

Implementation timelines: Recommendations of the OLHI's Fourth Independent Review

The [2023 OLHI Independent Review](#) resulted in eight recommendations, which received a formal response from the Board of Directors in December 2023. In that document, OLHI noted the intention of proceeding with recommendations 1 to 5 in 2024. However, their implementation has been delayed due to a broader consultation currently underway by the Canadian Council of Insurance Regulators (CCIR), involving a review of the [Cooperation and Oversight Framework](#). This initiative may affect the scope of some of the recommendations, including potential amendments to the [OLHI's Terms of Reference](#). Implementation must therefore await the conclusion of this process. The intention remains to proceed as soon as circumstances allow.

APPENDIX A

LIST OF RECOMMENDATIONS

We recommend that OLHI consider whether there is a financially responsible way to enhance further their web portal by investigating improvements for accessibility such as by persons with visual impairments.

We recommend that OLHI continue to emphasize a generous approach to the mandate, including working with members and the CCIR on whether, if there are any gaps in consumer recourse, they could be addressed through revisions to the Terms of Reference.

We recommend that OLHI consider establishing a written standard for when to move a complaint to the SAO level that favours consumer protection.

We recommend that OLHI study whether a different model for the final dispute resolution stage of the process could better support consumer protection and accountability, including whether the non-binding recommendation should come from the CEO and Ombudsman as final authority. This model would include using the standard discussed in the previous recommendation for when to move a complaint to the final authority.

We recommend that OLHI consider a periodic consumer satisfaction survey that would in particular look at consumer perceptions related to timeliness, courtesy and impartiality of services.

We recommend that OLHI continue to work with the OmbudServices Oversight Standing Committee on what information may appropriately be shared in furtherance of a fair, transparent and efficient dispute resolution process.

We recommend that CLHIA consider consulting with the Chair of the Board as to the Board's needs and referring to the skills matrix when selecting candidates for appointment as industry directors.

We recommend that OLHI consider adopting a term limit, such as two consecutive three year terms, for directors, and that terms be staggered.

OmbudService
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**OLHI's RESPONSE TO THE
RECOMMENDATIONS OF THE
FOURTH INDEPENDENT REVIEW
BY BENNETT JONES LLP**

Approved by the OLHI Board of Directors on December 5, 2023

BACKGROUND

- OLHI is a national organization offering Ombudservices in English and French to Canadian consumers across the country. It is funded through assessment fees paid by member companies from the life and health insurance industry to provide a complaint-resolution service, free of charge to consumers.
- OLHI is an independent and impartial service: it is not an advocate for either the member or the consumer.
- OLHI's membership covers virtually the entire life and health insurance industry. As a group, the interests of members are represented by the Canadian Life and Health Insurance Association (CLHIA) which is a long-standing voluntary trade organization.

EXECUTIVE SUMMARY OF THE FOURTH INDEPENDENT REVIEW

The *Insurance OmbudServices Cooperation and Oversight Framework* (Framework) provides for ongoing collaboration among the insurance sector OmbudServices – OmbudService for Life and Health Insurance (OLHI) and the General Insurance OmbudService (GIO) – and the Canadian Council of Insurance Regulators (CCIR). The Framework identifies the public interest objectives of complaint resolution in the insurance sector and includes Guidelines designed to ensure that they are fulfilled. Under the Framework and its Guideline on third party evaluation, OLHI's Board must periodically appoint an independent third-party to review OLHI's operations and whether it is achieving the objectives of the Framework. The independent evaluation must also assess the governance of the organization. OLHI retained Serge Dupont, former Deputy Clerk of the Privy Council of Canada and Laurie Wright, former senior leader of the federal Department of Justice, of Bennett Jones LLP, to conduct the fourth review of OLHI under the Framework and its Guidelines. The relevant period for the report is from 2018, when the previous report was completed, up to and including 2022.

Below are some highlights from the Fourth Independent Review written by Serge Dupont and Laurie Wright of Bennett Jones LLP:

- *The Framework's Guidelines cover independence, accessibility, scope of services, fairness, methods and remedies, accountability and transparency, and third-party evaluation. The report assesses OLHI's operations as to whether they are implementing the objectives of each of the Guidelines. The review concluded that OLHI's operations have achieved their public interest purpose.*
- *There have been considerable positive developments for OLHI since the last evaluation which at the time had indicated that OLHI had matured as an independent organization, skilled in dealing with complaints by customers against their insurance companies.*
- *One key factor is the Board's 2019 appointment of the new CEO and Ombudsman. Bennett Jones concluded that the CEO and Ombudsman's leadership along with the Board's direction have further served to put OLHI on the path of continuous improvement.*
- *Some of the improvements include: a vastly enhanced website; substantial efforts on public education outreach; improved strategic planning including using metrics based on better data quality and analysis; salutary changes to the complaints review process; better communication with the OmbudServices Oversight Standing Committee and the CLHIA; and more careful assessment before reaching a decision that a complaint is outside OLHI's jurisdiction.*
- *The reviewers also noted OLHI's improved service to consumers consisting of operational changes designed to increase efficiency. More specifically, complaints analysts now have authorization to communicate directly with the insurer rather than through the leadership team. Also, having prior approval from the Senior Deputy Ombudsman allows for the settlement of uncomplicated cases with low dollar values.*
- *The report highlighted that OLHI is very well governed by its Board which is strong and committed. OLHI's General By-Law requires that a majority of directors are independent. With established criteria being met, the reviewers were satisfied that a reasonable person would perceive independent directors as unbiased when it comes to member companies and that that all directors contribute to providing objective and disinterested oversight, carrying out their functions objectively and fairly.*

