

CAFII EOC Meeting Minutes
Tuesday, October 27, 2015
Location: ScotiaLife Financial
20 Queen St. W, 35th Floor, Toronto, ON

Present:

Carol Allen	Assurant Solutions (<i>by teleconference</i>)
Rose Beckford	ScotiaLife Financial
Derek Blake	RBC Insurance (<i>by teleconference</i>)
Isabelle Choquette	Desjardins Financial Security Life Assurance (<i>by teleconference</i>)
Moirra Gill	TD Insurance
Greg Grant	CIBC Insurance, <i>Chair</i>
John Lewsen	BMO Insurance (<i>for part by teleconference</i>)
Sue Manson	CIBC Insurance
Jamie Paradis	BMO Insurance (<i>by teleconference</i>)
Diane Quigley	The CUMIS Group (<i>for part by teleconference</i>)
Raja Rajaram	CIBC Insurance (<i>for part by teleconference</i>)
Maria Sanchez-Chung	TD Insurance (<i>by teleconference</i>)
Ana Vu	BMO Insurance (<i>by teleconference</i>)

Regrets:

Charles Blaquiere	Canadian Premier Life Insurance Co.
Eleanore Fang	TD Insurance (<i>by teleconference</i>)
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 2:05 pm. G. Grant acted as Chair and Leya acted as Recording Secretary.

2. Approval of Agenda and Previous Minutes

a. EOC Minutes of September 22, 2015

Approved as presented.

b. Board Minutes of October 6, 2015

Approved with the following amendment: Rose to be added to the list of attendees.

3. Strategy and Governance

a. Balanced Scorecard

- BC Regulator Visit: A CAFII delegation will be meeting with the BC Ministry of Finance on November 10th. An additional meeting has been requested with members of FICOM for the

purpose of discussing FICOM's Information Bulletin on creditor's group insurance. CAFII attendees include Peter McCarthy, Kelly Tryon, Brendan and Greg.

4. Regulatory

a. CAFII Consultations/Submissions Timetable 2015-16

i. BC FICOM 10-Year Review of FIA

The current timetable has the review reaching completion in mid-2017. However, it could be delayed depending on the outcome of the provincial election in May 2017. CAFII will continue to monitor developments in this province.

ii. QC Review of Distribution Act

The Quebec Ministry of Finance received over 330 submissions, with the largest volume coming from individual members of the broker community who feel online distribution of insurance should not take place without a representative.

iii. SK Bill 177

Jan Seibel has advised the draft Regulations will not be released until early in 2016 and the deadline for submissions is March 2016. Members discussed the potential effects of the looming legislative changes in Saskatchewan on member business. While CAFII was not opposed to most of the changes, some elements weren't favourable and we will not know their impact until we see the draft regulations.

Action: The Regulatory Update to be sent to Moira for review and consideration of operational concerns. *[Brendan; asap]*

b. Regulatory Update

- CCIR's proposed requirement for insurers to submit an Annual Statement is expected to be a time-consuming exercise, as it will seek detailed breakdowns by product. The proposal came out of the CCIR Fall Meeting and, to date, the timing of when the Annual Statement will be implemented has not been communicated. Members expressed concern regarding the Annual Statement and it was noted that some comparisons are being made with similar requirements for insurers in California. Related to this, CCIR's new framework for co-operative market conduct activities was adopted at the Council's Fall Meeting, but it and the Annual Statement are not yet publicly available.

Action: Request a copy of the CCIR framework document. *[Brendan, tba]*

- Alberta Insurance Council (AIC): The AIC is currently reviewing the products that are suitable for sale under an RIA license, to rein in perceived instances of "scope creep". The CLHIA has learned that most of the perceived problems in this area are on the P&C insurance side although others are hearing concerns related to critical illness insurance. Some members thought that the issue had been resolved during a recent CLHIA meeting.

