

## CAFII Executive Operations Committee Teleconference Meeting Minutes

Tuesday, July 19, 2016

<b>EOC Present:</b>	Carol Allen	Assurant Solutions	
	Rose Beckford	ScotiaLife Financial	
	Charles Blaquiere	Canadian Premier Life Insurance	
	Jason Beauchamp	BMO Insurance	
	Moirra Gill	TD Insurance	
	Greg Grant	CIBC Insurance	<i>Chair</i>
	John Lewsen	BMO Insurance	
	Charles Maclean	RBC Insurance	
	Diane Quigley	The CUMIS Group	
	Raja Rajaram	CIBC Insurance	<i>Treasurer (for part)</i>
	Andrea Stuska	TD Insurance	
<b>Also Present:</b>	Emily Cloutier	T•O Corporate Services	<i>Recording Secretary</i>
	Brendan Wycks	CAFII	<i>Executive Director</i>
<b>Regrets:</b>	Isabelle Choquette	Desjardins Financial Security	
	Eleanore Fang	TD Insurance	
	Katherine Geisler	CIBC Insurance	
	Sue Manson	CIBC Insurance	
	Jerome Savard	Desjardins	
	Ana Vu	BMO Insurance	

### 1. Call to Order

G. Grant called the meeting to order at 2:03 p.m. and welcomed all in attendance. He noted that the agenda for this summer teleconference meeting focused on a limited number of time-sensitive Regulatory items, and did not include the usual presentation of monthly financial statements.

### 2. Approval of Agenda and Previous Minutes

The agenda was approved as presented.

#### a. Board Minutes of June 7, 2016

Noting their revision to reflect EOC edits proposed at the committee's June 21, 2016 meeting, the EOC approved the draft minutes of the June 7, 2016 CAFII Board meeting, for presentation for approval at the Board's October 4, 2016 meeting.

#### b. EOC Minutes of June 21, 2016

The minutes of the EOC meeting held June 21, 2016 were approved as presented.

#### c. Summary of Board and EOC Action Items

B. Wycks highlighted Action Items that had been updated since the previous Summary, as follows:

- #2: new Research and Education Committee Chair D. Quigley has assumed lead responsibility for updating CAFII's presentation on "A Seven Point Guide to the Creditor Insurance Regulatory Regime." Updates to the previous CAFII PowerPoint on that topic have been made, and the committee will review the revised deck at a future meeting.
- #4: B. Wycks recently spoke with Elizabeth Cole, the BC Ministry of Finance staff executive leading the 10-Year Review of the FIA/CUIA, and she indicated that the Ministry's target release date for a Policy Paper – the next step in the consultation process -- has been moved to Spring 2017, either shortly before or after the May 2017 provincial election.
- #5: with respect to the possibility of engaging specialized Quebec legal counsel to advise CAFII on the expected overhaul of the province's Insurance Act and/or Distribution Act, R. Beckford and I. Choquette have consulted and identified Sylvie Bourdeau of Fasken Martineau's Montreal office as being a suitable legal counsel. She is highly accomplished in financial institutions regulatory law, including active participation with the AMF in the drafting of Regulations. I. Choquette will contact S. Bourdeau and, in collaboration with R. Beckford, will bring forward an engagement proposal for approval at the October 4, 2016 Board meeting.
- #9: Symantec is in the final stages of the verification process for securing *cafii.insurance* as an internet domain for the Association. The process should be complete within the next month.

**Action:** Bring forward a proposal to the October 4/16 Board of Directors Meeting recommending engagement of specialized legal counsel with respect to expected overhaul of Quebec's Insurance Act and/or Distribution Act. [R. Beckford/I. Choquette, Sept 23/16]

### **3. Regulatory**

#### **a. Current Regulatory Issues**

##### **i. CAFII Next Steps Re Alberta Decision on CI Sold Under a Restricted Certificate of Authority**

G. Grant reported that he had recently distributed to EOC members a draft letter to Joanne Abram, CEO of the Alberta Insurance Council, outlining CAFII's position on this issue. Subsequently, TD Insurance and ScotiaLife Financial provided feedback on the draft letter. EOC discussion of the draft letter produced the following outcomes:

- TD Insurance confirmed that it could provide documentary support for the following statement in the third paragraph: "...Critical Illness Insurance has been offered in Alberta under a restricted licence for at least 14 years...it has always fit within the vision of the Regulation and is appropriate under the restricted license."
- the wording on page 4 related to the regulator's beneficial ability to invoke section 7.7 of the Insurance Act will be removed from the letter.
- the statistics currently quoted in the letter with respect to the incidence of cancer and other critical illnesses will be confirmed for accuracy and, if necessary, adjusted.

