

CAFII EOC Meeting Minutes
Tuesday, April 27, 2015
Location: ScotiaLife Financial
20 Queen Street, 35th Floor, Toronto, ON

Present:	Charles Blaquiere	Canadian Premier Life Insurance Co. <i>(for part by teleconference)</i>
	Rose Beckford	ScotiaLife Financial
	Derek Blake	RBC Insurance <i>(by teleconference)</i>
	Andre Duval	Desjardins Financial Security Life Assurance <i>(by teleconference)</i>
	Eleanore Fang	TD Insurance <i>(by teleconference)</i>
	Moira Gill	TD Insurance
	Greg Grant	CIBC Insurance, <i>Chair</i>
	John Lewsen	BMO Insurance
	Sue Manson	CIBC Insurance
	Rosemary Pulla	BMO Insurance
	Diane Quigley	The CUMIS Group <i>(by teleconference)</i>
	Maria Sanchez-Chung	TD Insurance <i>(by teleconference)</i>
	Jodi Skeates	The CUMIS Group <i>(for part by teleconference)</i>
Regrets:	Carol Allen	Assurant Solutions
	Emily Brown	BMO Insurance
	Raja Rajaram	CIBC Insurance
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 2:08 pm. Greg acted as Chair and Leya acted as Recording Secretary.

2. Approval of Agenda and Previous Minutes

The following was added to the agenda under Summary of Board and EOC action items.

a. EOC Minutes of March 24, 2015

Approved as presented.

b. Board Minutes of April 7, 2015

Changes were put forward by Moira and Rose.

c. Summary of Board and EOC Action Items

Brendan provided an update on the action items from the Board and EOC meetings.

i. Comments from Board Meeting and Regulatory Updates

The Board provided feedback at its last meeting requesting that a Consent Agenda approach be revisited as a way to manage future meetings and the volume of information received. The value that Directors receive from meetings is the discussion of high level items and strategy, and they can achieve this by receiving only hot button items and key points.

During the Board in-camera discussion, feedback was also provided on the Regulatory Perspectives newsletter and its purpose, and an EOC discussion ensued on this topic.

Decision: Members determined that the Regulatory Perspectives newsletter initiative shall be abandoned for now.

3. Strategy and Governance

a. Balanced Scorecard

Brendan reviewed the Balanced Scorecard document included in the meeting materials.

4. CAFII Financial Management

a. Financial Statements as at March 31, 2015

Brendan presented the financial statements as of March 31, 2015 in Raja Rajaram's absence. To date, AMEX Bank of Canada is the only Regular member that has not submitted the first instalment of its 2015 annual dues. In addition, the 2015 dues of some Associates remain outstanding including Collins Barrow, KPMG and Munich Re.

As per the Statement of Operations, we have spent 19% of our budget for 2015 thus far. There are some big ticket items that will come due later this year, and we will likely end the year with an operating deficit, as budgeted, resulting in the reserves being drawn down as planned.

Jodi Skeates joined at 2:45pm

5. Saskatchewan Bill 177 (Market Conduct Committee)

Jodi informed members of a number of issues have been raised by CLHIA with respect to Bill 177. CAFII sent a letter outlining concerns about the Bill and received assurance in a conference call that their concerns would be addressed. Since this time, issues have been raised through a number of other industry associations and members discussed CAFII's positions vis-à-vis the rest of the industry.

Action: Prepare a follow-up letter to Saskatchewan on Bill 177 on the items identified in the March 2/15 teleconference with Jim Hall and Jan Seibel as requiring further comment from CAFII. *[Brendan, Market Conduct Committee; tba]*

6. Regulatory Relations and Advocacy

a. Manitoba Residency Requirement

Brendan updated members on a message he received from Scott Moore last week regarding their apparent residency requirement for employees of restricted licensees. It was confirmed that this was a drafting error and the regulation will be corrected in 2016, when the window for making

changes is open again. Members agreed that CAFII was the right industry Association to advocate on this issue.

b. CCIR Working Group on Travel Insurance

Harry James, Chair of the CCIR Working Group on Travel Insurance, advised that it is working on revising the survey (which CAFII members provided feedback on in March) with the goal of releasing it late spring. Questions were raised about the revision process including consultations with complaint bodies and CAFII's offer to help frame the survey.

Action: Contact Harry James about the following questions: Is there an opportunity to comment on the revised survey before it is released; has CCIR consulted with complaint bodies? *[Brendan; tba]*

c. BC 10-Year Review of Financial Institutions Act

FICOM has indicated that the Ministry of Finance is waiting for final approval from the Minister before releasing the consultation document. At this time, FICOM is confirming the list of stakeholders that will receive the document.

d. BC "effecting" CGI contracts issue

Brendan was advised that FICOM will be releasing a financial bulletin on this issue "sooner rather than later." When Carolyn Rogers meets with CAFII later this week in Quebec City, she will be able to be more specific as to the timing of the bulletin's release.

e. Regulatory Update

Accepted as read.

f. Regulator and Policy-Maker Visit Plan

Accepted as read.

