

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

February 25, 2025, 2:00-3:30pm

Minutes

Virtually:

Karyn Kasperski	RBC Insurance and Chair
Rob Dobbins	Assurant Canada
Jennifer Russell	Assurant Canada
Rebecca Saburi	BMO Insurance
Jason Beauchamp	Canada Life Assurance Company
Kevin Szwera	CIBC Insurance
Deidre Kennedy	CUMIS/The Co-operators
Michelle Costello	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
Archie Sachdeva	Manulife Financial
Gael Jasaron	National Bank Insurance
Shannon Dowe	RBC Insurance
Charles MacLean	RBC Insurance
Sushil Masih	RBC Insurance
Bradley Kuiper	Scotia Insurance
Marco DeiCont	Securian Canada
Fay Coleman	TD Insurance
Shahnoor Khimjee	TD Insurance
Peter Thorn	TD Insurance
Andrea Stuska	TD Insurance

Regrets:

John Burns	Securian Canada and Vice-Chair
Donald Hinnecke	RBC Insurance and Treasurer
Martin Boyle	BMO Insurance
Tejal Harri-Morar	BMO Insurance
William Oyetakin	BMO Insurance
Dallas Ewen	Canada Life Assurance Company
Cynthia Golubic	Canadian Tire Bank
Catherine Latulippe	Canadian Tire Bank
David Parkatti	Canadian Western Bank
Afzal Baig	Chubb Life Insurance Company of Canada
John Juba	Chubb Life Insurance Company of Canada
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

Katia Umutoniwase	Manulife Financial
Jonathan Poulin	National Bank Insurance
Fernando Heleno	RBC Insurance
Mais El-Magraby	Scotia Insurance
Stephanie Kotani	Scotia Insurance
Sean Kradjian	Scotia Insurance
Alfonso Movilla	Scotia Insurance
Prithipal Rajasekaran	Scotia Insurance
Asma Desai	Securian Canada

Also Present:

Lesli Martin, *Pollara*
Keith Martin, *Executive Director*
Robyn Jennings, *Research Analyst*
Lara Doig, *Senior Manager, Operations*
Wendy Bairos, *Media Consultant*
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): Draft Minutes of January 21/25 EOC Meeting

The EOC approved the draft minutes of the January 21/25 EOC Meeting.

Item 2: Consent Items

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

- a. Consultations/Submissions Timetable
- b. January Regulatory Update
- c. Regulator and Policy-Maker Visit and Communication Recap
- d. Summary of Board and EOC Action Items
- e. Schedule of CAFII 2025 Meetings and Events

Item 3: Financial Management Matters

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

On behalf of CAFII's Treasurer, Donald Hinnecke, CAFII's Executive Director, Keith Martin, provided an update to the EOC on CAFII's financial statements as at January 31/24. Since it is the beginning of the year, there has not been significant activity or incurred expenses, therefore, there is little deviation from the expected budget. CAFII is tracking its expenses and revenues; membership dues have recently been sent out. One uncertainty that is being monitored is the acquisition of Canada Western Bank by National Bank, which will impact CAFII's revenue (loss of \$23K). The acquisition closed more quickly than anticipated, so CAFII is assessing what this means for revenue. K. Martin is in discussion with National

Bank Board member Peter Thompson for input on how this will play out. Mr. Thompson has asked for 4-6 weeks before he can provide a definitive response and, in the interim, if CAFII can set aside the invoice for now.

Otherwise, CAFII's finances are looking healthy; revenues are tracking as expected with no unexpected expenses that are material.

Item 3 (b): CAFII Audit for FY 2024

CAFII's Senior Operations Manager, Lara Doig, updated the EOC on the CAFII Audit for the fiscal year 2024. She explained that CAFII has already engaged KPMG to begin the 2024 audit of the financial statements. The financial statements will be circulated to the EOC for review before the next EOC meeting on March 25/25. On April 8//25, the Board will be able to review the final draft of the audited financial statements. On June 3/25, the CAFII team will present the final draft of the audit for approval at the Annual Meeting of Members.

