



Submission to the Government of Canada on its Consultation on Possible Accession to the Digital Economy Partnership Agreement

CANADIAN LIFE AND HEALTH INSURANCE ASSOCIATION
MAY 2021



Canadian Life & Health
Insurance Association
Association canadienne des
compagnies d'assurances
de personnes

The Canadian Life and Health Insurance Association (CLHIA) is pleased to provide its views to the Government of Canada on Canada's possible accession to the Digital Economy Partnership Agreement (DEPA).

The CLHIA is a voluntary association with member companies which account for 99 per cent of Canada's life and health insurance business. The life and health insurance industry plays a key role in the Canadian economy, by employing nearly 160,000 Canadians and by providing an important source of stable capital for the federal government through investments and tax contributions.



\$8.3 billion in tax contributions

\$1.5 billion in corporate income tax

\$1.3 billion in payroll and other taxes

\$1.6 billion in premium tax

\$3.9 billion in retail sales and payroll taxes collected



Investing in Canada

\$950 billion in total invested assets

92% held in long-term investments

Canadian life and health insurers are trusted around the globe and are active in over 20 countries with 3 Canadian companies being among the 15 largest in the world.



Given the importance of the digital economy to Canada's international operations and the economic success that stems from technological advances, we would support Canada's accession to the DEPA.

Innovation is imperative to the financial services sector within Canada. The life and health insurance industry relies on innovations to enable them to better protect the interests of clients and policyholders and provide them with more affordable and convenient services. New and emerging technologies help drive competition and provide opportunities for new entrants as small and medium sized businesses are better able to compete without large financial investments.

Presently, the DEPA does not apply to financial services. However, there are important provisions within the agreement that we feel the financial services sector would benefit from.

For instance, the DEPA enables for businesses to transfer information across borders in order to serve customers, regardless of where they are located. The life and health insurance industry is supportive of the free flow of data across borders. Many new and emerging technologies allow for companies to move data quickly and securely within and across markets. Canadian life and

health insurers rely on the secure and uninterrupted flow of data across provincial and international borders for any number of commercial and back-office functions including underwriting, client services, product development, risk mitigation activities such as reinsurance and market research. The unimpeded flow of this information reduces risk across business lines.

Further to this, the DEPA ensures personal data is protected by requiring that each signatory adopt and maintain a legal framework that provides for the protection of this information. The life and health insurance industry relies on the use of sensitive personal information in our day to day operations. The protection of personal information is crucial for maintaining consumer confidence and to support economic growth. The CLHIA is therefore supportive of consistent standards and international legislation to protect consumers regardless of where they reside.

Given this, we would support the expansion of the scope of the DEPA to include financial services and would encourage the federal government to make this recommendation.

We would like to take this opportunity to thank you for your consideration of the views of the Canadian life and health insurance industry. Should you have questions regarding any of our comments, you may contact Susan Murray, Vice-President, Government Relations and Policy by phone at 613-691-6002 or by email at smurray@clhia.ca.



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