mark Yazdani** at **Yazdani Law Office** in Toronto.

“What they mean by that is that – unlike a broken leg which can clearly be seen on an MRI – there is no MRI that can measure fatigue levels for example, no means of objectively verifying what someone says their symptoms are,” said Yazdani. “And there is nothing in the policies of disability policies, group or individual, with few exceptions, that require someone to provide what they call ‘objective medical evidence’.”

Yazdani, who includes four years of working with an insurance company in his 18 years of practice, said the definition of disability varies from policy to policy. But, he added, the definitions generally deal with an injury or an illness that prevents a person from carrying out the duties of their job. So, someone who is suffering severe fatigue to the point where they have to take naps even after small amounts of exertion, that, in his opinion, is going to prevent the person from almost all kinds of work.

To help get the approval of an insurance company for benefits, Yazdani suggests that clients keep their doctor and other treatment advisors updated on their medical condition on a regular basis so that there is a record of consistent complaints over a period of time. This will help a doctor who doesn’t ordinarily deal with disability forms be better able to provide enough details on a patient’s health for the insurer. This would include a detailed listing of the symptoms and an explanation as to how these symptoms prevent the claimant from carrying out their specific job duties. The client should also point out to their doctors the top two or three critical parts of their jobs to ensure their doctor understands how to match symptoms with critical tasks.

Keeping the doctor informed will also help the client when it comes time for treatment. With chronic fatigue and post cancer malaise there really aren’t any treatments as of yet. There are some treatments that are being tested out with regard to Long COVID-19.

Yazdani said the vast majority of disability cases find some kind of resolution – either through reinstatement to a plan or a lump sum payment. The problem with a lump sum agreement is that the firm is not paying 100 per cent of the value of the policy. If a person agrees to a lump sum and is then disabled up to age 65 then agreeing to that payout may not be the best decision. ■





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Climate disasters fuelling eco-anxiety

Climate change related disasters are on the rise globally. The impact of these events goes beyond damage to infrastructure or the environment. Many people are experiencing growing anxiety or despair about climate change and the future of the planet. Mental health experts are concerned.

BY SUSAN YELLIN



Climate change taking a toll on Canadians' mental health

Many Canadians have recently lived through traumatic climate change related events. Many others feel hopeless as they contemplate the future of the planet.

BY SUSAN YELLIN

Last summer, almost 600 people died from heat-related deaths in British Columbia. One-third of France's wine crop was wiped out by an April cold snap. Widespread flooding across Germany, France and other European countries in July saw 240 people die and damages were reported to be in the area of \$43 billion. No wonder, say many, that eco-anxiety is spreading around the world.

While eco-anxiety is not a clinical diagnosis, it is a real situation of how people are feeling in response to rising despair caused by experiencing or witnessing climate change, said **Sarah Kennell**, National Policy Director, Public Policy, with the **Canadian Mental Health Association (CMHA)**.

A sense of environmental doom

"It's that sense of environmental doom and feeling of hopelessness in the face of our changing environment," said Kennell.

CMHA started tracking Canadians' mental health during COVID-19 to gauge how they were feeling and handling the pandemic. It wasn't until this past November-December that it started to look into how the climate crisis fit in with mental health.

But Kennell said the response was astounding: 36 per cent of Canadians across the country said they worried about the compounding effects of COVID-19 alongside the climate crisis. In B.C., hit by the heat, flooding and wildfires in 2021, 48 per cent of residents in that province and 40 per cent in Alberta seemed to be disproportionately affected as well.

While CMHA hasn't investigated eco-anxiety specifically, Kennell said people are increasingly coming to its branches across the country looking for help.

Hardest hit groups

She said Canada's current mental health system is not prepared to deal with some of these mental health issues. But she said programs and personal help are needed particularly for Indigenous-led mental health strategies as this group is disproportionately affected by climate change.

Also among the hardest hit are young people and low-income Canadians.

Symptoms of eco-anxiety can manifest themselves through panic attacks, sleeplessness, feelings of being overwhelmed, depression, resentment, fear, sadness and anger and often extends for weeks and months

"We're seeing this particularly in children who can't sleep because they're worried about the future and so stressed out about climate change."

— Sarah Kennell

and even longer sometimes, said Kennell.

Canada is not alone. Recent research from the U.S. and the United Kingdom show that 50 per cent of children aged 7-11 worry about climate change. In fact, young people in the UK were said to be more concerned about climate change than their homework. "So this is going to be an increasing problem as the likelihood of climate disasters increases," she said. "You're affected by this no matter what. It's a matter of time before we start to grapple with it from a mental health perspective."

Humboldt State University in Arcata, Calif., conducted a survey of 10,000 young people in 20 countries about how they felt about climate change and government responses to it.

Most respondents were concerned about climate change, with nearly 60 per cent saying they felt "very worried" or "extremely worried." The feelings most commonly chosen in the survey were "sad," "afraid," "anxious," "angry" and "powerless." Overall, 45 per cent of participants said their feelings about climate change impacted their daily lives.

Managing stress

Organizations are stepping up to help manage moderate feelings of anxiety and stress. Kennell noted that there are virtual mental health platforms like CMHA's BounceBack, designed to help adults and youth 15 and older manage mild to moderate anxiety, stress or worry. The federal government has a Wellness Together Canada program designed to provide supports for mild to moderate feelings of anxiety or stress, whether it's climate change or anything else.

Kennell said the introduction of social media at younger ages lets children learn more about topics like climate change. Many come home talking to their parents about topics like recycling and using less



water. But one of the CMHA's recommendations is to disconnect young children from social media and news streams because they can be overwhelming.

Mental health specialists, counsellors and psychotherapists are seeing the more serious impacts of eco-anxiety when patients come to them concerned about an unwillingness to engage socially or having trouble sleeping.

"We're seeing this particularly in children who can't sleep because they're worried about the future and so stressed out about climate change. Those are examples of when people should go seek the help of a professional," said Kennell.

Language support

With more aggressive and frequent climate events taking place all the time, **First Onsite Property Restoration** has decided to bring on a six-person team of both Mandarin and Cantonese-speaking employees so its clients who speak these languages as their mother tongue are more comfortable when going through a trying time.

Erik Hecht, regional vice president of the company in British Columbia, said the extreme rains in November 2021 caused not only flooding in people's homes but some anxiety as well.

"It's much more comforting to be able to speak in your native tongue and have someone you can communicate with, particularly if you are a new Canadian citizen," said Hecht.

When the company goes into a home they give the residents a leave-behind kit explaining how the restoration will work: first, they will get all the water out of the basement, and depending on the insurance company they might move into repairs and walk them through what all those actions will look like.

Hecht said this might be the first of many different ethnic groups they will work with in this area.

"This is the first time we've put a team around this and we want to see what we can learn from this and do plan to try to continue to bring to more communities," said Hecht.