Item 3 (c): CAFII 2025 Members and Associates Dues Invoices

CAFII's Senior Operations Manager, Lara Doig, updated the EOC on CAFII's 2025 members and associate dues invoices. She explained that CAFII is still waiting on a few payments; at this time, six members and three associates have paid. A follow up will be sent to all outstanding members and associates.

Item 3 (d): Operating Budget 2026: Options for Dues Increases

CAFII Executive Director, Keith Martin, informed the EOC of CAFII's 2026 operating budget and the option for dues increase. He gave his projections for 2026 based on current understanding of revenues and expenses; as it stands, CAFII will be running a structural deficit every year (not due to a one-time expense, rather the existing revenue will be insufficient for the level of expenditure that the Board is asking for to meet the strategic plan). This year, the anticipated deficit is \$67K. K. Martin did an analysis based on different dues increases (5%, 10%, and 15%), which has been shared in the consolidated package. Out of all three options, only the 15% increase took CAFII into a surplus. The bottom line, however, is that, if there are no dues increases, CAFII is projecting a deficit of \$120K in 2026. This would still see CAFII operating within the 25-50% operating ratio guideline. Alternatively, CAFII can increase the dues to reduce or eliminate the deficit. CAFII has not had a dues increase in six years, even though it has only continued to grow (expanded employee structure, increased research projects, etc.).

EOC Chair Karyn Kasperski opened the floor for discussion. EOC member Peter Thorn asked if there is a risk for CAFII to keep its operating ratio float too high in terms of maintaining non-profit status. K. Martin explained that he spoke with the Association's auditors and accountant about this and all agreed that this is not a significant risk; CAFII is nowhere close enough to large surpluses to incur questioning from tax authorities around CAFII's surplus or its NFP status. In fact, CAFII had much higher ratios right after COVID, which have only continued to drop. P. Thorn went on to say that, with this in mind, he does not feel CAFII should increase its dues by 15%, suggesting instead the other options of 5-10%. EOC member Rob Dobbins commented that he agrees with P. Thorn that 5-10% is the better option for an increase, adding that CAFII cannot run these deficits indefinitely. He feels that CAFII should wait before going for a large increase so the Association can get a better understanding of the deficit landscape.

K. Kasperski agreed; she explained that this is a good time to socialize what CAFII is seeing in terms of expenses. She feels this is an item that is not ready to be an approval item, but hopes that this will change by the end of the summer, once everyone has a better idea of expenses and budget projects. She added that a smaller increase now may lead to a larger increase in 2027. On the issue of timing, K. Martin proposed socializing this item on the April 8/25 Board meeting, not for approval but for awareness. K. Kasperski that the sooner this conversation starts, the better because it allows for budgeting around the increase. R. Dobbins agreed with the proposed timeline to review the increase at the end of the summer once CAFII has a better idea of expenses. An EOC member suggested putting together a three-year forecast of CAFII's revenues and expenses to better understand where the Association will be in the coming years.

K. Kasperski asked all EOC members to begin socializing this issue within their organizations to get a sense of Board views around a possible increase in member dues.

[Action Item: Keith Martin to draft a three-year forecast of CAFII's revenues and expenses to project the Association's future financial positions further into the future; K. Martin, 2025].

Item 4: Committee Updates

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

i. Change to the name of the Committee

Chair of the Research, Media, Education & Communication Committee, Andrea Stuska, informed the EOC that the Committee has voted to change its name to the simplified Research & Media Committee (R&M Committee). Additionally, a presentation was made by the Deloitte team on CAFII's 2024 research on Artificial Intelligence and CPI.

ii. Recommendation to Publicly Release the Deloitte Research on Artificial Intelligence and CPI

CAFII's Research Analyst, Robyn Jennings, updated the EOC on the recommendation to publicly release the Deloitte research on artificial intelligence and CPI. She explained that CAFII engaged Deloitte to conduct research on AI and CPI, which has now been completed and presented to the Research & Media Committee. The committee strongly supports the release of the research publicly. An internal webinar was held on February 19/25 to circulate the findings within CAFII's member organizations. During this presentation, the EOC and the Board were encouraged to share any concerns about the public release of the research; no one in attendance articulated any concerns. A copy of this webinar has been made available to the EOC and the Board for review. R. Jennings explained that a public release would entail a public webinar, which regulators could attend, a press release, possibly the creation of videos for CAFII's website, and the material would be included in CAFII's future presentations during regulatory tours. Deloitte will also be producing a detailed Word report for internal review by the EOC and Board only; this will not be circulated publicly.

