

**EXECUTIVE OPERATIONS COMMITTEE VIRTUAL MEETING
CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE**

January 21, 2025, 2:00-4:00pm

Minutes

Virtually:

Karyn Kasperski	RBC Insurance and <i>Chair</i>
John Burns	Securian Canada and <i>Vice-Chair</i>
Donald Hinnecke	RBC Insurance and <i>Treasurer</i>
Rob Dobbins	Assurant Canada
Jennifer Russell	Assurant Canada
William Oyetakin	BMO Insurance
Rebecca Saburi	BMO Insurance
Catherine Latulippe	Canadian Tire Bank
Afzal Baig	Chubb Life Insurance Company of Canada
John Juba	Chubb Life Insurance Company of Canada
Kevin Szweras	CIBC Insurance
Michelle Costello	CUMIS/The Co-operators
Deidre Kennedy	CUMIS/The Co-operators
Isabelle Choquette	Desjardins Insurance
Suzie Blanchard	Manulife Financial
Carmelina Manno	Manulife Financial
Sharon Murrell-Foster	Manulife Financial
Janet Pacini-Thibodeau	Manulife Financial
Gaël Jasaron	National Bank Insurance
Shannon Dowe	RBC Insurance
Fernando Heleno	RBC Insurance
Sushil Masih	RBC Insurance
Brad Kuiper	Scotia Insurance
Prithipal Rajasekaran	Scotia Insurance
Fay Coleman	TD Insurance
Shahnoor Khimjee	TD Insurance
Andrea Stuska	TD Insurance
Peter Thorn	TD Insurance
Jason Beauchamp	The Canada Life Assurance Company
Dallas Ewen	The Canada Life Assurance Company
Marco DeiCont	Securian Canada

Regrets:

Martin Boyle	BMO Insurance
Tejal Harri-Morar	BMO Insurance
Cynthia Golubic	Canadian Tire Bank
David Parkatti	Canadian Western Bank
Cynthia Golubic	Canadian Tire Bank
Casandra Litniansky	CUMIS/The Co-operators
Diane Quigley	CUMIS/The Co-operators
Almas Satwat	CUMIS/The Co-operators

Nathalie Baron	Desjardins Insurance
Pierre-Olivier Cyr	Desjardins Insurance
Archie Sachdeva	Manulife Financial
Katia Umutoiwase	Manulife Financial
Ivan Murray	National Bank Insurance
Jonathan Poulin	National Bank Insurance
Charles MacLean	RBC Insurance
Mais El-Magraby	Scotia Insurance
Stephanie Kotani	Scotia Insurance
Sean Kradjian	Scotia Insurance
Alfonso Movilla	Scotia Insurance
Asma Desai	Securian Canada
Jacqlyn Marcus	Securian Canada

Also Present:

Keith Martin, *Executive Director*
Robyn Jennings, *Research Analyst*
Lara Doig, *Senior Manager, Operations*
Troy Woodland, *Association Coordinator*

Item 1: Welcome, Call to Order, and Priority Matters

Item 1 (a): Call to Order

The meeting was chaired by EOC Chair Karyn Kasperski, who called the meeting to order.

Item 1 (b): Introduction of New Senior Manager, Operations Lara Doig

EOC Vice-Chair John Burns, on behalf of EOC Chair Karyn Kasperski, welcomed CAFII's New Senior Manager of Operations, Lara Doig, who then introduced herself.

Item 2: Consent Items

The following Consent Items that do not require any discussion or decisions were tabled:

- Consultations/Submissions Timetable
- January & December Regulatory Update
- Regulator and Policy-Maker Visit and Communication Recap
- Summary of Board and EOC Action Items
- Schedule of CAFII 2025 Meetings and Events

Item 3: Financial Management Matters

Item 3 (a): CAFII Financial Statements as at December 31/24

CAFII's Treasurer, Donald Hinnecke, provided an update on CAFII's financial statements as at December 31/24. In terms of revenue, CAFII ended 2024 with about \$43K more revenue than expected, due to a higher investment income as well as additional member and associate dues. Relative to the current month, there were no significant expense or revenue changes. Operational expenses were slightly higher than expected, mostly due to recruiting fees for CAFII's Senior Manager of Operations. A few

expected website enhancement expenses came through; however, they were below the anticipated cost thanks to negotiation, which reduced the price. The Research & Education Committee incurred expenses (Deloitte), which came through in December. Overall, for the month, the expenses were higher than the revenue, which was expected. For the year's end, CAFII is in a net surplus of \$30K versus the planned deficit of \$97K. CAFII ended 2024 in a positive position.

