

CAFII Board Meeting Minutes
Tuesday, October 6, 2015
Location: Desjardins Financial Security
150, rue des Commandeurs, 15th floor, Lévis, Québec

DRAFT

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

1. Call to Order

The meeting was called to order at 3:00 p.m. P. McCarthy acted as Chair; J. Lewsen acted as Secretary; and L. Duigu acted as Recording Secretary.

1.1. Approval of Agenda

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The Meeting Agenda be approved as presented.

1.2. Appointment of New Director

In July, CAFII was advised that I. Sananes, the longest serving Director on the CAFII Board, was no longer with Canadian Premier Life Insurance and, as such, a successor would be nominated as CPL's representative on the Board. CAFII has delivered a gift of appreciation to Mr. Sananes, in recognition of his service to the organization.

C. Blaquiére informed members that Canadian Premier Life Insurance (CPL) was nominating Nicole Benson, *President, CRI Canada* and head of the Affinity Group who is also overseeing CPL, to succeed I. Sananes as its Director on the CAFII Board.

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

Nicole Benson be appointed as a Director representing Canadian Premier Life Insurance on the CAFII Board of Directors, effective October 6, 2015 until the next annual Meeting in 2016.

1.3. Appointment of Officers

I. Sananes was also Vice-Chair of the Board and therefore it is necessary to appoint a successor Vice-Chair of the Association. J. Bourdeau, Director from National Bank, has agreed to serve as CAFII Vice-Chair if so appointed by the Board.

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

Joane Bourdeau be appointed as Vice-Chair of the Association, effective October 6, 2015 until the next Annual Meeting in 2016.

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
- Balanced Scorecard
- Regulatory Update
- Regulator and Policy-Maker Visit Plan

IT WAS FURTHER RSOLVED that:

The Minutes of the meeting of the Board held on June 9, 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 August 31, 2015

Treasurer Raja Rajaram was unable to attend today's meeting and therefore B. Wycks presented the financial statements on his behalf. CAFII currently has \$65K in net income year-to-date, an amount that will be offset by some large expenses that have recently come in, bringing us closer to our projected budget.

There are currently two members and one Associate with outstanding membership dues; however, all three have confirmed their continued participation in the Association and payment of the outstanding amounts is expected shortly.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The CAFII financial statements as at August 31, 2015 be and are approved in the form presented.

4. Regulatory Consultations/Submissions Timetable:

4.1. ON Review of FSCO Mandate

P. McCarthy attended the life and health insurance sector roundtable meeting with Greg Grant on July 30. There was a general consensus against forming an Insurance Council in Ontario and the Expert Panel hinted at a possible merger between FSCO and OSC but didn't address it directly. A member of the Expert Panel expressed negative views about CCIR, CISRO, and OSFI, going so far as to suggest implementing stricter guidelines for CCIR to produce something. Also discussed was the potential for introducing an industry-funded compensation fund for consumers, akin to what exists in Quebec; and some time was spent discussing segregated funds. CAFII will be submitting a follow-up letter to the Expert Panel expressing support for FSCO's participation in national co-ordinating bodies such as CCIR and CISRO, and reiterating our key messages. A position paper from the Expert Panel is expected in early November followed by a final report in March 2016.

4.2. CCIR Working Group on Travel Insurance

In the industry issues dialogue with AMF staff executives held immediately prior to this meeting, Patrick Dery, current Chair of CCIR, had confirmed that the work of CCIR's Travel Insurance Working Group had been delayed due to other CCIR priorities, such that a Discussion Paper would not be published until the first quarter or early second quarter of 2016. However, once the Paper is released, CCIR will allow for a 60 day consultation period.

4.3. Quebec Review of Distribution Act

CAFII submitted a response on September 30, which commented on those proposals in the Report on the Distribution Act that are relevant to our members. The work that produced the submission was performed by members of the Licensing and Market Conduct committees and we will continue to be proactive by reaching out to the Quebec Ministry of Finance on this.

4.4. BC FICOM 10-Year Review Of FIA

The submission to BC FICOM's 10-year review of FIA was submitted ahead of the deadline and addressed the points in the consultation paper that are relevant to CAFII.

Gerry Matier, Executive Director of the Insurance Council of BC, shared a copy of the Council's submission with B. Wycks last week. B. Wycks provided a high level summary of the Insurance Council's recommendations, highlighting pages 4 and 5 under Credit Insurance.

Members discussed strategies for countering the views of the Insurance Council, which would see credit insurance's existing exemption under the Insurance Licensing Exemptions Regulation significantly changed and limited. It was agreed that CAFII needs to raise awareness with the Ministry of Finance. In the Association's own submission, CAFII suggested a meeting with the Ministry and we are now in a position to request one. The visit to the Ministry in BC shall be made by a delegation of members including Directors.