"We hope we can help as many people as possible in their time of need." ▴



Investing in a better future for the planet

Environmental concerns are inspiring investors to choose ESG mutual funds.

BY SUSAN YELLIN

Shareholders around the world have flexed their muscles and raised their voices to show their concern over the need for companies to deal with climate change. And it's worked. Not only have large corporations like **Exxon Mobil** been convinced of the importance of zero carbon emissions, but in doing so helped push the amount of ESG-focused funds worldwide to a record \$650 billion in 2021, \$15 billion of which was in Canada.

Some average investors may think about climate change as an issue to be dealt with far into the future and many believe there's nothing they can do to affect the outcomes. But that's not so, said **John Bai**, Chief Investment Officer and Head of Investment Management at **Aviso Wealth and NEI Investments**.

"Advisors now have more power than they think when it comes to dealing with climate change," said Bai. "Right now what we're seeing is that the pendulum is swinging in favour of climate change. Where before all investors cared about was how much money they made, now clients are increasingly concerned about not just how much they make but *how* they make their money."

Three major wins

In 2021, there were three major wins for ESG investors who wanted companies to change their views on environmental, social and governance (ESG) issues. These included the replacement of three directors at Exxon Mobil, the rejection of a US\$230-million pay package for CEO **Lawrence Culp** of **General Electric Co.** and a successful call for **Union Pacific** to make public its workforce diversity statistics.

Here in Canada, home to a large oil sands marketplace, some ESG or responsibly investing managers decided to exclude oil sands producers from their portfolios.

But Bai said his firm has taken a different tack: for more than a decade now, NEI has sat down with board managers and had in-depth and often difficult conversations with this particular oil sands company about pollution and climate strategy. Bai said he told the firm they were not just an oil sands producer, but an energy producer and anything they could do to transition to net zero was important. In the end, it became one of the first oil sands producers with a climate strategy.

"It's an easy decision to exclude companies from your portfolio, but just because you're not investing in these companies doesn't mean the problem goes away. The world still needs to reduce its carbon footprint."

Companies like **Tesla** are ahead of the automobile

"Where before all investors cared about was how much money they made, now clients are increasingly concerned about not just how much they make but how they make their money."

— John Bai

game in many ways because it came up with electric vehicle ideas that are not just good for the planet, but also good for business. It was given an extra push in March after Russia attacked Ukraine, sending gasoline prices around the world soaring.

Pushing for change

While some people believe that the most effective way to sway pollution-producing companies is to boycott their products, Bai said he believes the most effective strategy – from a portfolio manager standpoint – is to have a shareholder approach the company and say the firm's stance has to change.

In the U.S., **Business Roundtable** CEOs are calling for a market-based mechanism and other supporting policies to provide certainty and the innovation required to lift the U.S. to a cleaner future.

All of this has helped accelerate the sales of ESG funds in the last year, with its \$15 billion in Canadian sales tripling 2020 levels. "It's become super important that investors realize that the way they are investing their money is responsible," said Bai.

EY predicts half of the mutual fund industry will be in ESG funds by 2025, up from its current level of 15 per cent.

Younger investors

There are two major investor groups in ESG funds – younger people who have a natural inclination towards ESG investing – and those with higher net worth, said Bai.

An international study conducted in September 2021 of 10,000 young people in 10 different countries found climate change causing widespread anxiety.

"You expect the younger group to be involved (in ESG). But also, as you begin to accumulate net worth and you realize you have enough to support yourself and the people who are important to you, you realize you can have a positive impact in terms of the environment and social issues." ■

Weather crises taking toll on B.C. residents' mental health

First came the deadly heat, then rampant wildfires and devastating floods – all the while through outbreaks of COVID-19 variants of concern – making 2021 one of the most difficult times of their lives for many British Columbia residents.

BY SUSAN YELLIN

“We are seeing some people struggling with crisis,” said **Asha Croggon**, Director, Interior Crisis Line Network at **CAMH B.C.** “It’s been one thing after the next.”

Calls into the B.C. mental health line have more than doubled since the pandemic began, an increase of 111 per cent in November 2021 compared with pre-COVID levels – and they continue to rise, said Croggon.

Her crisis line includes 720 crisis line responders across the province – both volunteer and staff – who have provided more than 2.5 million minutes of support on the province’s two services last year alone, said Croggon.

Residents of the hard-hit B.C. areas are initially looking for information on how to navigate their lives, using the same tools they bring out for personal problem solving and trying to figure out what to do next.

“However, research does show the emotional and mental health impact can certainly stretch six to 18 months or longer after the initial incident. This is because we can become fatigued, our resilience can be impacted.”

Wearing down resilience

Croggon said many people can usually push through for a time, but when a crisis doesn’t seem to be ending (as with the pandemic, the heat, the wildfires and the floods) that initial spike in stress is not just a difficult day or a difficult week but a difficult month or a difficult two years, wearing down people’s resilience and coping strategies.

She said her team works collaboratively with people to identify the main issue of concern and then establish a self-care plan – everything from sipping a cup of tea, or using a distraction, to help people identify how they’re feeling. The team begins with the individual person, reflecting back on their persistence and resilience, and proving to them that they are doing good work by committing to themselves.

“Sometimes when we’re in a crisis we can become very self-critical and very problem focused as opposed to problem solving. [So we work with them] to come up with another action plan and what they have done in the past.”

Croggon said the last resort for the provincial team is intervention.



Typically when these kinds of physical disasters take place, the work of rebuilding falls to property and casualty insurance companies. But **Blair Feltmate**, Head, Intact Centre on Climate Adaptation, Faculty of Environment, **University of Waterloo**, said the psycho-social and mental health stress stemming from these devastating climate issues has now pushed life and health insurers into the fray.

At the top of the list for insurers is the mental health stress that may affect people long after an event. Counselling is now key for many of these survivors.

"We are now looking at costs for psycho-social and mental health stress not only for floods, but also for fire and heat, which has never been done before," said Feltmate.

In November, **Canada Life** contributed \$25,000 to the **Red Cross** to help support those affected by the extreme flooding and severe weather in British Columbia, said a Canada Life spokesperson. "By working through the Red Cross, we're able to immediately help those who need it most in British Columbia – not just today, but also on the path to recovery."

Mental health has become a key priority for many Canadians, especially during outbreaks of the pandemic.

The spokesperson said Canada Life became the first insurance company in the country to make virtual health care a standard benefit for its group health plans with up to 400 members. Under a program called Dialogue Consult+, customers and their dependents can access qualified professionals who can diagnose non-urgent conditions, give medical advice and write prescriptions. Through an internet-based cognitive behavioural therapy (iCBT) program plan members can access self-led mental health support for mild to moderate depression and anxiety.

