

CAFII EOC Meeting Minutes

Tuesday, May 26, 2015

Location: CIBC Insurance

Commerce Court, 199 Bay St, 4th Flr [Imperial Rm], Toronto, ON

Present:	Charles Blaquiere	Canadian Premier Life Insurance Co. <i>(for part by teleconference)</i>
	Rose Beckford	ScotiaLife Financial
	Derek Blake	RBC Insurance
	Jerome Savard	Desjardins Financial Security Life Assurance <i>(by teleconference)</i>
	Eleanore Fang	TD Insurance
	Greg Grant	CIBC Insurance, <i>Chair (by teleconference)</i>
	John Lewsen	BMO Insurance
	Sue Manson	CIBC Insurance
	Raja Rajaram	CIBC Insurance <i>(for part by teleconference)</i>
	Sari Scherer	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
	Moira Gill	TD 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 2:08 pm. G. Grant 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 April 27, 2015

Approved with the following amendment: Correction made on page 4, item 7.c (ii) from *FSO* to *FSCO*.

b. Summary of Board and EOC Action Items

B. Wycks reviewed the high level updates and all items have either been completed or will be discussed in today's agenda.

3. Strategy and Governance

a. Balanced Scorecard

B. Wycks provided an update on Saskatchewan Bill 177 and the Financial Consumer Affairs Authority's intention to have a thorough consultation around the draft Regulations. The FCAA has also advised that certain provisions in the recently passed Insurance Act will be amended or repealed via the Regulations, with a view to addressing industry concerns.

4. Regulatory Relations and Advocacy

a. CCIR Working Group on Travel Insurance

Following up on the EOC's meeting with Harry James on March 24/15, B. Wycks confirmed that the CCIR Working Group has not yet contacted OLHI or OBSI and does not intend to do so prior to disseminating the industry survey to travel health insurers. The Working Group feels that industry consultations have been sufficient to refine the survey and compressed timing was a factor. At this time, the Working Group believes that it will be in a position to release the survey at some point in June. .

Members expressed disappointment at the fact that the CCIR Working Group would not be consulting with OLHI and OBSI at this early point in time, noting that these ombuds services are key stakeholders who have much of the information that the Working Group is seeking.

b. BC 10-Year Review of Financial Institutions Act

A small group from CAFII met with Carolyn Rogers, CEO of FICOM and Superintendent of Insurance, on April 30/15 in Quebec City. She was unaware of the Insurance Council of BC's stated intention to put forward a proposal, during the consultation phase of the 10-year review, which would see a ceiling imposed upon the amount of creditor's group insurance that can be sold under the licensure exemption that CGI currently enjoys in the province.

To date, the Ministry of Finance has not yet released the public consultation paper that will formally launch the 10-year review, but it is expected to do so imminently.

c. BC "effecting" of CGI issue

On April 30, Carolyn Rogers advised CAFII that FICOM will soon issue an Information Bulletin to the industry on the 'effecting' of CGI issue. Target release date is June 1.

d. Consultation on Renewal of Agreement on Internal Trade

A consultation on renewing the Agreement on Internal Trade (AIT) is being conducted by the Ontario Ministry of Finance on behalf of all of the provincial premiers. The consultation document was received late so CAFII has been granted an extension to submit a response.

Members discussed the consultation and whether CAFII should submit a response. Portability of licenses is something CAFII could respond to and members recalled a past meeting, hosted by RBC and involving Ontario and Quebec, which would be relevant in this regard.

Action: Review CAFII archives for relevant meeting notes or submissions relating to the Agreement on Internal Trade. *[Leya; tba]*

e. Regulatory Update

B. Wycks advised members that the key items covered in the Regulatory Update would be raised under the various committee updates.

f. Regulator and Policy-Maker Visit Plan

B. Wycks provided an update on meetings with regulators recently held in Quebec City.

Looking forward, a meeting needs to be confirmed with David Weir, Deputy Superintendent of Insurance in New Brunswick.

Carol Shevlin will be retiring at the end of 2015 and, to date, her replacements haven't been announced. CAFII will recognize Carol during its reception event in December.

In the past, regular luncheons were held with Carol, which have proven beneficial to both CAFII and CCIR. Members wished to ensure that this continued with those replacing her.

Action: Set up lunch meeting for CAFII representatives with Carol Shevlin in the Fall 2015. *[B. Wycks; tba]*

5. EOC Committees Updates

a. Media Advocacy Committee

The Media Advocacy Committee met last Thursday and for most, this was their second meeting. Previously, members felt it was necessary to become more informed on the issues and media activity to date, starting with their own FI and internal ombudsman. Interest was also expressed in obtaining relevant complaints data from OLHI and OBSI. Members confirmed that many of the issues being reported internally were consistent with the hot button issues listed in the Excel document provided by Charles, all of which were grouped according to accessibility, sales practices, claims adjudication and processing.