EOC Chair Karyn Kasperski asked R. Jennings, if CAFII decides to release the research publicly, what will the positioning be for it? How can CAFII differentiate itself from all the other AI articles? CAFII Executive Director replied that CAFII will be asking its media consultant how to position and title the research so that it appeals to a broad audience. CAFII hasn't discussed this issue because it was waiting for the EOC's approval of the public release.

EOC member Rob Dobbins asked if there was any thought about doing a more summarized webinar presentation to protect members' identities? K. Martin explained that Deloitte has structured its presentation with this in mind, and everything is aggregated. There was a specific concern expressed over the benchmarking statistics, if there is a sense that this degree of detail is inappropriate, K. Martin can talk to Deloitte and ask for a more amalgamated version. R. Dobbins' concern is if, with this release, CAFII is setting expectations of its member organizations for their AI use that may not be met down the road. Chair of the R&M Committee Andrea Stuska commented that, having seen the presentation twice, the webinar and research is generic enough, from an industry perspective, that CAFII is not creating expectations but it's specific enough for CPI to allow for regulators and policymakers to understand what's going on in that space. She felt comfortable with how Deloitte has presented the research findings. Furthermore, CAFII can lean on its Media Consultant to position the research in a positive light. EOC Member Kevin Szweras expressed concerns around how all CAFII's members answered the research questions in terms of technology and AI implementation; he is worried regulators may pick on this and question how CAFII's members are trying to catch up to AI adoption in relation to industry levels. He asked if some of those questions could be redacted from the public release but remain within the internal one.

It was agreed that more work needs to be done in terms of what will be released publicly versus internally. The R&M Committee and the CAFII team will review the presentation again to identify possible areas of concern and removal (K. Martin to review first then circulate to Chair and Vice-Chair of the R&M Committee). K. Martin will distribute a revised version via email to get EOC approval.

[Action Item: Research & Media Committee, Keith Martin, and Robyn Jennings to review the presentation to identify areas for Deloitte to remove thereby making the presentation ready for public release pending EOC approval (received via email); Research & Media Committee, K. Martin, R. Jennings, March 2025].

iii. 2025 R&M Committee Recommendation to Proceed with Research with Pollara on Canadian Homeowners' CPI Coverage

CAFII's Research Analyst, Robyn Jennings, updated the EOC on the recommendation to proceed with research from Pollara on the Canadian Homeowners' CPI Coverage. She explained that, at the meeting in 2024, CAFII heard three research proposals: one from Deloitte, which it felt it should proceed with immediately; one from LIMRA, which was felt should be revisited in the coming years; and the last one from Pollara, which was about underinsured and uninsured Canadians and why they do not use CPI. CAFII selected Pollara's research plan for 2025. R. Jennings then asked Pollara's representation, Lesli Martin, to provide a brief overview of the research plan.

L. Martin explained that Pollara looked at its previous studies around insurance, all of which found that Canadians find insurance important and feel it is needed to support themselves and their families. However, Canadians tend to be under- or uninsured. Income can be a factor, but it is not the only factor. Even those with higher incomes are underinsured. CPI is valuable and effective; people think it is worthwhile and are satisfied when they've made a claim. However, almost half of the people who have mortgages do not have CPI. What Pollara wants to know is why this is the case.