When the flooding in B.C. began, **RBC Insurance** authorized temporary measures to enable plan members to get access to their medications that may have been damaged or misplaced during the B.C. flooding. They were also eligible for early refills on their medications and pharmacists could refill prescriptions early when needed.

In the midst of the flooding, **Manulife** put together an FAQ for its members, telling them how they can access medications, disability and reimbursement cheques, among other issues. ■



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Group aims to make communities more climate resilient

Take just a quick look at what happened last year and what is continuing to happen in 2022 and there is no doubt that severe weather is increasing in both frequency and severity.

BY SUSAN YELLIN

Around the world, there have been devastating heatwaves, hurricanes and tornadoes, flooding and wildfires, including parts of Canada, particularly British Columbia.

That makes the goal of organizations such as **Climate Group of Canada** – to make communities more climate-resilient – even more pronounced. But with the country’s geography so diverse, what happens in one part of the country won’t necessarily happen in another, says **Robin Edger**, National Director Climate Change, **Insurance Bureau of Canada** in Toronto. Much work still needs to be done.

Membership in Climate Group of Canada includes property and casualty insurers, the **Canadian Chamber of Commerce**, disaster response groups and Indigenous organizations.

While groups like the **United Nations Climate Change** deal with specific ways to slow down climate change, the Climate Group Canada’s goal is to make communities more “climate resilient.”

So, for example, if an area is known to be flooded frequently, then the opportunity exists to improve the area’s storm management systems or rebuild some of

its infrastructure. Another Canadian community may be affected by wildfires, so people there will have to look at their infrastructure and the kinds of materials they are using to make them more resilient, perhaps even include different forestry management practices, said Edger.

A diverse group of stakeholders

The group was formed in the summer of 2021 to approach various levels of government and say: “look, we’re a diverse group of stakeholders who have come together and co-created what we think are some good solutions to climate adaptation and resilience needs,” he said.

In addition to funding and co-ordinating projects, Edger said the climate group approached various parties during the last federal election to see if they were on board to commit to these national adaptation strategies, put together a national action plan on flooding and expand home and commercial retrofitting. Edger said the **Liberal** party adopted all of these issues into their platform.



“[But] the problem in Canada is that we still do not have the sense of urgency that’s necessary to fully appreciate the threat that’s upon us due to irreversible climate change,” said **Blair Feltmate**, Head, Intact Centre on Climate Adaptation, Faculty of Environment, **University of Waterloo**. “Climate change is here to stay. We can slow it down but we can’t stop it.”

Good guidance has been developed by the **Standards Council of Canada**, the **National Research Council**, **Intact Financial Corporation**, other insurers, about another 40-80 builders, developers and academics.

“The challenge in Canada is not knowing what to do – we know where extreme weather is going to manifest itself to the greatest degree... we have the tools in place to limit the risk to the greatest extent... The problem lies in the fact that we’re not mobilizing these tools and best practices nearly quickly enough.”

Losses are rising

Between 1983-2008 Canadian P&C insurers averaged about \$422 million a year in severe weather-related losses. Over this past decade those losses have risen to \$2.1 billion on average annually for all the claims across Canada.

Prior to the B.C. flood in 2021 the industry had experienced more than \$1.3 billion in severe-weather losses across the country. These include the B.C. wildfires 2021, a major hailstorm in Alberta, a tornado in Barrie, Ont; a windstorm in B.C. in January and Hurricane Larry that walloped the Atlantic provinces. In 2021, severe weather caused more than \$2 billion in insured damage, the sixth highest cost for insured

The problem in Canada is that we still do not have the sense of urgency that’s necessary to fully appreciate the threat that’s upon us due to irreversible climate change.

— McKinsey & Company

losses since 1983. One insurance company, **Munich Re**, has estimated its global losses from natural disasters last year hit \$355 billion.

Adaptation measures

“We know where the problems are. We have the practical solutions that are implementable to mitigate risk. The part that’s missing is urgency to put adaptation measures in place,” said Feltmate. “We need to embrace adaptation in equal measures to efforts to mitigate greenhouse gas emissions.”

However, certain cities, particularly Edmonton, Regina and Toronto are increasingly preparing for extreme weather events, he noted.

Feltmate said that in terms of financing adaptation, he thinks, for example, that the carbon tax should be invested in adaptation measures. He figured that \$1 invested in these measures would lead to \$3-\$8 in savings for a 10-year period. ▀



Housing affordability and climate compatibility are not opposing forces

With insured losses in Canada totalling more than \$2 billion for severe weather events last year, many property and casualty insurers have been working on how to limit climate change and understand the physical risk that could continue to occur if they don't follow through.

BY SUSAN YELLIN

The price tag for insured damages from flooding in British Columbia alone last November totalled \$515 million and hailstorms in Calgary last July stood at \$500 million. Around the world climate change caused insured losses to total an estimated \$355 billion. And that's just the insured losses.

At the **Canada Mortgage and Housing Corporation's** (CMHC) two-year-old climate office, advisor **Andrew Defazio** and the rest of the team have been looking at how they can help reduce energy consumption and the carbon footprint left behind by building materials and processes used to construct housing, determine how car dependent Canadians have become and how public transportation fits in.

Defazio said one of the first and biggest changes that need to be made everywhere is to prove that housing affordability and climate compatibility are not opposing forces.

"The system views climate as a cost," said Defazio. "We need to start looking at it not only from today's cost, but we need to think about future affordability. What if we don't do anything for climate – what will happen to property insurance? That's going to increase. What's going to happen to overall long-term health – things like air quality? What's going to happen to overall energy savings? If we don't start to take action today we will need a broader look at what those actual costs will be."

An insurance organization, CMHC's mortgage loan insurance products provide access to a range of housing options for Canadians.

Mortgage loan insurance is mandatory for federally regulated lenders in Canada when the buyer of a home has less than a 20 per cent down payment. This insurance protects the mortgage lender against loss if a borrower defaults, and allows qualified borrowers to access homeownership at interest rates comparable to those offered to buyers with larger down payments.

A significant portion of CMHC's mortgage loan insurance business is in markets or for housing options that are not served or less served by private mortgage insurers and is the main insurer for housing in small and rural communities. It is also the only insurer of mortgages for multi-unit residential properties, including large rental buildings, student housing and nursing and retirement homes.

Because CMHC acts as a lender on behalf of the federal government, Defazio said it needs to understand the risks and what climate can do to the structures they are lending on to make sure they're strong, long-term decisions. And that's where climate change comes in.

"There's a gap," he said. "We need to look internally in our products and offerings to include climate adaptation – if we're going to meet our 2030 goal of affordability and our 2050 of climate compatible housing in Canada we're going to have to go beyond mitigation to include adaptation."

