

CAFII EOC Meeting Minutes
Tuesday, January 12, 2016
Location: ScotiaLife Financial
100 Yonge Street, 4th Floor, Toronto, ON

Present:	Rose Beckford	ScotiaLife Financial
	Jason Beauchamp	BMO Insurance
	Charles Blaquiere	Canadian Premier Life Insurance Co.
	Derek Blake	RBC Insurance (<i>by teleconference</i>)
	Isabelle Choquette	Desjardins Financial Security Life Assurance (<i>by teleconference</i>)
	Eleanore Fang	TD Insurance (<i>by teleconference</i>)
	Moir Gill	TD Insurance (<i>by teleconference</i>)
	Greg Grant	CIBC Insurance, <i>Chair</i>
	John Lewsen	BMO Insurance
	Jamie Paradis	BMO Insurance (<i>by teleconference</i>)
	Diane Quigley	The CUMIS Group
	Raja Rajaram	CIBC Insurance (<i>for part by teleconference</i>)
	Maria Sanchez-Chung	TD Insurance
	Jodi Skeates	The CUMIS Group
Regrets:	Carol Allen	Assurant Solutions
	Sue Manson	CIBC Insurance
	Ana Vu	BMO Insurance
	Cecilia Xiao	Assurant Solutions
Also Present:	Leya Duigu	T•O Corporate Services, <i>Recording Secretary</i>
	Brendan Wycks	CAFII Executive Director

1. Call to Order

The meeting was called to order at 3:05 pm. G. Grant acted as Chair and L. Duigu acted as Recording Secretary.

2. Approval of Agenda and Previous Minutes

- a. **Approval of Agenda**
 Approved as presented.
- b. **Approval of EOC Minutes of November 17, 2015**
 Approved as presented.
- c. **Approval of Board Minutes of December 8, 2015**
 Approved as presented.

d. Summary of Board and EOC Action Items

Brendan reviewed action items and discussion occurred as follows:

- #2 – QC Ministry of Finance Recommendation to lobby. Brendan presented his draft proposal to lobby the QC Ministry of Finance regarding internet sales and provide more balance to the views currently being expressed by the broker community, to which members agreed. The proposal containing both written and face-to-face communication will be presented to the Chair, Peter McCarthy for agreement and direction before it is carried out.

Action: QC Ministry of Finance Lobbying Recommendation to be presented to Peter McCarthy for agreement and direction. The proposal shall include a request to meet in February 2016, with CAFII's delegation to include members who are fluent in French. *[Brendan, Greg; asap]*

3. CAFII Financial Management

a. Financial Statements as at November 30, 2015

Raja presented the financials which showed revenues at \$388K and expenses at \$322K. At this time, all 2015 membership fees have been paid. The balance sheet is healthy with total assets at \$412K, liabilities at \$38K and total unrestricted net assets of \$373K. Our current level of financial reserves is at 83% of annual operating expenses.

b. 2015 Draft Year-end Forecast

Greg presented the 2015 fiscal year-end forecast document which also shows a forecast for the Association's 2016 year-end. An earlier 2015 forecast was presented during the last Board meeting, as part of the 2016 budget approval process. In that original 2015 forecast, we had overstated our current year-end spending at \$448K, instead of \$418K. As a result, the estimated unrestricted net assets for the beginning of 2016 were also mis-stated, and our initial goal for 2016 to reduce our reserves to 48% of annual operating expenses is unlikely to be achieved. Instead, the latest forecast shows 2016 year-end reserves of 57% of annual operating expenses, which is still within reasonable levels. Greg, Brendan, and Raja will be meeting with TO Corporate Services to discuss the financial reporting for the coming year and, in particular, the feasibility of obtaining a latest expectations (LE) report to improve the Association's financial tracking.