**Action:** Provide further revised draft of letter to J. Abram for EOC review [G. Grant, July 20/16]

**Action:** Provide feedback on revised draft letter [EOC members, July 22/16, 1:00 p.m.]

**Action:** Finalize letter and submit to J. Abram [G. Grant/B. Wycks, July 22/16]

## **ii. CCIR Travel Health Insurance Issues Paper**

G. Grant noted that the deadline for submissions in response to the CCIR Travel Insurance Working Group's (TIWG) "Travel Health Insurance Issues Paper," released July 4, is September 30, 2016. In addition, CAFII has a one-hour stakeholder meeting with the TIWG on August 10, to discuss the Issues Paper. He noted that B. Wycks had prepared a Critical Path which focuses on both the upcoming stakeholder meeting and the September submission deadline, and leverages CAFII's Travel Health Insurance Experts Working Group and the CLHIA.

In EOC discussion, the following observations were made:

- a lack of understanding of the universe of travel health insurance products – particularly the benefits that sometimes come embedded in a credit card – is notable in the Paper.
- the Paper provides very little quantitative data to support the assertions made. Almost all observations are qualitative, typically prefaced with a statement such as "some regulators find "
- CAFII should ask CCIR for a copy of the aggregate results from its 2015 survey of travel health insurers, which is referenced loosely in certain places in the Paper.
- the CAFII-commissioned independent research by Pollara Strategic Insights on consumers' understanding of and satisfaction with travel health insurance will be key to the August 10, discussion with the TIWG and to our written submission in September.
- highlights from the document "CAFII Travel Medical Insurance Experts Working Group: Accomplishments and Next Steps As At July 15/16" should be presented in both the stakeholder meeting and our written submission.
- in framing a possible response to the Issues paper, it is useful to read first the summary of questions at the end of the document because it highlights what the TIWG views as priority, hot button topics.

In concluding discussion on this matter, B. Wycks confirmed that CAFII would be meeting with the relevant CLHIA staff executives to compare notes, prior to each Association's separate stakeholder meeting with the TIWG.

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

R. Beckford, Chair of the Market Conduct Committee, reported that the deadline for submissions in response to the revised July 12/16 draft of CCIR's Annual Statement on Market Conduct is August 26. She noted that B. Wycks prepared a Critical Path focused on meeting that submission deadline; and it includes extensive consultation with the Market Conduct Committee and the EOC. The Market Conduct Committee had meetings scheduled for July 25 and August 9 for this purpose.

In EOC discussion, the following observations were made:

- CAFII's December 2015 submission on the first draft of the Annual Statement raised some serious concerns and we should revisit our initial submission and determine whether our concerns have been addressed satisfactorily in the new version.
- we should comment directly on whether or not the proposal to start collecting data from insurers in Q1 2017 based on their 2016 year-end is achievable.
- we should comment on whether or not we support the proposal to use some form of national premiums written threshold as the basis for a phased-in approach to insurer participation.

**Action:** Revise Critical Path to include a final opportunity for EOC members to provide feedback on draft submission, subsequent to August 23/16 EOC meeting [B. Wycks, July 22, 2016]

**b. Consultations/Submissions Timetable**

B. Wycks highlighted recent changes to the Regulatory Consultations/Submissions Timetable, noting in particular updates to deadlines associated with BC FICOM 10-Year Review of FIA.

**4. Other Business**

**a. July 7/16 Webinar presentation of CAFII Travel Health Insurance Survey Results**

G. Grant reported that on July 7, Lesli Martin of Pollara Strategic Insights gave a very effective presentation of the *Canadians' Perceptions, Confidence and Satisfaction with Travel Medical Insurance* survey results in a webinar format for CCIR Travel Insurance Working Group members and other interested insurance regulators; and very few questions were asked by the participants. Harry James, Chair of the TIWG, communicated his thanks to CAFII for arranging this requested presentation.

**c. FSCO's 9th Annual Symposium for the Life and Health Insurance Sector**

B. Wycks reported that FSCO will hold its 9th Annual Symposium for the Life and Health Insurance Sector on Friday, November 25, 2016 from 8:00 a.m. to 12:00 p.m. at the Novotel Hotel in North York.

**e. CCIR 2016 Annual Stakeholder Meetings, December 2016**

B. Wycks reported that CCIR will be holding its 2016 Annual Stakeholder Meetings on December 12 and December 13 in Toronto. While CCIR is not ready to assign time slots for these meetings (likely one hour) at this time, CAFII Board Chair P. McCarthy and Vice-Chair J. Bourdeau are available to participate and have blocked off both dates on their calendars pending confirmation.

**5. Meeting Termination**

There being no further business to discuss, the meeting was terminated at 3:02 p.m.

There is a tentative EOC meeting scheduled for Tuesday, August 23, 2016 which will be held as a teleconference. The next CAFII Board meeting is scheduled for Tuesday, October 4, 2016 hosted by RBC Insurance at 1 Place Ville Marie, 41<sup>st</sup> Floor, Montreal, QC and, as per our customary practice, will be preceded by a lunch with AMF staff executives.

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Date

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Chair

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Recording Secretary