CMHC has a new product that's coming out on its mortgage loan insurance side called "multi-unit select." The loan will encourage the preservation and construction of affordable, accessible and climate compatible multi-unit housing. It uses a point system to offer insurance incentives for new construction and existing properties based on affordability, energy efficiency and accessibility. Borrowers can choose to focus on one single area, like affordability, or combine commitments to increase their points and incentives.

Defazio said CMHC has been given multiple missions to accomplish since the climate office opened in 2020.

The first is the importance of data, including housing and climate data. Right now, he said the uses are too broad, but working groups have been set up to determine where the gaps are.

The second goal is retrofitting – what can CMHC do to get multi-unit buildings across Canada carbon neutral.

Building partnerships

Increasing partnerships in communities is its third goal, said Defazio, noting that some communities face barriers to having housing that's climate compatible.

The last major goal is to help people or communities finance solutions and how it needs to manage risk from climate in the future.

Meanwhile, Defazio said CMHC's climate change office has been speaking to many different government departments, including the **Department of Finance and Indigenous Services**, as well as outside the government, such as the **Insurance Bureau of Canada**.

"I would say it's really encouraging to see this enthusiasm; it's encouraging to see other areas of government willing to collaborate and also for private industry."

Defazio said CMHC has a unique position because as a Crown corporation, it has access to the financial community but it also provides policy advice to the federal government.

"So that really puts us in a good position to work with government and work with private industry to find solutions," he said. "This needs collective effort." **A**

Edmonton taking measures to mitigate climate risk

Edmonton proactive planning has the goal of increasing the city's climate resilience.

BY SUSAN YELLIN

There was no overwhelming snowstorm or major power outage that led to Edmonton's climate adaptation plan. But what did help put the Alberta capital in the forefront of Canadian cities when it came to climate was a forward-thinking city council and staff along with citizen engagement.

"It was our city administration and council that was identified in our old environmental strategic plan, *The Way We Green*, that identified that Edmonton should act on energy and climate," said **Danielle Koleyak**, senior environmental project manager with the city of Edmonton.

Koleyak said the city put together a climate mitigation plan back in 2015 and when that was over, resources were allocated to a climate adaptation strategy.

The city then looked at its climate change risks – changes in temperatures, precipitation, weather extremes and eco systems and determined what they could mean in terms of service. At the same time, its water utility, **EPCOR**, is responsible for all the storm water structures and planning and has compiled a 30-year flood mitigation plan.

Its climate resilient policy now forms the basis for the map that will help the city operationalize these plans to ensure communities are adopting these measures against climate risk.

"The main approach we have taken is to mainstream adaptation throughout our entire organization and business and planning decisions and that's a work in progress," said Koleyak. "That's a key thing in what we believe will make it more successful – to integrate it into all the other decisions."

Updating approaches

With climate risks growing, cities like Edmonton, Regina, Toronto and Vancouver are becoming more proactive and are continually monitoring what's going on and updating their approaches, said Koleyak.

So, for example, the city of Edmonton has developed a video series on how people can adapt their homes to different climate risks, such as fireproofing and putting in more wind-resistant sidings. It has also created a climate-resilient virtual home on one of the city's websites so people can look at what different climate risks people may face and provide options for retrofitting their homes. Community volunteers are also helping residents in their community understand what adaptation means for their own homes.


Mitigation and adaptation

Koleyak said the city also has a climate marketing team that deals with greenhouse gas mitigation information and adaptation. On top of that there is a

climate change almanac and every year the city takes a survey of its residents to gauge their understanding of climate change and the work that is currently being done.

A new city council was elected in October and is now laying out its priorities. While still a work in progress, Koleyak said the council's work will become more important as major climate events take place.

"If we can be proactive, I think this will be able to let cities position themselves to be more competitive, to retain residents and attract businesses if they can show that they're taking actions to mitigate these risks, recognizing that this is going to be an ongoing, iterative, process – the risks might change.

"We rely on climate models and of course models are useful but not predictive – so it's tough to know what success will look like." 



Working with diverse client groups

There are real barriers to financial planning that some would-be clients face, especially if you're attempting to serve a more diverse or more representative sample of Canadians in your practice.

BY KATE MCCAFFERY | IMAGE BY VECTORJUICE

There are many artists who've been made to feel like financial planning isn't for them, for instance. LGBTQ2S+ (Lesbian, Gay, Bisexual, Transgender, Queer or Questioning, and Two-Spirit) clients may hesitate to share their personal lives with a stranger. A long history of being unwelcome in mainstream financial institutions makes their services intimidating to access for some in the Indigenous community.

Advisors who make a point of serving these communities say getting to know your clientele takes on a whole new meaning – it is an essential part of providing good advice. Don't make assumptions, they say, and ask a lot of open-ended questions.

Chris Enns, certified financial planner (CFP) and founder of **Rags to Reasonable**, says advisors have an opportunity to expand their understanding if they consider a few things when presented with a client who isn't typical of those usually being served by their practice. "What can I learn from this situation? Where are the holes in my practice? What questions are being

asked and are (they) different from how I would think about asking? How do I need to shift things in order to connect better?" he asks.

Enns' comments were part of the panel *Planning to Diverse Clientele*, held at the **FP Canada** Financial Planning Week virtual conference. In it, the panelists, including Sun Life Financial Planner **Jeffrey Wu** who is president of **Hao Wu Financial Solutions**, **Johanne Plamondon**, CFP and financial advisor with **Raymond James**, and session moderator, CFP, personal financial expert and author, **Alexandra Macqueen** discussed ways to get to know the communities advisors would like to serve and some of the fundamental differences in planning that are required.

"What is financial planning to this person? Ask those open-ended questions to get to know them," says Enns.

Talking about their personal lives

For some clients, talking extensively about their personal lives is a real barrier to engagement with a financial planner – which in turn can be a barrier to achieving their financial goals or overall financial well-being.

"When people fear sharing who they are with strangers, a lot of times they will simply choose not to engage and flee," says Wu. This, he adds, is a barrier to informed decision making for a lot of individuals.

Enns says artists and creative types will have a different experience, but the barrier to informed decisions about their finances is similar in that circumstances and experience have taught them in some cases to disengage from situations where financial advice is being provided. Many will have experience applying for conventional mortgage products and being told that the variability in their income makes them ineligible, for example. In applying for long-term disability coverage an artist may well also be told they are uninsurable. "They hear 'no' and they walk away," Enns says. "The thing I hear most is that 'financial planning isn't for me.'"

For some Indigenous families, geographic access is an actual physical barrier, as some communities are remote with very limited access to financial services. Other communities enjoy greater access to resources. That said, even an urban centre's population will be at something of a disadvantage given that financial literacy challenges – generally experienced across cultures – are exacerbated by the deliberate, systemic effort undertaken for decades to restrict resources and eliminate positive cultural role modelling.



