

**CAFII EOC Meeting Minutes**

**Tuesday, February 17, 2015**

**Location: TD Insurance**

**120 Adelaide St. West, 2<sup>nd</sup> Floor [King Room], Toronto, ON**

**Present:**

Charles Blaquiere	Canadian Premier Life Insurance Co.
Rose Beckford	ScotiaLife Financial (for part, <i>by teleconference</i> )
Derek Blake	RBC Insurance ( <i>by teleconference</i> )
Andre Duval	Desjardins Financial Security Life Assurance
Eleanore Fang	TD Insurance
Moiria Gill	TD Insurance
Greg Grant	CIBC Insurance, <i>Chair</i>
John Lewsen	BMO Insurance (for part, <i>by teleconference</i> )
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> )

**Regrets:**

Carol Allen	Assurant Solutions
Emily Brown	BMO Insurance
Raja Rajaram	CIBC Insurance
Jodi Skeates	The CUMIS Group

**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 1:07 pm. Greg acted as Chair and Leya acted as Recording Secretary.

**2. Approval of Agenda and Previous Minutes**

The agenda was approved as presented.

**a. EOC Minutes of January 13, 2015**

The EOC Minutes of January 17, 2015 were approved as presented.

**b. Summary of Board and EOC Action Items**

The Action Items were reported to be completed and those that weren't would be discussed during today's agenda.

**3. CAFII Financial Management**

Raja was unable to attend the meeting and Brendan presented the draft financial statements for the 2014 fiscal year in his absence. It was noted that the amounts were unaudited and therefore subject to adjustments as per the audit process.

#### **4. Regulatory Relations and Advocacy**

##### **a. CCIR Stakeholder Meeting: Jan 28/15**

Similar to previous years, CAFII provided the discussion agenda for this recent stakeholder meeting with CCIR and, overall, the meeting was positive. CCIR is moving ahead with a Supervisory College approach, modelled after the IAIS. This will lead to some of the larger provinces supporting the smaller ones. The Supervisory College will take a principles-based approach and will allow the regulators to be more proactive and to pose questions more frequently to the industry. CAFII members were thanked for complying with the CCIR's July 2013 request that they give regulators advance notice whenever they are introducing new products into the market or substantially changing a consumer-focused process.

*John left the meeting at 1:30 pm by teleconference.*

##### **b. Meeting with Eric Stevenson, AMF: Jan 30/15**

Approximately 10 CAFII representatives met with Eric Stevenson and Louise Gauthier from the AMF on January 30 to discuss recent developments in Quebec with respect to the AMF's distribution guide template and plans for a new Quebec position paper consultation on e-commerce in insurance.

The e-commerce position paper will outline principles that can be codified in a Regulation. There will be a 60 day consultation period on the position paper, expected to be released within the next several weeks, with the goal being to complete the process by the end of 2015. Eric Stevenson indicated that while the idea is not to force the customer to go through an advisor channel, it is still important to make toll-free, call centre and click-to-chat access to an agent available throughout the buying process.

On the Distribution Guide template, the AMF is going to allow for greater flexibility and not be so prescriptive; however, CAFII representatives in attendance at this meeting felt that there still isn't clarity on the issue of compensation disclosure. The AMF intends to develop a draft Regulation – under the current Distribution Act, if necessary. The draft Regulation, rather than a position paper, will be released for a brief period of industry consultation, with the goal of having that Regulation passed and proclaimed by the end of 2015.

CAFII members have enjoyed a cordial and productive working relationship with Eric Stevenson and other AMF staff executives over a number of years, which is evidenced by the open dialogue that occurred at the January 30/15 liaison meeting.

*Rose left the meeting at 1:40 pm by teleconference.*

##### **c. Travel Insurance Pan-Industry Project Group (TIPIP)**

Brendan reported on the separate stakeholder meeting that TIPIP had with CCIR on January 28/15. One representative from each participating Association was in attendance, along with Jill McCutcheon, legal counsel to TIPIP, who served as the group's spokesperson.