COMMENTS ON THE RECOMMENDATIONS

✓ RECOMMENDATION #1

“... OLHI consider whether there is a financially responsible way to enhance further their web portal by investigating improvements for accessibility such as by persons with visual impairments.”

Comment: *OLHI is committed to improving accessibility for Canadian consumers to its web portals. This is an organizational priority. OLHI will investigate and adopt financially responsible improvements to enhance accessibility to its English and French web portals for persons with visual or other impairments, wherever practicable. This recommendation will be implemented in 2024.*

✓ RECOMMENDATION #2

“...OLHI continue to emphasize a generous approach to the mandate, including working with members and the CCIR on whether, if there are any gaps in consumer recourse, they could be addressed through revisions to the Terms of Reference.”

Comment: *OLHI agrees with the recommendation and will continue to emphasize a generous approach to its OmbudService mandate. This approach has been carried forward in the internal review of OLHI’s Terms of Reference, currently underway, including, actively reviewing opportunities for meaningful expansion of OLHI’s mandate that address gaps in consumer recourse. Upon completion of the internal review, the revised Terms of Reference will be discussed with members and the CCIR. We expect to implement this recommendation in 2024.*

✓ **RECOMMENDATION #3**

“...OLHI consider establishing a written standard for when to move a complaint to the SAO level that favours consumer protection.”

Comment: *OLHI will adopt and publish a written standard for when to move a complaint to the final stage of its complaint review process/SAO level. We expect to implement this recommendation in 2024.*

✓ **RECOMMENDATION #4**

“...OLHI study whether a different model for the final dispute resolution stage of the process could better support consumer protection and accountability, including whether the non-binding recommendation should come from the CEO and Ombudsman as final authority. This model would include using the standard discussed in the previous recommendation for when to move a complaint to the final authority.”

Comment: *As part of the aforementioned internal review of OLHI’s Terms of Reference, a different model for the final dispute resolution stage of OLHI’s complaint review process is currently under study. Using the standard discussed in Recommendation #3, the model under consideration would authorize the Ombudsman, or designate, to exercise final authority with independence and impartiality, within a defined time frame. We expect to implement this recommendation in 2024.*

✓ **RECOMMENDATION #5**

“...OLHI consider a periodic consumer satisfaction survey that would in particular look at consumer perceptions related to timeliness, courtesy and impartiality of services.”

Comment: *A periodic consumer satisfaction survey would support OLHI’s commitment to continuous improvement. OLHI will implement a consumer satisfaction survey to consider consumer perceptions relating to timeliness, courtesy, and impartiality of services. We expect to implement this recommendation in 2024.*

✓ **RECOMMENDATION #6**

“...OLHI continue to work with the OmbudServices Oversight Standing Committee on what information may appropriately be shared in furtherance of a fair, transparent and efficient dispute resolution process.”

Comment: *OLHI will continue to work with the OOSC on information sharing in accordance with its policy to maintain a strict focus on its core mission of dispute resolution while exercising good stewardship of its limited resources and respecting its contractual obligations. Moreover, OLHI operates in a manner that seeks to continuously earn and sustain the confidence of consumers and our member companies. This requires a dedicated vigilance to ensure the confidential treatment of all information that both consumers and member companies entrust to OLHI’s care and consideration. Respecting the above principles is mandatory for OLHI’s credibility and obligation of independence and impartiality. This is an ongoing priority for OLHI.*

✓ **RECOMMENDATION #7**

“...CLHIA consider consulting with the Chair of the Board as to the Board's needs and referring to the skills matrix when selecting candidates for appointment as industry directors.”

Comment: *The Board Chair will meet with the Chair of CLHIA to discuss an appointment approach that refers to OLHI's skills matrix for the selection of future industry directors.*

✓ **RECOMMENDATION #8**

“...OLHI consider adopting a term limit, such as two consecutive three year terms, for directors, and that terms be staggered.”

Comment: *As part of the board governance reforms that are highlighted in the report, the Board considered term limits. It was concluded that implementing rigorous processes for evaluating Board performance and recruiting independent directors was a more flexible and effective option to achieve the key governance objectives of Board renewal and succession planning. The turnover in independent directors and the quality of the new directors shows that the new processes have been effective in achieving Board renewal and succession planning.*