



Stephen Frank
President and CEO

May 29, 2020

Hon. Carole James
Minister of Finance and Deputy Premier
Room 153 Parliament Buildings
Victoria, BC
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FIN.Minister@gov.bc.ca

Re: Medical lab tests for insurance applications

Dear Minister James,

I am writing on behalf of the life and health insurance industry with respect to paramedical testing for insurance applications. We wanted to advise you of some temporary changes that have resulted since COVID 19 in the event that you have questions from British Columbians or from the advisor community.

About CLHIA

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 is a significant economic and social contributor Canada, including in British Columbia. It protects about 3.5 million British Columbia residents and makes over \$10 billion a year in benefit payments to residents in British Columbia (of which 90 per cent goes to living policyholders as annuity, disability, supplementary health or other benefits and the remaining 10 per cent goes to beneficiaries as death claims). In addition, the industry has \$80 billion invested in British Columbia's economy, and employs nearly 17,000 British Columbians throughout the province. A large majority of Canada's life and health insurance providers are licensed to operate in British Columbia, with two headquartered in the province.

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Actions Taken by Life and Health Insurers During COVID-19

As you are aware, with the arrival of COVID-19, many routine medical services and doctors' offices were closed across the country to help stop the spread of the disease. This included closing facilities for certain routine paramedical tests, such as blood and urine samples, which are required to accurately assess risk in order to underwrite and issue some insurance applications. As a result, life and health insurers have had to adapt their normal business practices in order to continue to try to provide life insurance to consumers while ensuring the health and safety of clients and service providers.

While the majority of these services are closed, there have been a very limited number of non-essential paramedical tests that have continued during the pandemic. We understand that most life and health insurers made the decision to stop collecting these test samples while provinces were in lock down, as these tests require close contact and would put both the individual and provider at high risk. The decision of whether to collect these test samples was an individual decision made by each company. These steps were necessary to protect the health and safety of all Canadians.

We want to assure you that life and health insurers have taken significant steps during this pandemic to ensure that the majority of Canadians, including British Columbia residents, continue to have access to insurance, both on the claims side, and in their ability to apply for new, or renew existing, insurance coverage. For instance, a number of insurers have increased their policy amounts in which insurance applications will continue to be underwritten without the need for any fluids. This has enabled the vast majority of Canadians to continue to be able to purchase life, disability, and critical illness insurance during the pandemic.

There are, however, some cases where medical evidence is required to underwrite and process policy applications. These are generally for large value policies or for individuals who are at higher risk. For some of these individuals, insurers have been able to find work-arounds to access needed health information. For example, insurers were able to rely on recent physician statements and individual medical histories that were still available in many cases. In some instances, insurers have agreed to rely on prior medical test results when they would normally have required a more current test to be undertaken. In addition, some companies have used virtual offerings, such as at home testing combined with telehealth services. Other insurers have also been proactive in offering guaranteed insurance products that do not require testing and whose rates are significantly less expensive than renewal rates for term products.



Where existing policies are set to renew during the COVID-19 pandemic, and for all policyholders, insurers have offered temporary options for deferring or lowering premiums. These measures are designed to ensure policyholders can retain their policies during this difficult time. Policyholders can continue to apply for new, replacement coverage and many insurers are offering more flexible age and coverage limits. Where medical evidence is required, policyholders will have the ability to apply for lower rates when paramedical testing returns to normal levels. Regardless, policyholders will always have the ability to cancel their policy at any time.

It is important to note that, while the industry has been working closely with governments and regulators across Canada to work to ensure the health and safety of Canadians during COVID-19, the examples noted above are individual business decisions and it is up to each individual insurer to determine the level of risk they are willing to accept.

Resumption of Paramedical Services

As provinces begin to open up health care services to their residents, there are important implications and constraints that may still be present for the purposes of underwriting insurance. Paramedical services have resumed in some provinces include physiotherapy, chiropractic services, massage therapy, dentistry. However, to date, no province has explicitly stated that non-emergency paramedical lab tests for insurance may commence. In this context, we understand that lab test companies are taking steps to ramp up these services as soon as possible – with some planning for June.

As non-emergency paramedical lab testing becomes available to insurance applicants, insurers are in dialogue with the companies undertaking these tests to ensure the parameds they employ follow proper protocols to protect the health and safety of our clients and the broader community, given that these tests are typically taken within an applicant's home and require physical contact with the applicant.

We understand the providers of lab tests are not governed by one regulatory body as many of the other para-professionals are. We also understand these providers are monitoring the public health standards and are consulting with provinces and provincial health authorities to establish an appropriate standard that they will operate under to protect the health of both the applicant and service provider. As these tests are typically taken within an applicant's home and require physical contact with the applicant, we understand this will include requirements such as enhanced cleaning protocols, self-assessments of the provider, appropriate use of personal protective



equipment, and physical distancing measures for non-treatment interactions. One example of analogous standards given was the requirements for massage therapists as a good example.

All Canadians, including British Columbians, are experiencing unusual and difficult times as a result of the COVID-19 pandemic, from both a health and economic perspective. Canada's life and health insurers have been proud to work with all levels of government to help protect Canadians through health benefit plans, travel insurance and other financial security products. We will continue to work closely with you and your officials to offer assistance to the people of British Columbia. Should you have any questions, please feel free to reach out to me directly or to Susan Murray, Vice-President Government Relations at smurray@clhia.ca or 613-691-6002.

Yours sincerely,

Stephen Frank