

CAFII EOC Meeting Minutes
Tuesday, June 20, 2017
Location: CIBC Insurance, 33 Yonge Street,
6th Floor, China Room, Toronto, ON

DRAFT

EOC Present:	Rob Dobbins Eleanore Fang John Lewsen Sue Manson Julie Medeiros Tony Pergola Diane Quigley Andrea Stuska Peter Thorn	Assurant Solutions TD Insurance <i>Chair</i> BMO Insurance CIBC Insurance RBC Insurance <i>(by teleconference)</i> ScotiaLife Financial <i>(by teleconference)</i> The CUMIS Group TD Insurance TD Insurance
Also Present:	Emily Cloutier Keith Martin Brendan Wycks	T•O Corporate Services <i>Recording Secretary</i> CAFII <i>Co-Executive Director</i> CAFII <i>Co-Executive Director</i>
Regrets:	Rose Beckford Charles Blaquiere Isabelle Choquette Katherine Geisler Moiria Gill Charles MacLean Jerome Savard	ScotiaLife Financial Canadian Premier Life Insurance Company Desjardins Financial Security Life Assurance CIBC Insurance TD Insurance RBC Insurance Desjardins Financial Security Life Assurance

1. Call to Order

The meeting was called to order at 1:35 p.m. E. Fang acted as Chair; E. Cloutier acted as Recording Secretary.

A special welcome was extended to P. Thorn, TD Insurance, as successor EOC Chair and Board Secretary. E. Fang noted that this would be her last meeting as Chair of the Executive Operations Committee.

A particular welcome was also extended to Julie Medeiros, RBC Insurance, as a new EOC member.

K. Martin advised that a new audio/visual component was being implemented for this and future EOC/Board meetings. Based on feedback from members who often participated remotely via teleconference, Adobe Connect would be used to project agenda material both online and via a screen in the meeting room. In addition, because it is sometimes difficult for those participating remotely to hear and follow the discussion during a meeting, an effort will be made by those speaking to project clearly and to use the microphones.

2. Approval of Agenda and Previous Minutes

a. Agenda

The agenda for this June 20, 2017 Executive Operations Committee meeting was approved as presented.

b. EOC Minutes of May 23/17

The draft minutes of the May 23/17 Executive Operations Committee meeting were approved as presented.

c. Board Minutes of June 6/17

The draft minutes of the June 6/17 CAFII Board of Directors meeting were approved as presented and would be added to the October 3/17 Board meeting package for approval by the Board of Directors.

d. Summary of Board and EOC Action Items

B. Wycks provided an update on the Summary of Board and EOC Action Items, briefly commenting on the following items which had been completed since the May 23/17 EOC meeting and the June 6/17 Board Meeting:

- **#1: Review CAFII's September 2015 submission in response to BC's Initial Public Consultation Paper on its 10-Year Review of the FIA/CUIA, and recommend whether an updated submission should be made to E. Cole to reflect any changes in CAFII's views, issues, or priorities since that time.** B. Wycks advised that he had reviewed CAFII's September 2015 submission thoroughly and could not identify any content within the submission which required augmentation or reiteration. It was noted that should the Ministry of Finance decide to introduce an RIA regime in BC, CAFII would be supportive and consider it a suitable development, provided that every effort is made to harmonize with the existing RIA regimes in the other three Western Canada provinces.
- **#9: Circulate to the entire EOC the presentation made by Todd Silverhart at LIMRA Canada Conference on May 18/17.** S. Manson advised that she would inquire further of LIMRA about obtaining a copy of the deck and circulate it to the EOC when possible.
- **#12: Canvas CAFII EOC and Board members to determine delegates for these BC and Alberta regulator and policy-maker meetings.** B. Wycks advised he had been in contact with J. Abram, CEO of the Alberta Insurance Council, and had proposed Wednesday, October 18/17 to meet with her and her staff. Due to a scheduling conflict, the morning of October 18/17 does not work for Ms. Abram. B. Wycks will therefore reach out to N. Jetha, Superintendent of Insurance, and L. Balfour of the Alberta Ministry of Finance Treasury Board about meeting them in the morning of October 18/17, with a meeting with J. Abram and other AIC staff executives to follow in the afternoon. Once all elements of the liaison visits tour to Western Canada insurance regulators and policy-makers are confirmed, he will reach out to EOC and Board members to determine who can join the CAFII delegation for these meetings.
- **#18: Circulate the link to the revised website for Board and EOC members to review and provide feedback.** B. Wycks advised that K. Martin would be circulating the link to the revised website as soon as the updates are completed.

