

**CAFII Board of Directors Meeting**  
**Tuesday, June 6, 2017**  
**The Albany Club, President's Room**  
**91 King St. East, Toronto, ON**

<b>Board Present:</b>	Linda Fiset Bob Grant Chris Knight Peter McCarthy Chris Lobbezoo Kelly Tryon	Desjardins ( <i>by teleconference</i> ) ScotiaLife Financial TD Insurance BMO Insurance <i>Chair</i> RBC Insurance CUMIS Group
<b>Regrets:</b>	Nicole Benson Nick Bilodeau Robert Zanussi Director Vacancy	CRI AMEX Bank of Canada Assurant Solutions CIBC Insurance
<b>EOC Present:</b>	Jason Beauchamp Rose Beckford Eleanore Fang Moira Gill John Lewsen Charles MacLean Sue Manson Tony Pergola Andrea Stuska Peter Thorn Diane Quigley	BMO Insurance ScotiaLife Financial ( <i>by teleconference</i> ) TD Insurance <i>Secretary and EOC Chair</i> TD Insurance ( <i>by teleconference</i> ) BMO Insurance RBC Insurance CIBC Insurance ScotiaLife Financial TD Insurance ( <i>by teleconference</i> ) TD Insurance The CUMIS Group
<b>Also Present:</b>	Keith Martin Brendan Wycks Emily Cloutier	CAFII <i>Co-Executive Director</i> CAFII <i>Co-Executive Director</i> T•O Corporate Services <i>Recording Secretary</i>

**1. Call to Order, Meeting Confirmation, & Governance Matters**

The meeting was called to order at 2:45 p.m. P. McCarthy acted as Chair; E. Fang acted as Secretary; and E. Cloutier acted as Recording Secretary. Mr. McCarthy welcomed, in particular, T. Pergola to his first CAFII Board meeting, as the Association's Treasurer-designate; and, in addition, P. Thorn as a guest observer from TD Insurance.

Secretary E. Fang confirmed that notice of the meeting was sent to all Directors in accordance with the Association's By-Law and that there was a quorum of Directors present, with five Directors present in-person and one Director participating by teleconference.

P. McCarthy declared this meeting of the Board of Directors of the Canadian Association of Financial Institutions in Insurance duly convened and properly constituted for the transaction of business.

#### **1.1. CAFII Competition Guidelines**

P. McCarthy briefly summarized the CAFII Competition Guidelines. The practice of reviewing these 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 best practices, Mr. McCarthy advised.

#### **1.2. Approval of Agenda**

On a motion duly made, seconded and unanimously carried

#### **IT WAS RESOLVED that:**

The Meeting Agenda be and is approved as presented.

#### **1.3. Election of 2017-18 CAFII Officers**

On a 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, or in the case of the Board Chair, until the October 3/17 Board Meeting:

Chair: Peter McCarthy, Bank of Montreal, BMO Insurance

Vice-Chair: To Be Appointed At A Future Date

Secretary & EOC Chair: Eleanore Fang, TD Insurance

Treasurer: Tony Pergola, ScotiaLife Financial

#### **1.4. Resignation of a CAFII Director; and of a CAFII Member**

P. McCarthy reported that T. Lawrence, CAFII Director from CIBC Insurance, had recently sent him written notice of his resignation as a CAFII Director. Mr. Lawrence had resigned from CIBC Insurance to assume a new position as CEO of a different company and, hence, was no longer eligible to continue as the CAFII Director from CIBC Insurance.

S. Manson, EOC Member from CIBC Insurance, advised that her company expected to be in a position to nominate a new CAFII Director from among its executive ranks in the near future.

P. McCarthy also reported that National Bank Insurance had resigned as a member of CAFII. Mr. McCarthy advised that a recent change in executive leadership at that financial institution, including in CAFII Director and Board Vice-Chair J. Bourdeau's immediate boss, was the primary reason behind the company's decision to resign from membership in the Association.

B. Wycks provided some insight into the financial repercussions of the loss of National Bank Insurance as a member, noting that the revenue shortfall would be approximately \$49K in 2017.

