



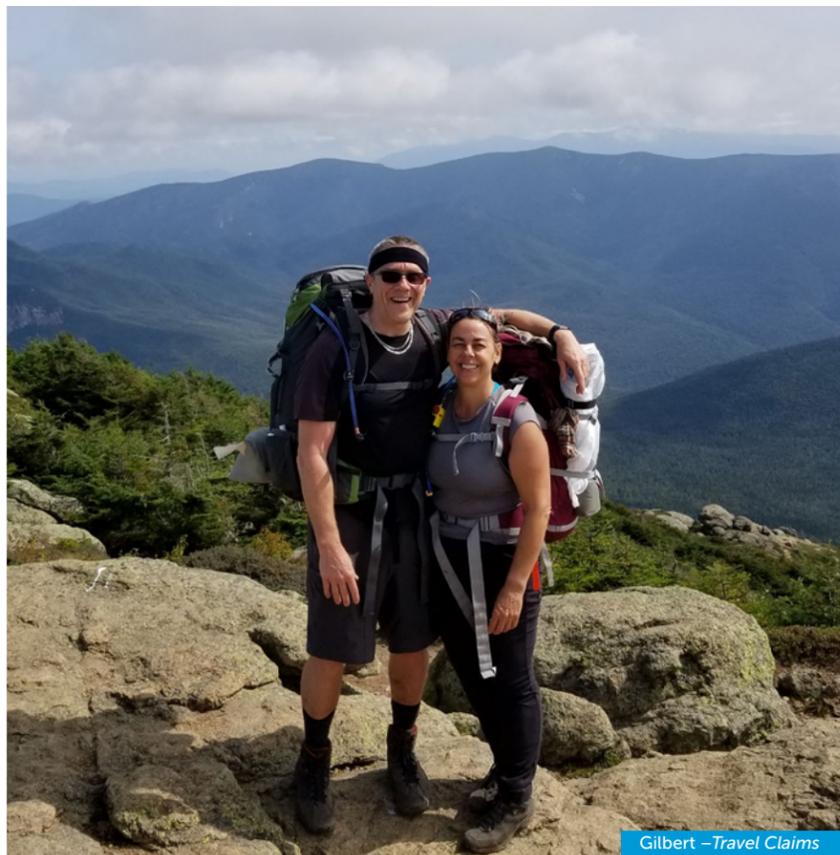
Marie-Claude – Marketing



Laurence – Marketing



Karima – Client Experience Center



Gilbert – Travel Claims



Annie – Finance and Control

# 2019 Annual Report



Photos courtesy  
of our employees,  
our wellness ambassadors



Grant – Brokerage Channel  
Individual Health Insurance

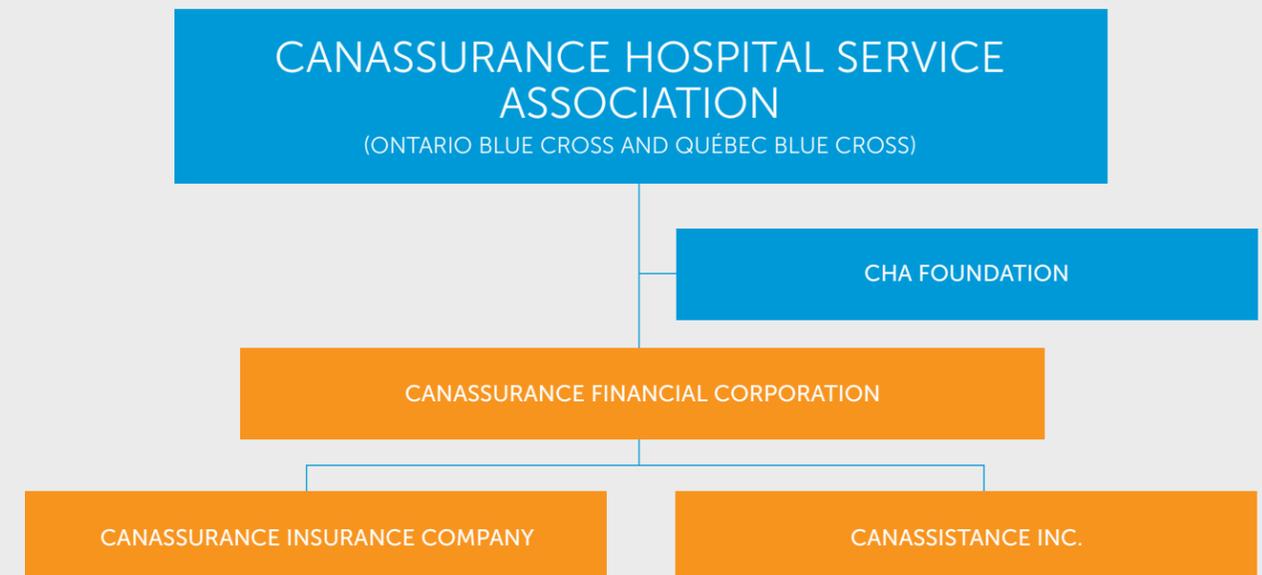
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## Blue Cross Canassurance

