

BOARD MEETING
CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE
In-Person/Hybrid Meeting at TD Tower in Toronto, Ontario
Tuesday, April 9, 2024
3:00 to 5:00 p.m. EDT
Minutes

Board Members

Present In Person:

Paul Cosgrove	Assurant
Rohit Thomas	BMO Insurance
Rahul Kakar	Chubb Life Insurance Company of Canada
Konstance Allain	CIBC
Heather McLachlin	CUMIS/The Co-operators
Peter Thompson	National Bank Insurance
Julie Gaudry	RBC Insurance
Nigel Branker	Securian Canada
Valerie Gillis	TD Insurance
Louie Georgakis	The Canada Life Assurance Company

Present Virtually:

Wayne Hewitt	Scotia Insurance
Simon Lacroix-Hubert	Desjardins

Regrets:

Adam Vespi	Canadian Tire Bank
Elizabeth Gandolfi	Canadian Western Bank
Donald Hinnecke	RBC Insurance (<i>Treasurer</i>)

Also Present: Rob Dobbins, Secretary

Karyn Kasperski, Vice-Secretary
Keith Martin, Executive Director
Robyn Jennings, Research Analyst
Shanay Smith, Operations Manager
Troy Woodland, Association Administrator

Item 1: Welcome, Call to Order, Meeting Confirmation, and Board Construction Matters

Item 1(a): Welcome and Call to Order

CAFII Board Chair Peter Thompson welcomed all to this meeting of the CAFII Board of Directors -- which was held at TD Tower, Toronto, Ontario -- as well as virtually on the Microsoft Teams platform, and called the meeting to order at 3.04 p.m. Robyn Jennings acted as Recording Secretary.

Item 1(b): Land Acknowledgement

CAFII Board Vice-Chair Paul Cosgrove shared a land acknowledgement for the meeting.

Item 1(c): Welcome to New CAFII Director: Konstance Allain (CIBC)

CAFII Board Chair Peter Thompson welcomed CAFII's New Director, Konstance Allain (CIBC), who joined in person. K. Allain was officially voted onto CAFII's Board of Directors by electronic vote on January 16/2024. K. Allain made some brief introductory comments.

Item 1(d): Declaration of Meeting Properly Called and Constituted

Board Secretary Rob Dobbins confirmed that there was a quorum of Board members present for the meeting, with 12 of 15 Board members in attendance and that the meeting had been properly called and constituted.

Item 1(e): Approval of Agenda

*On a motion duly made, seconded, and unanimously carried, **IT WAS RESOLVED** that the meeting agenda be and is approved.*

[Action Item: At the June 4, 2024, Board meeting, the approach CAFII members are taking to dealing with multiple complaints regimes will be added to the agenda for the June 4, 2024, Board meeting; K. Martin, 2024.]

Item 2: Consent Items

*On a motion duly made, seconded, and unanimously carried, **IT WAS RESOLVED** that the Consent Agenda items itemized below be and are approved or received for the record, as indicated in the Action column in the Consent section of the agenda.*

- a. Draft Minutes, December 5/23 CAFII Board Meeting
- b. Summary of Board and EOC Action Items
- c. Consultations/Submissions Timetable
- d. Regulator and Policy-Maker Visit Plan Recap
- e. Committee Reports Addressing CAFII Priorities

*Further, **IT WAS RESOLVED** that the minutes of the meeting of the CAFII Board of Directors held December 5, 2023, be and are adopted in the form presented and that copies of those minutes be signed and placed in the minute book of the Corporation.*

Item 3: Governance Matters

Item 3(a): Update on Implementation of Board-Approved “New CAFII Management Structure (Post-2023)”, Including Plans for Shanay Smith and Robyn Jennings to Meet All EOC Members Virtually

CAFII Executive Director Keith Martin informed the Board that CAFII’s Research Analyst, Robyn Jennings, and CAFII’s Operations Manager, Shanay Smith, have been with CAFII for over 6 months and have acclimatized to their roles well. To continue their education and heighten their profile, both will reach out to each EOC member to set up one-on-one meetings to gather feedback, opinions, and insight into how CAFII can better serve its members. Each meeting will have an agenda with role-specific questions.

Item 3(b): CAFII Succession Plan

CAFII Executive Director Keith Martin informed the Board that a draft CAFII succession plan has been created. The primary goal of the development of the plan was to mitigate risk in the event of the departure of the Executive Director. CAFII’s small staff size of just three employees makes succession planning much more challenging than in a larger organization. The draft will be circulated to the EOC for feedback and discussion and will be on the agenda of an upcoming EOC meeting. Any suggestions, feedback, and recommended revisions resulting from that review will be reflected in an updated draft, which will be presented to the Board at the June 4, 2024, Board meeting.