Further discussion about the loss of National Bank Insurance as a Member of CAFII was deferred to the Board's *in-camera* session.

#### **1.5. CAFII Board Chair, Vice-Chair, and EOC Chair Succession**

P. McCarthy advised that he had requested that this item be added to the agenda, as he saw it as necessary to identify a successor for both the Board Chair and Vice-Chair positions. He advised that he was willing to stay on as Chair until the Board's October 2017 meeting, at which time he expected that a successor Board Chair to him and a successor Board Vice-Chair to J. Bourdeau could be appointed to fill those key roles.

With regard to EOC Chair succession, TD Insurance Director C. Knight advised that as a result of taking on a broader mandate with increased responsibilities within her position at TD Insurance, it would be necessary for E. Fang to step down as EOC Chair and Secretary.

E. Fang advised that she would be succeeded as EOC Chair and Secretary by P. Thorn, also from TD Insurance, and that the transition would be effected by July 2017. The next EOC meeting on June 20/17 is connected with a CAFII Strategic Plan Development Session and provides an ideal opportunity for P. Thorn to become immersed in CAFII initiatives and get acquainted with committee members, she noted.

P. McCarthy welcomed P. Thorn to CAFII as EOC Chair and Secretary-designate, and thanked E. Fang for her work in that capacity over the past year.

## **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:

- 2.1. Draft Board Meeting Minutes, April 5, 2017**
- 2.2. Summary of Board & EOC Action Items**
- 2.3. Regulatory Update**
- 2.4. Regulator and Policy-Maker Visit Plan**

### **IT WAS FURTHER RESOLVED that:**

The Minutes of the meeting of the Board held on April 5, 2017 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**

#### **3.1. Financial Statements as at May 31, 2017**

It was noted that the April 30/17 Financial Statements were erroneously included in the Board Meeting materials package rather than the correct Financial Statements as at May 31/17.

***ACTION: Circulate the Financial Statements as at May 31/17 to the Board and EOC  
[E. Cloutier; June 7/17]***

Treasurer T. Pergola reported on the financial statements as at May 31, 2017. He noted that the Statement of Operations showed a YTD deficit of \$36K at this time. With respect to the Balance Sheet, there is a healthy bank balance of \$303,989; and CAFII currently has unrestricted net assets of \$344,783 which constitutes financial reserves of 46% of annual operating expenses.

In Board discussion, it was observed that with the addition of a new Co-Executive Director and the departure of National Bank Insurance as a member, it will be necessary to re-evaluate the member dues levels and planned future expenditures when developing the Association's 2018 operating budget.

T. Pergola advised that he welcomed input on possible revisions and improvements to the Financial Statements.

On a motion duly made, seconded and unanimously carried

#### **IT WAS RESOLVED that:**

The CAFII Financial Statements as at May 31, 2017 be and are approved in the form presented.

#### **3.2. Appointment of CAFII Cheque Signing Authorities**

P. McCarthy noted that the Board's imminent appointment of a new EOC Chair and Secretary gave rise to a need to update the CAFII Cheque Signing Authorities, in a manner that meets the requirements of the Association's bank.

On a motion duly made, seconded and unanimously carried

#### **IT WAS RESOLVED that:**

The CAFII Board of Directors approves the appointment of the following individuals as authorized signatories for all cheques prepared and issued by the Canadian Association of Financial Institutions, revoking any person previously named in that capacity:

- Brendan Wycks, CAFII Co-Executive Director
- Keith Martin, CAFII Co-Executive Director
- Tony Pergola, ScotiaLife Financial, CAFII Treasurer
- Peter Thorn, TD Insurance, CAFII EOC Chair & Board Secretary
- Lynn Beauregard, President, TO Corporate Services
- Senait Ghebru, Controller, TO Corporate Services

***Action: Submit Board-approved resolution on appointment of CAFII Cheque Signing Authorities to TD Bank and follow-up to ensure that CAFII's signing authorities are brought up-to-date in the bank's systems [E. Cloutier; June 20, 2017].***

#### **4. Regulatory**

##### **4.1 Consultations/Submissions Timetable**

###### **i. BC FICOM 10-year Review of FIA**

With regard to the BC Ministry of Finance's 10-year Review of the province's Financial Institutions Act, B. Wycks reported that he had spoken in mid-April to E. Cole, the BC Ministry of Finance staff executive responsible for this file. Ms. Cole indicated that the Ministry's Policy Paper, expected to lay out options for change, would likely be released in July or August. However, with the early May election of a minority government in British Columbia, it was possible and even likely that the Policy Paper would not be released this summer, Mr. Wycks opined.

