

CAFII EOC Meeting Minutes
Tuesday, May 23, 2017
Location: 33 Yonge Street, 7th Floor NW,
[Norway Room], Toronto, ON

DRAFT

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

1. Call to Order

The meeting was called to order at 2:05 p.m. E. Fang acted as Chair; M. McLean acted as Recording Secretary in-person; and E. Cloutier acted as Recording Secretary via teleconference. A special welcome was extended to T. Pergola, ScotiaLife Financial, as he would be succeeding R. Rajaram in the role of CAFII Treasurer.

2. Approval of Agenda and Previous Minutes

a. Agenda

The agenda for this May 23, 2017 Executive Operations Committee meeting was approved as presented.

b. EOC Minutes of April 25/17

The draft minutes of the April 25/17 EOC meeting were approved as presented.

c. EOC Minutes of March 21/17

The draft minutes of the March 21/17 EOC meeting were approved as presented.

d. Board Minutes of April 5/17

The draft minutes of the April 5/17 CAFII Board of Directors meeting were approved as presented and would be added to the upcoming June 6/17 Board meeting package for approval by the Board of Directors.

e. 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 item that had been completed since the April 25/17 EOC meeting:

#5: B. Wycks followed-up with S. Roberts, Director, FSRA Implementation Secretariat, with a request for a stakeholder meeting so that CAFII can provide input for the Secretariat's development of Regulations that will serve to bring the new Financial Services Regulatory Authority into being. He had now received a reply from S. Roberts and the meeting date was likely to be confirmed for the latter part of June.

3. CAFII Financial Management

a. CAFII Financial Statements as at April 30/17

Treasurer R. Rajaram reported on CAFII's financial statements as at April 30/17. With regard to the Balance Sheet, he reported that the Association currently has Total Assets of \$502,290 and a Bank Balance of \$ 364,907. Total Unrestricted Net Assets at this time are \$ 353,367 which means CAFII's Financial Reserves are currently at 47% of Annual Operating Expenses.

With respect to the Statement of Operations, expenses have been incurred at the expected pace over the first four months of the year; and things appear to be on track towards the budgeted deficit of \$193,000 for the 2017 fiscal year.

The first semi-annual instalment of 2017 membership dues has been received from nine of the 11 Members thus far, Mr. Rajaram continued, and annual Associate dues have been received from all but two Associates.

E. Cloutier advised that she had sent a reminder email to the Members and Associates with dues payments still outstanding, with the exception of Aimia. As noted in a previous EOC meeting, Aimia had recently been acquired by Sigma Loyalty Group. Therefore, B. Wycks and K. Martin will be following-up to determine if Sigma Loyalty Group would be continuing as a CAFII Associate.

4. Strategy & Governance

a. Strategic Planning Session

K. Martin reported that he and B. Wycks met with E. Fang and A. Stuska on May 8/17 to review a draft Strategic Plan Development Backgrounder document. The feedback provided during that meeting was very helpful and is currently being incorporated into a revised draft of the document, he advised.

E. Fang indicated that the feedback provided on the draft Strategic Plan Development Backgrounder consisted of minor content and structure changes, along with the recommendation that a business case be created to better illustrate the financial impact of the new strategic initiatives being proposed. Initiatives that would require only a nominal financial and time investment might be fast-tracked, while others that would require a more substantial expenditure of time and money could potentially be tabled for future consideration, she noted.

K. Martin advised that the updated Strategic Plan Development Backgrounder would be circulated to the entire EOC at least 10 days prior to the June 20/17 Strategic Planning Session, to allow sufficient time for EOC members to review the document and determine their views on CAFII's overall direction and the prioritization and resourcing of strategic initiatives. The recommendations agreed to at the June 20/17 Strategic Planning Session would then be shared with Board Chair P. McCarthy for feedback, prior to being presented to the full Board of Directors at its October 3/17 meeting.

ACTION: Circulate updated Strategic Plan Development Backgrounder document to the entire EOC for review prior to the June 20/17 Strategic Plan Development Session [K. Martin; June 9/17]

5. Regulatory Update

a. Consultations/Submissions Timetable

B. Wycks provided high-level updates on the following items from the Consultations/Submissions Timetable:

- **BC Ministry of Finance 10-Year Review of FIA:** While the BC Ministry of Finance had previously stated that it intended to release its Policy Paper with proposals for change in July or August this summer, the minority government outcome of the early May provincial election could cause that plan to be delayed.
- **CCIR Annual Statement on Market Conduct: i. Quebec Omnibus Bill On Financial Sector Modernization**

i. Quebec Omnibus Bill on Financial Sector Modernization

B. Wycks recalled that Quebec Minister of Finance Carlos Leitao's most recently expressed commitment with respect to the release date of the Omnibus Bill to modernize the province's financial services sector – including the Insurance Act; the Distribution Act; and the Act Respecting the AMF – was that it would be tabled by June 16/17, the final sitting day of the current session of the National Assembly.