Therefore, Pollara is recommending conducting a segmentation study to analyze a large swath of Canadians. This sort of study looks at a big group, then finds smaller, homogenous groups within

that large group. This will give Pollara and CAFII a clear understanding of the people that get CPI, the people that don't, and why. Pollara will try to figure out what has influenced people away from or towards CPI and why. The areas that Pollara is thinking about delving into will go beyond the obvious demographic categories like age, gender, income, debt, education, etc., to include financial attitudes and perspectives, financial literacy levels, including tools, and insurance behaviours, and financial information sources. Pollara can also do a concept test; they will show Canadians different statements around CPI to see what influences them away or towards CPI.

What this research will provide is a detailed breakdown of these different groups and an understanding of what has and will influence Canadians. L. Martin concluded her presentation by explaining that, to accomplish this, Pollara will conduct an online survey of 3,500 Canadians from various socio-economic spheres.

EOC Chair Karyn Kasperski asked how much the survey will cost. R. Jennings replied that, the proposal is \$54K with, which is below budget. EOC member Archie Sachdeva asked about the timeline. CAFII's Executive Director explained that CAFII is trying to have the final version presented to CAFII in the Fall. R. Jennings explained that the survey will take about three months to complete before presentation.

The EOC approved the recommendation to proceed with the research plan from Pollara on Canadian Homeowners' CPI Coverage.

iv. Two LIMRA Research CAFII Videos

CAFII's Research Analyst, Robyn Jennings, updated the EOC on the two LIMRA videos being produced for CAFII. She explained that CAFII received a lot of feedback on these videos, which has been incorporated. The videos are nearly complete. Before the videos are publicly released, they will be shared with the EOC and Board for final input and approval. She explained that, at this time, CAFII cannot make any significant edits or changes to the first video without incurring additional costs. CAFII still feels it is important to have the EOC and Board review that video before it goes public.

v. Rebuilding of the Intranet

This item was not discussed due to time constraints.

vi. Implementation of the Media Strategy

CAFII's Media Consultant, Wendy Bairos, updated the EOC on the implementation of the media strategy. She explained that the LIMRA videos have taken this long due to the significant feedback provided. The Op-Ed article has now been translated into French and has been posted to CAFII's website. It will be posted on CAFII's LinkedIn profile soon. There are two articles currently in edit to then be translated for live release to create content. W. Bairos is currently working on a brief for CAFII's next Op-Ed. CAFII will continue exploring alternative areas for release of its first Op-Ed, including the Globe News Financial section and some parts of the CBC, both of which accept contributed content. Finally, regarding the Pollara research, there will be a provincial segmentation, which will help with spotlighting the research across Canada. If the research can be launched in the fall, it may be able to capitalize on Financial Literacy Month.

CAFII's Executive Director Keith Martin asked W. Bairos how she would position the public release of the Deloitte research on AI and technology's impact on CPI, including how would she position the media release? She said it depends on what is agreed upon in terms of public versus internal release. She did explain that it is almost always a good idea to approach these subjects from a consumer-centric perspective. When it comes to AI, there is a lot of generalized content; CAFII should take a more specific and explanatory approach, especially in its definition of AI versus generative AI.

Item 4 (b): Networking & Events Committee

i. Speakers and Webinars for 2025

CAFII's Research Analyst, Robyn Jennings, updated the EOC on the speakers and webinars for 2025. She explained that the April 8, 2025, the post-Board meeting reception will be hosted by TD Insurance. CAFII has confirmed the keynote speaker will be Tolga Yalkin, new Chief Executive Officer and Chief Statutory Officer of the British Columbia Financial Services Agency (BCFSA). RBC Insurance will host the post-board reception on June 3, 2025. While the keynote speaker has not been confirmed for this event, Dexter John, the new Chief Executive Officer of FSRA, has been invited to speak. CAFII has not received a response at this time. CIBC Insurance will host the post-board meeting reception on December 4, 2025. CAFII is considering inviting Mary Carmichael as the keynote speaker. Lastly, CAFII was planning on hosting a webinar on the Deloitte research on March 18, 2025, pending approval of public release of the research by the EOC. Because there is still some work that needs to be done on the Deloitte research, the webinar will likely be postponed. Though the date is now uncertain, the webinar will include Melissa Carruthers, Partner, and Marc Lewis, Senior Manager, Deloitte, speaking on the Deloitte Research on "Exploring Emerging Technology Trends in CPI."