Overall, TIPIP's stakeholder meeting with CCIR had gone well; however it was revealed afterwards that some viewed the questions by regulators' as a strong push back, and that the CCIR was disappointed with TIPIP's proposed solutions, thus far. In recent days, CCIR put out a media release announcing that a review of travel insurance is a 2015 priority and inviting consumers to submit their experiences with travel insurance.

EOC members agreed that CAFII should work on travel insurance issues internally, in addition to participating on TIPIP, thereby offering additional resources to support the TIPIP initiative. CAFII members have expertise in the area of distribution, and their expertise could potentially move things forward within TIPIP once we have performed our own work on it.

Sue, co-chair of the Research & Education Committee, noted that a parallel conversation about investigating travel insurance issues had occurred within that committee. It was suggested that CAFII might want to undertake a survey to confirm if there is, in fact, a consumer confidence issue around travel insurance, as this is the crux of the issue in the minds of regulators. In addition, if there are issues being raised at TIPIP that aren't being pursued, then perhaps CAFII can pick up on those as well.

*Discussion continued on page 5 under 5.c.ii(c). Travel Insurance Project.*

**d. Regulatory Update**

Brendan presented the Regulatory Update as provided in the meeting package.

- Independent Financial Brokers of Canada (IFB) Letter Re. 5 Year Review of the Credit Unions and Caisses Populaires Act (CUCPA). It was suggested and agreed that CAFII should look into the merits of sending a letter to Laura Albanese, Parliamentary Secretary to Ontario's Minister of Finance and leader of the CUCPA Review, for the purpose of correcting misinformation contained in the IFB's CUCPA submission that is critical of alternate distribution of insurance.

**Action:** CAFII to investigate the merits of sending a letter to Laura Albanese, leader of the Ontario 5-Year Review of the Credit Unions and Caisses Populaires Act, to address any misinformation contained in other industry Association submissions and providing facts that may be of interest. *[Brendan; Feb 27, 2015]*

**e. Regulator and Policy-Maker Visit Plan**

Brendan highlighted recent updates to the Regulator and Policy-Maker Visit Plan. He noted that the CLHIA's 2015 Compliance and Consumer Complaints Annual Conference – taking place in Quebec City from April 29 to May 1 – would likely again present valuable opportunities for liaison visits with regulators targeted in the Visit Plan, who would be in Quebec City to speak at or attend the conference.

Several EOC members indicated that they would be attending this upcoming CLHIA Conference, including Greg Grant, Moira Gill and Isabelle Choquette.

**Action Items:**

- Review the list of regulators attending the CLHIA Compliance and Consumer Complaints Annual Conference for opportunities to meet with regulators who will be in attendance, and build that into the Regulator and Policy-Maker Visit Plan. *[Brendan; tba]*
- Investigate a potential meeting with Gerry Matier in Toronto, around the CISRO Stakeholder Information Sessions (Feb 27/15), to discuss BC's 10-Year Review of the Financial Institutions Act and any other CAFII issues in this jurisdiction. *[Brendan; asap]*

## 5. EOC Committees Updates

### a. Media Advocacy Committee

To date, this new committee has met only once due to scheduling difficulties and the loss of some members. It was agreed that the committee shall continue to meet with the few members it has, in order to advance the few deliverables to which it has agreed.

### b. Market Conduct Committee

#### i. Bill 177, The Insurance Act (Saskatchewan)

CAFII's submission on Saskatchewan's Bill 177 has been drafted and will be circulated to EOC members imminently, in order that member FI feedback can be incorporated and the submission finalized to meet CAFII's February 23/15 deadline.

CAFII will also be sending a congratulatory letter to Roger Sobotkiewicz, the new Interim Chairperson of the Financial Consumer Affairs Authority and Superintendent of Insurance in Saskatchewan, and the letter will briefly reference CAFII's submission on Bill 177.

**Action:** A congratulatory letter to be sent to Roger Sobotkiewicz, Interim Chairperson of the Financial Consumer Affairs Authority and Superintendent of Insurance in Saskatchewan, including a high level reference to CAFII's submission on Bill 177, The Insurance Act (Saskatchewan). *[Brendan; asap]*

*John joined the meeting at 2:30 pm by teleconference*

### c. Research & Education Committee

This committee recently met to discuss and refine its 2015 work plan which includes the following major initiative:

#### i. CAFII Value Proposition Project

Towers Watson (TW) provided an analysis of the CAFII results in December and CAFII members have since provided feedback, which has been accepted in as much as it doesn't impact TW's position as an independent, third party actuarial services provider. In addition, TW was asked if it would be willing to entertain including in its report certain analyses outside of the initial contract that would be of interest to CAFII members; and TW has since submitted a proposal for those items.