The **Canassurance Hospital Service Association** (“Blue Cross Canassurance” or “Blue Cross”), which operates under the names Ontario Blue Cross® (1941) and Québec Blue Cross® (1942), is a legally independent corporation without pecuniary gain.

Blue Cross Canassurance is licensed by the Canadian Association of Blue Cross Plans to operate in Ontario and Québec. Its relationship with other Blue Cross organizations in Canada and the United States is based on the exchange of information and services, and compliance with high-quality standards. The mandate of Blue Cross Canassurance is to offer quality health insurance, travel insurance, and assistance products and services.



# Message from Management



Louis –Chairman of the Board



Sylvain –President and Chief Executive Officer

## On the Path to Change

In a year marked by great strides, we undertook and achieved many things together in 2019 as part of our digital revolution. So it's fitting to celebrate the success of our first transformational project—the move to new headquarters in the heart of Montreal's business district. Our new working environment has been thoroughly rethought and designed to align synchronously with our plans for growth while offering employees a modern and welcoming space, one that exudes health and where everyone is better equipped for the job at hand.

### Laying a Solid Foundation

Big investments were made to continue the upgrading begun in 2018 and to shore up the foundation underpinning change.

Our Management Committee worked tirelessly with much of the management team to put in place our new strategic plan and define our goals for 2025. We hired a consulting firm known for its digital change management expertise to help shape our direction, create a roadmap, and analyze critical elements to put our transformation on a solid footing. Our transformation is centred around the client experience, our brand, our operational excellence, and employee experience.

We have also strengthened our technological capabilities with three new management lines: "architecture and solutions", "development and integration", and "data and analytics". Senior managers were recruited for each of these lines during the year, and a number of new talents were hired to join the teams. All told, more than 50 positions in technology, change management, and project management were filled during the year.

The rollout of our new Human Resources mission system—which is vital to our base—was a big success in 2019. The new system will greatly improve our employee experience.

The year also saw a big increase in staffing numbers. We hired more than 200 recruits, thereby consolidating our management structure and internal practices. These many hires helped improve our integration program, streamline our procedures, and position ourselves as true agents of change.

A more nimble environment, supported by new technologies that encourage collaborative work, rendered execution of some projects more fluid, with different departments of the organization working collaboratively in dedicated teams. The methods and tools fostered important learning that made us more efficient in delivering projects and enhanced our ability to create value.

Much was learned as well through an in-depth review of our business rules for health insurance in Ontario, as well as with the implementation of digital document management as we move toward a paperless work environment.

In addition, we completely updated some of our policies and procedures in our Client Experience Center. This led to new hires, improved quality of service, and a big surge in business in the last quarter.

Some aspects of our reorganization required our teams to show a lot of adaptability, and we wish to salute their commitment and enthusiasm in engaging with change as it occurred. We are very grateful for this team spirit as we work together to build a healthy and stimulating work environment.

### Strategic Ties

Important gains were made through the year as we continued the dialogue begun in 2018 with other members of the Canadian Association of Blue Cross Plans.

At the beginning of summer 2019, Alberta Blue Cross® and Saskatchewan Blue Cross® put our subsidiary CanAssistance in charge of assistance and claims for their travel insurance plans, thus bringing all Association member plans under CanAssistance's umbrella and creating a uniform client experience for Canadians with Blue Cross insurance no matter where they are when outside Canada.

We also undertook to become significant shareholders in Blue Cross Life®. This stemmed from a desire to profit from our common strengths and improve the client experience, thus ultimately making it possible to improve the way we serve our business partners.

