

CAFII Board Meeting Minutes

Tuesday, June 9, 2015

Location: ScotiaLife Financial

Scotia Plaza, 40 King Street West, 63rd Floor, Toronto, ON

DRAFT

Present:	Darrell Bruce	ScotiaLife Financial
	Joane Bourdeau	National Bank Insurance Co.
	Rino D'Onofrio	RBC Insurance <i>Chair</i>
	Chris Knight	TD Insurance
	Todd Lawrence	CIBC Insurance
	Peter McCarthy	BMO Insurance
	Isaac Sananes	Canadian Premier Life Insurance Co.
	Robert Zanussi	Assurant Solutions
EOC Present:	Derek Blake	RBC Insurance
	Charles Blaquiere	Canadian Premier Life Insurance Co.
	Isabelle Choquette	Desjardins Financial Security Life Assurance (<i>by teleconference</i>)
	Moira Gill	TD Insurance
	Greg Grant	CIBC Insurance <i>Secretary</i>
	John Lewsen	BMO Insurance
	Sue Manson	CIBC Insurance
	Sari Scherer	BMO Insurance
	Diane Quigley	The CUMIS Group
	Raja Rajaram	CIBC Insurance <i>Treasurer</i>
	Jodi Skeates	The CUMIS Group (<i>by teleconference</i>)
Also Present:	Leya Duigu	T•O Corporate Services <i>Recording Secretary</i>
	Brendan Wycks	CAFII <i>Executive Director</i>
Regrets:	Linda Fiset	Desjardins Financial Security Life Assurance
	Kelly Tryon	The CUMIS Group

1. Call to Order

The meeting was called to order at 2:10 p.m. R. D'Onofrio acted as Chair; G. Grant acted as Secretary; and L. Duigu acted as Recording Secretary.

1.1. CAFII Competition Guidelines

R. D'Onofrio reminded members that the Competition Guidelines provided in the package were first adopted on April 3, 2008 and last updated October 7, 2014. The practice of reviewing the guidelines annually, at the beginning of the first Board meeting after the Annual Meeting of Members, was adopted to ensure that the Board's deliberations adhere to the guidelines, which were briefly summarized.

1.2. Approval of Agenda

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The Meeting Agenda be approved with the following amendment: *Addition of 6.3.2 CAFII Value Proposition (Updated)*

1.3. Appointment of Officers

R. D'Onofrio informed the Board that he will be stepping down as Chair of the Association today but will continue as a Director on the Board. P. McCarthy, BMO Insurance, had agreed to succeed him as Chair of the Association.

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The following slate of Officers be and is hereby appointed by the Board for a one year period:

Chair:	Peter McCarthy, BMO Insurance
Vice-Chair:	Isaac Sananes, Canadian Premier Life Insurance Co.
Secretary & EOC Chair:	Greg Grant, CIBC Insurance
Treasurer:	Raja Rajaram, CIBC Insurance

2. Consent Items

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The following Consent Items be and are approved or received for the record, as indicated in the Action column beside each agenda item:

- Summary of Board & EOC Action Items
- Regulatory Update
- Regulator and Policy-Maker Visit Plan

IT WAS FURTHER RSOLVED that:

The Minutes of the meeting of the Board held on April 7, 2015 be and are adopted in the form presented, and that a copy of these minutes be signed and placed in the Minute Book of the Corporation.

3. Financial Statements as at April 30, 2015

R. Rajaram reported on the financial statements as at April 30, 2015. He noted that the Statement of Operations is showing a small surplus at this time. There is a healthy bank balance of almost \$400K and unrestricted net assets are well above the minimum requirements at \$336K.

G. Grant advised that, at this time, there are three outstanding Associate renewals, and Regular Member AMEX Bank of Canada has yet to confirm whether it will renew its membership for 2015. He commented

that their delay in renewing is a matter of having lost in-house familiarity with CAFII and not necessarily an indication that they wish to cancel their Regular Member status. B. Wycks has reached out to a new senior executive contact at AMEX to discuss the CAFII initiatives that are directly relevant to their lines of business.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The CAFII financial statements as at April 30, 2015 be and are approved in the form presented.

