

## CAFII EOC Meeting Minutes

Tuesday, November 18, 2014

Location: Royal Bank Plaza, South Tower, Capital Markets  
200 Bay St., 5<sup>th</sup> Floor, [Dominion Securities Rm], Toronto, ON

<b>Present:</b>	Charles Blaquiére	Canadian Premier Life Insurance Co.
	Rose Beckford	ScotiaLife Financial
	Derek Blake	RBC Insurance
	Emily Brown	BMO Insurance
	Moira Gill	TD Insurance
	Greg Grant	CIBC Insurance, <i>Chair</i>
	Sue Manson	CIBC Insurance
	Rosemary Pulla	BMO Insurance
	Raja Rajaram	CIBC Insurance ( <i>by teleconference, for part</i> )
	Maria Sanchez-Chung	TD Insurance ( <i>by teleconference</i> )
	Paul Yeung	RBC
<b>Regrets:</b>	Carol Allen	Assurant Solutions
	Andre Duval	Desjardins Financial Security Life Assurance
	Eleanore Fang	TD Insurance
	John Lewsen	BMO Insurance
	Brian Wise	Assurant Solutions
	Cecilia Xiao	Assurant Solutions
<b>Also Present:</b>	Judy Dobbs	RBC
	Josh Whittingham	RBC
	Lenore Dunlop	T•O Corporate Services, <i>Recording Secretary</i>
	Brendan Wycks	CAFII Executive Director

### 1. Call to Order

The meeting was called to order at 1:30 pm. Greg acted as Chair and Lenore acted as Recording Secretary.

### 2. FCAC National Financial Literacy Conference Update

Judy Dobbs of RBC provided the following report on the FCAC National Financial Literacy Conference which she attended recently. A number of themes were clear at the conference including the overriding purpose of providing financial security; measuring results and outcomes; there is very little in the way of supporting data about what works and doesn't work in changing behaviours and raising the level of financial literacy; how to foster an environment in which not-for-profits don't fail but can quickly measure what works and doesn't work; existing research shows financial education doesn't necessarily show an increase in financial awareness/literacy.

- Consultations will be released in three different stages in 2015:
  - PHASE ONE: Seniors.
  - PHASE TWO: Aboriginals, low income and new comers to Canada.
  - PHASE THREE: Young Canadians (children, youth) and adults. Key area for youth is developing behaviour whereas for adults its behaviour modification.
    - Gamification through “edutainment” would work particularly well for the youth group, making it fun so they are learning without realizing it.
    - Another program matched contributions 2 to 1.
- FCAC created a Financial Literacy LinkedIn Group for networking and posting conference materials.
- FCAC unveiled a new resource database for consumers, educators and employers. They are asking groups with tools, resources and learning materials to upload the information to their database. These tools will be free and available to share with the public.

### 3. Approval of Agenda and Previous Minutes

The agenda was approved as presented.

#### a. EOC Minutes of October 28, 2014

The EOC Minutes of October 28, 2014 were approved as presented.

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

A number of items on the Summary of Board and EOC action items have been completed and discussion occurred on the following:

- The CUMIS Group new member application (#5-6). The interview meeting went very well and participants were comfortable that this new member is well-aligned the CAFII mission. BMO confirmed their support of the application and a resolution in lieu of a meeting was put forward to facilitate the addition of The CUMIS Group as a member of CAFII and thereby allow for the appointment of a new director to the board.
- British Columbia representation for banks-in-insurance sector (#13). Moira advised that BC may be looking at moving to an Incidental Sellers of Insurance (ISI) regime similar to the existing regimes in Alberta, Saskatchewan, and now Manitoba. Gerry Matier of the BC Insurance Council and Harry James of FICOM have both indicated that this prospect will be discussed as part of the upcoming 10-Year Review of the BC Financial Institutions Act (FIA). Greg shall represent CAFII at the roundtable in Vancouver.
- E. Roseman lunch meeting (#24). Media Committee has not committed to this yet.
- Strategy Session (#25). Members agreed on the benefit of a strategy session however, agreed some time should be set aside at the January EOC meeting to discuss expectations for such a session.

**Action:** Request legal counsel to develop draft by-law for Saskatchewan. [LEIC, Moira; TBA]

#### 4. CAFII Strategy Session

A practical strategy session using a facilitator would be ideal and this should be confirmed after the 2015 committees are finalised. A budget of \$10K has been set aside for the session and Greg proposed a further discussion on expectations before booking a facilitator and committing to a strategy session.

**Action:** CAFII strategy session to be added to the agenda for the next EOC meeting for an in-depth discussion and decision making. *[Greg; Jan 13, 2015]*

#### 5. CAFII Financial Management

##### a. Financial Statements as at October 31, 2014

Treasurer Raja Rajaram highlighted that the financials show a healthy balance sheet with \$346K net assets; there is nothing notable in the statement of operations; and the 2014 membership dues are now all fully paid.

##### b. 2015 CAFII Operating Budget Draft

Members were advised that the 2015 draft operating budget lists discreet expense items instead of grouping them by committee. Also, a discrepancy was noted in the financial reserves as at the end of 2013 fiscal year and will be investigated.

A Research budget of \$90k has been created and includes a survey on travel insurance, presentations by Towers Watson, IAIS Core Principles, and a LIMRA membership for CAFII (to provide greater access to industry data).

