

***Agenda Item 1(e)***  
***June 6/23 Board Meeting***

**CAFII Board-Approved Principles-Based Guideline on**  
**Appointment of CAFII Board Members Into Leadership Roles of Board Chair and Board Vice-Chair**  
**(Approved April 4, 2023)**

**Principle #1:** Any CAFII Board Member is eligible for appointment to the leadership role of CAFII Board Chair.

Similarly, any CAFII Board Member is eligible for appointment to the leadership role of CAFII Board Vice-Chair.

There will be no hard-and-fast prescriptions or limitations governing who among the existing roster of CAFII Board Members may be appointed to the leadership roles of Board Chair and Board Vice-Chair, save and except for the Board-approved CAFII Initiation Membership Policy which dictates that a CAFII Board Member from an Initiation Member may not be appointed to the role of Board Chair or Board Vice-Chair during the two years in which that Board Member's company holds Initiation Member status in the Association.

**Principle #2:** Preferred consideration for appointment to the leadership roles of Board Chair and Vice-Chair will be given to Board Members who

- have served on the CAFII Board for sufficient time to have become reasonably well-acquainted with the Association's strategic priorities; its policies and guidelines; and its governance practices;
- have demonstrated a high level of engagement in CAFII and its activities, in part through an exemplary attendance record at and participation in Board meetings;
- have otherwise distinguished themselves as a candidate ready to take on a CAFII Board volunteer leadership role; and
- are willing to commit to serve a two-year term in the Board Chair or Board Vice-Chair role.

**Principle #3:** Due to the essential nature of CAFII's mission and mandate as the Canadian Association of **Financial Institutions** in Insurance, there will be a preference – but not an absolute expectation or requirement – that an appointee to the CAFII Board Chair role will come from a CAFII financial institution distributor of insurance Member company.

As at April 2023, Board members from the following Member companies would receive preferred consideration for the role of CAFII Board Chair: BMO Insurance; Canadian Tire Bank; CIBC Insurance; Desjardins Insurance; National Bank Insurance; RBC Insurance; Scotia Insurance; and TD Insurance.

There will normally be no expectation or requirement that a CAFII Board Chair will have first served as CAFII Board Vice-Chair. Rather, a Board Member candidate will normally be appointed directly into the leadership role of Board Chair, without having to serve a prior apprenticeship as Board Vice-Chair.

Hence, the term of service commitment for a CAFII Board Chair will normally be just two years.

**Principle #4:** Due to the essential nature of CAFII's mission and mandate as the Canadian Association of **Financial Institutions** in Insurance, there will be a preference – but not an absolute expectation or requirement – that an appointee to the CAFII Board Vice-Chair role will come from an insurer Member company.

As at April 2023, Board members from the following Member companies would receive preferred consideration for the role of CAFII Board Vice-Chair: Assurant; Canada Life Assurance; Chubb Life Insurance Company of Canada; CUMIS Services Incorporated; Manulife (The Manufacturers Life Insurance Company); Securian Canada; and Valeyo.

There will normally be no expectation or requirement that a CAFII Board Vice-Chair will subsequently advance into the role of Board Chair. Rather, a Board Member candidate for the role of Board Vice-Chair should be able to consider that opportunity under the expectation that there will be no further leadership obligation beyond that initial appointment.

The role description of the Vice-Chair will be to support the Chair; provide counsel and an additional perspective; and be a back-up for the Chair when the Chair is not available, for example by chairing a Board meeting when the Chair is unavailable to do so.

After two years, a Board Vice-Chair's term would typically end, and a new Vice-Chair would be appointed.

Hence, the term of service commitment for a CAFII Board Vice-Chair will normally be just two years.

Ideally, CAFII will strive to ensure that the two-year periods in which a Board Chair and a Board Vice-Chair serve will be staggered, so as to avoid complete turnover of both Board leadership roles in the same year.

**Principle #5:** If a Board Chair steps down before their two-year appointment ends, the expectation will be that the Vice-Chair will step into the role of Chair on an interim basis, but not necessarily for the remainder of the departed Chair's term, nor for a full two years; but rather until a new Chair has been appointed by the Board. But such arrangements will be contingent upon the particular circumstances at the time, and a discussion would occur at the Board as to the optimal approach to interim/future Board leadership appointments.

**Principle #6:** Except under exceptional, extenuating circumstances, a past-CAFII Board Chair or a past-CAFII Board Vice-Chair who has remained on the Association's Board after completion of their initial two-year leadership appointment shall not be re-appointed to a second, non-concurrent term in the same role.

**Principle #7:** Consideration and recommendation of candidates for appointment to the CAFII leadership roles of Board Chair and Board Vice-Chair will be facilitated by a *CAFII Board Leadership Nominating Committee* comprising past-CAFII Board Chairs who still serve on the Association's Board of Directors; the current CAFII Board Chair; the current CAFII Board Vice-Chair; the current Executive Operations Committee Chair and Board Secretary; the current Executive Operations Committee Vice-Chair and Vice-Board Secretary; and CAFII Management.

A Terms of Reference for the proposed *CAFII Board Leadership Nominating Committee* will be drafted and presented to the Board, for review and approval.