

CAFII EOC Meeting Minutes

Tuesday, February 21, 2017

Location: TD Insurance

320 Front Street, 2nd Floor,

Algonquin Room

Toronto, ON

EOC Present:	Rose Beckford Charles Blaquiére Eleanore Fang Moirá Gill John Lewsen Sue Manson Raja Rajaram Andrea Stuska	ScotiaLife Financial (by teleconference) Canadian Premier Life Co. (by teleconference) TD Insurance, Chair TD Insurance (for part) BMO Insurance (by teleconference, for part) CIBC Insurance CIBC Insurance (by teleconference, for part) TD Insurance (by teleconference, for part)
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Also Present:	Emily Cloutier Keith Martin Brendan Wycks	T•O Corporate Services, Recording Secretary CAFII Co-Executive Director CAFII Co-Executive Director
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Regrets:	Carol Allen Jason Beauchamp Isabelle Choquette Katherine Geisler Charles MacLean Jerome Savard Diane Quigley	Assurant Solutions BMO Insurance Desjardins Financial Security CIBC Insurance RBC Insurance Desjardins Financial Security CUMIS Group
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1) Call to Order

E. Fang called the meeting into session at 2:07 p.m. E. Fang acted as Chair; E. Cloutier acted as Recording Secretary. E. Fang welcomed K. Martin, CAFII's new Co-Executive Director, to his first EOC meeting.

2) Approval of Agenda and Previous Minutes

a) Agenda

The agenda for this February 21, 2017 Executive Operations Committee meeting was approved as circulated.

b) EOC Minutes of January 17, 2017

The Executive Operations Committee meeting minutes of January 17, 2017 were approved as presented.

c) Summary of Board and EOC Action Items

B. Wycks provided an update on the Summary of Board and EOC Action Items, briefly commenting on items that had been completed since the January 2017 EOC meeting.

With respect to Action Item #6, B. Wycks advised that A. Ciappara of the Canadian Bankers Association had promised to get back to CAFII once the CBA had decided how it was going to seek redress from Finance Canada related to the unintended harmful consequences for creditor's group insurance arising from how Bill C-29 is worded. It was agreed that B. Wycks should follow-up with A. Ciappara for an update on this matter.

ACTION: Reach out to A. Ciappara, Director, Credit Market and Economic Policy, Canadian Bankers Association, for an update on the CBA's plan and actions for seeking redress with Finance Canada re deficiencies in Bill C29, Budget Implementation Act's Consumer Framework related to creditor insurance and stand-alone insurance products [Brendan, March 15/17].

3) CAFII Financial Management

a) Financial Statements as at January 31/17

Reporting on CAFII's financial statements as at January 31/17, Treasurer R. Rarajarm noted that there was very little to report, given that the statements reflected the results of just one month of financial activity in the new fiscal year. It was also noted that January was an anomalous month in terms of expenses because new CAFII Co-Executive Director K. Martin joined the Association's staff on January 23; and therefore, the payroll costs associated with his being a member of the staff team only impacted the Management Fees line item for one-fourth of the month.

b) 2017 CAFII Membership Dues

B. Wycks advised that 2017 membership dues renewal letters and first instalment invoices had been sent out on February 16/17 to all Foundation and Regular Members of the Association; and similar correspondence was also sent out at that time to the 10 Associates, including their single annual dues invoice. The renewal letter communicated the good news about the Board's recent decision to change the Association's staffing model and the resulting recent addition of K. Martin as Co-Executive Director.

4) Regulatory

a) Consultations/Submissions Timetable

i. Quebec Omnibus Bill on Financial Sector Modernization

B. Wycks advised that CAFII was still monitoring this issue, as there had been no further update as to when the Quebec Ministry of Finance would be tabling the Omnibus Bill.

ii. Saskatchewan Insurance Regulations Consultation

B. Wycks reported that on Friday, February 17/17, he had received a phone call from Jan Seibel, Legal Counsel with the Financial Consumer Affairs Authority (FCAA) of Saskatchewan and lead on its Insurance Act and Regulations Re-write file, in which she advised that the FCAA "had heard and appreciated the concerns expressed by CAFII and other industry stakeholders" that the planned April 2017 implementation date for the new Insurance Act and its related Regulations was not realistic or achievable; and therefore the FCAA had recently decided that the implementation/proclamation into force date would be pushed back by one year to Spring 2018.

