



NEWS RELEASE

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LIFE AND HEALTH INSURANCE INDUSTRY RESPONDS TO FINANCE MINISTERS ANNOUNCEMENT ON PENSION REFORM

Toronto – The life and health insurance industry welcomes today's agreement by the Finance Ministers in Whitehorse to study a range of possible retirement savings options, including giving financial institutions greater leeway to operate group retirement plans.

The industry has put forward a number of approaches to address concerns about the lack of adequate retirement savings by Canadians. "We look forward to working with governments in providing expanded pension opportunities to Canadians," said Frank Swedlove, President of the Canadian Life and Health Insurance Association (CLHIA). "We believe that meaningful change can be achieved most effectively by using the infrastructure and expertise that already exists within the financial services industry," he added.

The life and health insurance industry has proposed a number of changes including:

- i) permitting broader access to multi-employer defined contribution pension plans so that individual employers do not have to take on the costs and administrative burden of being a plan sponsor;
- ii) allowing employers to auto enroll their employees; and
- iii) allowing variable contributions by employees as their age and salary levels change.

The Canadian life and health insurance industry provides a wide range of financial security products, including life insurance, annuities (including RRSPs, RRIFs and pensions) and supplementary health insurance, to about 26 million Canadians and their dependants. Established in 1894, the CLHIA is a voluntary association whose member companies account for 99 per cent of Canada's life and health insurance business.

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