In that connection, while attending the CLHIA Conference in early May 2017, K. Martin and other CAFII delegates heard BC FICOM's H. James, who was a panelist at the conference, strongly suggest that the BC Ministry of Finance's Policy Paper will propose the implementation of an RIA regime in British Columbia, following the lead of the three other Western Canada provinces.

###### **ii. Quebec Omnibus Bill on Financial Sector Modernization**

B. Wycks reported that the Quebec Ministry of Finance had failed to meet its most recently expressed June 1/17 deadline to table the Quebec Omnibus Bill on Financial Sector Modernization. Nothing has been posted as of yet. L. Fiset advised that she had heard from government contacts that the Omnibus Bill would be released on or before the June 16/17 last day of the current sitting of the National Assembly.

###### **iii. CCIR Annual Statement on Market Conduct**

B. Wycks reported that at an April 24/17 CAFII liaison lunch with CCIR Policy Managers Sean Jacobs and Martin Boyle, CAFII learned that for the Year 3 (2019) version of the Annual Statement, a substantive review and overhaul would be conducted; and that consultations with the industry in that regard could begin as early as the summer of 2017. CCIR also confirmed that an aggregated results report from the Year 1 Annual Statement would be shared with the industry before the end of 2017.

R. Beckford provided further information regarding the integrity of Annual Statement data and how they will be used. While the industry was appreciative of the help provided by the AMF in completing the Year 1 Annual Statement, there was still considerable confusion about how to complete the survey and there remains uncertainty about how the data will be analysed and used. P. McCarthy noted that CCIR is now embarking on a monumental task to collate and analyze the Annual Statement data.

**iv. CCIR Travel Health Insurance Products Position Paper**

S. Manson reported that CCIR's Travel Health Insurance Products Position Paper was released on May 31/17. She noted that the media release which accompanied the Position Paper was much less critical of the industry than the initial draft reviewed by CAFII. As well, some of the recommendations had been tidied up and acknowledgment was included that the industry had already come a long way in addressing many of the recommendations in the Paper. As a simple but telling example of the substantive amendments made to the tone and content of the media release – based on feedback from CAFII and other industry Associations – the term “change” was dropped in favour of “continuous improvement” as a way of acknowledging that the current state of travel health insurance in Canada is not one of grave concern, Ms. Manson concluded.

L. Fiset inquired as to who is leading the industry's work with respect to CCIR's travel health insurance review. S. Manson confirmed that CLHIA is leading the industry's work in this area; however, CAFII's Travel Medical Experts Working Group is working in the background and feeding its findings to CLHIA to benefit the industry.

**v. Saskatchewan Insurance Act/Regulations**

B. Wycks reported that while in Regina, Saskatchewan for a meeting with the Minister of Finance and his officials, the CAFII delegation also met with R. Sobotkiewicz, Superintendent of Insurance in the Financial and Consumer Affairs Authority (FCAA), and J. Seibel, Lawyer, on June 1/17. CAFII learned from them that with respect to the Regulations being developed to support the province's revisions to the Insurance Act, they appreciate CAFII's position that the industry needs sufficient lead time between the tabling of the final legislation and Regulations, and the “in force” date for those regulatory changes. The FCAA officials advised CAFII that they expect to release the Act and final Regulations in late June, July, or August 2017, with an in force date of Spring of 2018 at the earliest.

**4.2 Alberta Authorization of CI Sales Under an RIA Certificate**

B. Wycks advised that since the last Board meeting on April 5/17, the EOC had conducted an in-depth review of the credit-related insurance definitions which the AIC wanted to publish on its website. That review was in response to CLHIA's expression of concern that the publication of those definitions could cause consumer confusion; and the EOC determined that it agreed with that position. CAFII expressed that view to J. Abram, CEO of the Alberta Insurance Council, at a meeting during the CLHIA conference in early May 2017 in London, Ontario; and offered to follow up with a letter, subsequently sent after the meeting.