When asked if she would be able to put that happy news into writing via a short email, Jan replied "not at this time" because the decision had not yet been communicated to higher authorities within the Government and, in that sense, had not yet been officially approved. However, once those necessary steps have occurred, an official announcement about the pushed-back implementation date would be issued in due course.

iii. CCIR 2017-2020 Strategic Plan

B. Wycks advised that CAFII had made a submission on January 20/17 in response to CCIR's request for written input from stakeholders for the development of its 2017-2020 Strategic Plan. The submission had been vetted by EOC members and the final version had been previously disseminated.

b) Regulatory Update

i. CCIR Annual Statement on Market Conduct

B. Wycks reminded EOC members that a CAFII member-exclusive webinar on the Annual Statement on Market Conduct – Life and Health would be presented by CCIR representatives L. Balfour and M. Boyle on March 1/17 from 1:00 to 3:00 p.m. Eastern.

In addition, M. Boyle had recently advised that insurers would have access to the Portal being developed by the AMF for Annual Statement submissions by no later than March 28/17, approximately one month prior to the May 1/17 filing deadline.

In EOC discussion about the upcoming CCIR webinar for CAFII members on the Annual Statement – Life and Health, B. Wycks advised of the four questions which H. Pabani of TD Insurance had provided and which CAFII had submitted to M. Boyle, as requested, so that they could be addressed as part of the webinar.

R. Beckford raised an additional uncertainty around the definition of “lawsuit” found in the final Annual Statement – Life and Health, which perhaps should be communicated to CCIR as an additional question. She noted that at 3(h) in the Annual Statement, “lawsuit” is defined as “a court case involving a dispute between the insurer and the insured, based on an insurance product.” So the question that naturally arises is does that mean that a court case involving a dispute between the insurer and the beneficiary need not be reported under Questions #10 and #11 of the Annual Statement?

In EOC discussion, it was agreed that R. Beckford had raised a pertinent question which should be framed as a requested clarification and forwarded to M. Boyle so that it can be addressed in CCIR’s upcoming webinar for CAFII members.

ACTION: Craft a clarification email to M. Boyle with a question regarding the definition of “lawsuits” within the Annual Statement, re whether disputes between an insurer and a beneficiary are outside the scope of this definition [Brendan, February 24/17]

ii. CCIR Travel Health Insurance Review

B. Wycks advised that a delegation of CAFII representatives would be meeting with CCIR’s Travel Insurance Working Group (TIWG) on February 22/17 at 10 a.m. for the purpose of reviewing the draft Recommendations which the TIWG proposes to include in its upcoming Position Paper. The draft Recommendations, which had been forwarded to B. Wycks on February 17/17, were being shared with industry stakeholders under a strict Confidentiality Agreement, so could not be discussed in detail as part of today’s EOC meeting.

iii. Alberta Decision On CI Sold Under A Restricted Certificate

B. Wycks recalled that in her December 22/16 letter to CAFII communicating the Alberta Life Insurance Council’s decision to approve a definition of critical illness insurance to be offered as “credit-related insurance” under a Restricted Certificate of Authority, J. Abram, CEO of the Alberta Insurance Council, had indicated that the approved definition would be published on the AIC’s web site sometime in January 2017.

Because the definition had not yet appeared on the AIC website, Mr. Wycks continued, he had recently sent a follow-up email to Ms. Abram asking for an update on when the definition would be posted and, thereby, officially communicated to the industry and the public.

In EOC discussion of this matter, R. Beckford asked if any member of the Association had identified any potential problems with the definition of critical illness insurance which the LIC had approved and which the AIC was intending to publish as part of its multi-part definition of what constitutes “credit-related insurance.” Members indicated that they had not identified any potential problems with the definition approved by Alberta’s LIC.

R. Beckford noted that some industry colleagues had recently expressed to her that there may still be some concerns about the approved definition which could lead to problems for the industry down the road.

