



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

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The Review of the Canada-United States-Mexico Agreement (CUSMA)

The Canadian Life and Health Insurance Association (CLHIA) is a strong supporter of the Canada-United States-Mexico Agreement (CUSMA) and is pleased to contribute to this [consultation](#) in advance of the upcoming review.

The CLHIA is the national trade association for life and health insurers in Canada. Our members account for 99 per cent of Canada's life and health insurance business. The industry provides a wide range of financial security products such as life insurance, annuities, and supplementary health insurance.

Canadian life and health insurers are active in over 20 countries and territories. The ability of Canadian companies to succeed abroad is testament to their resiliency and to the confidence foreign clients have in the Canadian regulatory regime. In terms of foreign markets, the United States remains of particular interest to our members. The United States represents 25 percent of insurance service revenue¹ for Canadian life and health insurers and many Canadian companies have significant investments all across America.

CUSMA, and its predecessor NAFTA, created a supportive environment for increased cooperation and greater market access in Canada, Mexico and the United States. The stability provided by these free trade agreements has allowed North American businesses to grow in a predictable, transparent and competitive environment. It has increased trade, improved consumer choice and allowed for greater cooperation among policymakers, the business community and regulators.

We believe it is vital that Canada work closely with its partners to ensure that the principles and benefits of CUSMA are maintained throughout the upcoming review, while ensuring that amendments “do no harm” to Canadian business interests. In particular, we are seeking to preserve the important benefits of [Chapter 17 - Financial services](#), and [Chapter 19 - Digital trade](#), as these are working well for the Canadian economy. Regulatory cooperation should also be encouraged throughout the agreement, and existing

¹ Insurance Service Revenue is a new financial statement measure under international financial reporting standards IFRS 17, Insurance Contracts, of revenues earned in the year by the insurer for insurance services rendered. This new measure is being used in 2023 in conjunction with the adoption of IFRS 17 by Canadian life and health insurers. Previous versions of Canadian Life and Health Insurance Facts presented premiums across regions. These two measures are not directly comparable.

clauses, such as *Article 28.17: Encouragement of Regulatory Compatibility and Cooperation*, should be preserved.

While substantive changes are not necessary, there are some ways that the agreement could be modernized to enhance an already strong foundation. For instance, *Article 17.17: Transfer of Information* could be enhanced to permit information sharing related to cybersecurity and national security.

[Chapter 19](#) could also be modernized to prevent data localization and promote cooperation across the three jurisdictions. The CLHIA is supportive of proposals to explicitly prohibit unnecessary requirements that could result in data localization and to encourage harmonization through a Committee on Digital Trade, Public-Private Cooperation Mechanisms, and interoperability of rules related to emerging technologies, such as AI.

Any efforts to modernize CUSMA should be conducted in a transparent manner and with regular engagement with relevant stakeholders to minimize disruption and avoid unintended consequences.

Thank you for considering the views of the Canadian life and health insurance industry. Should you have any questions about our comments, please do not hesitate to contact us.

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