4. Balanced Scorecard

G. Grant reported that the first half of 2015 was busy due to a large number of regulatory consultations, e.g. SK Bill 177, the AMF ecommerce paper and the FSCO review. The summer and fall will focus more on the next phase of CAFII's initiatives including the follow-up on our submission on Saskatchewan's Bill 177.

B. Wycks added that coming up next is the 10-Year Review of the BC Financial Institutions Act and we will also focus on other priorities including media communications over the summer.

5. Regulatory:

5.1. CCIR Working Group on Travel Insurance

B. Wycks reported that Harry James, Chair of the CCIR Travel Insurance Working Group (TIWG), informed him that its survey of travel health insurers would be sent out in the first half of June, but nothing has been released at this time. Harry had also confirmed the TIWG had not taken up CAFII's suggestion to consult with OLHI and OBSI to obtain data on travel insurance complaints but that it would do so at a later stage in its process.

Members discussed the nature of the issues that have sparked CCIR's review of travel insurance. CAFII's internal committee of travel insurance experts will continue to work on this from a distributor perspective in concert with the CLHIA's efforts.

5.2. BC 10-Year Review Of Financial Institutions Act

B. Wycks advised that in the recently released public consultation paper pages 29 to 31 regarding the Insurance Sector are of particular relevance to CAFII. The discussion of licensing exemptions and regulation of insurance intermediaries in that section relates directly to creditor's group insurance and travel insurance. Based on the manner in which the issues are framed it appears that BC is open to bringing in an RIA/ISI regime. CAFII will be making a submission on this consultation by the September 15/15 deadline.

5.3. BC "Effecting" of CGI Issue

B. Wycks reported that when CAFII met with Carolyn Rogers in Quebec City recently she advised that FICOM had decided to issue an Information Bulletin to the industry on the "Effecting" of CGI issue, rather than a Directive Letter. More recently, Kristine Mactaggart Wright, Executive Director, Conduct Supervision at FICOM, had indicated that the target date for issuing the Information Bulletin had been pushed back to late June.

5.4. Ontario Review of FSCO Mandate

B. Wycks reported that a CAFII delegation had a preliminary, informal meeting on May 21/15 with the expert panel advising the Ministry of Finance on the review of FSCO's mandate. In CAFII's written submission made on June 5/15, we supported a number of points made by the CLHIA in its submission, and provided specific comments on three regulatory model issues of special relevance to CAFII members. We also addressed the possible merger between FSCO and the Ontario Securities Commission as the panel raised this issue in our meeting with them.

CAFII will be invited to participate in a stakeholder roundtable meeting in late July or August, and we may decide to pursue a further one-on-one meeting with the panel as well. In terms of CAFII representation at these meetings, it was agreed that Board-level involvement would be most appropriate.

6. Committee Reports Addressing CAFII Priorities:

6.1. Media Advocacy Committee

C. Blaquiere, Chair, reported that as a result of all the new members the committee had to "hit the reset button" earlier in the year but added that the newly assembled group will serve CAFII well. An initial meeting was held to provide new members with an overview of CAFII and to develop a strategy and priorities moving forward. New members recognized their lack of knowledge and awareness of the issues and have all undertaken the task of reviewing the landscape and familiarising themselves with what their FI's do currently. Goals for this review were to determine what is being communicated as well as to find out more about the types of complaints being received. During the committee's most recent meeting, the issues were categorized and the next step is to develop key messaging around these hot buttons.

At this time, we need to provide members with more information on what has been done in the past. Given that the new committee members work in the area of media advocacy all the time, they are approaching some of the same issues from a different perspective, which has been good.

G. Grant added that the idea for this committee began in a past meeting of the Board and since then it has rolled out a little differently than expected. Engaging members outside the EOC has been a good process because it has shown that perhaps we need to do better at defining the issues. In any case, the media's current focus is on travel insurance and this has meant that creditor insurance has not appeared in the news of late so there have been no media articles requiring a response.