Action: EOC to determine next steps and arrange a meeting with the BC Ministry of Finance. Board members to be part of the delegation, if available. *[Brendan; asap]*

4.5. BC "Effecting" of CGI Issue

A review of the recently released FICOM Information Bulletin on the effecting of creditor's group insurance in BC revealed that not all issues addressed therein apply to CAFII members. The CLHIA legal committee has formed a group to look at this, and CAFII members are participating on that CLHIA group. So perhaps there isn't a need for CAFII to delve into this issue further. However, D. Blake highlighted potential areas of concern regarding the active involvement of creditors and members agreed that the Market Conduct Committee and, subsequently, the EOC shall review this issue further to determine whether CAFII follow-up interaction with FICOM is warranted.

Action: *Market Conduct Committee and EOC to identify areas of concern in the CGI Information Bulletin and determine whether CAFII should arrange follow-up interaction with FICOM about it. [EOC; tba]*

4.6. SK Bill 177

Jan Seibel informed B. Wycks that progress has been steady but slower than expected. As a result, there is some uncertainty as to the timing of the release of Draft Regulations for industry consultation, which could be pushed to the first quarter of 2016. Additional information will be provided once it is available.

4.7. ON Insurance Act Parts V and VII

Regulations have now been published online and will come into force on July 1, 2016.

5. Committee Reports Addressing CAFII Priorities:

5.1. Research and Education Committee

5.1.1. Travel Insurance Project

Results highlights from the Travel Medical Insurance Survey were presented by S. Manson in today's industry issues dialogue with the AMF staff executives; and the travel insurance project group is considering next steps including the development of a code of conduct. A code has been drafted and the group is looking at developing common language such as the provision of exclusions and definitions in a common place, such that there is consistency from a consumer perspective.

Members agreed that it would be beneficial to collaborate with CLHIA and THiA on the travel insurance project. To that end, the Executive Summary from the Travel Medical Insurance Survey has been provided to F. Swedlove, CEO of CLHIA, and a meeting scheduled with him, with the goal of developing a plan to leverage the information.

Directors felt that this project has produced some very positive results and wished to ensure that CAFII is not working at cross-purposes with other industry organizations such as CHLIA. Members of the travel insurance working group were thanked for their work on this initiative to date.

5.2. Media Advocacy Committee

The Media Advocacy Committee was able to leverage a laundry list of FAQs developed by the former committee, to produce the Hot Button Issues document presented in the meeting materials. The document is a collaboration of information and discussion involving Media Advocacy and Research and Education Committee members. Taking into account the feedback received today, the committee will work towards making this information accessible to consumers, reporters and regulators. Measuring our success will also be incorporated into the plan.

Directors were pleased with the document and direction presented and wished to ensure the information was revised with consumer-friendly wording, a point which had also been noted in the committee's own discussions.

5.3. Market Conduct Committee

The Market Conduct Committee was integrally involved over the summer, along with the Licensing Committee, in the drafting of responses to the recent consultations in BC and Quebec. The committee is challenged to be in a constant state of readiness to review and craft responses to consultations as they are released. The Bank Act is also coming up for review soon and that issue has become a watch/monitor file for the committee.

5.4. Licensing Efficiency Issues Committee

B. Wycks provided an update because M. Gill had to leave early, noting the Licensing Committee's collaboration with the Market Conduct Committee over the summer in the drafting of CAFII submissions to the BC Financial Institutions Act and Quebec Distribution Act consultations.

New Brunswick has just launched a beta test version of an online licensing system and invitations to test the system have been disseminated to industry stakeholders.

5.5. Networking and Event Hosting Committee

The next CAFII reception event is scheduled for December 8, 2015 at the National Club in Toronto. The next speaker forum will be the Annual Members Luncheon in February or March 2016 and the EOC is currently considering a panel or a national market conduct speaker for that event. Should members have any suggestions for speakers, they are invited to submit them to B. Wycks or L. Duigu.

6. In Camera Discussion

The Board of Directors met *in camera* from 4:05 to 4:11 p.m. Following this, members of the EOC, B. Wycks and L. Duigu were invited back.

7. Termination

There being no further business to discuss, the meeting was terminated at 4:12 pm. The next CAFII Board of Directors meeting will be held on December 8, 2015, hosted by Canadian Premier Life Insurance at the National Club, 303 Bay St., in Toronto.

Date

Chair

Recording Secretary

Confidential Draft