J. Lewsen inquired about the proposed meeting between CAFII representatives and Barbara Palace Churchill, Executive Director of the Insurance Council of Manitoba, in Winnipeg during the first week of July 2017.

B. Wycks reported that he had recently received an email from Brenda Knight, Ms. Palace Churchill's assistant, apologising for the delay and advising that because Ms. Palace Churchill was away until June 22/17, she would not be able to provide a confirmation on the proposed meeting date until the end of the week.

In EOC discussion, it was suggested and agreed that due to the very limited time now remaining to co-ordinate a regulatory visit to Manitoba in early July, this visit should be moved back and made part of a now expanded Western Canada visits tour to three provinces during the week of October 16-20/17.

It was further suggested and agreed that consideration should be given to separating the BC, Alberta, and Manitoba components of the Western Canada visits tour into three different segments, so that different EOC and Board members could participate in one or more segments, if participating in all three would not be possible due to time constraints.

3. CAFII Financial Management

a. CAFII Financial Statements as at May 31/17

Treasurer T. Pergola reported on CAFII's financial statements as at May 31/17. With regard to the Balance Sheet, he noted that the Association currently has total assets of \$441K and a bank balance of \$304K. Total unrestricted net assets at this time are \$344,783 which means CAFII's financial reserves are at 46% of Annual Operating Expenses.

With respect to the Statement of Operations, Mr. Pergola continued, CAFII has an operating deficit of \$36K after the first five months of the fiscal year. While that is a favourable variance when compared to the \$193K deficit budgeted for the full year, the recent loss of National Bank Insurance as a member of the Association – which will produce a shortfall of \$58,750 in membership dues revenue – combined with the loss of two Associates (and a further loss of \$9,600 in revenue) will mean that a much larger deficit than \$193K will be sustained if all budgeted spending proceeds according to plan over the remainder of the year, he advised.

Monitoring of this situation and discussion of possible managerial control actions with respect to the size of the Association's operating deficit in 2017 will need to occur on an ongoing basis over the course of the year, Mr. Pergola indicated. As a helpful safeguard measure, CAFII's GIC investment which has a current value of approximately \$54K will not be renewed this month; and the proceeds will instead be brought back into the Association's bank account, he advised.

E. Fang advised that it is important to look at the expenses for the remainder of the year and to have a discussion around prioritizing particular items. Though CAFII is now projected to end the year with a lower level of financial reserves than initially budgeted, the situation is not dire and the organization can continue to invest in its core activities and priorities, she stated.

S. Manson reminded EOC members that she had recently re-engaged with Pollara Strategic Insights about refreshing the data from the 2015 CAFII-commissioned research on Canadians' perceptions of and experiences and satisfaction with travel health insurance.

J. Lewsen inquired about the possibility of augmenting the Association's revenue by securing more Associates, with a particular focus on the law firms CAFII has engaged in the past.

B. Wycks indicated that J. McCutcheon had advised that Torys LLP would be interested in becoming a CAFII Associate. K. Martin advised that initiatives for building the Associate base would be discussed in the ensuing Strategic Plan Development Session.

4. Strategy & Governance

a. EOC Chair Transition

E. Fang advised that she would be stepping down as EOC Chair and this meeting would be her last in that role. P. Thorn would be assuming the role of EOC Chair and Board Secretary as of July 2017, and had already benefited from hand-off and transition meetings with her and with Co-Executive Directors B. Wycks and K. Martin.

b. Board Chair Succession

E. Fang provided an update coming out of the June 6/17 Board meeting, regarding P. McCarthy's term as CAFII Board Chair. As he had served over two years in the role, Mr. McCarthy had expressed a desire to step down by the end of 2017. However, he was willing to remain as Chair until a successor had been identified.

It is important to table this issue again, Ms. Fang continued, and to look at the history of the Board Chairs to determine a potential successor. This issue was especially crucial due to the recent departure of National Bank Insurance as a member of the Association, as Vice-Chair J. Bourdeau from that organization had been in-line to succeed P. McCarthy. Additionally, T. Lawrence of CIBC Insurance had been identified as a potential Board Chair, but he had recently resigned from CIBC and subsequently from the CAFII Board. There are now two key CAFII Officer positions that need to be filled: Chair; and Vice-Chair, Ms. Fang concluded.

B. Wycks advised that from a CAFII By-law perspective, the Chair does not need to come from a Foundation Member, but can from any Member of the Association.