Geographic access

“Financial planning is not something that is easily accessible. It requires a lot of privilege,” Plamondon points out. “The idea of helping your kids or creating intergenerational wealth for many is non-existent when you’re struggling to have a basic bank account or struggling to meet basic needs.”

In other situations, estate planning takes on a new significance when couples are living in a common-law relationship, particularly in some provinces. Extraordinary expenses may also be part of the picture – Wu points out that adopting or having a surrogate help a family can be very expensive. The same is true of a lot of medical costs that are not covered by insurance firms. For the client with a less conventional career path, meanwhile, even the most basic cash flow assumptions you might otherwise use, may not apply.

Whatever the situation, the advisors gathered encouraged those attending the webinar to really listen to the questions being asked of them.

Start with the barriers

“Start with the barriers,” Enns says. “There’s a reason that (the client doesn’t) feel like part of the conversation. What is that reason? What are the questions being asked?”

Volunteering in a community is another way to become more familiar for those who are motivated by a true desire to help. Offering education and services in a comfortable environment such as a community centre or Friendship Centre can build trust. Making services more understandable and accessible is also

necessary. “What the heck is financial planning? I think a lot of people in general have a hard time with that,” Plamondon says. “We have to make it relevant.”

Although it is not necessary to be a member of the community you wish to serve, it is important to be empathetic, Wu says. “Show interest in their stories. When you do financial plans, try to look beyond the numbers and cashflows and net worth. What is important to them? Listen to them and understand their aspirations and understand the complexities in their lives.”

Beyond that, the advisors add that Google is another tool at your disposal in your quest for understanding. “Pick up the phone. Google is your friend. Go to the community. Attend events. See how you can help,” Macqueen says. “If you have a true desire to help, that is going to get you over any barrier that is in the way.”

Open-ended questions

Finally, the panel says open-ended questions are an indispensable tool for understanding clients and their circumstances. “First start by not making assumptions,” Wu says.

Following that, they say it also helps to make your material representative and partner with those who are passionate about serving the clients in question.

“Canadian demography is changing rapidly. So should the profiles of the planners and the scope of advice (they provide),” Wu says. “Try to keep an open mind. Educate yourself constantly so you can add value to diverse clients’ life journeys.” ▀

Increasing diversity in Canada requires a growing awareness among advisors

If you’re doing business the same way you were doing it five or 10 years ago, you’re potentially missing out on the opportunity to serve a large and growing group of clients.

BY KATE MCCAFFERY

Canada has become more culturally diverse over time, says **Tina Varughese**, public speaker and president of **t Works Inc.** She adds that today, more than 20 per cent of Canada’s population wasn’t born here.

“This changes depending on the urban centre you’re in,” she adds. In Calgary, we’re looking at about a 26 per cent foreign-born population. For those of you based in Toronto, you’re looking at a 39 per cent foreign-born population, and for those of you situated in Vancouver, British Columbia, a whopping 48 per cent

foreign-born population. Those are very high demographics,” she says.

Varughese was a speaker at a Financial Planning Week virtual conference hosted by FP Canada.

A client or employee’s background – whether they are from an individualistic or collectivist society – will greatly affect how they give and receive feedback,” she adds. Communication styles will also be dramatically different among those from different countries.

“Would you be hiring inclusively if a collectivist interviewed in Canada for a position with your firm?”



she asks. “Or would they be screened out before they’re screened in, just because you’re potentially using outdated Canadian human resource questions that are more behavioural in nature?” Instead, she says firms should be thinking about the inclusivity of those questions and how they should be adapted for changing demographics.

Collectivist and individualistic cultures

It may help first to know the difference between collectivist and individualistic cultures. “What is important to note is that all of our top source immigrant countries currently coming to Canada are collectivist in nature. They’re more family-oriented, community-oriented, relationship-oriented, referral-oriented. Think of how that might impact your own business,” she says. “What’s important to note is that we as Canadians are much more individualistic.”

She says while many advisors believe they need to market themselves in costly ways, when serving collectivists, it is not usually the money invested in marketing that matters, but the time invested in the relationship that makes the difference.

In managing, meanwhile, she says it will likely be natural to provide feedback by pointing out errors in the singular. “We will say you made a mistake. We wouldn’t even think about it, we would just want to offer them that feedback.” A collectivist who is new to

Canada, however, could be put off by the practice. “How feedback is offered in most collectivist societies is that it will be more of an organizational, team, collaborative approach to performance, not only when it’s positive, but when it’s negative as well. If a mistake is made, they won’t singularly point somebody out. It’ll be an organizational error or a department error that we all have to work on,” she adds. “You’re definitely going to have to think about that when you offer feedback.”

She says the “feedback sandwich” often used in Canada – that is, to offer criticisms sandwiched between two pieces of praise or good news – is also outdated and not terribly inclusive. “From a global perspective, this isn’t how feedback would be offered.”

Even within North America she says feedback practices can be wildly different and misleading to advisors who are not attuned to the differences. In the United States, for instance, she says Americans will statistically offer three pieces of positive feedback before they offer anything negative. “Think about that if you have any Americans on your roster,” she says. “If they’ve given you all of these positive pieces of reinforcement, have you really heard what they’re trying to say?”

Offering feedback effectively

The best way to offer feedback, she adds, is for it to be continuous and specific. “It can be positive, it can be negative, but it needs to be specific. And if it’s coming from a place of compassion, we want to make it continuous. If you’re only reviewing something with your clients once a year, if you’re only meeting internally for a performance review once a year, you’re outdated. This is something to be painfully aware of.”

Direct and indirect communication is also a cultural difference advisors might encounter. Some clients may interrupt conversations continually. “Are they trying to be rude? Are they trying to be irritating? No, it’s the speaking style. If the speaking style is one that we’re unfamiliar with, or one that is challenging or irritating, our customer service is going to deplete. But when we recognize that it’s simply a speaking style and it’s cultural, with that understanding, our customer service goes up.”

Indirect communicators

Indirect communicators can be especially challenging. “Indirect communicators want to keep harmony,” she says. “They’ll say yes, but they really mean no. It’s not to frustrate you. It’s not to confuse you, it’s actually to show you respect.” To work with such clients, she says advisors want to refrain from asking yes or no questions.

“You want to make sure that you’re always asking open ended questions, ensuring that you’re paraphrasing, ensuring clarification so that you will not have those potential issues.” ■



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Disability insurance sales bounced back in 2021

Although lockdowns and layoffs due to COVID-19 dampened disability insurance sales in 2020, the pandemic taught advisors and clients that this coverage can be crucial. Combined with the increasing digitization of disability products and the widespread adoption of remote sales tools, this heightened awareness of the product revitalized sales in 2021.

BY ALAIN THÉRIAULT



Sources contacted by *Insurance Journal* agree that individual disability insurance sales have increased sharply in 2021, returning to pre-pandemic levels.

