

CAFII EOC Meeting Minutes

Tuesday, March 24, 2015

Location: CIBC Insurance

Commerce Court, 199 Bay Street, 4th Floor [Imperial Room], Toronto, ON

Present:

Charles Blaquiere	Canadian Premier Life Insurance Co. <i>(by teleconference)</i>
Rose Beckford	ScotiaLife Financial
Emily Brown	BMO Insurance
Andre Duval	Desjardins Financial Security Life Assurance
Eleanore Fang	TD Insurance <i>(by teleconference)</i>
Moiria Gill	TD Insurance
Greg Grant	CIBC Insurance, <i>Chair</i>
Sue Manson	CIBC Insurance <i>(by teleconference)</i>
Rosemary Pulla	BMO Insurance
Maria Sanchez-Chung	TD Insurance <i>(by teleconference)</i>
Jodi Skeates	The CUMIS Group <i>(by teleconference)</i>

Regrets:

Carol Allen	Assurant Solutions
Derek Blake	RBC Insurance
John Lewsen	BMO Insurance
Diane Quigley	The CUMIS Group
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 2:30 pm. Greg acted as Chair and Leya acted as Recording Secretary.

2. Approval of Agenda and Previous Minutes

The agenda was approved with the following amendments.

- *Item 5.c (i) CAFII Value Proposition Project will be an update.*
- *Item 5.c (ii) Travel Insurance Project update will be provided by Emily.*

a. EOC Minutes of February 17, 2015

The EOC Minutes of February 17, 2015 were approved with the following amendment:

- *Item 2.b. Summary of Board and EOC Action Items to read as follows: The Action Items were reported to be either completed and those that weren't would be discussed.*

b. Summary of Board and EOC Action Items

Brendan reviewed the Summary of Action Items list with members as follows:

- Item 1. Letter to Laura Albanase. Greg and Brendan discussed the merits of sending a letter to Ms. Albanase and decided against it due to the potential of getting into a letter writing war with Advocis and/or the Independent Financial Brokers of Canada (IFB).
- Item 2. Submission to the Ontario Credit Unions 5-Year Review. CAFII will not be making a submission on this.
- Item 5. A CAFII letter of support for CLHIA's proposed Terms of Reference for an RIA Advisory Committee to the Executive Director of the Insurance Councils of Saskatchewan shall be sent to Ron Fullan. It was agreed that the Action Item should be updated to remove the reference to CAFII requesting legal counsel to revise its own proposed Terms of Reference for an RIA Advisory Committee into legal language.

Action items not discussed above either have been completed or will be addressed in today's agenda.

3. CAFII Financial Management

a. Financial Statements as at February 28, 2015

The Statement of Operations shows a small surplus of revenue over expenses of \$37,390 and there is nothing out of the ordinary on the statement. CAFII has a maturing investment coming due in a few months, at which point the EOC will be approached regarding the amount to be re-invested and whether additional funds should be added. Unrestricted net assets are at \$320,815.

Members were advised that AMEX Bank of Canada' CAFII informed Brendan that Director, Vivianne Gauci, is no longer with AMEX and we are currently waiting for more information from AMEX regarding her successor.

b. 2014 Draft Audited Financial Statements

Raja provided a brief introduction of the 2014 Audited Financial Statements. Some minor adjustments to the wording will be proposed by Brendan and Raja, and an updated version of the audited statements shall be presented at the next Board of Directors meeting for approval.

Action: Revisions to be requested and the updated draft audited financial statements to be presented to the Board of Directors on April 7, 2015. *[Raja, Brendan; Mar 30, 2015]*

4. Regulatory Relations and Advocacy

a. CISRO LLQP Implementation

Brendan reported that Ron Fullan, Chair of CISRO's LLQP Committee, had reported at the February 27/15 Stakeholder Information Session that the per-student registration cost for the modernized LLQP would be a maximum of \$140. This amount could be lower as it includes a conservative estimate of the legal costs of defending against suits that have been filed against it.

b. Canadian Insurance Participant Registry (CIPR)

The new Chief Operating Officer of the Alberta Insurance Council (AIC), Anthonet Maramieri, reached out to Brendan recently advising that a new beta version of the Canadian Insurance Participant Registry (CIPR) is now available and the AIC is welcoming feedback on the latest iteration of the registry.

c. Potential Membership Application: Canadian Securities Institute (CSI)

Debra Bell, a representative from the Canadian Securities Institute (CSI) which is an LLQP course provider, also contacted Brendan recently regarding CAFII Associate status and he will be meeting with her and a CSI colleague in a few weeks to discuss this opportunity in more detail.

d. Meeting with G. Matier, BC: Feb 27/15

BC is considering nominations for a non-voting member position on council and CAFII members were asked to consider recommending an individual from their channel.

Members were also informed of an Insurance Council of BC proposal – to be brought forward during the upcoming formal consultation around the 10-Year Review of the province's Financial Institutions Act -- that would place a dollar limit on the amount of creditor's group insurance that can be sold under the licensure exemption that CGI currently has in BC. In speaking to other regulators in BC, M. Gill reported on other suggestions including product constraints instead of channel constraints. There was general EOC consensus that CAFII may need to be active in the upcoming Review of the FIA consultation; it was also agreed that a letter should be sent in response to the consultation; and consideration be given to conducting an education campaign on the Underserved Market with BC regulators and policy-makers.