He noted that in a recent industry trade press article which reported on Minister Leitao's responses to questions posed at a National Assembly committee meeting, he appeared to be backing away from a previously expressed commitment that there would be a consultation period with stakeholders on the Omnibus Bill after it is released.

M. Gill noted that information she has received indicates that specifics within some of the eight pieces of legislation that are to be updated via the Omnibus Bill are going to be shifted to Regulations, in order to make things more flexible and adaptable. The Minister's desire to avoid consultation on the Omnibus Bill could be based on a desire to move to Regulations expeditiously.

In EOC discussion about whether CAFII should send a note to the Quebec Ministry of Finance requesting that consultations be held on the Omnibus Bill, it was agreed that the Association should first contact AMF staff executives Eric Stevenson and/or Patrick Déry to obtain their advice on the matter.

ACTION: Contact E. Stevenson and/or Patrick Déry of the AMF to obtain advice on whether CAFII should send a communication to the Quebec Ministry of Finance requesting that a consultation period be held on the Omnibus Bill [K. Martin/B. Wycks; June 19/17]

ii. Saskatchewan Insurance Regulations Consultation

B. Wycks reported that Saskatchewan's FCAA was continuing to work on finalizing the Regulations developed to support the province's Insurance Act, and there was no specific news to report. He noted that a CAFII delegation would be having a get acquainted/liaison meeting with FCAA representatives Roger Sobotkiewicz, Superintendent of Insurance, and Jan Seibel, Lawyer, on June 1/17 in Regina. Following that meeting, there would likely be a substantive update to report, at the June 6/17 CAFII Board meeting, with respect to where the FCAA stands on the Insurance Regulations.

iii. CAFII Draft Submission on FSCO Draft 2017 Statement of Priorities

B. Wycks reported that a draft CAFII submission on FSCO's Draft 2017 Statement of Priorities had been prepared based on the Market Conduct Committee's input and feedback; and it had been included in the meeting materials for the EOC's review and feedback. The deadline for submissions to FSCO was May 26/17.

In discussion, it was agreed that EOC members who had feedback to provide on the current draft of CAFII's submission should send it to B. Wycks by May 24, so that it could be incorporated into a penultimate draft which would be circulated for final review and feedback.

ACTION: Provide feedback to B. Wycks on CAFII's draft submission on FSCO's Draft 2017 Statement of Priorities [EOC Members; May 24/17]

b. Regulatory Update

i. Report on Regulator Liaison Visits at CHLIA Conference

B. Wycks summarized the highlights of CAFII's regulator liaison visits at the MAY 3-5/17 CLHIA Conference in London, Ontario, referencing his written report on those meetings with Joanne Abram, CEO of the Alberta Insurance Council; Barbara Palace Churchill, Executive Director of the Insurance Council of Manitoba; and Gerry Matier, Executive Director of the Insurance Council of BC.

ii. CCIR Annual Statement on Market Conduct

During an April 24/17 meeting with CCIR Policy Managers Sean Jacobs and Martin Boyle, CAFII learned that for the Year 2 (2018) Annual Statement on Market Conduct, only minor grammatical amendments will be made. However, for the Year 3 (2019) Annual Statement, a more substantive review and overhaul will be conducted, which will include consultation with the industry. CCIR also confirmed that an aggregated results report from the Year 1 Annual Statement will be shared with the industry before the end of 2017.

iii. CCIR Travel Health Insurance Review

B. Wycks reported that CAFII had a consultation teleconference with H. James, Chair of the Travel Insurance Working Group, and S. Jacobs on May 10/17 with respect to CCIR's communications plan and key messaging around its Travel Health Insurance Products Position Paper, expected to be released by May 31. CAFII conveyed some strong concerns about some of CCIR's key messaging, some of which was related to tone and some of which was related to wording on points of fact, which could give the reader a false impression. CCIR said that they had listened to and understood CAFII's concerns, and would do their best to make adjustments to address our concerns.

iv. Alberta Authorization of CI Sales Under an RIA Certificate

B. Wycks reported that in an immediate May 19/17 email response to his communiqué of earlier that day outlining CAFII's "Feedback on Definitions of Credit-Related Insurance Authorized for Sale Under a Restricted Insurance Agent's Certificate in Alberta," J. Abram, CEO of the Alberta Insurance Council, had said the following: "Thanks, Brendan. I appreciate your quick response on this issue and value your feedback. I will place this matter before the LIC at their next meeting and will let you know the outcome."