Item 3(c): Policies and Procedures Demo

CAFII Operations Manager Shanay Smith shared CAFII’s Policies & Procedures manual with the Board, highlighting the work that has been done over the last six months to capture as many of CAFII’s policies and procedures as possible. This manual not only documents step-by-step procedures, internal review timelines, and CAFII mandates and policies but also contains links to important internal documents. It is intended to act as a guide to how to implement all CAFII’s processes and outputs.

Item 4: Financial Management

Item 4(a): Draft CAFII 2023 Audited Financial Statements and Independent Auditor’s Report Thereon

On behalf of CAFII Treasurer Donald Hinnecke, Hudson Lopez, an audit partner at KPMG, provided an update to the Board regarding CAFII’s 2023 audited financial statements and independent auditor’s report thereon. K. Lopez explained that the audit was substantive in nature and expressed appreciation for the cooperation received from CAFII staff. KPMG found no issues with CAFII’s 2023 financial statements.

[Action Item: At the June 4, 2024, Annual Meeting of Members, the final independent KPMG report of CAFII’s 2023 Audited Financial Statements will be presented for approval; K. Martin, 2024.]

Item 4(b): Timelines for Membership Approval of CAFII 2023 Audited Financial Statements

CAFII Operations Manager Shanay Smith informed the Board of the timelines for membership approval of CAFII’s 2023 audited financial statements. The Board has approved CAFII’s audited financial statements, which will now be presented to the membership for approval at the 2024 Annual Meeting of Members on June 4, 2024.

Item 4(c): CAFII 2024 Operating Budget

The operating budget was approved by all 14 CAFII Board members by electronic vote on February 13, 2024. Because an electronic vote does not allow for the item to be included in the minutes, it has been included in the current board meeting agenda and consolidated package.

*On a motion duly made, seconded, and unanimously carried, **IT WAS RESOLVED** that the Operating Budget for 2024 presented to the Board by electronic vote on February 13, 2024, is approved.*

K. Martin also noted that the Board had approved the application by Canadian Western Bank to join CAFII as an Initiation Member. The Board will now be asked to approve Elizabeth Gandolfi as Canadian Western Bank's Board member.

*On a motion duly made, seconded, and unanimously carried, **IT WAS RESOLVED** that the Canadian Western Bank's application to join CAFII is approved and that Elizabeth Gandolfi is approved as Canadian Western Bank's CAFII Board member.*

Item 4(d): CAFII Financial Statements as at February 29/24

CAFII Treasurer Donald Hinnecke updated the Board on CAFII's financial statements as at February 29/24. From a revenue perspective, CAFII is slightly above plan due to higher than budgeted investment income. Overall, CAFII is in a healthy financial position, with its revenue tracking higher than expenses, and D. Hinnecke expects CAFII to be on plan for the end of the year. CAFII has gained some additional revenue streams in 2024 with a new member and new associate members. The operating ratio is currently tracking at 62%.

Item 4(e): Receipt of 2024 CAFII Member Dues Payments and Associate Dues Payments

CAFII Operations Manager Shanay Smith informed the Board that one member and two associate companies have outstanding dues. She explained that the Managing Matters accountant will contact the companies, and the invoices are expected to be settled soon.

Item 5: Strategic and Regulatory Matters

Item 5(a): Key Items from Regulatory Updates

CAFII Research Analyst Robyn Jennings summarized to the Board the key takeaways from the January and February Regulatory updates.

In January, CAFII shared the results of its survey on member companies' methods of CPI distribution. CAFII held a bi-annual lunch with the Canadian Bankers Association, and the president, Anthony Osler, expressed his belief that a Conservative government won't be more friendly towards banks than the current Liberal government. CAFII also had lunch with CLHIA staff executives Margaret Campbell and Luke O'Connor. CAFII was also able to share with the AMF the completed RMS Canada study on the natural attrition rate for spousal insurance policies. Alberta and PEI have each recently appointed a new Superintendent of Insurance.

In February, CAFII participated in an FSRA webinar on its proposed approach to strengthening the protection of vulnerable consumers. CAFII's Executive Director, Keith Martin, attended the AMF's annual conference in Montreal, which was attended by the new AMF President & CEO Yves Oulette and the Quebec Minister of Finance. The AMF published its regulations regarding complaints handling with an in-force date of July 1/25. This will be reviewed by CAFII's Quebec Committee to understand how members will be implementing the new

regulations. Finally, CAFII resolved an issue with the Yukon regarding the interpretation of licensing requirements in a way that was favourable to members.

Item 5(b): CAFII 3-5 Year Strategic Plan Review – Options and Recommendations from the Executive Director

CAFII Executive Director Keith Martin updated the Board on the evolution of CAFII's strategic plan. As was determined by the Board at a previous Strategic Plan review, CAFII's Strategic Plan identified several key areas that are priorities for CAFII:

- Maintain and build on regulatory strength.
- Develop a significant research program.
- Assertive communication and networking program influencers
- Continue to invest in the website. This includes webinars, which have been very successful. Typically, CAFII holds 6-7 webinars a year. Summaries of the webinars are included on the website.
- Develop long-term, proactive regulatory positions.