In 2020, sales were adversely affected by massive layoffs in some employment sectors. In addition, the pandemic forced paramedical companies serving insurers to close their doors until June 2020. All the same, more favorable factors have mitigated these negative impacts.

This recovery affected high-end non-cancellable products and guaranteed renewable products alike. Non-cancellable products notably guarantee that the customer will pay the same premium for the entire term of the contract. In contrast, guaranteed renewable products do not offer a fixed premium.

“At Canada Life, sales went down by several percentage points at the beginning of the pandemic, and then they went back up to pre-pandemic levels,” says **Brian Loewen**, Vice President, Non-par Insurance Solutions at **Canada Life**. Canada Life’s primary product is the non-cancellable Lifestyle Protection Plan.

Loewen points out that advisors have changed the way they deal with clients since the pandemic began. “They really switched to digital, using their web apps. In general, advisors and plans adapted to the non-face-to-face. Some of that will be permanent.” For example, a disability insurance transaction will no longer require as many face-to-face meetings, Loewen says.

iA Financial Group, provider of the Superior and Acci-Jet Program guaranteed renewal products, echoed this view of disability insurance sales. “There was a slowdown in 2020. People lost their jobs; advisors had to adapt to virtual mode,” says **Philippe Cleary**, Director, Individual Insurance, Savings and Retirement.

iA’s virtual disability sales have since returned to pre-2020 levels, Cleary adds. “We see this in **LIMRA**’s new sales results, both in annualized premiums and new policies. Our disability insurance sales were up 10 per cent from 2020 to 2021 in terms of premiums. The number of policies grew at a similar pace,” he says.

In the disability insurance market overall, “sales are not quite back to 100 per cent of their pre-pandemic levels,” Cleary adds. This may reflect volatility in results due to affinity groups moving from one insurer to another, he says. Unlike group insurance, each member of an affinity group that offers a disability insurance program can purchase a policy individually.

LIMRA, a U.S.-based research institute that regularly publishes sales results for individual insurance, group insurance and individual annuities in Canada, has not published results of disability insurance sales for years. LIMRA spokesperson **Catherine Theroux** told *Insurance Journal* that one insurance company controls a large share of the market.

This company is **RBC Insurance**, sources say. RBC holds sway primarily in the non-cancellable disability insurance market. There are only two other competitors in this market: Canada Life and **Manulife**. Neither RBC Insurance nor Manulife answered *Insurance Journal*’s questions for this article by press time.

Canada Life concedes that it is lagging slightly behind RBC Insurance, its main rival in the non-cancellable

disability insurance market. RBC Insurance “are a little bit ahead of us in terms of market shares, no doubt about that,” says Brian Loewen.

Veronique Caty, Sales Manager and Manager, Living Benefits, at **Financial Horizons Group**, Québec Region, says that RBC Insurance’s product has dominated sales of non-cancellable disability insurance in the past year. Regardless of the fact that Canada Life owns the MGA, she made it clear that “we go with what’s best for the customer in terms of quality and price. Canada Life is the primary competitor with RBC’s non-cancellable product.”



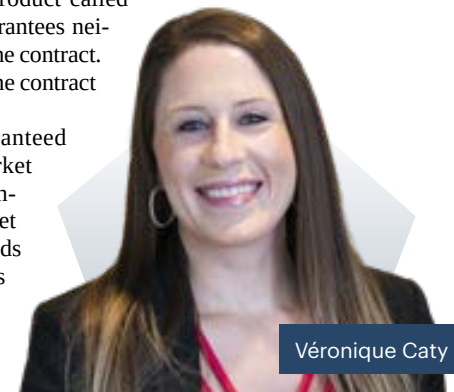
Brian Loewen

High-end dominates... for now

RBC Insurance is also active in the guaranteed renewable disability insurance market, unlike Canada Life and Manulife. What’s more, Canada Life offers a cancellable disability insurance product called *Independence Plan*. The insurer guarantees neither the premium nor the renewal of the contract. Note that it cannot change or cancel the contract of a single insured.

According to Loewen, the guaranteed renewable disability insurance market has grown, but falls short of the non-cancellable disability insurance market in terms of in-force premiums. He adds that the gap between the two markets is narrowing.

Although it no longer publishes disability insurance sales results for



Véronique Caty

THREE CATEGORIES OF DISABILITY INSURANCE PRODUCTS IN CANADA

Non-cancellable disability insurance: Often referred to as a high-end product, it offers a guaranteed premium for the duration of the contract.

Guaranteed renewable disability insurance: The policy cannot be cancelled. However, premiums are not guaranteed. The insurer cannot increase the premiums of a single insured.

Cancellable disability insurance: As the name implies, the insurer can cancel the policy, but it cannot be cancelled for a single insured, only for an entire occupational category. According to the *InsuranceINTEL* Product Centre, **Canada Life** is the only insurer that offers a cancellable disability insurance product: *Independence Plan*.

Brian Loewen, Vice President, Non-Par Insurance Solutions at Canada Life, calls *Independence Plan* “a basic disability policy that will provide total or partial disability income benefits to the insured in the event of a disability from injury, or sickness.”

Loewen explained the difference between a guaranteed renewable product and a cancellable product. “The independence plan is a conditionally renewable contract (as opposed to guaranteed renewable). As long as the client remains within the broad range of occupational categories covered by the plan, the client can renew their coverage annually.”

Canada, LIMRA is tracking them, says spokesperson Catherine Theroux. The research institute provided *Insurance Journal* with exclusive data that compare trends in the two product categories over the past 10 years, based on premiums in force.

The data confirm Loewen's take: In the Canadian market, total in-force premiums for guaranteed renewable disability insurance neared those of non-cancellable disability insurance from 2011 to 2021. In contrast, the number of guaranteed renewable policies sold exceeded the number of non-cancellable policies sold during the comparison period. The disparity between premiums and the number of policies in force is explained by the fact that a non-cancellable policy costs more, and therefore requires a larger premium than the guaranteed renewable product does.

Timing is everything

Insurers and MGAs mentioned factors that have boosted disability insurance sales since the pandemic began. For one, products have adapted to the new work environment, says Brian Loewen. "We are now less reluctant to insure people working from home."

The impact of the pandemic on health has also raised awareness. "In the end, people still have the same need for disability insurance. If you are a self-employed person or don't have group coverage, it's still a significant risk to become disabled. If anything, there's even more awareness around health issues," he adds.

"We don't have statistics on this, but we believe that too many Canadians still do not have disability insurance. COVID-19 has raised awareness that no one is immune. We are telling advisors that clients are receptive," says Philippe Cleary of iA.