J. Abram subsequently communicated to B. Wycks that she had received CAFII's recommendations and would be tabling them with the Life Insurance Council.

**4.3 Meeting With Saskatchewan Finance Minister, June 1/17**

B. Wycks advised that CAFII's series of visits with regulators and policy-makers in Saskatchewan over two days, June 1-2/17, was very successful. The meeting with the Minister of Finance and his officials was attended by CAFII representatives Diane Quigley, Shawna Sykes and Kevin Daniel of Cooperators/CUMIS; Charles MacLean of RBC Insurance; Andrea Stuska of TD Insurance; and Co-Executive Directors Keith Martin and Brendan Wycks. CAFII had the opportunity to meet and prepare beforehand at the Cooperators office in Regina. The Minister was receptive to CAFII's concerns and provided his counter-points to each.

The Minister admitted that the decision to impose PST on insurance premiums was a difficult one and that it could have unintended consequences. But he emphasized the dire situation of Saskatchewan's finances and stated that the province had few options available to it. He stated that the province looked at all of the options available and ran them through econometric models; and broadening the PST base to include insurance premiums was one of the revenue generation options that was least problematic. The Minister also noted that the province had instituted reductions in income taxes to counter the broadening of the PST base. Saskatchewan, he added, was attempting to make tough decisions today to adapt to fiscal realities. He noted that Alberta was recording massive deficits and experiencing credit rating downgrades as a result, and said that was not a path which Saskatchewan wanted to take.

CAFII advised the Minister that his government's decision to broaden the PST base to include insurance premiums affected the ability of consumers to purchase insurance, a product that protected them and their loved ones. It was also noted that this policy could result in new costs down the road for the province, if consumers were deterred from protecting themselves from unforeseen incidents through insurance.

B. Wycks added that K. Daniel, Regina-based Chief Operating Officer of the Cooperators Insurance, was particularly effective in the meeting, as he advised the Minister that from a local perspective, his government's new PST on insurance premiums would cost his company nearly \$3 million in incremental employee benefits costs. Mr. Daniel also cited the Investors Group's recent downsizing announcement, and noted that the new tax on insurance premiums could realistically cause companies to consider relocating to other provinces to avoid incurring additional costs.

The Minister stated that his government had a record of correcting its mistakes, if their policy decisions were proven to be wrong. The Minister invited CAFII to monitor the situation and to share concrete data with the government in six months time, or after a year, on what it found were the practical implications of the PST on insurance premiums policy.

K. Martin added that the meeting was collegial and positive and that the Minister shared some concrete examples and insights into his perspective; and made a commitment to being open to re-evaluating the situation should CAFII be able to provide data demonstrating the negative impacts of the decision to broaden the PST base to include insurance premiums.

#### **4.4 Meeting With Saskatchewan FCAA, June 1/17**

B. Wycks advised the meeting with FCAA in Saskatoon was along the lines of an informal, get-acquainted meeting. CAFII learned that the FCAA is a fully integrated financial services regulator (see also 4.1.v.)

#### **4.5 Presentation To CISRO, June 2/17**

B. Wycks reported on CAFII's presentation to CISRO entitled "CAFII Past, Present and Future" on June 2/17 in Saskatoon. It was an overview of the Association and included highlights of CAFII's priorities; some of its major research outputs; and some of its areas of future focus including insurtech, millennial expectations of insurance, fair treatment of consumers, and the importance of CAFII's relationships with regulators and policy-makers, including its desire to meet all key regulators and policy-makers in-person no less than once every 18 months. The presentation also noted the current CAFII initiative to modernize its website to make it more consumer-facing, and briefly touched upon the current development of a new CAFII strategic plan.