The Board asked for a review of the Strategic Plan every 3-5 years. In 2021, the Board reviewed and changed the mission statement to be more focused on customers, reflecting the focus of regulators on the fair treatment of customers. At the time of the review, the Board was largely satisfied with CAFII's strategic plan and did not request any major changes.

K. Martin explained that, because the Board has given the impression that it is generally happy with the direction CAFII is taking, a full strategic review may not be necessary. Three options were presented to the Board, and the feedback was to dedicate 30 minutes to reviewing the Strategic Plan at the June 4, 2024, Board meeting. It was also suggested that prior to that meeting, the EOC review the Strategic Plan and offer its thoughts on what, if any, changes should be made to it.

[Action Item: At an upcoming EOC meeting, CAFII's 3-5 Year Strategic Plan will be included in the agenda for the EOC to review, discuss, and provide feedback; K. Martin, 2024.]

Item 5(c): Board Support of DEI Working Group to Increase Member Engagement

Board Chair Peter Thompson updated the Board regarding the Board's commitment to the DEI Working Group. K. Martin noted that 7 new members joined the working group since the last Board meeting and requested that Board members review the membership to ensure that each member has representation in the Working Group.

Item 5(d): Update on Questionnaire on DEI Initiatives Among Members

CAFII Research Analyst Robyn Jennings updated the Board on CAFII's questionnaire on DEI initiatives among members. She explained how the Working Group has worked to develop a DEI survey. The goal of the survey is to gauge member companies' DEI engagement both internally and externally. The survey will be circulated to all EOC members in mid-April. All answers received will be aggregated and remain anonymous to protect the privacy of CAFII's members.

Item 5(e): Updates on Request to AMF to Extend Deadline for Cancellation of Spousal Policies; and New AMF Organizational Structure

CAFII Executive Director Keith Martin updated the Board on some major organizational changes at the AMF, including that Mario Beaudoin and his team now report to Nathalie Sirois, in Patrick Déry's department, and Mr. Déry is now taking over all supervision of insurance. These changes will be monitored carefully by CAFII.

Regarding spousal insurance coverage, CAFII has requested an extension to the cancellation deadline of January 1/25. CAFII explained to the AMF that natural attrition is working well and provided the findings of the RMS Canada study as a demonstration of that. Patrick Déry's department is reviewing the request from CAFII.

Véronique Martel has reached out to three of CAFII's members and asked them a series of questions, as well as their company numbers around the natural attrition of policies. CAFII wrote a response to the AMF on behalf of its members, and the AMF said it would set up a meeting with CAFII. There was a discussion around what CAFII's next step should be with the impending deadline of January 1, 2025, rapidly approaching, and EOC Vice-Chair Karyn Kasperski suggested that CAFII ask the AMF for a moratorium on the enforcement of the cancellation deadline until our discussions are complete.

[Action Item: Request of the AMF a moratorium such that the cancellation due date for spousal insurance coverage of January 1/25 not be enforced; K. Martin, 2024.]

Item 5(f): CAFII's Media Strategy – Options and Recommendations

CAFII Media Consultant Wendy Bairos shared with the Board different options around more actively engaging with media. These included the possibility of one-on-one interviews with journalists, submitting op-editorial pieces, as well as more content on the website and LinkedIn.

Board Chair Peter Thompson, CAFII Executive Director Keith Martin, and W. Bairos confirmed that the strategies would be discussed with the Media Advocacy Committee and then circulated to the EOC for approval and/or comments. These options will continue to be on the agenda of future Board meetings.

Item 5(g): March 19/24 Webinar on Results of the LIMRA Research with Regulators and Policy-Makers

An update for this agenda item was included with the item below.

Item 5(h): March 20/24 Public Release of the CAFII 2023 Research Project with LIMRA on Insurance Amongst Canadian Homeowners

CAFII Executive Director Keith Martin informed the Board that it hosted its second webinar of 2024, which was successful and well attended, including 29 regulators and policymakers. CAFII will include the LIMRA findings in its presentations in the next regulatory tours. Two member companies have also asked K. Martin to present the findings to their teams.

Item 5(i): Plans for Annual Members Luncheon on May 28/24

Due to insufficient time, this agenda item was not addressed.

Item 5(j): Plans for Immediately Ensuing April 9/24 Reception Event with Melissa Carruthers, Partner at Deloitte as Guest Speaker

CAFII Operations Manager Shanay Smith informed the Board that the reception immediately following the Board Meeting will be held at the Hockey Hall of Fame and hosted by Assurant Canada. Two partners from Deloitte will make a presentation on technology and insurance.