The pandemic has done much more to raise clients' awareness than statistics alone, **Claudine Cloutier**, Vice-President, Living Benefits, and partner at **Groupe Cloutier** underlines. By highlighting the risk of illness and job loss, the health crisis has breathed new life into sales of individual disability insurance, she explains.

"People have realized that they need protection. Advisors can talk to their clients about it, educate them, but until something happens around you, it's invisible... In 2020, many experienced it. It wasn't an accident or an illness, but a pandemic that prevented them from working. They wanted to better protect their income," she says.

Business had slowed in the first half of 2020, but picked up "quite incredibly" in 2021, Cloutier says, adding that "In 2020, living benefits sales were down about 15 per cent. In 2021, they were up about 30 percent."

"At the beginning of the pandemic, there were major effects. The living benefits sector was hit the hardest in 2020. People stopped working, and the economy was put on pause. The year 2020 was the first time in 18 years where living benefits sales declined at Groupe Cloutier," she adds.

The pandemic has also accelerated the digitization of disability insurance products and sales activities, which has also improved results. Cloutier points out that launching **Humania Assurance's** Prohealth guaranteed renewable insurance product while the pandemic was in full swing was a game changer for Groupe Cloutier. "Especially because this product can be bought entirely digitally," she says.

Groupe Cloutier's other guaranteed renewable product providers include iA Financial Group's Superior Program, La Capitale's (now **Beneva**) Pillar Series, and Flex Plan by **Blue Cross Canassurance** (**Quebec Blue Cross** and **Ontario Blue Cross**). **Desjardins Insurance** also offers guaranteed renewable disability insurance products (Solo Essential Disability Income and Solo Disability Income) that are not distributed through the MGA network in Quebec.

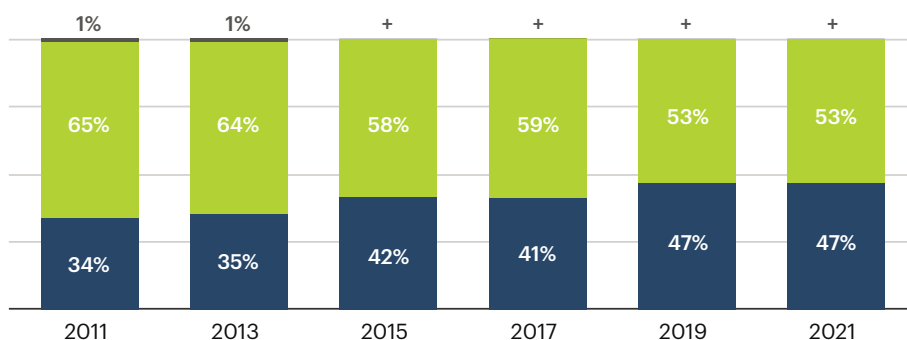
"One of the effects of the pandemic is that people increasingly want to work online. Before the pandemic started, everything in living benefits was still done on paper. Now, virtually all players have electronic platforms, and the vast majority of our advisors



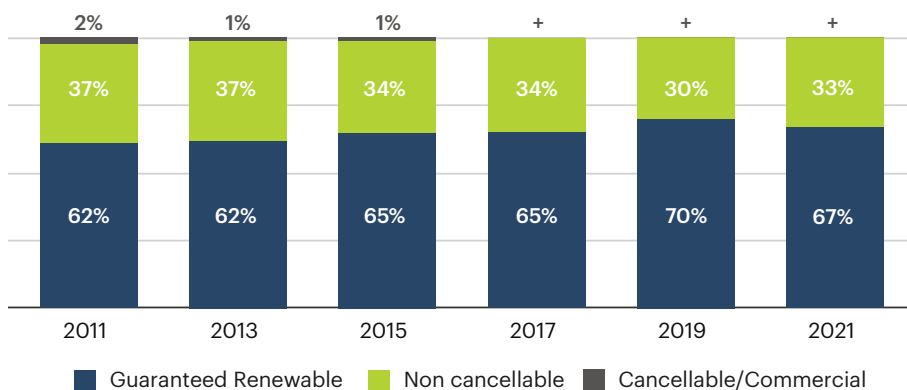
Philippe Cleary

INDIVIDUAL DISABILITY INSURANCE MARKET IN CANADA

IN-FORCE PREMIUM SHARE



IN-FORCE POLICY SHARE



+ Less than 1/2 of -1 percent. | Source: LIMRA.

have come on board,” Cloutier adds.

At Financial Horizons Group, Véronique Caty spoke of Prohealth’s major impact on sales. “In guaranteed renewable products, Humania is very strong for us. I think it’s because of the electronic component, the technology platform and the underwriting speed.” She points out that Prohealth is a new product, with fewer health issues. “iA Financial Group is also very strong,” Caty adds, highlighting the ease of use of iA’s electronic underwriting platform.

Financial Horizons Group has seen rather “exponential” increase in its disability insurance sales, Véronique Caty adds. All of her providers have told her that their sales are up. “Advisors and their clients alike are more interested in the disability insurance product, and clients have the money to buy it because they’ve been traveling less, spending less during the pandemic,” she says.

She believes that clients’ improved financial situation has propelled their advisors’ strong business growth in both investment and living benefits. Advisors are talking not only about investment products, but also about living benefits products, she points out.

Billions of dollars in benefits

In Canada, 12 million people are covered by disability insurance, according to the 2021 edition of the **Canadian Life and Health Insurance Association’s (CLHIA) *Canadian Life and Health Insurance Facts***.

The CLHIA puts disability insurance in the health insurance category. The report finds that insurers paid \$8.5 billion in disability benefits in 2020, out of a total of \$36.6 billion in health benefits. Health insurance premiums totalled \$47.3 billion in 2020, with 90 per cent of that coming from group insurance and 10 per cent from individual insurance, the publication adds.

The CLHIA also states that insurers paid \$150 million more than projected in 2020 for disability insurance. They also disbursed \$420 million in benefits for psychological treatments in 2020, a 24 per cent increase over 2019.

According to an RBC Insurance survey released in February 2022, 54 per cent of Canadians now consider depression to be a form of disability. Forty-four per cent feel the same way about anxiety.

The same survey found that just over half (54 per cent) of the respondents believe their mental health is good or excellent, a significant drop of 12 percentage points from the same time in 2019. These findings are from an Ipsos survey of 1,501 working Canadians aged 18 and older conducted October 14-18, 2021.

“Over the years, we have seen more and more Canadians recognizing that disabilities can be mental, and

not just physical in nature,” says **Maria Winslow**, Senior Director, Life & Health, RBC Insurance. “This is an important shift, particularly as people continue to deal with the ongoing stresses of the pandemic and they continue to report a decline in their mental health.”