Following the presentation, CAFII opened the floor to questions. Though not there in person, Anatol Monid, Executive Director of FSCO's licensing and market conduct division, asked if CAFII would provide a copy of the presentation deck to CISRO members. He also asked about the commission structure of CAFII member sales personnel, and whether the full Towers Watson research could be shared with attendees at the CISRO meeting. He also asked whether CAFII could provide CGI loss ratios. B. Wycks responded at the CISRO meeting that CAFII member sales personnel are almost all salary-only employees.

Additional questions came from Gerry Matier, Executive Director of the Insurance Council of BC, asking what sales incentives are offered by CAFII members to their sales employees; and Warren Martinson of the Alberta Insurance Council asking whether the Towers Watson research included voided policies.

In Board discussion, it was noted that CGI loss ratios were not included in the Towers Watson study; and that there are minimal voided policies in the CGI mortgage life space, such that they represent less than 1% of all CGI mortgage life policies.

B. Wycks stated that the CISRO audience was very attentive. The group was larger than anticipated, with representatives from both Quebec Chambres there who attend CISRO meetings regularly. C. MacLean added that he observed that the CISRO meeting was a very informal session and that CISRO seems to approach industry delegations to its meetings in a more casual, interactive way, similar to the approach taken by the AMF.

#### **4.6 Meeting With Ron Fullan and April Stadnek, Insurance Council of Saskatchewan**

B. Wycks updated reported on the June 2/17 meeting held by the CAFII delegation with R. Fullan and A. Stadnek of the Insurance Councils of Saskatchewan.

CAFII learned that CISRO plans to move to having a staff secretariat similar to the one used by the CCIR. Ron Fullan did not view this as a funding challenge, as members of CISRO were in agreement that this approach made sense.

With respect to moving the issue of "Representation for RIA Licence Holders In Saskatchewan" through an Advisory Committee to Mr. Fullan as ICS Executive Director back onto the front burner after an LLQP-dominated hiatus period of more than three years, Mr. Fullan and Ms. Stadnek agreed with CAFII's suggestion that a summer 2017 three-way brainstorming, consensus-building, and planning meeting -- involving ICS, CAFII, and CLHIA -- should be organized.

Mr. Fullan reminded the CAFII representatives that the best way to approach regulators such as CISRO members is to give them a compelling case that includes a "what's in it for them" component. It is always powerful to make the case for a change based on how it will help not just industry, but also the regulators, he advised. CAFII has always been an excellent partner and good at taking this very approach, he noted. Going forward, there will be many opportunities to make this sort of case to regulators—for example, there are many challenges around digitization, insurtech etc. that regulators will be grappling with; and an Association such as CAFII can be extremely helpful in assisting regulators in understanding and adapting appropriately to these changes.

#### **4.7 Meeting With Ontario FSRA Implementation Secretariat, June 29/17**

B. Wycks reported that a small CAFII delegation is being organized to meet with Sandy Roberts, Director, and other members of the FSRA Implementation Secretariat on June 29/17. He added that M. Gill has already met with the FSRA Implementation Secretariat on behalf of the Canadian Association of Direct Relationship Insurers (CADRI); and K. Martin and B. Wycks had intelligence shared with them by E. Hiemstra of CLHIA.

E. Hiemstra advised that the approach that the FSRA implementation Secretariat seems to be taking is “what needs to be blown up about FSCO?” E. Hiemstra continued by adding that she felt the FSRA Implementation Secretariat had only limited understanding of the life and health insurance industry but yet seemed well-versed on the p&c side of the industry.

#### **4.8 Meeting/Presentation To Insurance Council of Manitoba Staff, July 3-7/17**

B. Wycks advised that a small group of CAFII delegates was being organized to meet with Barbara Palace Churchill, Executive Director of the Insurance Council of Manitoba. Ms. Palace-Churchill had advised CAFII that she is still climbing a steep learning curve, and specifically asked the Association’s representatives to provide a substantive presentation to her and her staff team on incidental sales of insurance by financial institutions, as well as how CAFII members see themselves fitting into the RIA regime in Manitoba.

B. Palace Churchill had identified that the first week of July would be the best opportunity for this educational session at the ICM office in Winnipeg, and some specific date possibilities were currently being identified.

