

**CAFII Executive Operations Committee**  
**Tuesday, May 28, 2019**  
**BMO Insurance**  
**6<sup>th</sup> Floor Boardroom, 60 Yonge St. Toronto ON**  
**MINUTES**

**EOC Present:** Martin Boyle, BMO Insurance *Chair*  
John Lewsen, BMO Insurance  
Charles MacLean, RBC Insurance *(by teleconference)*  
Brad Kuiper, Scotiabank Financial  
Peter Thorn, TD Insurance  
Dallas Ewen, Canada Life Assurance *(by teleconference)*  
Tony Pergola, Scotiabank Financial *Treasurer (by teleconference)*  
Monika Spudas, Manulife Financial  
Moir Gill, TD Insurance (for part)  
Sharon Apt, Canada Life Assurance *(by teleconference)*  
Joanna Onia, CIBC Insurance *(by teleconference)*  
Afzal Baig, TD Insurance  
Scott Kirby, TD Insurance  
Laura Bedford, RBC Insurance *(by teleconference)*

**Also Present:** Natalie Hill, Managing Matters *Recording Secretary*  
Keith Martin, CAFII *Co-Executive Director*  
Brendan Wycks, CAFII *Co-Executive Director*

**1. Call to Order**

The meeting was called to order at 2:05 p.m.; M. Boyle acted as Chair; N. Hill acted as Recording Secretary.

**2. Consent Items**

The following Consent Items were received for the record, without discussion:

**2. a. Consultations/Submissions Timetable**

**2. b. Summary of Board and EOC Action Items**

**2. c. June 17/19 CCIR Q&A Session/Webinar on Year 4 Changes to Annual Statement on Market Conduct**

**2.d. Meeting Notes of April 30/19 EOC Teleconference Meeting**

**2. e. Regulatory Update**

**3. Approval of Agenda and Previous Minutes**

**3.a. Agenda for May 28/19 EOC Meeting**

The agenda for this May 28/19 meeting was approved as circulated.

**3.b. Minutes March 26/19 EOC Meeting**

The Minutes of the March 26/19 EOC meeting were approved as presented.

**3. c. Minutes of April 16/19 CAFII Board Meeting**

The Minutes of the April 16/19 CAFII Board meeting were endorsed, for presentation to the Board for approval at its June 4/19 meeting.



#### **4. Strategy and Governance**

##### **a. Next Steps In CCBPI Special Project**

K. Martin updated the EOC on the status of the Special Project on credit card balance protection insurance (CCBPI). The special levy on all members had now been fully collected, and the funds were in a segregated account, separate from the regular CAFII budget to conform with best practices in financial reporting, monitoring, and auditing. The Stikeman Elliott lawyers have done work for CAFII but have said that they do not need to be paid until the project is complete.

The CCBPI Special Project is now on hold until the Board has had a chance to have further discussion. The 4 June, 2019 Board meeting will have one hour for an *in camera* discussion on the Special Project, which will provide further direction on next steps. K. Martin reported that there were some options that might be chosen: to continue with a component of the effort, such as the research study or the benchmarking component; to continue discussion; or to terminate the project and return the unspent funds to the contributing members, using the same formula used to collect the funds.

##### **b. Proposal That CAFII Pursue a “Creditor Insurance Education and Dialogue Meeting” with FCAC Staff Executive(s)**

It was noted that CAFII was planning to request a meeting between its Co-Executive Directors and Richard Bilodeau, Managing Director of FCAC’s Supervision and Promotion Branch. However, it was advised that Mr. Bilodeau left his role at FCAC on 17 May, 2019 to join the Department of Finance in the role of Director General, Financial Institutions Division. Mr. Bilodeau had replaced Deputy Commissioner Brigitte Goulard, who left FCAC in the Fall of 2018 to join Torys LLP.

We have also learned that FCAC Commissioner Lucie Tedesco would be leaving the Agency as of 31 May, 2019. Effective 21 May, 2019 Teresa Frick is the Acting Managing Director, Supervision and Promotion Branch.

The EOC discussed whether, with all of the staff turnover at FCAC, we should still try to set up a meeting with them, or wait until their staff issues settled down.

In discussion, it was noted that Richard Bilodeau is now in an influential position in the Department of Finance, and it would have been useful to have met him and have developed a relationship. In the same vein, there would be no harm in meeting Teresa Frick. If other people come on board later whom we should meet, we can try to set up further relationship-building meetings with them.