ACTION: Review "Candidate Profile: CAFII Board Chair" and "Reverse Chronology of CAFII Board Chair, Board Vice-Chair, EOC Chair, and Treasurer Appointees" and discuss with own CAFII Board member the possibility of his/her being a nominee for the CAFII Board Chair or Vice-Chair roles, for a one or two year appointment. [All EOC; Sept 5/17]

c. CAFII Co-Executive Director Balanced Scorecard 2017

B. Wycks provided an update on the CAFII Co-Executive Director Balanced Scorecard, highlighting the following items that had changed status since the June 6/17 Board meeting:

- **BC FICOM's 'effecting' of creditor's group insurance issue:** Intelligence indicates that BC FICOM plans to conduct audits re compliance with the CGI Bulletin. CAFII plans to meet with BC FICOM while touring the Western provinces in October; and this will be a key agenda topic at that time. **CCIR Annual Statement on Market Conduct:** CAFII has learned CCIR will be proceeding with a consultation with the industry re the Year-3 version of the Annual Statement; J. Beauchamp had previously advised that this consultation would occur this summer in July/August 2017 to reflect what CCIR has learned from the Year-1 experience.
- **Ontario government implementation of new Financial Services Regulatory Authority (FSRA):** CAFII has a stakeholder meeting with FSRA Implementation Secretariat leaders scheduled for June 29/16, to discuss the future regulation of the life and health insurance sector in Ontario; and the transition from FSCO to FSRA. A strong delegation has been assembled and B. Wycks will be circulating a briefing document to the attendees.
- **CCIR Review of Travel Health Insurance:** CCIR released its Travel Health Insurance Products Position Paper, along with a Media Release and personalized transmittal letter to each industry stakeholder, on May 31/17. CAFII was happy with changes in tone and particular wording made in these documents. At the June 23/17 liaison meeting with Policy Managers S. Jacobs and M. Boyle, CAFII will seek clarification re CCIR's expectations with respect to timelines for the industry's addressing its Position Paper findings/recommendations. S. Manson also confirmed that the CAFII Travel Medical Experts Working Group has completed the three components it was working on; and the finished product from the last component was recently delivered to J. Weir of CHLIA.
- **Bill 177, The Insurance Act (Saskatchewan) FCAA:** CAFII learned from a recent liaison meeting with the FCAA that it plans to issue the final Regulations along with the Act and a specified "in force" date sometime this summer. The FCAA also indicated that the implementation date would be April 2018 at the earliest. B. Wycks noted that the FCAA is very aware of the industry's request for at least a one-year gap between the release of the Regulations and the in force date for implementation.

- **Saskatchewan Finance Minister's imposition of 6% PST on insurance premiums:** CAFII had a productive get acquainted meeting with the Minister and Ministry officials on June 1/17. CAFII will compile data regarding the impact of the 6% PST being imposed on insurance premiums, effective August 1/17, on consumer purchases and on member businesses within the province. There are several groups taking a stand against this decision by the government of Saskatchewan.
- **Insurance Councils of Saskatchewan:** B. Wycks advised that CAFII representatives had a productive meeting with Ron Fullan and April Stadnek of the Insurance Councils of Saskatchewan on June 2/17; and there was agreement on a process for advancing proposals to create a mechanism for RIA License Holder representation, including a three-way meeting involving ICS, CAFII, and CHLIA.
- **CAFII Media Advocacy Committee; Website Modernization:** K. Martin advised that there had been significant progress in revising Media Protocol II. CAFII has also extended the retainer of media consultant D. Moorcroft as a Media Consultant following the recommendation of the EOC and the Board. In terms of thought-leadership, CAFII is strengthening the membership of the Research and Education Committee, which will play an important role in possible research initiatives that CAFII could invest in. With regard to the website, CAFII is on track for an autumn launch. B. Wycks added that CAFII Director B. Grant had suggested adding a "Complaint Handling" page to the modernized CAFII website to assist consumers with any complaints they may have, including both company and industry options to deal with these issues.