Action: A review of CAFII's financial reporting to be completed with TO Corporate Services. [Greg, Brendan, Raja; Feb 17, 2016]

4. Regulatory Relations and Advocacy

a. CAFII Consultations/Submissions Timetable 2015-16

i. BC Review of Financial Institutions Act

BC's Ministry of Finance recently announced that it will post publicly all stakeholder submissions received in response to its Initial Public Consultation Paper. The submissions will be posted on the Ministry's web site at the same time that it releases a high level, summary report on the input received. When that occurs, Brendan will review the submissions and prepare a summary analysis for CAFII members.

Action: All relevant stakeholder submissions and supporting documents to be posted to the CAFII website, i.e. Insurance Council of BC, Advocis, Independent Financial Brokers. *[Brendan, Leya; tba]*

ii. CCIR Annual Statement on Market Conduct.

CCIR Chair Patrick Dery acknowledged CAFII's submission to this consultation via a December 23/15 letter, noting that the Council's Market Intelligence, Data Gathering & Analytics Working Group would determine next steps on the Annual Statement, by the end of January, based on the comments received in stakeholder submissions. . Members wished to know the effective or implementation date of the Annual Statement and how long a transition period the industry would be given to prepare, as it may affect operations and require systems changes to provide the information requested.

Action: Request implementation timelines for the Annual Statement on Market Conduct from Martin Boyle, CCIR Policy Manager. *[Brendan; tba]*

iii. NB Modernizing Insurance Licensing Framework

The Licensing Committee discussed a CAFII response to this consultation during their last meeting in December, and Brendan will be providing a draft submission for review this month.

Action: CAFII to finalize and submit its response to the New Brunswick consultation on modernizing the insurance licensing framework. *[Licensing Committee, Brendan; Jan 22, 2016]*

iv. CCIR Travel Health Insurance

Harry James, Chair of CCIR's Travel Insurance Working Group, has advised that the TIWG will hold teleconference meetings with stakeholder groups soon, to update them on the group's analysis of the data obtained through its 2015 survey of travel health insurers. The CLHIA Board approved the final recommendations of its high level committee on travel insurance, and this file has now been delegated to the CLHIA standing committee on travel insurance. Sue Manson has reached out to CCIR Chair Patrick Dery with CAFII's offer to present the results of its recent consumer survey on Travel Health Insurance and is waiting for a response.

Action: Contact CLHIA for an update on the travel health insurance file and confirm that they will continue to collaborate with CAFII. *[Brendan; tba]*

v. CCIR Review of ISI

During a recent lunch meeting with Carol Shevlin and her CCIR Policy Manager successors, CAFII members were informed that a market-wide thematic review of ISI will likely be included in CCIR's market conduct business plan for 2017.

vi. SK Bill 177

At this time, the draft regulations have not been completed and no date has been set for their release. The industry consultation period on the regulations is unlikely to occur until after the April 4, 2016 provincial election.

b. Regulatory Update

Brendan presented highlights from the regulatory update and discussion occurred as follows:

- AB, Critical Illness Insurance. CLHIA recently took the initiative to submit a letter advocating for this issue. Joane Abram confirmed there is a window of opportunity for CAFII to submit a letter as well.

Action: CAFII to submit a letter to Alberta in support of critical illness insurance being included as part of the package of Creditor's Group Insurance products sold under the RIA licence (ISI) regime in Alberta. *[Brendan, Greg; tba]*

- AB, Superintendent of Insurance. Mark Prefontaine shall be leaving on secondment as of January 11, 2016 and his interim successor as Alberta Superintendent of Insurance is Nilam Jetha.

Action: CAFII to submit a letter of congratulations and introduction to Nilam Jetha, Acting Assistant Deputy Minister of Financial Sector Regulation and Policy. *[Brendan; tba]*

c. **Regulator and Policy-Maker Visit Plan**

Members discussed the possibility of organizing aCAFII roundtable meeting with the four Atlantic Canada insurance regulators, as a follow-up to the one held in Fredericton on October 1, 2014. It was determined that the optimal timing for an Atlantic Canada roundtable meeting would be around the CLHIA Conference in Halifax in early May 2016, if that was agreeable to the regulators. The contingency would be a Fall 2016 meeting. The CAFII delegation would include Board and EOC members.