### Strengthening Governance

We created a new position of Corporate Secretary and Vice President of Legal Affairs and Compliance in order to strengthen our governance structures and our organizational capacity in areas vital to our future success. We extended the mandate of the internal risk management committee to include compliance.

We created and provided for the position of Chief of Information Security, a critical role for an organization like ours, especially as we proceed with digital transformation.

We optimized our corporate structure during the year to bring CanAssistance and the Canassurance Insurance Company together directly under the holding company Canassurance Financial Corporation.

We welcomed two new board members to the organization, Andrew Molson and Paul-Émile Cloutier. The latter is the first director from Ontario to sit on our board, a testament to our commitment to grow our market there.

We also created an ad hoc board committee to review new policies, procedures, and controls. Their tight oversight allowed the organization to create and revise many policies and to modernize various procedures and controls.

Lastly, we undertook a complete overhaul of our investment policies and strategies, which resulted in a recommendation to change our investment managers.

### Solid Financial Results

Considerable financial and human resources were dedicated to laying the foundation for our transformation. We are very proud, given the context, to have generated revenues of \$225 million, a 5% increase due largely to direct distribution of our travel insurance products. Our net profit stood at \$14 million for 2019. As at December 31, our consolidated assets were \$705 million and our total operating surplus was \$435 million.

Our debt ratio also remains exceptionally strong, with Blue Cross once again earning an "A Stable" credit rating from A.M. Best Rating Services, Inc.

### Exceptional Commitment

We would like to mention the exceptional commitment and contribution of all of our employees. We thank them most sincerely for their openness and for the trust they place in our organization every day.

We also wish to thank our management team, our senior leadership, and the members of the board for their commitment to Blue Cross and their contribution to our success and transformation. Particular thanks to André St-Onge, who has been a member of our board since 2014 and whose engagement and contribution have been vitally important for our organization.

Furthermore, we wish to express our gratitude to all of our clients and business partners for their trust and confidence every single day.

The hard work of all our employees, managers, management committee members, and board members helped us reach our common goals. And that's just the beginning!

Our change is off to a good start, and we have begun to see the fruits of our labour. We are deeply committed to bringing about a bright future for the organization by investing in improving our technology and our processes and in building a culture based on collaboration and innovation. Over the past twelve months, our many successes have positioned us favourably for change. Our 2020 program is ambitious, and we are confident that the solid foundation we laid in 2019 will be the engine that drives us as we work to meet our goals. Together we are going to achieve great things!



Louis Gosselin  
*Chairman of the Board*



Sylvain Charbonneau  
*President and Chief Executive Officer*



PHOTOS

1. Marie-Pierre –Multi Team
2. Gaétan –Marketing
3. Ghyslain –Sales and development  
Travel Insurance

# Your trusted

Health  
Partner



In an era where it is easier than ever to access health information, people are increasingly looking for help so they might choose wisely and adopt a more balanced, healthy lifestyle. Our primary goal is to offer our clients the means to access quality care under the very best possible conditions. Their needs in terms of insurance services are continually evolving and we strive every day to provide solutions that align with their reality.

Our insurance solutions are designed to ensure peace of mind for a better quality of life. We support and devise programs that protect our clients' health and wellness with insurance plans that cover things like hospitalization, prescription drugs and dental care.

Our health insurance plans include our member-exclusive assistance program that offers access to legal advice, home care assistance, and medical advice from qualified health care professionals. Our clients also enjoy our national Blue Advantage™ discount program, with discounts on a wide range of health and wellness products and services from providers across the country.

The year 2019 saw a significant increase in demand for turnkey health insurance plans, whether for the self-employed, new immigrants, small businesses, people moving from one province to another, those who change jobs, or people preparing to retire. Our flexible and varied health insurance plans are great for individuals, but fit the needs of small businesses too. With the increase in demand, we've welcomed new distribution partners, especially in Ontario. We are very proud of their trust.



# Your trusted

Travel  
Partner



In 2019, the travel industry was rocked by a series of events that had a significant impact on travel throughout the world and served to reinforce the importance of ensuring clients are aware of how essential it is to carry travel insurance.

At Québec Blue Cross we continue to innovate and adapt to the needs of the market by developing products that provide protection for our clients, wherever they may travel. Whatever destination they choose, our clients can always depend on the travel assistance they need and on ready access to quality care from accredited specialists.