**Action:** Budget discrepancies to be reviewed and corrections made for presentation to the Board on December 2, 2014. *[Greg, Brendan; Nov 28, 2014]*

##### c. Expense Reimbursement Policy Draft

CAFII's Expense Reimbursement Policy was reviewed and changes are being proposed to increase the maximum reimbursement limit for hosting a CAFII meeting and reception and to clarify the general rules around what expenses are eligible for reimbursement.

The current \$4,500 limit was set in 2007 and the average cost of hosting an event has increased substantially since then. In order to determine the current average cost, Leya was asked to provide invoices from the events held over the last three years. In addition, it was noted that all reimbursement requests must be accompanied by an expense statement.

Reimbursement for CAFII Board and EOC members' travel-related expenses for regulator visits was also discussed, and members agreed that reimbursement will only be available in the event that travel was required exclusively for CAFII business and no other company business was involved. It was also agreed that these situations should be discussed on a case-by-case basis by the EOC.

It was agreed that the last paragraph in the revised draft policy should be removed except for the last sentence.

**Action:** Previous three invoices relating to Board hosting to be provided to Greg in order to identify a more reasonable limit for reimbursing hosts. *[Leya; Nov 28, 2014]*

## 6. Regulatory Relations and Advocacy

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

The TIPIP Briefing Document for CCIR was submitted on November 3 and since then the group has met once. Harry James of BC FICOM and Chair of the CCIR's new working group on travel insurance, will be in town in December and wants to meet with TIPIP. Media preparation was discussed and Karen Voin (CLHIA) has prepared some statements to be delivered to media, if required. The focus of the next TIPIP meeting will be a GAP analysis and FAQs.

### b. Ontario Credit Unions Act 5-Year Review

The Ontario Credit Unions Act 5-Year Review was launched recently and the deadline for comments is January 15, 2015. Consultation sessions have been held across Ontario and CAFII is considering making a submission. Members agreed to consult CAFII's two existing credit union members for input and potential leadership on this. In addition past submission shall be reviewed, particularly those concerning broader access to insurance distribution, to ensure CAFII remains consistent with past messaging.

**Action:** CAFII to consider making a submission on the Ontario Credit Unions Act 5-Year Review (Deadline Jan 15, 2015). Follow-up on Greg's email suggesting our two credit union members lead this initiative and report back to EOC. *[Brendan, Greg; January 13, 2015]*

### c. Regulatory Update

- Quebec. The AMF plans to launch the next phase in its consultation on electronic commerce in early 2015. Unlike the previous position paper which only asked questions, this latest consultation paper will set out guidelines and principles.

EOC members asked Brendan to arrange a meeting with the AMF's Eric Stevenson, to discuss both the e-commerce consultation and the next steps in the Distribution Guide template initiative while he is in Toronto for the CCIR Stakeholder meetings in late January 2015.

### d. 2015 Regulator and Policy-Maker Visit Plan

The Regulator and Policy-Maker Visit plan was recently overhauled with a focus on preparing for future visits with regulators and not documenting past visits. Highlights of the document include:

- Potential need to visit to regulators in Western Canada around insurance legislation reviews and representation for restricted licence holders in the provinces that have ISI regimes.
- PEI will be reviewing their provisions for Life and Disability, noting they are likely to mirror Alberta and British Columbia. It would be beneficial to make a follow-up call or request a meeting in Toronto when the Superintendent of Insurance Robert Bradley is in town.
- It was agreed that CAFII should pursue a meeting with regulators only when there is a specific issue to be discussed. Meeting regulators once every 18 months is desirable but more informal visits can occur when they are in Toronto.

- CCIR is holding its spring 2015 meeting in Toronto which could also provide an opportunity to meet with regulators.

## **7. Update on Transition Arising from Board Direction on Media Advocacy**

See section 8.c.

## **8. EOC Committees Updates**

### **a. Distribution and Market Conduct Committee**

#### **i. CAFII Value Proposition Project**

Sue summarised the high level results from Tower Watson study. The working group on the project recommends presenting the high-level statistic to the board at their next meeting in December, and a follow-up presentation at their April meeting second half of the survey.

### **b. Licensing Efficiency Issues Committee**

As discussed previously under Board & EOC Action Items.

### **c. Media Communications Committee**

Charles Blaquiére shall chair the new committee on Media Communications.

In terms of the other committees:

- Networking and Events committee – no change
- Licensing Committee – no change
- Media & Advocacy Committee – not continuing and responsibilities being redistributed
- Distribution and Market Conduct Committee work to be split into a Research Committee and Regulatory Submissions Committee.
- Regulatory Relations –the Executive Director provides leadership in this area and is supported by the EOC.

Next steps will be to solidify the committees, confirm co-chairs for each as well as members.

### **d. Events and Networking Committee**

#### **i. December 2 Board Meeting and Reception**

This meeting has been confirmed at the Arcadian Lofts and invitations were sent out recently.

## **9. Other Business**

### **a. 2015 Draft Meeting Calendar**

The 2015 draft meeting calendar was included in the package for review and members are asked to communicate any conflicts to Leya and Brendan.

- Next Board Meeting is December 2, 2014
- Next regular EOC Meeting is January 13/14 followed by EOC Annual Dinner at 5:30PM

**10. Termination**

There being no further business, the meeting was terminated at 4:05 p.m.

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Date

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Chair

\_\_\_\_\_  
Recording Secretary