B. Wycks advised the Board that Megan Harman, the insurance reporter for Investment Executive, is writing a story on the AMF "internet insurance offerings" report and asked CAFII to comment. The Board agreed noting that CAFII is happy with Quebec's approach and that there would be benefits to participating. CAFII has a good relationship with the AMF and members agreed that this would be a good opportunity to get the CAFII name out there. B. Wycks will consult with Brian Smith (BMO), a Media Advocacy Committee member, for his advice and guidance in preparing for the interview.

Action: CAFII shall respond to the media request from Megan Harman of Investment Executive.
[Brendan, Greg; tba]

6.2. Market Conduct Committee

6.2.1. Saskatchewan Bill 177

B. Wycks reported that Saskatchewan's Bill 177 was passed on May 6 but won't be proclaimed into force until supporting Regulations have been drafted and a comprehensive consultation with the industry has taken place. Saskatchewan's timetable calls for the Regulations to be finalized and approved by the Cabinet in May or June 2016, and for the revised Act and the Regulations to be proclaimed into force in late 2016 or early 2017 following a six-month industry transition period. Jan Seibel, a lawyer with the Financial Consumer Affairs Authority, is now leading this initiative as Jim Hall retired and departed at the end of May.

6.2.2. Ontario: Regulations to Insurance Act Consultation

B. Wycks reported that, subsequent to the last Board meeting, CAFII learned of Ontario's consultation on Regulations to the Insurance Act. This consultation provided the opportunity to comment on Parts IV and V of the Insurance Act and we were able to make some salient points on providing flexibility in dealing with prescribed language.

6.3. Research and Education Committee

6.3.1. Travel Insurance Project

S. Manson updated the Board on CAFII's new committee on travel insurance, comprised of travel experts from member companies. In March, the committee agreed to develop a principles-based code of conduct on travel insurance for CAFII members. The work began with research on "hot button" issues and outlining best practices for dealing with them. This work will underlie and inform development of a CAFII Travel Insurance "Code of Conduct".

The committee is also working with Pollara on a consumer satisfaction survey regarding customer purchase and claims experiences with travel insurance.

6.3.2. CAFII Value Proposition Project

The CAFII Value Proposition Project is coming to a close. CAFII regrouped and went back to Towers Watson regarding a final report. Once the final report is received, the committee will be pulling out what we've learned and gathering points for use by other CAFII Committees. The final step will be to obtain permissions from Towers Watson for quoting excerpts from the report in future.

6.4. Licensing Efficiency Issues Committee

6.4.1. New Brunswick Proposed Rule INS-001 Fees

B. Wycks provided highlights from a call earlier today with David Weir, New Brunswick's Deputy Superintendent of Insurance. Mr. Weir commented that the development of an online registration system (announced in June 2014), which remains in the planning phases with IT as the online system for pensions was of higher priority. In any case, he was reasonably confident that an online registration system for insurance licensing would be up and running by late Fall 2015.

CAFII was also informed that a new consultation on a revised Rule related to insurance licence fees would be conducted because it had been determined that some of the proposals made in the recent Rule INS-001 Fees were not legislatively permissible. The timing of the further consultation was up to the government so was not known at this time.

With respect to CAFII's recommendation that the New Brunswick Insurance Act be amended to allow electronic beneficiary designations, Mr. Weir encouraged CAFII to send a letter recommending that change to the Superintendents of Insurance in each of the four Atlantic Canada provinces, as that issue was one that would definitely be dealt with on a harmonized basis by the four provinces in the region.

Action: CAFII to write letters in support of Insurance Act amendments to allow electronic beneficiary designations, to the four Superintendents of Insurance in Atlantic Canada.
[Brendan; tba]

6.5. Networking and Event Hosting Committee

Sixty four people have confirmed their attendance at tonight's reception event. The next speaker event will be the Annual Members Luncheon in 2016 and there are no planned speakers for the remainder of 2015.

7. In Camera Discussion

The Board of Directors met *in camera* from 3:35 to 4:10 p.m. Following this, members of the EOC, B. Wycks and L. Duigu were invited back.

8. Termination

The Board thanked Rino D'Onofrio for his commitment and service as Chair of the Board over the past year.

There being no further business to discuss, the meeting was terminated at 4:15 pm. The next CAFII Board of Directors meeting will be held on October 6, 2015, in Levis (QC).

Date

Chair

Recording Secretary