Our Serenity Service™ has had very favourable reviews from travellers in its first year of operation. The service is free with all of our travel insurance plans and offers real-time advantages to ease the experience of a delayed flight, with things like access to airport lounges or hotel rooms.

Our goal of ensuring peace of mind for travellers isn't just about offering emergency support. We want our clients' travels to be thoroughly enjoyable, and we aim to build a trusting relationship that endures. Just seeing how many clients extended their protection by buying multiple trip plans after purchasing single trip plans tells us we're doing something right.

This time of change has heightened our awareness and responsiveness to the needs of clients and partners. Our teams have taken special care to provide unwavering support to our travel agent affiliates, so that they can provide their clients with travel insurance solutions truly tailored to their travel plans. We would like to thank our partners for the trust they have shown throughout the year. We are proud to say that thanks to their support, Blue Cross was named one of the top three Canadian travel insurance providers in the Baxter Media Agents' Choice Awards.



#### PHOTOS

1. Marketa –Brokerage Channel  
Individual Health Insurance
2. Marie-Pierre –Multi Team
3. Ève-Amélie –Marketing



# Partnering

with Our Employees



## Our Talents, Our Wealth

Our employee experience is a priority. Together we are building a collaborative and supportive work environment. In line with that direction, a new stage in our evolution took place over the last few months. Our move to new premises coupled with modern new tools injected a new energy into our teams, making them nimbler and better able to work closely with each other.

Not only were our working groups strengthened through the recruitment of new hires, they were enhanced by aligning complementary areas of expertise. A number of people were promoted in recognition of their efforts, thus spurring the desire for change and the development of competencies within the organization.

## Our Business Culture: Collectively Inspiring

The fulfillment and wellbeing of every individual guides our vision. To further that end we took a number of actions, such as holding workshops on health and wellness. New common areas for resting or working collaboratively have also stimulated innovation and reinforced team spirit. Additionally, original partnering brought about new gains internally, notably reduced public transit costs and access to our Serenity Service™ for every employee.

We are keenly aware of how blessed we are, so we also give back to the community by mobilizing all staff on behalf of the less fortunate. Our in-house campaign raised \$35,000 for **Centraide** and **Partenaire Santé-Québec**.

Collectively, these efforts form the foundation of a business culture where everyone contributes and feels engaged with the organization. In a testament of loyalty to the organization, one of our colleague marked her 45<sup>th</sup> work anniversary this year. Our wealth of people allowed us to be named one of Montreal's Best Employers for the second consecutive year.

### PHOTOS

1. Our colleagues at the Montréal Client Experience Centre
2. Our colleagues celebrating the 30<sup>th</sup> anniversary of CanAssistance
3. Ontario colleagues dressed up for Halloween



# Partnering with Our Communities



We seek to have a positive influence on the lives of Canadians everywhere through our commitment to social responsibility. As we grow ever closer to our communities, we annually support a number of organizations whose missions are centred on health and wellness.

In January we began a new partnership with **NOVA Montréal** whose mission is to provide quality in-home care to people who are ill or nearing the end of life. Their work is imbued with compassion and we are proud to support their exceptional commitment in having made possible the Québec Blue Cross Home Palliative Care Mentorship Program. Over a five-year period, this program will help better prepare health care professionals who care for patients who have chosen to spend their final moments in the comfort of their homes.

We celebrated the 30<sup>th</sup> anniversary of our partnership with the **Children's Wish Foundation** in 2019. That's thirty years of helping children with life-threatening illnesses see a travel dream come true through access to insurance that covers every aspect of their health. Over the years that has made 23,000 trips possible, each one bringing hope to children and their families. After having long supported their Trees of Joy event in Toronto, this year we took part in the Montreal equivalent, Allumez un rêve, for the very first time. We thus helped Marie-Pier, age 9, Evelyn, age 8, and Matheo, age 3, truly feel the magic of the holidays in an effort that saw our teams become involved and volunteer their time.

Our commitment to families and their children who struggle each day with illness extends to our support for **CHU Sainte-Justine**. In 2019, we provided 31 young haematology, oncology and neurology patients with travel insurance that had no exclusions for pre-existing medical conditions.

The path to wellness includes creating moments of happiness and unforgettable memories but it also includes healthy living. With that in mind, we are a Major Collaborator of **Fondation Olo** which provides families in financial straits with the resources to adopt and maintain healthy eating habits, and so promotes a healthy future for children from the moment they're born.