Committee members are seeking clarification on the role of CAFII in addressing media issues. Members have fresh ideas because they haven't been directly involved and we want to encourage this as well as focusing on what to do when media calls or an issue comes up. In the process of defining CAFII's media advocacy, members wished to ensure that any messaging developed by CAFII remains consistent with what is being communicated by FI's and like-minded Associations (CBA, CLHIA).

b. Market Conduct Committee

The committee has completed its work on submissions to consultations in both Ontario and Saskatchewan, and is currently in a holding pattern until other matters are finalized by the relevant regulator. The future work plan includes responding to FSCO's Draft Statement of Priorities and a follow-up letter congratulating the AMF on its "Internet Insurance Offerings in Quebec" Report.

c. Research & Education Committee

i. Travel Insurance Project

A priority for the committee is working on a proposal for a Code of Conduct relating to travel insurance, including best practices for insurance and distribution. The work is still in the early stages and, to date, hot buttons have been developed as well as a time line for this project. The committee meets every two weeks and is currently reviewing a preliminary draft of Best Practices that would underlie and inform a Code of Conduct.

ii. Other Committee Updates

Travel Insurance Project

CCIR is not planning to conduct its own consumer research on travel insurance, so the CAFII group has proposed doing some consumer research via Pollara. To this end, a sub-sub-committee has been created comprised of Brigitte Gougeon from TD Insurance and a representative from RBC Insurance. To date, Pollara has been contacted and options have been provided regarding survey methodology and pricing. The research shall include such things as distribution and claims experience, product disclosure and understanding regarding what has been purchased.

CAFII Value Proposition Project

B. Wycks, E. Brown and S. Manson shall be reviewing the Towers Watson report as there are changes they would like Helene Pouliot to consider before the report is finalized. From this, there will be an agreement on what the individual insurers will receive in the form of an Executive Summary of the results, as well as extracting information that can be provided to other CAFII committees in the form of a fact sheet.

6. Financial Statements as at April 30, 2015

R. Rajaram reported on the financials as being healthy with a modest surplus at four months into the fiscal year. Currently, there are two items over budget, those being the Annual Members Luncheon and the Website; and those variances were previously reported on. All other items are under budget. The balance sheet is also healthy, including a bank balance close to \$400K and smaller amounts in the receivables column due to unpaid annual fees.

The three outstanding Associates have confirmed that their 2015 dues will be submitted in due course.

G. Grant and B. Wycks have developed a member retention plan for AMEX Bank of Canada and have reached out to the new director for a meeting. At this time, Amex's outstanding dues can be attributed to a lack of knowledge regarding CAFII and not necessarily a desire to cancel its Regular membership.

7. EOC Committees Updates

a. Licensing Efficiency Issues Committee

i. Ontario Review of FSCO Mandate

A CAFII delegation comprised of G. Grant, M. Gill, J. Lewsen, and B. Wycks met with members of the expert advisory panel on May 21, including Larry Ritchie, James Daw and David McLean.

The panel posed two key questions regarding the future of the financial services sector and structural models. Much of the time was spent providing background information and perspectives on alternate distribution and creditor's group insurance. The review panel had a list of items they wished to talk about, on which they asked CAFII to declare a position in its written submission, including

A possible merger between the Ontario Securities Commission (OSC) and FSCO.
EOC members discussed the feasibility of submitting something firm by this date given that Board members will need to be consulted in the process.

J. Lewsen provided a high level summary of the approach that CLHIA planned to take in its submission to the Expert Advisory Panel. He also shared the input for CAFII's submission that he had obtained from a discussion with CAFII Board member Peter McCarthy.

There was unanimous support for a proposal that in its written submission to the Expert Panel, CAFII should express high level endorsement and support for the points made in CLHIA's submission (particularly those related to maintaining a principles and risk-based approach to regulation; and maintaining strong leadership participation in CCIR and CISRO, as national co-ordinating bodies, and their harmonization initiatives); and then state its own distinct views on a handful of regulatory model issues of particular relevance to our members.

Deadline for submissions is June 5, 2015.

Action:

- Reach out to Erica Hiemstra and connect with Frank Zinatelli and Peter Goldthorpe at CLHIA, with a view to securing agreement on a transparent, reciprocal approach to aligning the Associations' respective submissions; and, if agreement is obtained, draft the CAFII submission based upon the approach outlined by the EOC to drafting. [B. Wycks; tba]
- Seek Rino D'Onofrio's views on CAFII's response to the FSCO Mandate Review, and provide them to B. Wycks. [D. Blake; asap]

b. Events and Networking Committee

The next Board meeting will be held on June 9, followed by a networking reception. At this time, speaker suggestions are being sought for the next Annual Members Luncheon (February 2016). During its previous meeting, the Board provided us with a challenge to source only speakers who reflect our mandate and key messages. To this end, a suggestion was put forward to invite the Expert Panel charged with Reviewing FSCO's Mandate to be presenters at a CAFII reception event.

8. Other Business

a. EOC and Board Meetings

L. Duigu reported the following outcomes and changes to future meetings:

- Based on the results of a recent meeting poll, the Fall Board Meeting in Quebec will proceed on October 6th.

- Due to the scheduling of a CISRO LLQP Meeting in the afternoon, the EOC Meeting on September 22 shall be held in the morning instead.

Members agreed that for the future, EOC meetings should be scheduled for two hours' duration: from 2:00 – 4:00 pm.

9. Termination

There being no further business, the meeting was terminated at 3:00 p.m.

Date

Chair

Recording Secretary