In discussion of this matter, EOC members reiterated the sentiment of CAFII's communiqué to J. Abram, emphasizing that should the Council decide to proceed with publishing the definitions, a review and revision should take place in accordance with the comments provided in CLHIA's document.

v. CAFII Letter of Concern to Saskatchewan Finance Minister

B. Wycks provided an update on the issue surrounding the Saskatchewan Ministry of Finance imposition of a 6% PST on insurance premiums, including creditor's group insurance.

Subsequent to the April 25/17 EOC meeting, he advised, CAFII had received and accepted an invitation from Minister of Finance Kevin Doherty to meet with him and Ministry officials to discuss the Association's concerns. A small CAFII delegation would therefore be meeting with the Minister in Regina on June 1/17.

c. Regulator and Policy-Maker visit plan

i. CAFII Presentation to CISRO, June 2/17 B. Wycks Update

B. Wycks requested feedback on the outline for CAFII's presentation to CISRO on June 2/17, which had been included in the meeting materials. EOC members provided positive, affirmative feedback on the presentation outline titled "CAFII: Past, Present, and Future."

In EOC discussion, it was agreed that B. Wycks and K. Martin would develop a Powerpoint presentation to cover the topics set out in the outline; and would vet the draft presentation deck with EOC Chair E. Fang; the members of the CAFII delegation for the June 2 visit and presentation to CISRO; Research and Education Committee Chair D. Quigley; and Travel Medical Experts Working Group Chair S. Manson.

S. Manson mentioned a presentation by LIMRA Director of Insurance Research Todd Silverhart at the LIMRA Canada Conference on May 18/17, which might provide some useful content for CAFII's presentation to CISRO. A highly relevant part of his presentation focused on the non-linear sources of information and channels used by consumers in making an insurance purchase decision.

ACTION: If possible, circulate to the entire EOC the presentation made by Todd Silverhart at LIMRA Canada Conference on May 18/17 [S. Manson; June 19/17]

ii. CAFII Western Canada Regulators and Policy-Makers Visits Tour, Fall 2017

B. Wycks reported to the EOC that considerable progress had recently been made in confirming meetings with regulators and policy-makers in Saskatchewan, Manitoba, BC, and Alberta, as set out in the document provided for this agenda item.

iii. CAFII Board and AMF Liaison on October 3/17

In response to an EOC member's question, B. Wycks advised that he had followed up on his invitation letter to AMF CEO Louis Morisset with respect to a liaison lunch and industry issues dialogue with CAFII Board and EOC members in Montreal on October 3/17; but surprisingly he had not yet received a response. He indicated that the lack of a response was likely due to the fact that Eric Stevenson and Patrick Déry were committed to speak on a panel from 10:30 a.m. to 12 Noon that morning at an industry conference being held in Québec City.

In EOC discussion of this matter, it was agreed that CAFII should give the AMF another few weeks to respond; and if no response is received prior to the next EOC meeting on June 20/17, appropriate direct follow-up action can be determined at that time.

6. Committee Updates

a. Market Conduct

No updates at this time.

b. Media Advocacy

On behalf of C. Blaquiere, Chair of the Media Advocacy Committee, K. Martin provided an update. He advised that 3:1 lunch meetings are being coordinated between C. Blaquiere, K. Martin, B. Wycks and each Media Advocacy Committee member to facilitate detailed discussion as to what the committee is trying to achieve with the website, and deepen understanding of Committee's overall priorities including its media strategy. These lunches will also provide an opportunity to request meetings with each Committee member's media team, at which there could be a presentation on CAFII media priorities.

i. CAFII Website Modernization

K. Martin reported that significant progress had been made on the CAFII website modernization project, with an expected internal soft-launch now scheduled for June. In addition, Mr. Martin provided an update on the cost-breakdown for the website modernization project

ii. Revised CAFII Media Protocol

Keith Martin reported that the CAFII Media Protocol had been updated based on direction from the CAFII Board at its April 5/17 meeting. He noted the following highlights of Media Protocol II:

- Step I – Preparation: the Media Spokesperson for CAFII (Co-Executive Director K. Martin), in consultation with Co-Executive Director B. Wycks, and in close collaboration with the Media Consultant (D. Moorcroft), will develop a set of Letters to the Editor (likely eight in total), which can serve as pre-approved responses to probable and typical negative print media columns/articles. These will differ slightly in content and tone, in anticipation of how best to respond to different types of negative columns/articles.
- Step II—Article Approval and Pre-Approval: the CAFII Board will make any desired changes to the Letters to the Editor, including eliminating any or requesting additional ones for development with a new, different, and specified content and tone. The final drafts will be approved by the Board and then serve as a pre-approved set available content for responding to negative print media columns/articles.

- Step III—The People and Process Involved in the Decision to Send a Letter to the Editor: the CAFII Board will review and approve, up-front, the following: the process for sending a Letter to the Editor including the people to be involved; and the set of Letters to the Editor to be used to respond to a negative column/article. The process to be followed in actually responding to a negative media column/article will be a streamlined one.

An EOC discussion ensued regarding whether it would be beneficial to present hypothetical instances of the types of critical columns/articles that could trigger a need for a response from CAFII. K. Martin added that the “reactive vs. proactive” response approach would be discussed in-depth at the Strategic Plan Development Session on June 20/17.

ACTION: Discuss whether a “reactive” or “proactive” path is best for media responses [All; June 20/17 Strategic Plan Development Session.]

iii. Extension of Media Consultant Retainer

K. Martin reported that the one year contract currently in place with media consultant D. Moorcroft was due to expire on June 30/17. He added that the experience and competencies which D. Moorcroft brings to CAFII are very valuable, such that CAFII should consider extending the monthly retainer arrangement on an ongoing basis. The monthly retainer amount is \$3390 plus HST.

Following EOC discussion, it was unanimously agreed that the EOC should recommend to the Board at its upcoming June 6/17 meeting that CAFII’s retainer contract with media consultant D. Moorcroft be extended on an ongoing basis.

ACTION: Recommend to the Board that CAFII’s media consultant retainer arrangement with D. Moorcroft be extended on an ongoing basis. [K. Martin; June 6/17]

c. Licensing Efficiency Issues

No updates at this time.

d. Research and Education

K. Martin provided an update on behalf of D. Quigley, Chair of the Research and Education Committee. He noted that D. Quigley is enthusiastic about the direction of the committee, with the Association’s new Strategic Plan document identifying new research initiatives as a potential area of future investment. It has also been suggested that the Committee would benefit from new members with a strong research background. K. Martin will be following-up with E. Fang and D. Quigley about the best process to identify and recruit new members for the committee.

ACTION: Discuss with E. Fang and D. Quigley the process and next steps for identifying and recruiting new members for the Research and Education Committee [K. Martin/D. Quigley; June 30/17]

e. Travel Medical Experts Working Group

S. Manson reported that the Travel Media Experts Working Group had identified a need to update the Pollara survey on consumers' experiences and satisfaction with travel health insurance. A refresh is important so that this research remains current and can provide a benchmark for tracking trends over time. It will be interesting to see the CCIR's upcoming Travel Health Insurance Products Position Paper and to use that as a guide for how the refreshed survey should be designed, she noted.

Provision has been made in the 2017 budget for the Pollara research to be refreshed this year, Ms. Manson advised.

7. Other Business

a. Reconstitution of CAFII Networking and Events Committee

Deferred to the June 20/17 EOC Meeting.

ACTION: Add Reconstitution of CAFII Networking and Events Committee to the Other Business section of the agenda for the June 20/17 EOC Meeting [B. Wycks/E. Cloutier; June 6/17]

a. CAFII Board (and Annual) Meeting and Networking Reception June 6/17B. Wycks provided a brief update and reminder that the next CAFII Board (and Annual) Meeting and Networking Reception would take place on June 6/17 at The Albany Club.

8. Termination

The open section of this EOC meeting terminated at 4:10 p.m., and was followed by an *in camera* session of EOC members not including Co-Executive Directors B. Wycks and K. Martin; and M. McLean and E. Cloutier of T.O Corp.

9. In-Camera Session

The members of the EOC met *in-camera*.

Date

Chair

Recording Secretary