Mental health is essential to a sense of wellness, and that's why **Fondation Dr. Clown** is so important to us. Through its programs, the Foundation brightens the lives of children in hospital and of seniors in long-term care facilities. The financial support we provide for the mental health initiatives of clowns trained in therapeutic child psychiatry helps ensure that the programs continue.

To encourage innovation among youth, we supported **UpstartED's** upGen program for the very first year. This program offers young students, between 12 and 18, the chance to join together as teams and devise social innovations to help solve complex societal issues.

Finally, on the cultural side, we continue to support the musicians and employees of the **Orchestre symphonique de Montréal** by offering them complimentary travel insurance during their music director and conductor Kent Nagano's final international tour.

Over the course of the year, we implemented a host of initiatives to promote our partners and their programs, including competitions on all our platforms. We will continue to encourage them by launching more campaigns to highlight their outstanding contributions to making a difference in people's lives.



- PHOTOS
1. Children's Wish Foundation's "Allumez un rêve" event in December
  2. Launch of new partnership with NOVA Montréal
  3. Fondation Olo dinner
  4. Children's Wish Foundation's "Golf For Wishes" event in Ontario



# Financial Information

## Management's Report

The financial information of Canassurance Hospital Service Association (the "Company") presented in this annual report is the responsibility of management. It is derived from the audited consolidated financial statements as at and for the year ended December 31, 2019, in accordance with International Financial Reporting Standards (IFRS).

Some financial information may include amounts that are based on best judgments and estimates, as the final determination of these amounts is based on events subsequent to February 21, 2020.

Management believes that the accounting policies used are appropriate and that the financial information presented is sufficiently comprehensive and properly reflects the Company's material aspects to enable the reader to assess its performance and overall financial position.

In their report dated February 21, 2020, the auditors expressed an unmodified opinion on the Company's consolidated financial statements. Moreover, the Appointed Actuary believes that the amounts recorded for insurance contracts liabilities net of reinsurance recoverables make an appropriate provision for all insurance contract obligations.

The Company has an adequate system of internal controls. The mechanisms are intended to provide a reasonable degree of certainty that financial transactions are properly recorded and carried out in accordance with the required approvals, that the financial statements are prepared properly, and that the assets are well protected.

The Board of Directors fulfills its responsibilities regarding the financial information contained in this annual report primarily through its Audit and Risk Management Committee, which is comprised of three Board members who are not officers of the company.

The Audit and Risk Management Committee meets periodically with management as well as with the independent auditors. The main duty of this Committee is to analyze the consolidated financial statements and recommend their approval to the Board of Directors. The independent auditors may, at their discretion, meet with the Audit and Risk Management Committee to discuss auditing and financial reporting matters, in the presence or absence of management.



Sylvain Charbonneau, FICA, FSA  
President and Chief Executive Officer



Nicholas Royer, CPA, CA  
Vice President, Finance

# Financial Highlights

(IN MILLIONS OF DOLLARS)

	2019	2018	2017	2016	2015
<b>TOTAL REVENUE</b>	255.1	243.5	239.1	252.7	266.0
<b>NET EXCESS</b>	13.9	19.2	21.2	24.5	22.4
<b>ASSETS</b>	705.0	681.2	702.0	738.2	762.3
<b>TOTAL SURPLUS</b>	435.2	409.3	395.2	380.1	358.6

The highlights shown above are taken from the consolidated financial statements of Blue Cross Canassurance, which are compliant with International Financial Reporting Standards.