5. Regulatory

a. Consultations/Submissions Timetable

B. Wycks briefly highlighted updates made to the Consultations/Submissions Timetable since the previous May 2017 version.

b. Regulatory Update

B. Wycks briefly highlighted the following items featured in the June Regulatory Update:

- **Quebec Omnibus Bill:** a spokesperson for Finance Minister Carlos Leitao recently indicated that the Omnibus Bill expected to modernize the province's financial services sector would now be tabled in September 2017, at the beginning of the next sitting of the National Assembly.
- **THIA Launches Travel Insurance Bill of Rights and Responsibilities.** THIA officially launched its BoRR on June 12/17.

c. Regulator and Policy-Maker visit plan

i. Liaison Lunch With CCIR Policy Managers, June 2X,/17

B. Wycks advised that a CAFII liaison lunch with CCIR Policy Managers M. Boyle and S. Jacobs had been confirmed for June 23/17 at Trio Restaurant in the Novotel North York. CCIR will provide CAFII with updates on the CCIR Summer Teleconference that occurs the previous day. J. Lewsen advised that it will be important to ask the CCIR Policy Managers which provinces/territories have not yet signed CCIR's Memorandum of Understanding which governs its Framework for Co-operative Market Conduct Supervision and the related Annual Statement on Market Conduct.

6. Committee Updates

a. Market Conduct

No updates at this time.

b. Media Advocacy

No update at this time.

c. Licensing Efficiency Issues

In M. Gill's absence, K. Martin provided an update on progress made in coordinating an informal meeting with Anatol Monid, Executive Director of FSCO's Licensing and Market Conduct Division, to provide education about "the insurance arms of Canada's banks" to help inform FSCO's plan to issue a market conduct-related questionnaire to those organizations.

J. Lewsen advised that he had agreed to accompany M. Gill to this informal meeting. The date has yet to be confirmed, but the process of setting the meeting up is underway, he noted.

ACTION: Set up an informal consultation/dialogue meeting with Anatol Monid, Executive Director of FSCO's Licensing and Market Conduct Division, to provide education about "the insurance arms of Canada's banks" to help inform FSCO's plan to issue a market conduct-related questionnaire to those organizations. [M Gill/J. Lewsen; July 25/17]

d. Research and Education

No update at this time.

e. Travel Medical Experts Working Group

No update at this time.

7. Other Business

a. Date and Location of October 3/17 CAFII Board Meeting and Liaison Luncheon with AMF Executive Staff

B. Wycks advised that he had reached out twice to the Executive Assistants to Louis Morisset and Eric Stevenson at the AMF. At this time, he was still awaiting a response on the question of whether a change of location or a change of date – instead of October 3/17 – was needed to enable the AMF to accept CAFII's invitation for a liaison luncheon and Industry Issues Dialogue in early October. He noted that he had proposed moving the location to Lévis rather than Montréal, as well as moving the date to Monday October 2/17 or Wednesday October 4/17 as options for the AMF's consideration; and he would follow-up again with his contacts there shortly.

b. Renewal of CAFII's .INSURANCE domain name

B. Wycks advised that the CAFII. INSURANCE domain name is up for renewal. The cost is approximately \$1000 US. Though the Association is not currently using the CAFII. INSURANCE domain, renewing this domain will safeguard CAFII.INSURANCE, should the Association choose to use it at a later time.

c. Reconstitution of CAFII Networking and Events Committee

E. Fang recalled that up until about 18-months ago, a CAFII Networking and Events Committee had existed. It was led by EOC members P. Yeung and M. Sanchez-Chung, who have both departed from their member FIs and subsequently the Committee was disbanded. As per a request expressed by some EOC members, Ms. Fang continued, there was now a need to reconstitute the CAFII Networking and Events Committee. As such, she was reaching out to member FIs with a request that they recommend candidates from their organizations who have interest and experience in event planning. Volunteers interested in serving on the CAFII Networking and Events Committee do not need to be participants in the regular EOC; but should they wish to participate in the monthly EOC meetings, they would be welcome to do so. If time commitment becomes an issue, CAFII would leverage their expertise in a similar way that other sub-committee members are now engaged, Ms. Fang concluded.

J. Lewsen added that there are several opportunities over the course of a year for a speaker to address a CAFII audience, specifically the February Annual Members Luncheon, the April Board Meeting Reception, and the June Board Meeting Reception. It is essential not to miss these opportunities to provide a “value-add” at a networking Reception, especially for Associates, he asserted, noting that responsibility for identifying and securing speakers would rest with the Networking and Events Committee.

ACTION: Review the mandate of the CAFII Networking and Events Committee; solicit/recruit interest, as necessary; and propose three to five volunteers – from among current EOC members or other individuals from member organizations – to reconstitute and reactivate the Committee. [All EOC; Sept 19/17]

8. In-Camera Session

The open section of this EOC meeting terminated at 2:45 p.m., and was followed by an *in-camera* session of EOC members not including Co-Executive Directors B. Wycks and K. Martin; and E. Cloutier of T•O Corporate Services.

9. Termination

Date

Chair

Recording Secretary