#### **4.9 Proposed Visits To BC and Alberta Regulators And Policy-Makers**

B. Wycks reported that when CAFII met with Gerry Matier, Executive Director of the Insurance Council of British Columbia, at the CLHIA conference in London, Ontario, he was keen to host and have CAFII meet with him on a day that the Council would be meeting in Vancouver. He specifically would like to introduce CAFII representatives to his staff and also Council members. Dates identified for this meeting are in the target range of October 16-18, flying out on the Monday and meeting with Mr. Matier, his staff, and the Council on the Tuesday morning.

J. Abram, CEO of the Alberta Insurance Council, similarly advised that she would like to host CAFII, preferably in Edmonton. This would also provide an opportunity for CAFII to meet with Laurie Balfour and Nilam Jetha, Superintendent of Pensions, Insurance and Financial Institutions, Alberta on the same day.

***ACTION: Canvas CAFII EOC and Board members to determine delegates for these BC and Alberta regulator and policy-maker meetings. [ B. Wycks; TBA]***

## **5. Strategy**

### **5.1 CAFII Strategic Plan Development**

K. Martin provided an update on the process and structure of the CAFII Strategic Development Plan. The planned structure for developing the Strategic Plan is threefold—First, Where are We? Second, Where Do We Want to Go? Third, How do we Get There? The draft Strategic Plan Development Backgrounder was presented to E. Fang and A. Stuska in May for an initial review and feedback. Valuable feedback was provided at that review meeting, which included recommendations regarding the structure of the document, as well as the addition of a business and financial case to accompany the plan.

The revised Strategic Plan Development Backgrounder is now ready to be shared with the entire EOC. There has been time set-aside for a CAFII Strategic Plan Development Session immediately following the June 20/17 EOC meeting. The following step would be to present a consolidated Proposed CAFII Strategic Plan to the Board, including which of the strategic options we think the Association should pursue, the prioritization of those options, and the resource and investment implications. K. Martin indicated that the document and plan is well-advanced and ready to be presented to the EOC.

E. Fang concurred with K. Martin's update and advised that she was looking forward to the presentation of the plan to the EOC in June, and subsequently to the Board in October 2017.

### **5.2 Revised CAFII Media Protocol**

K. Martin reported that following the April 5/17 Board meeting he worked with B. Wycks to update the Media Protocol and to identify a clearer process, along with additional information about what would trigger a response to a media column or article. K. Martin emphasized that this remains a work in progress, and that the Board was being asked to approve continuing down this road, but was not being asked to approve any immediate responses to the media as we had not arrived at that stage yet.

K. Martin added that even if further work is done on this effort, but in the end the desire is not to respond to negative or inaccurate media columns or articles, the effort will still provide valuable clarification of the key messages that CAFII wishes to use to position itself; and this can be useful in many other ways including in networking and general communication efforts.

If Media Protocol II was approved, K. Martin continued, the next step would be for him to work with media consultant D. Moorcroft to develop content that could be used to respond to negative or inaccurate media columns or articles: currently ten stock pieces are envisioned, which could then be used in combination to develop a Letter to the Editor in response to a media column/article.

C. Knight inquired as to whether CAFII would consider separating the types of draft responses prepared, depending upon whether the column/article is inaccurate or negative to the industry. K. Martin responded that there will be two buckets of draft responses to the media: misinformation/inaccurate columns/articles and negative columns/articles. Within each bucket, there will be a series of sub-groups, which would lead to a total of ten pieces of content that could be used depending upon the type of column/article to which we were responding. The next step will be for K. Martin to bring to the EOC and Board these ten responses; and, if approved, they would constitute the pre-approved material that could be used for a Letter to the Editor.

In Board discussion, it was unanimously agreed that this was a good approach to execute responses on behalf of CAFII and its members. K. Tryon added that it is essential to limit the potential for third parties to argue with the content of our responses. K. Martin responded that anytime we respond in the media, there is the potential that the broker community will respond to what we have to say.

C. Lobbezoo indicated that he would support moving forward because it proves CAFII is willing to “stand on the mountain,” and the Association should not shy away from the broker community. P. McCarthy added that he agrees with moving forward with this process, noting that he works with the broker community and that they can perpetuate misinformation. C. Lobbezoo added that if we are spending resources in building a relationship with regulators, it is also important to “carve out a space” for CAFII education of the media.