Statistics Canada’s *The Daily* reported on March 4, 2022 that the share of employed (at work) Canadians with a mental health-related disability increased by 2.3 percentage points from 2019 (6.4 per cent) to 2021 (8.7 per cent). “Given the change in labour market conditions from 2019 to 2021, particularly large scale employment losses related to the pandemic, this increase was likely due mostly to an increase in the prevalence of mental health-related disability among those who were already employed,” the report reads.

Statistics Canada also finds that the proportion of employed women aged 16 to 24 with a mental health disability was 17.2 per cent in 2021, an increase of 7.6 percentage points from 2019. This is the largest increase of all major demographic groups, *The Daily* notes.

Among employed young men in the same age group, 8.9 per cent had a mental health-related disability in 2021, about the same as in 2019, Statistics Canada adds.




Claudine Cloutier

The benefit of insurance

The RBC Insurance survey suggests that disability insurance helps alleviate stress and anxiety: 60 per cent of group plan members and 66 per cent of those with individual disability insurance rate their mental health as good or excellent.

However, fewer people report having disability insurance, either as part of their workplace benefits package (down six points) or as individuals (down nine points). “The number of Canadians with disability coverage has declined from the peak of the pandemic to today,” adds Winslow.

Among the causes of disability, mental health disorders are still taking a toll on insureds. Several sources confirmed that associated claims have increased since the beginning of the pandemic. 



Maria Winslow

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- **Disability claims due to mental health issues on the rise**
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The Danger of Risk Management

QUESTION: I include “risk management” in my financial planning but it doesn’t usually attract a lot of interest or amount to a lot of revenue for me. What am I doing wrong?

There is a danger in financial planning risk management. Even though removing danger is the very reason for risk management, here’s the problem for financial advisors. If you only consider life insurance as risk management, you omit fully half the value of the product. The danger of risk management is that risk is only half the story. If that’s all you talk about, you’ve left a gaping hole and danger in your work.

Here’s how you can prove your value and take full advantage of the life insurance product. First, life insurance the first part of the “essential financial security” (EFS) process because these are the products that provide the peace of mind that is financial quality of life. EFS products are those you buy before a plan that sets the stage for stronger plans. This way you plan while protected; not plan while exposed to insurable risks. We do life insurance first not because of the “probability” of dying – it’s low for most people, but because the consequences of dying without having it are very large. All other coverages have back-up options, even if unlikely or unpopular. But survivor prospects without life insurance are very grim.

There’s more to life insurance than risk management and you can explain it by explaining the 4 ways prudent investors use it. Give your clients and prospects a fuller understanding of the way successful people use the product and you give them the opportunity to use it in more than just the obvious ways. That attracts interest.

1. The first way prudent investors use life insurance is to provide their survivors “short-term tax-free cash at death”. Tax-free cash at death is what life insurance does, not what it is. This is the most obvious way, and it protects families and businesses against terminating needs like to cover a mortgage, bank loan, a young family’s survivor income, funding university education, and paying final expenses on an unexpected death. For these short-term, terminating needs, we use term life insurance.
2. The second way to use life insurance is for “long-term tax-free cash at death”. This provides the tax-free cash to pay those estate costs that never expire. They come to life when you are gone. These costs include things like final medical, funeral, and burial expenses; income taxes payable on the second death on a couple’s RRSP or RRIF; capital gains taxes payable on rental properties, investments, and vacation homes; business continuation and succession purposes; and special bequests for special needs children or charitable causes. Like term, this is also risk management but for these permanent needs we look for the most cost-effective lifetime coverage. T100 and Non-Participating whole life are two good options.
3. The third way deviates from risk management. It is “lifestyle income management”. It’s “long-term tax-free cash for life”. This is using the government sponsored wealth building characteristics of participating whole life with paid-up additions to create a non-correlated, fixed income asset that grows tax-free; can be accessed tax-free; only goes up in value; can never decrease in value (vested or reset when values are credited each year); and is paid out to beneficiaries tax-free. It can also provide a tax-free retirement pension-like income and provide tax-free funds for long-term care needs, either at home or in a facility. There is nothing else like it. It provides a long-term financial foundation that lets you take other risks knowing you are protected. It may not be for everyone, but it is a great tool for many.
4. Finally, there is “generational tax-free cash for family nobility” It’s the hidden purpose of life insurance... to change your family’s financial comfort level and trajectory for the better forever. Nobility is financial independence – never having to live from pay cheque to pay cheque or worry about money again. It’s about being able to do what you want but not about being able to do nothing. It’s about adding to and not drawing from society. With life insurance – really any type in this case, the nobility in your family can start with you.

All 4 ways and the products they represent are good, and you need not direct a prospect to one over the other. Anything they choose is a good place to start. In time, you can consider all of them as your client’s essential financial security aspirations develop.

And by laying out and investigating the different ways life insurance can be used, you capture client dreams, goals, and aspirations and change purpose of life insurance for them. It can be so much more valuable than risk management for them and you when you eliminate the danger of telling them just half the story.

For more information on the tools to use to build your brand, check out Advisorcraft.com.

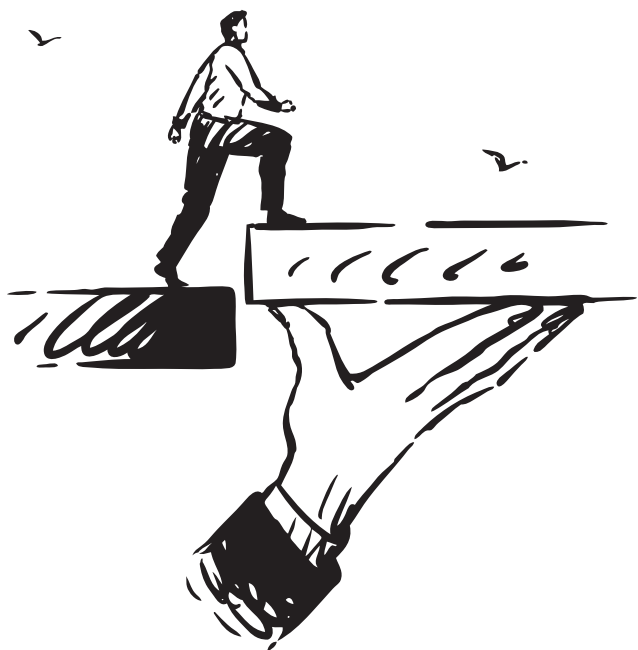
Jim Ruta’s mission is simple – to preserve, promote and propel the financial advisor business. A former insurance advisor and executive manager of a 250-advisor agency, Jim is a highly regarded coach, author, podcaster and keynote speaker. He has spoken 4 times at the MDRT Annual Meeting including the Main Platform. Jim Ruta is an Executive Coach and Keynote speaker specializing in life insurance advisors and leaders. He works with top advisors around the world and re-energizes audiences with his deep insight and passion.

Discover more at www.jimruta.com.

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