7. EOC Committees Updates

a. Media Advocacy Committee

A committee meeting was held last week with 50% of the time spent on discussion and 50% on Q&A. Questions included whether CAFII should use a PR firm to improve its media communications and whether there is a defined media response team within CAFII currently. Committee members recognized a need to familiarise themselves with what their own FIs are doing on media strategies. Through discussion, it became obvious that the issues need to be further segmented in terms of reactive versus proactive media strategies. Finally, it was noted that creditor insurance doesn't come up in the media too often. The main hot button issue for CAFII members currently is travel insurance and any work that is done in developing CAFII's media communications can be put towards travel as well.

b. Market Conduct Committee

i. AMF E-Commerce Paper

The committee will be addressing the AMF Ecommerce paper in its next meeting. Brendan subscribes to a Quebec journal that has recently changed its frequency to daily instead of weekly; in it, there has been a lot of broker community activity reported in opposition to the

ecommerce report. Members agreed that some Orientations in the paper are more prescriptive than others; and there is a concern with the Distribution Act being open that some of the Orientation wording might make it into the Bill. Overall, members were supportive of the report and while it is not a consultation document, we should still put any concerns we have on record through a letter. A meeting with the AMF will be held in Quebec City in a few days, and it was agreed that we will acknowledge the overall positive direction of the paper without being too enthusiastic. Overall, they have avoided inserting a licensed representative into every ecommerce transaction, which should be acknowledged.

ii. FSO 2015 Draft Statement of Priorities

The Market Conduct Committee has quite a bit of work in the coming months. In looking at the FSCO priorities we want to stress harmonization. However, members noted how little there was in this year's priorities document compared with previous years. New this year is a focus on market intelligence which may be worth commenting on.

Brendan noted a section pertaining to influence, referencing the Mortgage Brokers Regulators Council of Canada (MBRCC), and a direct connection with the life insurance product suitability review conducted last year.

There are two Ontario reviews currently underway, namely the FSCO mandate review and now the FSCO priorities, with work being handled by two different CAFII committees, Market Conduct and Licensing. It was agreed therefore that the work on both areas should be aligned.

c. Research & Education Committee

i. CAFII Value Proposition Project

Helene Pouliot from Towers Watson presented the CAFII Value Proposition Project results during the Board meeting on April 7th and members discussed the feedback from her presentation. The survey results didn't provide for questions and it seemed that some information was provided that we hadn't asked in previous versions of this study with Avalon Actuarial. The presentation was longer and more detailed than what is typically provided at a Board meeting. While the report has more rigour than previous versions, it has lost some of the context around the creditor value proposition. Since the presentation, the working group has met with Greg, Andre and Diane to get actuarial input before going back to Towers Watson for final items that need to be addressed, including more clearly articulating the actual customer value proposition. If Helene won't accommodate this then it will be up to the committee to take this information and put it into a form that can be used by CAFII.

Once the report is published, we must ensure that there is clear communication on how CAFII members can share it, as well as draw out some of the key information that our committees can use. Provisions were also made for presentations to individual companies at an additional charge.

ii. Travel Insurance Project

The travel insurance experts have provided much value to the committee due to their knowledge of the issues. The first priority is for CAFII to take advantage of this expertise from a distributor perspective, while leveraging the work of the CLHIA. A Code of Conduct has

been identified as a tangible goal, with members delving into the issues, identifying a principles-based code of conduct, and how this would be evidenced. They are currently meeting every two weeks. It was agreed that information shall be shared with the CLHIA at an organization level. FIs participating in this work include Desjardins, RBC, TD, BMO and CIBC.

d. Licensing Efficiency Issues Committee

i. Letter to Opportunities New Brunswick

A letter was submitted to Opportunities New Brunswick and a follow-up conference call shall be scheduled.

ii. Ontario Review of FSCO Mandate

Committee members agreed that we wish to ensure our types of distribution models aren't disadvantaged. The paper came out and members discussed potential changes to the supervision of insurance including licensing (self-regulatory structure), potential merger with the Ontario Securities Commission (OSC) which could have implications for CAFII as their approach is very different. Just before the committees meeting it was learned that the expert panel has reached out to other industry associations for an initial meeting. To date, CAFII has not been contacted, which is concerning, and we should follow-up to ensure we are included amongst the list of stakeholders.

Action: The expert panel to be contacted to ensure CAFII is included as a stakeholder in the consultations on the Review of FSCO's mandate.

e. Events and Networking Committee

There will not be speaker presentations at the June and October Board meetings, and members discussed the need for a speaker in December 2015. During the Board in-camera session, Directors indicated unless the speaker reflects CAFII's key messages and mandate then we should not have them. Examples of successful speakers included those from the FCAC, as well as Avalon Actuarial and Chrys Lemon during a member's only luncheon. In future, ample time is needed to discuss the topics at EOC so we can prepare for a more accurate briefing with guest speakers in advance of the event. It was agreed that the December reception provides a good opportunity to augment the Chair's welcome remarks with a summary of recent CAFII achievements.

8. Other Business

9. Termination

There being no further business, the meeting was terminated at 4:00 p.m.

Date

Chair

Recording Secretary