

Agenda Item 2.3

February 7/18 Special Purpose Board Teleconference Meeting

**Concept Proposal For CAFII “Initiation Membership” Category
CONFIDENTIAL DRAFT ONLY (not for distribution beyond CAFII Board and EOC Members)**

Eligibility

Companies/organizations which are distributors and/or underwriters/manufacturers of creditor’s group insurance and/or other forms of life and health insurance sold through alternate distribution channels in Canada; and which support the mission, vision, and values of the Canadian Association of Financial Institutions in Insurance may apply for admission as a “CAFII Initiation Member.”

Initiation Membership applicants may not have been a Member of CAFII for at least the past five years.

Term

CAFII Initiation Membership status is limited to two membership years, following which the related Initiation Membership Dues Incentive shall cease, and the Initiation Member must transition to CAFII Regular Member status or depart as a Member of the Association.

Initiation Membership Dues Incentive

An applicant approved by the CAFII Board for Initiation Membership status will receive, for each of the first two years only, a 40% discount and pay 60% of the CAFII Member Dues that would otherwise be payable.

For example:

	2018 Dues	2019 Dues¹	Savings over 2 years
CAFII Regular Member (>\$75 billion assets)	\$73,438	\$73,438	
Initiation Member (>\$75 billion assets)	\$44,000	\$44,000	\$58,876
CAFII Regular Member (<\$75 billion assets)	\$36,719	\$36,719	
Initiation Member (<\$75 billion assets)	\$22,000	\$22,000	\$29,438

¹ assumes no change in Member Dues for 2019.

Privileges and Benefits

The privileges and benefits of CAFII Initiation Member status shall be identical to those of CAFII Regular Member status, including all of the following representation, voice, and influence dimensions:

- having a Director on the CAFII Board of Directors;
- participation/involvement in the Association’s Executive Operations Committee (EOC) and other committees;

- input to and involvement in CAFII submissions to insurance regulators and policy-makers;
- participation/involvement in CAFII regulator and policy-maker meetings and visits tours; and
- preferred access to CAFII-commissioned research results, etc.

The following limitations on the privileges and benefits of CAFII Initiation Membership shall apply:

- an Initiation Member's Director on the CAFII Board of Directors may not serve as Chair of the Board or Vice-Chair of the Board; and
- an Initiation Member representative may not serve as Chair of the CAFII Executive Operations Committee/Secretary to the Board.

Application Process

CAFII Initiation Membership applicants must apply using the standard CAFII Membership Application Form and submit the completed Form to CAFII's Co-Executive Directors; and, in addition,

- submit any additional information which may be requested on behalf of the CAFII Board of Directors; and
- undergo a review/vetting process which will include an interview between members of the applicant's senior management team and a CAFII membership review committee.

The CAFII Board of Directors will review and make a determination on all Initiation Membership applicants, with the benefit of a recommendation from the Association's membership review committee. The decision of the CAFII Board of Directors shall be final.