P. McCarthy added that when CAFII met with BC FICOM in November 2015, CAFII asked how many complaints had been received in relation to CGI and the answer was zero. R. Beckford added that when CAFII met with J. Abram, CEO of the Alberta Insurance Council, last month, we specifically asked if there were any issues with creditor insurance. J. Abram responded that the complaints her Council was receiving related to travel agents, resulting from insufficient training and leading to consumer misunderstandings regarding their policies.

**ACTION: Draft ten versions of CAFII responses to negative and/or inaccurate media columns/articles, to present to the EOC and the Board [K. Martin; TBA]**

### **5.3 Extension of Media Consultant Retainer**

K. Martin provided background on CAFII’s engagement in June 2017 of media consultant D. Moorcroft, Strategy2Communication, including his significant recent contributions to the Association’s website redesign. In addition, developing the next stage of Media Protocol II will benefit from Mr. Moorcroft’s expertise, and this is even more important should CAFII move forward with implementing a more assertive media strategy in future.

K. Martin and B. Wycks recommended that CAFII retain D. Moorcroft on retainer on an ongoing basis.

On a motion duly made, seconded and unanimously carried

### **IT WAS RESOLVED that:**

CAFII proceed with extending D. Moorcroft, Strategy2Communication, on a monthly retainer on an ongoing basis.

## **6. Committee Reports Addressing CAFII Priorities:**

### **6.1 Market Conduct**

R. Beckford, Chair of the Market Conduct Committee, reported that CAFII had recently made a submission on FSCO’s Draft 2017 Statement of Priorities. Our response was supportive of FSCO’s two key themes for this year – enabling innovation; and fair treatment of consumers --but it highlighted that the consumer also has a responsibility to educate him/herself on financial products including insurance policies.

Ms. Beckford also noted that the International Monetary Fund (IMF) will return to Canada in 2018 to repeat its Financial Sector Assessment Program (FSAP) review, on behalf of the International Association of Insurance Supervisors, of Canada's insurance supervision system, in which the AMF and FSCO will serve as surrogates for the entire country. In that connection, the AMF has said that it would like to be more proactive; and with new technological innovations, the AMF is also saying these changes may require adjustments to its current regulatory approach.

Ms. Beckford advised that Lucie Tedesco, FCAC Commissioner, recently testified before a parliamentary committee on the Agency's current review of bank sales practices; Ms. Tedesco's comments are published on the FCAC's website.

## **6.2 Media Advocacy**

### **i. CAFII Website Modernization**

D. Moorcroft of Strategy2Communication joined the meeting as a visitor, to provide the Board with a live demonstration of CAFII's new consumer-facing website that had been produced by RankHigher. The new website is intended to have a simple, accessible, uncluttered look and feel that consumers will find attractive, along with content that is relevant, easy to absorb, and written in consumer-friendly language. The website has also been developed to be consistent with the Accessibility for Ontarians with Disabilities Act (AODA). Another feature of the website is that it has been written and edited to drive traffic to it, using best practices in the field of Search Engine Optimization (SEO).

Board members provided feedback that the new website was very consumer-friendly with relevant and easy-to-read content. Feedback was provided on some of the features, and D. Moorcroft and K. Martin made note of these with the intention of following up on them with RankHigher.

It was noted that the website was still being developed, with additional work to be done on some of the content and graphics. The website has been designed with an architecture which allows for additional features to be added seamlessly and with minimal additional development work, such as potentially later adding videos or additional sub-tabs. The consumer-facing website has been developed in WordPress, which is very easy to maintain and update, and is also a desirable environment for later adding additional features and content.

B. Grant asked about consumer advocacy on the website, and it was noted that that type of content could be enhanced in future iterations of the site.

Overall, feedback on the website was positive, with Board members finding it a significant improvement on the current CAFII website. The Board supported moving forward in the project and progressing to the next stage, which includes further tweaks to the site, finalization of the content, and translation of all the content into French so that the site is fully bilingual prior to live launch.