CAFII's balance sheet is in a healthy position. The GICs are in place, and CAFII has approximately \$400K in cash and an estimated \$100K in liabilities. There are no anticipated dues increases in 2025, though this may change in 2026.

Item 3 (b): Update on Board Approval of 2025 CAFII Draft Operating Budget

CAFII's Executive Director, Keith Martin, provided an update on CAFII's Board-Approved 2025 Operating Budget. The budget was presented to the Board at the December 3/24 Board meeting, and it was well received. The major takeaway is that the Association's expenses are projected to be higher than revenues in 2025; the anticipated deficit is \$67K, which includes \$30K for legal expenses, which CAFII will attempt not to spend. K. Martin explained to the Board that it seems CAFII is in a structural deficit position, and he therefore suggested reviewing a possible fee increase in 2026. The Board asked K. Martin to put together a spreadsheet detailing the different options for fee increases, which will be presented to the EOC and then the Board at the April 8, 2025, Board meeting.

Item 4: Committee Updates

Item 4 (a): Marketing Conduct & Licensing

i. Revisions to the Performance Requirements for the Insurance Council of BC Restricted Insurance Agency (RIA) Regime

Market Conduct & Licensing Committee Chair Brad Kuiper and CAFII Executive Director Keith Martin updated the EOC on the revisions to the Performance Requirements for the Insurance Council of BC's Restricted Insurance Agency (RIA) regime. K. Martin explained that, while the responses from the Insurance Council of BC did address some of CAFII's concerns, the Council is still requiring that a performance requirements document needs to be reviewed, and there must be an accreditation program for training that meets the requirements of that document. What this seems to mean is that if a bank has a training program for its employees that is adequate in terms of matching the Council's requirements and as long as the employees can receive accreditation from the Council, then this program will be considered sufficient. What is concerning is that this accreditation process, however onerous it may be, is still required. This, K. Martin explained, is the key concern that CAFII and its members may want to push back on since the Council is still open to hearing feedback.

The CLHIA has already met with the Council to raise this same concern. K. Martin will meet with Sherri Langford, Director of Market Conduct and Policy Regulation at the CLHIA, to discuss how their meeting went. He has also reached out to the Insurance Council with a few questions; however, the responses he received were vague. Therefore, he proposed that CAFII make another written submission to the Council. The letter will make the critical point that large financial institutions already have sophisticated training programs. Therefore, the process for accreditation with the Insurance Council should be minimal, if required at all, so long as the company can make an attestation that all requirements are met. It seems that the Council's requirements are geared towards smaller organizations meeting the necessary requirements. However, this should not necessarily be extended to large financial institutions.

B. Kuiper commented that he is aligned with K. Martin's approach, adding that the fundamental concern is specific to unnecessary bureaucracy and unhelpful burdens on major financial institutions through the Council's requirements. EOC Chair Karyn Kasperski asked if B. Kuiper saw anything pertaining to accreditation where the Council may charge the respective financial institution to review their material. He replied that he did not see that in the requirements, but it is a good question - *who is going to foot the bill?*

B. Kuiper commented that he did have questions about capacity. Reviewing all major financial institutions' respective training will take a serious amount of time, effort, and resources. In addition to reviewing all the smaller market players' programs, this becomes incredibly burdensome for the Insurance Council.

Item 4 (b): Quebec Committee

i. Proposal to Send a Letter of Clarification to the AMF Regarding the Presentation by Mario Beaudoin around Statistics Collected on Claims Denial Rates and Return of Premium to Customers

Chair of the Quebec Committee Jennifer Russell and CAFII Executive Director Keith Martin updated the EOC on the Quebec Committee's current activities. J. Russell explained that, lately, the focus of the Committee has been on a separate Working Group, which has provided input into a letter of clarification to the AMF regarding the presentation by Mario Beaudoin, made in October 2024, around statistics collected on claims denial rates and return of premium to customers. While the AMF's presentation was helpful in gauging the regulator's view on a number of issues, Committee members found that a number of items needed to be corrected. The letter will address these issues and provide additional information to the AMF so that it is better aligned with CAFII's members in terms of how to interpret some of the statistics it has developed. The hope is that this letter will increase consistency in the regulator's interpretation of these statistics.

K. Martin explained that the Working Group meeting was very useful in terms of providing content for a letter that adequately but delicately summarizes CAFII's members' concerns around the AMF's incorrect statistical interpretation. K. Martin estimates that he will be able to draft a final letter in the next few weeks for review and approval by the Chairs and Vice-Chairs of the EOC and the Market Conduct & Licensing Committee.