It was therefore agreed that B. Wycks should connect with CLHIA to find out its views on the approved definition; and also reach out to J. McCutcheon of Borden Ladner Gervais and ask her to review the approved definition in order to ensure that there are no issues with it from an industry-wide legal perspective.

ACTION: Contact E. Hiemstra at CLHIA to ask her to review the definition of Creditors' Critical Illness Insurance approved by the Alberta LIC to ensure there are no issues with it from CLHIA's broader industry perspective [Brendan, February 28/17].

ACTION: Contact J. McCutcheon of BLG to ask her to review the definition of Creditors' Critical Illness Insurance approved by the Alberta LIC to ensure there are no issues with it from an industry-wide legal perspective [Brendan, February 28/17].

c) Regulator and Policy-Maker Visit Plan

B. Wycks highlighted recent updates that had been made to the Regulator and Policy-Maker Visit Plan, noting that – as previously discussed with and supported by the DOC at its January meeting -- following the CAFII 20th Anniversary Celebration on April 5/17, he and K. Martin would be formulating a plan for regulatory visit tours to Western Canada and Atlantic Canada, in particular to create an opportunity for K. Martin to meet and become acquainted with key regulators and policy-makers across Canada.

M. Gill noted that CISRO holds face-to-face meetings of its members twice per year in different places across the country; and it may be advantageous to find out if CAFII could host a dinner or lunch in conjunction with one of those CISRO meetings this year as doing so would provide an opportunity to meet and dialogue with several regulators, all in one setting. She noted it would be worthwhile to provide a CAFII presentation at a CISRO meeting as well, if such an opportunity could be arranged.

ACTION: Contact R. Fullan, Chair of CISRO, regarding scheduling an opportunity for CAFII representatives, including new Co-ED K. Martin, to meet with CISRO representatives in conjunction with one of its semi-annual face-to-face meetings [Brendan, February 28/17].

R. Beckford also suggested that the upcoming 2017 CLHIA Compliance and Consumer Complaints Annual Conference, from May 3-5 in London, Ontario, would provide another opportunity to arrange a get-acquainted and liaison meeting with regulators who will be speaking as part of the conference program. B. Wycks indicated that he and K. Martin would definitely factor meeting opportunities at that CLHIA Conference into their upcoming visits plan.

5) Committee Updates

a) Market Conduct

R. Beckford, Chair of the Market Conduct Committee, reported that she had attended the Financial Consumer Agency of Canada (FCAC)'s annual information session for industry compliance professionals in Toronto on February 6/17. Both Commissioner Lucie Tedesco and Deputy Commissioner Brigitte Goulard were in attendance.

The FCAC is working on its new supervisory framework, which it held a consultation about last year, and expects to be in a position to implement it on October 1/17. The FCAC has developed a multi-year implementation plan for the new supervisory framework.

The information session included a presentation on home equity loan products, but not much of the session was particularly relevant to insurance.

In that connection, the FCAC also issued a letter to all federally regulated financial institutions on February 3/16. The purpose of the Bulletin was to reinforce the FCAC's expectations that institutions must obtain consumers' express consent for giving them a new financial product or service, including credit cards, in accordance with regulatory requirements.

B. Wycks advised that the FCAC had recently made a wholesale change-over of the 15 members on National Financial Literacy Leader Jane Rooney's Steering Committee. There was general support for B. Wycks' suggestion that when the FCAC is next looking to re-populate its Financial Literacy Steering Committee, two years hence, CAFII may want to put forward one or two nominees. K. Martin noted that he has worked with two of the people just appointed to the Financial Literacy Steering Committee; and it may be worthwhile to reach out to them and build a relationship prior to the next opportunity for committee nominations.

b) Media Advocacy

C. Blaquiére, Chair of the Media Advocacy Committee, advised that a new, consumer-friendly draft content for an overhauled CAFII website had recently been developed by media consultant D. Moorcroft, in conjunction with Media Advocacy Committee members and search engine optimization experts RankHigher. At this point, there will be an initial review of the draft content by a small group comprised of S. Manson, K. Martin, B. Wycks, E. Fang and C. Blaquiére. Once that initial review has been completed, the review group will be broadened to include other EOC members. In addition, at that time, RankHigher will provide a sample page structure and navigation map for the new website.