Action: The minutes of the recent CLHIA meeting addressing creditor insurance issues related to an RIA license in Alberta to be reviewed and confirmation provided that the issue has been resolved. [Rose; tba]

c. Regulator and Policy-Maker Visit Plan

CISRO LLQP: Ron Fullan will be joining us after the EOC meeting to provide an update on the new LLQP.

Action: Depending on the content of the Expert Panel's Preliminary Position Paper on FSCO's mandate, a follow-up meeting to be requested with the Panel via David McClean. [Brendan; tba]

5. EOC Committee Updates

a. Media Committee

The media committee will be updating the hot buttons document, based on feedback from the Board. The goal is to develop consumer content for the website and, to this end, Charles, Greg and Brendan have consulted a media firm and a former marketing and communications person for their advice. The tentative plan is to refresh the communications strategy and its implications, for presentation to the EOC before advancing the strategy to a Board meeting.

b. Market Conduct

Much of the committee's work has already been addressed in the regulatory updates provided earlier in this meeting. A meeting was held recently to discuss the BC FICOM Information Bulletin on CGI and a potential CAFII response to it. At this time, we will piggyback on the work of the CLHIA working group has formed for this purpose. A follow-up meeting of the Market Conduct Committee has been scheduled to discuss the results of the CLHIA working group.

c. Licensing

FSCO's Licensing & Market Conduct Division is considering whether to conduct on-site examinations at call centres and customer contact centres.

Action: A meeting of this committee to be scheduled. [Leya; tba]

d. Events and Networking

The next speaker event is the Annual Members Luncheon in February 2016 and Maria is currently seeking speaker suggestions. Potential topics and speakers discussed included Jill McCutcheon, someone from the AMF on sound commercial practices, and a panel on Market Conduct with speakers from CCIR's Insurance Core Principles Implementation Committee chaired by Laurie Balfour. Market conduct will be an important topic in 2016 so a presentation on this area would be timely.

6. Financial Update

Brendan presented the financial statements on behalf of treasurer Raja Rajaram, noting two sizeable expenses that had recently been processed and additional work from Pollara still to be requested. It is anticipated that the Association will end the year with a modest surplus. Three membership payments remain outstanding at this time, all of which are expected to be paid before the end of the year.

Feedback was provided regarding the source of one delay and TOCS was requested to ensure invoices are accurate before being issued in future.

Action: TOCS to ensure invoices are accurate before being issued in future. [Leya; tba]

7. EOC Committees Updates *continued*

a. Research & Education

CAFII Travel Insurance Research

The results of the CAFII travel insurance consumer survey were presented to the Board at its last meeting. It was agreed that CAFII will collaborate with CLHIA on the travel insurance initiative by sharing the survey results and discussing next steps which could include a joint presentation to CCIR. The travel insurance consumer research executive summary has been provided to CLHIA. The CLHIA is taking a phased approach to the industry research and has recently completed phase one. Seven recommendations have been developed for approval by a Standing Committee before advancing to the CLHIA Board. Within the CLHIA, members discussed the recommendations and their feasibility, noting a general lack of precision and industry inclusiveness. The recommendations were developed to address the main areas of concern including disclosure, education and training. If accepted, they could have a significant impact on business operations. CLHIA members had an opportunity to offer feedback; however, only minor changes were adopted as a result.

The activities of CAFII's travel insurance working group were shared with CLHIA, including the consumer survey and the initiative to develop common language for exclusions and definitions. Also shared was the CAFII initiative to develop a travel medical insurance distributor code of conduct.

The CLHIA's current plan is to present its seven recommendations to the CCIR in December, following which the task force will be disbanded and the CLHIA Travel Committee will assume responsibility for the file. It was agreed that further outreach to the CLHIA needs to occur prior to their recommendations being presented to the CCIR. In addition, questions were raised regarding travel insurance by Patrick Dery during CAFII's industry issues dialogue with AMF staff executives on October 6/15, and our presentation should address these as well.

Action: CAFII to contact CLHIA regarding their seven recommendations and specific member concerns. [Greg, Brendan?; tba]

8. Termination

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

Date

Chair

Recording Secretary