K. Martin also explained that Mario Beaudoin has left his position at the AMF. K. Martin will look for an opportunity to reach out to M. Beaudoin to ask for an introduction to his replacement. EOC Vice-Chair John Burns commented that he met M. Beaudoin's replacement last week, and it appears that, for the time being, the job is being divided between the two, so CAFII should continue to involve M. Beaudoin in its communications until he has transitioned entirely to his new position. EOC Member Rob Dobbins reminded the EOC that Natalie Sirois is retiring this summer (2025), which means there will be quite a bit of personnel change within the AMF, which CAFII should remain alert to.

Quebec Committee Vice-Chair Jason Beauchamp added that the AMF hosted an information session on its new regulation for incident reporting management and the ensuing obligations. One important revelation was that the regulation requires that all incident-related matters reported to other regulators must also be reported to the AMF, so long as the matter is “material.”

Item 4 (c): Research, Media, Education & Communication Committee

i. CAFII Deloitte Research on Artificial Intelligence

Chair of the Research, Media, Education & Communication Committee Andrea Stuska updated the EOC on CAFII’s Deloitte research on artificial intelligence (AI). The research has all but concluded, and Deloitte has presented their final report to the Committee. Deloitte identified many useful insights that CAFII can use in its presentations to regulators and in educating the public (media advocacy efforts). After meeting with the Committee, there are some minor edits that Deloitte needs to make before the research can be finalized with the Committee and then shared with the EOC.

As usual, there will be a virtual presentation on the findings with the EOC and the Board. After this presentation, if there is support for a public release of the research, CAFII can host a webinar on the findings and can incorporate the information into CAFII’s presentations to regulators and policy-makers across Canada. K. Martin added that if the EOC and the Board are supportive of a public release, CAFII will issue a press release for trade press pick up on the research. CAFII may consider drafting an article for social media as well.

ii. CAFII 2025 Research Plans

CAFII’s Research Analyst, Robyn Jennings, updated the EOC on CAFII’s 2025 research plan with Pollara. She explained that, as per CAFII’s previous findings from its LIMRA research, many Canadians, particularly low-income Canadians, are uninsured or underinsured when it comes to life insurance. CAFII research has found that the same percentage of Canadians have CPI, regardless of income. She explained that even though many Canadians believe their family would struggle to cover living expenses should they pass, many still do not have coverage or adequate coverage, nor do they feel financially knowledgeable. Those with policies who do feel properly covered are actually considered underinsured (less than 7-10 years of salary coverage). For this reason, CPI is a great solution for under- and uninsured homeowners. Yet even though CPI has clear value, mis- and poor information remains widespread. Almost half of homeowners are unsure of its affordability or value for money, or they do not recall being told about CPI, or they think it's unnecessary despite being underinsured.

R. Jennings explained that the goal of this study is to understand the *whys*, particularly in relation to income and CPI ownership - why do Canadians think life insurance is important but don’t have any policies; why do homeowners feel positively about CPI yet do not have it; and how much of a role does income play in this dynamic? To answer these questions, Pollara will research who obtains the correct amount of insurance versus who does not, what could influence L&H and CPI purchases among the under- and uninsured, and how these Canadians can be reached. In order to do so, Pollara will conduct a segmentation study, which will divide the market into smaller, more similar groups based on established criteria like behaviour, psychology, demographics, etc. Pollara will be surveying 3,500 adult Canadians with a 12–14-minute survey. To read more about the criteria groups Pollara will be researching, please look at the consolidated package for the full breakdown. In its entirety, the research will cost \$54K after HST, which is below the anticipated budget. Pollara has estimated the whole study will take approximately 3 months once the survey has been finalized. The research project will produce an

advanced statistical analysis and a PowerPoint-based report with a graphical representation of the results and an executive summary of the findings, including recommendations for key messages/takeaways and target segments.

iii. CAFII Website Videos 2024

CAFII's Executive Director, Keith Martin, informed the EOC that, in terms of CAFII's various website-related initiatives, CAFII currently has several videos in the works, one of which is almost completed. The other video is close to being finalized, however, it requires a few more revisions. In the next few weeks, K. Martin believes he will be able to share both videos.

iv. CAFII Rebuilding of the Backend

CAFII's Executive Director, Keith Martin, informed the EOC that CAFII has all but completed the rebuild of the CAFII website's backend. Once everything has been finalized, K. Martin will share the login credentials with the EOC and Board. The backend should now be viewed as a repository resource where all members can access EOC and Board consolidated packages, regulatory submissions, and monthly regulatory updates.

v. CAFII Search Engine Optimization Efforts

CAFII's Executive Director, Keith Martin, informed the EOC that CAFII remains dedicated in its Search Engine Optimization (SEO) efforts. The Association is working with Fusion Studios to increase CAFII's SEO results on Google and Bing. K. Martin will continue to report on this effort in the upcoming EOC meetings.