Action Items:

- Draft CAFII response to Insurance Council of BC's proposal – to be put forward during the 10-Year Review of the Financial Institutions Act -- that a dollar limit ceiling be imposed on the amount of coverage that can be sold under the province's licensure exemption for CGI; and determine how our position should be communicated and to whom. *[Greg, Brendan; tba]*
- Investigate potential regulatory visit opportunities with licensing regulators from CISRO members during the CISRO LLQP Stakeholder Information Sessions that will be held in Toronto in June and September 2015, and add them to the Regulator and Policy-Maker Visit Plan. *[Brendan; Apr 21/15]*

e. Travel Insurance Pan-Industry Project Group (TIPIP)

Subsequent to the last EOC Meeting, Greg and Alex Bittner, current President of THiA, received confirmation from CLHIA that TIPIP will no longer meet. Instead, the CLHIA is forming a new committee of senior company representatives that will move this forward from a CLHIA perspective. Members were in agreement that CAFII will move forward on its own, in addition to working with our CLHIA representatives, and we anticipate that this work will advance quickly. CAFII will focus on issues specific to distribution while the CLHIA will have a broader mandate.

f. Regulatory Update

- CCIR. Carol Shevlin shall be retiring at the end of 2015, and she has agreed to attend CAFII's December Reception where she will be recognized for her many years of service to the industry and have an opportunity to say farewell to industry contacts.
- Ontario Review of FSCO's Mandate. Members were reminded of a past review in which suggestions were made that Ontario should move toward introducing a life agent counsel, a suggestion that was actively opposed by CAFII members. Based on this as well as the make-up of the recently announced three-member advisory panel, there is a possibility that a fundamental shift in the insurance regulatory environment in Ontario could occur. CLHIA has put out a call for individuals to work on this matter and CAFII may want to be actively involved as well. A consultation paper is expected to be posted online in early June for stakeholder and public input, with a report to be finalised in late Fall. The proposed update for the Board meeting on April 7th, includes raising awareness of this matter and reporting that a preliminary plan shall be formulated at the next EOC meeting. Members cautioned not to make assumptions about what the committee will ultimately recommend and to keep an open mind pending actual publication of the consultation paper.

Action: Draft a preliminary plan regarding the ON Review of FSCO's Mandate for Board consideration. *[Moir, EOC; April 28/15]*

g. Regulator and Policy-Maker Visit Plan

The Regulator and Policy-Maker Visit Plan includes today's meeting with CCIR Working Group on Travel Insurance Chair, Harry James. Brendan will also be adding potential meetings that will be scheduled around the CISRO meeting in June.

5. EOC Committees Updates

a. Media Advocacy Committee

Brendan reported on behalf of Charles who was unable to attend this portion of the meeting. The committee's biggest challenge currently is confirming new members. The remaining members have met since the last EOC meeting and are working on eight high level points, including a review of the FAQs drafted by Brendan.

TD Insurance and Desjardins confirmed they will be appointing replacement committee members in the next week.

b. Market Conduct Committee

Rose thanked members of the committee who stepped up to help with the Saskatchewan Bill 177 submission recently.

i. Saskatchewan Bill 177: Meeting with Jim Hall & Jan Seibel

A conference call was held with the leaders of Saskatchewan Bill 177 in response to CAFII's submission, and Jim Hall and Jan Seibel will be following up on a few questions raised in the submission. It will be important to focus on the regulations that will be drafted in the summer of 2015, and then released for a promised thorough consultation with industry. At this time,

some industry stakeholders feel there are issues of great concern about Bill 177 that remain outstanding.

c. Research & Education Committee

i. CAFII Value Proposition Project

The CAFII Value proposition project report was expected to be available for the EOC at today's meeting; however, the working committee felt there were still too many revisions to be made. Overall, the committee is pleased with the report, noting that Towers Watson has proven to be more objective in its findings by providing more data and comparisons, and less positioning.

ii. Travel Insurance Project

Emily reported that members of the newly formed travel insurance committee were asked to submit their hot button topics and the compilation of responses was included in today's meeting package. These experts were then asked which activities they were interested in participating in and this information was used to compile the action items / priorities list. In follow-up to the EOC's earlier discussion with the CCIR Travel Insurance Working Group Chair, Harry James, members suggested CAFII's travel experts could prepare a proposal that would meet the needs that CCIR has identified in its draft survey. Harry appeared open to feedback regarding how best to gather the information needed by CCIR.

Action: The Travel Insurance Action Items/Priorities to be presented to the Board of Directors on April 7th and members advised that the EOC will be proceeding under the existing subcommittee structure, working through the issues on the list. *[Emily, Sue; Apr 7/15]*

d. Licensing Efficiency Issues Committee

i. Invest New Brunswick Letter

A draft letter was included in the meeting package. Members requested that the point about an ISI regime, on page 5, be toned down or removed.

e. Events and Networking Committee

The next speaker presentation will occur on April 7th and EOC members were provided with a handout outlining the speakers from KPMG, Elizabeth Murphy and David Pelkola.

6. Other Business

7. Termination

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

Date

Chair

Recording Secretary