# Governors and Directors

**Sylvain Charbonneau**, FCIA, FSA  
President and Chief Executive Officer  
Montréal, Québec

**Louis Cyr**  
Lac Supérieur, Québec

**Michèle Desjardins**  
Montréal, Québec

**Gérard Douville**  
Dorval, Québec

**Jacques Fontaine**, CPA, CA  
Montréal, Québec

**Maurice Hébert**  
Montréal, Québec

**Normand Laurin**, CPA, CA  
Mont-Saint-Hilaire, Québec

**Bernard Leduc**, MD  
Montréal, Québec

**Gilles Marcil**, MD, CSPQ,  
CRCS, FRCSC  
Montréal, Québec

**Jacques Nolet**  
Montréal, Québec

**Philip M. O'Brien**, CM  
Montréal, Québec

**Julien Ponce**  
Montréal, Québec

**Claude Robitaille**, LL. L.  
Québec, Québec

**Daniel Savard**, MD, CSPQ, FRCPC  
Sainte-Julie, Québec

**Hugh M. Scott**, MD  
Montréal, Québec

**François Sestier**, MD, PhD, FACC  
Montréal, Québec

**Catherine Sévigny**, MBA  
Montréal, Québec

**Jocelyn Tremblay**, FCIA, FSA  
Boucherville, Québec

**Sukyong Yang**  
Montréal, Québec

**Louis Gosselin**, FICA, FSA  
Vice Chairman  
Saint-Jean-Baptiste, Québec

**Françoise P. Chagnon**, M.D.  
Montréal, Québec

**Paul-Émile Cloutier**  
Ottawa, Ontario

**Suzanne Landry**, Ph. D., M. Fisc.,  
FCMA, FCPA, FCA, ASC  
Montréal, Québec

**Jean Laurin**  
Montréal, Québec

**Andrew Molson**  
Montréal, Québec

**Louise Proulx**  
Mansonville, Québec

**Michel Robillard**, CPA, CA  
Secrétaire-trésorier  
Terrebonne, Québec

**Guy Tremblay**, LL. L., Ad. E.  
Vice-président du Conseil  
Montréal, Québec

■ Board of Directors ■ Executive Committee ■ Investment Committee ■ Audit and Risks Management Committee  
■ Ethics and Conformity Committee ■ Human Resources and Remuneration Committee ■ Governance and Nominating Committee

# Board of Directors

**Guy Tremblay**, LL. L., AD. E.  
Chairman of the Board  
Montréal, Québec

**Louis Cyr**  
Lac Supérieur, Québec

**Michèle Desjardins**  
Montréal, Québec

**Louis Gosselin**, FCIA, FSA  
Vice Chairman  
Saint-Jean-Baptiste, Québec

**Suzanne Landry**, PhD, M.Fisc.,  
FCMA, FCPA, FCA, ASC  
Montréal, Québec

**Michel Robillard**, CPA, CA  
Treasurer  
Terrebonne, Québec

**André St-Onge**  
Bromont, Québec

■ Investment Committee ■ Audit and Risks Management Committee ■ Ethics and Conformity Committee

# Management

**Sylvain Charbonneau**, FCIA, FSA  
President and Chief Executive Officer

**Denis Belliard**, ASA, AICA, M.Sc.  
Vice President  
Client Experience

**Christopher Crombie**, FCIA, FSA  
Vice President  
Chief Compliance Officer and  
Chief Risk Officer

**Marc Lamirande**  
M.Sc., FLMI, FLHC, ACS  
Vice President  
Corporate Projects

**Isabeau Normandin**, CHRP  
Vice President  
Talent and Culture

**Sasha Opacic**, B.A. Econ.  
Regional Vice President  
Sales, Brokerage Channel, Individual  
Health Insurance, Ontario

**Joanne Parent**  
Regional Vice President  
Business Development, Health  
Insurance Québec and Travel Insurance

**Nicholas Royer**, CPA, CA  
Vice President  
Finance

**Joanne Simard**  
Vice President  
Legal Affairs, Compliance and  
Corporate Secretary



# Board of Directors

**Guy Tremblay**, LL. L., AD. E.  
Chairman of the Board  
Montréal, Québec

**Louis Gosselin**, FCIA, FSA  
Vice Chairman  
Saint-Jean-Baptiste, Québec

**Michel Robillard**, CPA, CA  
Treasurer  
Terrebonne, Québec

# Management

**Fabien Navet**, MBA  
General Manager

**Anne-Gaëlle Le Henaff**, BBA, MBA  
Director  
Client Experience

**Fabienne Lavoie**, RN, B.Sc., M.Sc.  
Senior Director  
Operations

**Mathieu Labourée**  
Director  
Financial Performance

**Patrick Collette**  
Director  
Business Development




**ONTARIO BLUE CROSS®**  

**QUÉBEC BLUE CROSS®**

PHOTOS

1. Andrée-Anne –Marketing
2. Nicolas –Project Management Office
3. Roxanne –Product Pricing and Management
4. Laurence –Marketing

**Montreal - Head office**

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 Ce rapport annuel est disponible en français.

Thanks to all  
for your participation!