vi. CAFII Website Initiatives 2025

CAFII's Executive Director informed the EOC that CAFII is not looking to modify the website's front end since it is in good shape due to CAFII's heavy investment over the past six years. What CAFII is interested in working on the front end is content creation. High-quality content will continue to increase CAFII's Search Engine Optimization (SEO) and public presence. Articles, blog posts, media content or new releases, public releases of CAFII's research, and CAFII's webinar videos and summaries are all examples of content that can and is posted to CAFII's website's front end.

vii. Media Article for the National Post

CAFII's Executive Director updated the EOC on the media article for the National Post. In short, the National Post declined to publish CAFII's article, though they did not provide a reason. CAFII's Media Consultant, Wendy Bairos, will try to socialize the article with other news outlets, but if this is unsuccessful, CAFII can post the article to its website and LinkedIn.

viii. Status of the Implementation of the Media Strategy

CAFII's Executive Director, Keith Martin, updated the EOC on the status of the implementation of CAFII's media strategy. He explained that there are three articles based on the current financial climate that can be distributed to mainstream media or, alternatively, posted to CAFII's website. The articles are:

- The Role of Credit Protection and Mortgage Insurance Safeguarding Canadian Homeowners;
- Critical Illness, Disability, and Job Loss Insurance as an Essential Safety Net for Canadian Families; and,
- Debunking Myths and Misconceptions About Credit Protection Insurance.

These articles will soon be shared with the Research, Media, Education, and Communication Committee and the EOC for input and approval.

Item 4 (d): Networking & Events

i. Speaker and Webinar Ideas for 2025

CAFII's Research Analyst, Robyn Jennings, updated the EOC on CAFII's speakers and webinars for 2025. She explained that CAFII is planning to hold six webinars over the course of 2025 and working with the Networking & events Committee to do so.

On January 30, CAFII is hosting a panel discussion with FSRA and Fintech Cadence about innovation and the innovation office. Keith Martin will moderate the meeting, and Robyn Jennings will ask a few questions at this webinar. In terms of future webinars, if the Deloitte research on AI commissioned by CAFII is approved for public release, there will be a webinar on that. In terms of speaking events, after the reception following the board meeting on April 3, CAFII has asked the new BCFSa CEO, Tolga Yalkin, to present, though we have not heard back yet. CAFII is also waiting to see who FSRA appoints as their new CEO and is planning on asking this individual to speak after the June 3 Board meeting. The annual members luncheon will feature a panel of three lawyers: Stuart Carruthers, Partner at Stikeman Elliott; Jill McCutcheon, Partner at Torys; and Koker Christensen, Partner at Fasken. Keith Martin will moderate the panel.

Item 5: Strategic and Regulatory Initiatives

Item 5 (a): Expansion of the RSM Canada Quarterly Benchmarking Study to Include HELOCs

CAFII's Executive Director updated the EOC on the expansion of the RSM Canada Quarterly benchmarking study to include HELOCs. He explained that RSM Canada has completed its background work to see how the study could be expanded to include HELOCs. It collected all the necessary information from members to gauge the proper execution of the expanded study. RSM Canada is moving forward; the plan is for the first study in Q1 to include additional information from members who provided that data.

Item 6: Governance Matters

Item 6 (a): Reiteration of Importance of Members' Distributing Documents Internally and Gaining Internal Consensus Prior to Providing Approval or Endorsement of initiatives

CAFII's EOC Chair, Karyn Kasperski, and CAFII's Executive Director, Keith Martin, reiterated the importance of members distributing documents internally to gain internal consensus prior to presenting the documents to the Board for approval. If an item is on the agenda for endorsement by the EOC for presentation to the Board, it is essential that all EOC members have circulated the information internally, particularly with the Board member(s). If the document or item requires legal input, members are asked to do that prior to the meeting. K. Martin added that, as an EOC member, if a member endorses something, it is assumed the whole organization has also provided its endorsement.

Item 6 (b): Feedback from Robyn Jennings 1-on-1 EOC Meetings

CAFII's Research Analyst, Robyn Jennings, updated the EOC on her one-on-one meetings. She explained that meeting frequency had significantly slowed by the end of 2024, though she has repeatedly encouraged all outstanding EOC members to meet with her. Because of this, she will start setting up meetings with all outstanding EOC members herself throughout 2025.

Item 6 (c): Draft Minutes of November 19/24 EOC Meeting

The EOC approved the draft minutes of the November 19/24 EOC Meeting.

Item 6 (d): Draft Minutes of the December 3/24 Board Meeting

The EOC endorsed the draft minutes of the December 3/24 Board Meeting.