

CAFII EOC Meeting Minutes

Tuesday, September 22, 2015

Location: CIBC Insurance, Commerce Court
 199 Bay Street, 4th floor [Imperial Room], Toronto, ON

Present:	Charles Blaquiere	Canadian Premier Life Insurance Co.
	Derek Blake	RBC Insurance
	Eleanore Fang	TD Insurance (<i>by teleconference</i>)
	Moirra Gill	TD Insurance (<i>by teleconference</i>)
	Greg Grant	CIBC Insurance, <i>Chair</i>
	John Lewsen	BMO Insurance
	Sue Manson	CIBC Insurance
	Jamie Paradis	BMO Insurance
	Raja Rajaram	CIBC Insurance (<i>for part by teleconference</i>)
	Maria Sanchez-Chung	TD Insurance (<i>by teleconference</i>)
	Ana Vu	BMO Insurance
Regrets:	Carol Allen	Assurant Solutions
	Rose Beckford	ScotiaLife Financial
	Isabelle Choquette	Desjardins Financial Security Life Assurance
	Diane Quigley	The CUMIS Group
	Jodi Skeates	The CUMIS Group
Also Present:	Leya Duigu	T•O Corporate Services, <i>Recording Secretary</i>
	Alexandra Franek	Pollara (<i>present for part</i>)
	Brendan Wycks	CAFII Executive Director

1. Call to Order

The meeting was called to order at 10:10 am. G. Grant acted as Chair and Leya acted as Recording Secretary.

2. Approval of Agenda and Previous Minutes

a. Approval of Agenda

The agenda was approved as presented.

b. Approval of EOC Minutes of June 23, 2015

Approved as presented.

c. Approval of EOC Minutes of August 25, 2015

The title of item 2.h(i) was revised as follows: *Canadian Underwriter and the Bank Act*. The minutes were approved as amended.

d. Summary of Board and EOC Action Items

Brendan reviewed the action items with members and discussion occurred on the following.

- Ontario Review of FSCO Mandate. The chair of the expert panel holds a negative opinion of CCIR, to which industry participants at the roundtable meetings pushed back on. CAFII shall include commentary on the positive work of the CCIR in its follow-up letter to the panel.
- Carol Shevlin, CCIR: Updated content on CCIR's Policy Manager succession is available in today's Regulatory Update. The first of two successor appointees has been named and Carol's retirement date has been pushed forward. A relationship transition lunch meeting will be requested with Carol and her two successors before her departure and EOC members will be invited to attend (maximum of 5). Finally, as a token of appreciation, Carol has been invited as the guest of honor at CAFII's December reception. Brendan will advise members of the lunch date once it is confirmed.

3. Strategy and Governance

a. Balanced Scorecard

- BC FICOM Effecting of CGI. Kristine McTaggart Wright left FICOM's employ in August, which delayed release of the Information Bulletin. The new lead on this file is Chris Carter, Deputy Superintendent, Real Estate and Mortgage Brokers. Members acknowledged there are some serious implications to this file based on the recently released Information Bulletin.
- ON Ministry of Finance: Implementation of "Proposed Regulations Related to Parts V and VII of the Insurance Act," which are set to come into force on July 1, 2016 is being monitored closely through Paul Braithwaite of the Ministry of Finance.

4. Regulatory Relations and Advocacy

a. CAFII Consultations/Submissions Timetable 2015-16

- CCIR Review of Travel Insurance: The release of the travel insurance review discussion paper has been pushed back to the first quarter or early in the second quarter of 2016, as advised by Harry James. The survey of travel health insurers recently closed and no further updates have been provided.
- SK Bill 177: Jan Seibel has advised that progress on the Draft Regulations over the summer was slower than expected; however, they have not yet indicated whether the timelines will be pushed back. Regulations are still expected to be released for comment in November.
- 2017 Bank Act Review: To be added as a watch file.

i. Submission Re. BC FICOM 10-Year Review of FIA

A follow-up conference call is proposed to reiterate our key messages and find out what the Ministry of Finance's leanings are on the issues. In addition, we can confirm what they have learned through other stakeholders, particularly those views that are different to our own, and when the stakeholder meetings will be held.

The submissions haven't been posted yet; however, Brendan will continue to monitor the site in order to learn about what other perspectives were submitted.

Action: Follow-up with BC FICOM regarding when submissions will be posted and when they are thinking of scheduling the stakeholder meetings. *[Brendan; tba]*

i. QC Review of Distribution Act

The CAFII submission on the QC Distribution Act was included in the meeting materials for final review. At this time, the submission has been through a number of reviews and no additional comments have been received.

ii. BC “Effecting” of CGI Issue

Members discussed some potential concerns arising from the recently released Information Bulletin including the language that is used, adding that the Bulletin will have more of an impact than we initially expected. Concerns were raised by various CAFII members and it was decided that the Bulletin shall be reviewed in more detail by the Market Conduct Committee with the goal of identifying issues and concerns and proposing next steps for CAFII. Derek and John advised members that their respective legal departments are reviewing the Bulletin and they will provide a summary of what they learn from the review following this meeting. The CLHIA’s Creditors Group and Alternate Distribution Committee and Legal Committee will be discussing this during meetings this week.