**ACTION: Circulate the link to the modernized website for Board and EOC members to review and provide feedback [K. Martin/TBA]**

## **6.3 Licensing Efficiency Issues**

M. Gill advised that CAFII's recent work, under the auspices of the LEIC, with respect to liaison with CISRO nationally and with the four Western Canada Insurance Councils individually had already been addressed under other agenda items.

**i. First Meeting of FSCO Life Insurance Industry Working Group**

K. Martin provided an update on the intention by FSCO, announced by Heather Driver, its Director of Licensing, at the inaugural meeting of the FSCO Life Insurance Industry Working Group (LII Working Group) on May 30/17, to circulate to the insurance arms of banks a questionnaire on their sales practices.

He noted that a suggestion had been made by H. Pabani of TD Insurance, a CAFII appointee to the LII Working Group along with Mr. Martin, that CAFII should reach out to FSCO to offer support in the design of the questionnaire, as CAFII could provide expertise on how to pose the intended questions and on how best to address the issues the questionnaire was intending to cover.

C Lobbezoo expressed some reservations about that proposed outreach to FSCO. M. Gill suggested that this initiative had not been well “socialized” within FSCO. It was therefore suggested that an informal discussion between CAFII and more senior FSCO leaders – such as Anatol Monid, Executive Director of FSCO’s Licensing and Market Conduct Division and Ms. Driver’s boss -- could be fruitful.

It was noted that it is important to understand what FSCO is trying to achieve through this exercise and whether the proposed questionnaire would achieve them; and that once a questionnaire is circulated, it will be difficult to change.

Following Board discussion, it was agreed that it would be valuable for M. Gill to reach out to a more senior FSCO leader on this issue informally, to better understand what they are trying to achieve; and to engage in a dialogue on whether this is the best way for FSCO to achieve that objective.

**ACTION: Proceed with an informal discussion through M. Gill – asking for a clarification on what FSCO is trying to achieve with its proposed questionnaire for the insurance arms of banks. [M. Gill, K. Martin, B. Wycks; TBA]**

**ACTION: Consider sending a letter to FSCO offering to assist in designing its proposed questionnaire. [ K. Martin, B. Wycks; TBA]**

**6.4 Research & Education**

D. Quigley and K. Martin provided a high-level update on the proposed initiatives of the Research and Education Committee, noting that the Strategic Plan options include investments in additional research efforts by CAFII. If CAFII moves down this road, the R&E Committee will need to add new members that have a strong research background.

**6.5 Travel Medical Experts**

S. Manson reported that the Travel Media Experts Working Group had identified a need to update the Pollara survey on consumers’ experiences and satisfaction with travel health insurance. Before proceeding, the Committee will review the CCIR’s Position Paper to identify potential new issues related to travel health insurance to probe in a repeat of this CAFII-commissioned research.

**7 7. Other Business**

**7.1 June 6/17 CAFII Reception, Including Expected Regulator and Policy-Maker Guests**

B. Wycks advised that the Reception to immediately follow the Board meeting would be attended by (5) five regulators; and he encouraged Board and EOC members to engage them in conversation.

**7.2 Next CAFII Board Meeting: October 3/17 In Montreal**

With the recent departure of National Bank Insurance as a CAFII member, B. Wycks advised that there is now a need to identify a new venue and host for the October 3/17 Board Meeting and AMF Liaison Luncheon and Industry Issues Dialogue. The intention is to maximize the attendance of AMF staff executives; and unfortunately E. Stevenson and P. Déry will be panelists at an industry conference in Québec City that morning.

***ACTION: Consider moving the October 3/17 CAFII Board meeting to Québec City; and contact the AMF and ask if they would like CAFII to move the date to October 2/17 or October 4/17 to accommodate their schedules [B. Wycks; June 30/17]***

**8 In Camera Session**

The Board of Directors met in camera from 4:35 p.m. to 5:00 p.m.

**9. In-Camera Session**

There being no further business to discuss, the meeting was terminated at 5:00 p.m. The next CAFII Board of Directors meeting is to be held on Tuesday, October 3/17 at a location to be confirmed in Montréal or Québec City.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Board Chair

\_\_\_\_\_  
Recording Secretary