R. Beckford noted that some EOC members may have access to colleagues in their FIs who are consumer/media subject matter experts and could provide valuable feedback.

c) Licensing Efficiency Issues

M. Gill, Chair of the Licensing Committee, advised that K. Martin would be supporting her with Co-Executive Director support for the committee. Her TD Insurance colleague H. Pabani is arranging an on-site tour for K. Martin of a call centre at TD Insurance to see how it works within the organization. M. Gill suggested that if any other CAFII members are able to arrange a tour for K. Martin of their call centre facilities, that would be beneficial.

The Licensing Committee's priorities will be refreshed via a meeting in April 2017, following completion of K. Martin's orientation to the committee's issues, M. Gill concluded.

ACTION: Reach out to M. Gill/K. Martin regarding coordinating dates for a refresh meeting of the Licensing Committee in April 2017 [Emily, February 24/17].

d) Research & Education

No updates at this time.

e) Travel Medical Experts

S. Manson advised that there were no specific updates from the Travel Media Experts Working Group at this time. However, much new information would likely emerge from the upcoming CAFII stakeholder meeting with the CCIR TIWG on February 22/17.

A. Stuska advised that she had been able to participate by phone in CLHIA's stakeholder meeting with the CCIR TIWG earlier that day. She advised that H. James walked the CLHIA group through the draft Recommendations intended for inclusion in the TIWG's upcoming Position Paper on Travel Health Insurance Products, but the meeting was not organized or conducted in a manner that allowed CLHIA's representatives to provide feedback on the draft Recommendations

6) **Other Business**

a) **CAFII Strategic Plan Development**

K. Martin advised that through his get-acquainted meetings with each CAFII committee chair, he has identified a need to create long-term strategies for each committee. For example, with respect to the Research & Education Committee, the Association might want to develop position/white papers to help move CAFII into a position of being a thought-leader within the industry.

E Fang supported K. Martin's proposal, noting that now that CAFII has the staff resources to consider re-focusing its mandate and possibly expanding its roster of value-added services for Members and Associates, it was opportune to review all of the Association's committees and related initiatives and renew and refresh our strategy as to what CAFII should be and what it should be pursuing. It was timely this year to lay out a strategy and seek commitments and investments for the longer term, she indicated.

With respect to timelines and process for the development of a CAFII strategic plan, there was general agreement with the following:

- secure support from the CAFII Board of Directors at its April 5/17 meeting, based on light proposal material, for a CAFII strategic plan development process and timeline;
- use April and May 2017 EOC meetings to agree on the nuts and bolts of a strategic plan development process and advance it, which may involve a dedicated, half-day session for EOC members;
- provide an interim strategic plan development report to the Board at its June 6/17 meeting;
- complete strategic plan development process; polish and finalize the plan between June and early October 2017;
- present EOC-approved CAFII Strategic Plan at October 3/17 Board meeting for discussion and approval.

b) **CAFII 20th Anniversary Celebration on April 5/17**

E. Cloutier provided an update on arrangements being made for CAFII's 20th Anniversary Celebration at Ripley's Aquarium in Toronto on April 5/ 17.

With respect to proposed graphic designs for special banners to be made for the Anniversary event and the rest of the 2017 anniversary year, there was EOC consensus that CAFII should have both suggested banner designs produced; and then use the one with the fireworks only for the April 5/16 event alone.

ACTION: Communicate selected CAFII 20th Anniversary banner designs to graphic designer; and ensure production is complete prior to April 5/17 event [Emily, March 15/17].

Ms. Cloutier also sought EOC members' advice with respect to the wines to select from the caterer for the event. It was agreed that a selection of wines from different regions of Canada should be available at the Anniversary Celebration, to the degree possible.

ACTION: Speak to caterer for the CAFII 20th Anniversary Celebration re sourcing wines from across Canada for the Reception event; then send wine list to A. Stuska and J. Lewsen for selections [Emily, March 10/17].

7) **Termination**

There being no further business, the meeting was terminated at 3:44 p.m.

Date

Chair

Recording Secretary