Action: A follow-up roundtable meeting with the Atlantic Canada insurance regulators to be organized around the May 2016 CLHIA Conference in Halifax, if agreeable to the regulators. *[Brendan; tba]*

5. **Balanced Scorecard**

Greg advised members that the Balanced Scorecard will be presented at the February EOC meeting. Going forward, this document will be presented on a quarterly basis at the EOC meeting prior to each Board meeting. The document will continue to be a standing item at each Board meeting.

6. **EOC Committees Updates**

a. **Research & Education**

Greg provided an update on behalf of Chair Sue Manson who was unable to attend. The travel insurance working group continues to work on its review of the definitions, exclusions and terms of the policies. In addition, their expertise has been requested by the ON Ministry of Health (MOH) on potential changes to the claims process within OHIP for out-of-country travel health reimbursement. While this is recognized as a joint effort between CLHIA, THiA and CAFII, the contributions of CAFII's working group members have been integral to the discussions. The Research & Education Committee is also working with Pollara on a possible presentation of its consumer survey of travel health insurance to regulators as discussed previously. This presentation can be delivered live or online via a webinar.

b. **Media Advocacy**

Charles reported on the progress of his committee, including the recent engagement of CMO2Go, a communications firm that will be assisting CAFII with updating and executing its media strategy.

Charles, Greg and Brendan met with them recently, following which CMO2Go will be providing a SWOT analysis by the end of the week and a critical path for presenting a revised communications strategy and plan at the next Board Meeting in April. The goal is to tell our story through consumer-oriented education that will generate media interest and feedback. Members agreed that the Association's core strength has been in relationship-building with regulators and they will remain a key stakeholder for the Association as it expands its focus to media and consumers.

c. Market Conduct Committee

Rose informed members that BC's FICOM has been looking into insurance issues recently which resulted in an open letter to mortgage brokers proposing they begin disclosing compensation amounts and any other payments they receive. This issue shall be monitored for any developments that would be of interest to CAFII members. All other updates were addressed in the regulatory discussion earlier.

d. Licensing Committee

The committee met in December to discuss CAFII's response to the consultation on the New Brunswick Insurance Licensing Framework (for other-than-life agents and brokers). We are already in a successful situation with the launch of stage one of New Brunswick's new online licensing system and, while progress has been slow, it has moved in a positive direction.

e. Events and Networking Committee

Sue Manson was instrumental in securing Alison Salka, Senior Vice-President and Director of Research at LIMRA, as the speaker for this year's Annual Members Luncheon and Forum at the Arcadian Loft. In terms of possibly securing Laurie Balfour, Chair of CCIR's Insurance Core Principles Implementation Committee (ICPiC), as the speaker for the CAFII reception event that immediately follows the next Board meeting on April 12, 2016, there was some uncertainty as to whether the venue booked by host The CUMIS Group could accommodate a speaker presentation and this must be confirmed first. In addition to Laurie Balfour's topic of CCIR's new Framework for Co-operative Market Conduct Supervision in Canada, another potential topic would be the FSCO mandate review results that will be released this year. Members were reminded that speakers invited to present at any CAFII event must reinforce the Association's messaging.

Action: The location and arrangements for CAFII's Board Meeting and Reception on April 12, 2016 hosted by The CUMIS Group to be confirmed. *[Leya; asap]*

7. Other Business

a. CAFII Trademark Registration

Brendan and Leya were informed recently that CAFII's old logo registration will be expiring shortly and information was provided regarding its renewal and the registration of the new logo and acronym by the firm that did the initial registration 15 years ago.

8. Termination

There being no further business, the meeting was terminated at 4:30 p.m.

Date

Chair

Recording Secretary

Confidential Draft