The CAFII Value Proposition Project subcommittee presented a proposal to incur additional expenses with TW, a summary of which was included in the meeting materials. EOC members agreed that the additional statistics suggested in the proposal would be valuable.

APPROVED: Members confirmed acceptance of the Towers Watson proposal for additional analytical and reporting services as presented, up to \$11,500 for the aggregate report and \$3,150 for 7 individual CAFII member reports. This work and the corresponding expenses are in addition to the initial project scope and associated fees.

**ii. Other Potential 2015 Initiatives:**

- a) Media Advocacy Playbook (June). The committee discussed developing a core list of issues being discussed in the media and with regulators; and conducting additional research on these issues. The goal is to develop a plan in June.
- b) Customer Satisfaction Poll (May – July). Conduct a follow-up study to see if there's any change from the initial CAFII poll conducted in 2010. In addition, a consumer confidence survey on travel insurance may offer a top line read on this issue.
- c) Travel Insurance Project. *The following is a continuation of discussion that occurred on page 2, under 4.c.* Travel insurance products distributed by CAFII members are simple and are offered by financial institutions. Members agreed that performing a gap analysis would be worthwhile and to this end it was agreed that the first step would be to assemble a group of travel experts. Leya will provide Sue with a list of travel experts.

The CCIR Working Group on Travel Insurance will be conducting a survey in April 2015 and, overall, its work is expected to be a two-year process. In addition, CAFII has an opportunity to advise the CCIR Working Group on what its industry survey should include.

The idea of a separate CAFII survey was tabled and it was suggested that, if this were done, the work would need to be performed through an independent, third party expert to comply with CAFII's competition guidelines.

In addition it was suggested that CAFII conduct a consumer survey of its own on travel insurance, in parallel to the CCIR's work on travel insurance. Proposed timing for CAFII survey: collate survey, June – October; release survey, November – January.

**Action:** CAFII to form an internal travel insurance project group, led by the Research & Education committee. Travel insurance resources and expertise to be sourced from Desjardins, CIBC, TD, RBC and a request to be issued to the remaining member companies by email. [Sue; tba]

*Rose joined the meeting at 3:00 pm by teleconference.*

**d. Licensing Efficiency Issues Committee**

This committee's 2015 work plan and deliverables shall be discussed at its upcoming meeting on Friday, February 20/15.

**e. Events and Networking Committee**

Speaker suggestions are being solicited for the CAFII Regulator Reception on April 7/15. In previous meetings, it was indicated that Paul Yeung had reached out to Brian Mills, the new Interim CEO and

Superintendent of Insurance at FSCO, to speak and Maria shall touch base with him on the result. Maria is also following-up on other suggestions including the Senior Legal Counsel from AMEX.

Members were advised that the FCAC had posted pictures on Facebook from last week's CAFII Annual Members' Luncheon which can be viewed publicly. In an effort to maintain good relations with allied industry Associations, it was decided that a heads-up message shall be provided to them with respect to future CAFII members' only events, to which we are not in a position to invite their participation.

**Action:** Follow-up on the potential speakers for April 7/15 including Brian Mills, Interim CEO and Superintendent of Insurance at FSCO. *[Maria; asap]*

## **6. CAFII Strategy Session & Discussion**

## **7. Other Business**

### **a. Consultant**

Members were advised that former consultant, Anne Riley, had been contracted to help with additional work on CAFII's website and to prepare a regulatory newsletter – using Brendan's Regulatory Update as the primary content source – for distribution to the regulator and policy-maker audience.

### **b. Thank You Luncheon: Paul Yeung**

Members were advised that a thank you luncheon for Paul Yeung shall be arranged in future and invites will be issued, upon confirmation.

## **8. Termination**

There being no further business, the meeting was terminated at 3:40 p.m.

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Date

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Chair

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Recording Secretary