Item 5: Strategic and Regulatory Initiatives

Item 5 (a): CAFII Plans to Meet with FCAC and Federal Department of Finance in Ottawa on March 17, 2025

CAFII's Executive Director, Keith Martin, updated the EOC on CAFII's plans to meet with the FCAC and the Federal Department of Finance in Ottawa on March 17, 2025. He explained that CAFII is well advanced in this plan, and both organizations have agreed to meet with CAFII and its delegates. Shereen Miller, the new commissioner of the FCAC, is bringing her senior team (about 6 people). Mark Radley from the Department of Finance has also been in talks with K. Martin about who he will bring from his team. In attendance from CAFII is K. Martin and CAFII's Research Analyst, Robyn Jennings, as well as five volunteer members including EOC Chair Karyn Kasperski, EOC Vice-Chair John Burns, Chair of the Research & Media Committee Andrea Stuska, and EOC members Michelle Costello and Rob Dobbins. This will be a good opportunity to socialize CAFII's key priorities with two important federal regulators.

Item 5 (b): Draft of Presentation Deck for Regulatory Tours

CAFII's Executive Director, Keith Martin, informed the EOC that he is currently working on the draft presentation deck for the FCAC and Federal Department of Finance meetings in Ottawa as well as the decks for the general regulatory tours. All will be circulated to the EOC well in advance of the meetings. He added that the decks specific to the federal regulators who are less familiar with CAFII cover more basic CPI information and would, therefore, not be useful for provincial regulatory presentations.

Item 5 (c): Plans for Visits to Atlantic Canada and Western Canada

CAFII's Senior Operations Manager, Lara Doig, updated the EOC on CAFII's plans to visit Atlantic Canada and Western Canada. She explained that CAFII has established dates for its Atlantic Canada portion of the regulatory tours. The first stop will be New Brunswick and Prince Edward Island from May 11-16, 2025, which will incorporate the CLHIA conference. A high-level itinerary will be circulated to EOC members who would like to join. There will also be the option to attend the meetings virtually. The next leg of the Tours will be Halifax (Nova Scotia) and St. John's (Newfoundland and Labrador) from June 11-13, 2025. The Western Canada tour will begin with Victoria, Vancouver, and Edmonton from September 22-26, 2025. Saskatchewan and Manitoba will conclude the Western Canada tour, taking place from October 22-24, 2025. To accommodate flying to Saskatchewan, the October EOC meeting may need to be moved.

Item 6: Governance Matters

Item 6 (a): 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, even though she has repeatedly encouraged all outstanding EOC members to meet with her. Because of this, she has started setting up meetings herself with all outstanding EOC members. The meetings that have happened have been successful; she has received positive feedback, specifically regarding CAFII's relationships with regulators. Overall, the meetings are going well now that they are back on track.

Item 6 (b): Application from Jennings Consulting to Join CAFII as an Associate

CAFII's Executive Director, Keith Martin, informed the EOC about Jennings Consulting's application to join CAFII as an associate and requested approval. Jennings Consulting is an insurance and financial services consulting firm. Many CAFII members have worked with Jennings Consulting. The firm has also done a lot of work on CPI and insurance in general. This firm was recommended to CAFII by a Board member

The EOC approved the application from Jennings Consulting to join CAFII as an Associate.

Item 6 (c): Application from Global Excel Management to Join CAFII as an Associate

CAFII's Executive Director, Keith Martin, informed the EOC about the application from Global Excel Management to join CAFII as an associate and requested approval. Global Excel Management's current Vice-President of Product Innovation and Marketing, Will McAleer, was the former president of The Travel and Health Insurance Agency of Canada (THiA) so is well-versed in insurance and familiar with CAFII. Global Excel Management provides services for travel, like air ambulance, finding beds for repatriation, claims support, etc.

The EOC approved the application from Global Excel Management to join CAFII as an Associate.