Action Items:

- Market Conduct Committee to look at Information Bulletin and propose next steps for CAFII.
- Summary of internal legal review of Information Bulletin to be shared with EOC. *[Derek Blake and John Lewsen; tba]*

b. Regulatory Update

Brendan reviewed the Regulatory Update and briefly highlighted recent developments in Manitoba. Erin Pearson has advised that the launch of Restricted Insurance Agent / ISI Regime has gone smoothly. The Insurance Council’s ISI Committee met last week and will be seeking future flexibility to be able to bring new incidental seller entities under the ISI regime without having to get the government to update the Regulation each time.

c. Regulator and Policy-Maker Visit Plan

- BC FICOM. A follow-up teleconference meeting will be scheduled with Chris Carter, Acting Head of Market Conduct Supervision, on the Information Bulletin and on the effecting of CGI issue generally, once the Market Conduct Committee has identified CAFII’s issues and concerns.
- FSCO is hosting its annual seminar for the life and health insurance sector on Friday, November 20 at the Novotel in North York. CLHIA has announced that its 2015 Consumer Complaints Fall Seminar will take place on October 8/15 at the Delta Hotel in Toronto. The seminar will include a regulator panel that includes Joane Abram from Alberta, Izabel Scovino from FSCO, and Erin Pearson from Manitoba.

5. EOC Committees Updates

d. Media Advocacy Committee

Charles, chair of the media advocacy committee, presented a document outlining the hot button issues which are being discussed and developed by the committee. During previous meetings, members agreed that the key messages are good and the next question is how do you package this in an accessible way for consumers and reporters? A plan will also be developed that enables CAFII to communicate its messages, including the creation of a home for these messages on the CAFII website. But it's not just a matter of updating the information online and meeting with journalists. The messages need to be repeated, adding stories that will provide greater context for the message, and the information needs to be refreshed more frequently and responses must be tracked. Members discussed developing a two-year tactical plan for accomplishing this, including securing additional resources. Consideration is still being given to CAFII's spokesperson in the event that media call.

6. CAFII Financial Management

a. Financial Statements as at August 31, 2015

Raja reported the year-to-date net income at \$65K which is healthy compared to budget year-to-date. Some membership payments remain outstanding including AMEX Bank of Canada and KPMG, both of whom have acknowledged their continued participation in the Association. The Balance Sheet is healthy at almost \$400K and there is nothing to report on liabilities. We have a Net Assets position of \$372K.

7. EOC Committees Updates *Continued*

e. Market Conduct Committee

The committee worked on a few submissions over the course of the summer in collaboration with the Licensing Committee. Through this process, they achieved the right mix of resources and expertise around the table and the submissions were ready in advance of their respective deadlines.

f. Licensing Committee

No updates.

g. Events and Networking Committee

Members discussed the potential for having a panel presentation at the Annual Members' Luncheon in 2016. It was suggested that we could draw upon the CCIR Travel Insurance Working Group (TIWG) members. The topic of how things are unfolding with CCIR's national market conduct framework/supervisory college approach was also suggested and members are invited to propose other suggestions for the committee to follow-up on.

Action: Members to be prompted for speaker suggestions for the 2016 Annual Members' Luncheon.
[Leya; asap]

Board Meeting, December 8, 2015

TD Insurance will be holding its year-end senior management meetings on December 8, 2015, which conflicts with the next CAFII Board meeting. However, at this time, the venue has already been

booked for December 8 and it was decided that representatives from TD shall review the timing of the respective events to identify times on that day in which they may be able to participate in some part of the CAFII meetings. In addition, CAFII will consider ordering the agenda to ensure that all Directors can participate in the discussion of key issues.

h. Research & Education Committee

i. Travel Insurance Project

Alexandra Franek, Associate Vice President, Pollara, joined the meeting to present the draft results of the Travel Medical Insurance Survey. Members were requested not to circulate the information in its current form while Pollara and the CAFII working group work on further refinements. The purpose of the project was to survey Canadians regarding their perceptions of travel medical insurance, including non-buyers, buyers and those who made claims. Overall, consumers had a positive perception of the industry and while there are no areas of great concern, there are opportunities for improvement. The team reviewed results broken down by banks, credit unions and caisses populaires; however, the sample size was too small and therefore this data was not included in the report.

Alexandra provided a concise review of the study and members were pleased with the results. Sue reported on next steps, including a review and comparison of the results against the FCA's parallel survey in the UK, which was the initial goal of conducting this survey. In terms of learnings, Alexandra indicated that one of the reasons for complaints about travel medical insurance could be addressed through simplifying the claims process. Other suggestions that arose through the survey include providing regular updates on the status of a claim, using less ambiguous wording in the policy, and providing examples of what is required.

2. Other Business

a. New Directors: CPL

EOC Members were advised that a new Director will be appointed from Canadian Premier Life Insurance at the Board Meeting on October 6, 2015.

b. Website Updates: Membership Information

Action: As proposed in the document included in the meeting materials, website content changes to be made unless we receive requests for adjustments or other feedback by Friday, September 25.

[Leya; tba]

3. Termination

There being no further business, the meeting was terminated at 12:00 p.m.

Date

Chair

Recording Secretary