On that basis, the EOC recommended that the CAFII Co-Executive Directors request a meeting with Teresa Frick. The CAFII Pollara credit protection insurance consumer research study results, which were recently shared with the CCIR/CISRO, could be shared with Ms. Frick and set the stage for a more general conversation on industry issues.



**c. Strategy Around June 27/19 CAFII Meeting with CCIR/CISRO Fair Treatment of Consumers Working Group**

It was mentioned that the next meeting of the CCIR Working Group will be on June 27, 2019. CAFII has produced a high-level, generic summary of the outcome of the last meeting in March at the request of the CCIR Secretariat.

M. Boyle mentioned that he is cautious about providing regular updates on the progress of members in implementing the Guidance on the Fair Treatment of Customers, as this could be used to compare the efforts of members and should not be the focus of the meetings.

K. Martin highlighted that Louise Gauthier made a statement that the regulators would appreciate updates, but did not say that they were required. M. Gill noted that there is also an issue around sharing progress on implementation of the Guidance in relation to the Competition Act, and the limits it places on sharing information among business competitors.

**d. Stikeman Elliott Review of CAFII Meeting Processes and Minutes, for Competition Act Compliance and Protection of Solicitor-Client Privilege**

K. Martin recalled that at the last CAFII Board meeting, Director Chris Lobbezoo made a general statement that the Association had recently been delving into more sensitive matters; and, as a result, it would be prudent to have the Competition lawyers at Stikeman Elliott, who were retained for the Special Project, review our minutes, by-laws, documentation, and processes to ensure they reflect best practices.

K. Martin and B. Wycks have met with the Competition lawyers, and they generally felt that the Association was acting appropriately. However, they had some small suggestions for improvement, which they will present at the 4 June, 2019 Board meeting.

**e. Proposal From A CAFII Board Member That CAFII Consider Taking Over Quarterly CGI Benchmarking Study From CBA**

K. Martin advised that he had received an email from CAFII Director Chris Lobbezoo noting that the CBA is going to discontinue producing a quarterly benchmarking study on credit protection insurance. Chris Lobbezoo reached out to the CAFII Co- Executive Directors and asked whether CAFII could takeover this project.

It was noted that the next steps are to meet with the CBA, to develop a proposal, and if there is CAFII Board approval to proceed, it will likely be necessary to develop a Request for Proposal (RFP) to secure an actuarial firm services provider, as there is no internal capacity or expertise in this area that would allow the Association to undertake this project without external consultant assistance.

**f. CAFII “Fireside Chat” Presentation To Scotiabank Compliance Department**

B. Kuiper mentioned that Scotiabank Financial has a quarterly compliance “fireside chat” meeting and that at the next one, on 26 June, 2019, the CAFII Co-Executive Directors had been invited to participate. This is an opportunity for a question and answer discussion on CAFII and its priorities. K. Martin noted that presentations to internal members were identified as something CAFII should pursue in the 3-5 year Strategic Plan.



**g. CAFII 2019 Annual Meeting of Members on June 4/19**

B. Wycks gave an overview on the upcoming 4 June, 2019 Annual Meeting of Members, noting that CAFII is required to have this meeting in accordance with its Bylaw. The members of the Association are the 12 Board members representing CAFII's corporate entities. The Annual Meeting will feature the appointment of Directors for the 2019-2020 year; and approval of the 2018 CAFII Audited Financial Statements and Auditor's Report Thereon.

**h. CAFII Initiation Member and Associate Prospects**

K. Martin provided an update CAFII's efforts to bring Sunlife Financial onboard as an Initiation Member. The latest effort consisted of a conversation K. Martin had with R. Purre at the CLHIA Conference, where Mr. Purre was a presenter, and Mr. Purre asked for CAFII to follow up with Sunlife Financial and said there was still Sun Life interest in pursuing this possibility.

B. Wycks added that CAFII's Co-Executive Directors had a lunch with Salal Khan of MCAP, and there would be a follow-up to continue the dialogue.

B. Wycks noted another potential Initiation Member prospect, Industrial Alliance. In discussion, M. Gill mentioned they may not have quite the same reputation around creditors insurance as the rest of the members.

K. Martin mentioned that it might make sense to explore a third category of membership for smaller firms that are interested in joining CAFII, but which don't have the size or resources to justify joining at the current membership dues levels, even with the Initiation Membership offering a 40% dues reduction for the first two years of membership.

**i. Locations Needed For September 24/19 and November 19/19 EOC Meetings**

B. Wycks noted that CAFII is looking for locations for the next two EOC in-person meetings, in September and November 2019. S. Kirby mentioned that he will check to see if there are available rooms at TD Insurance.

**5. CAFII Financial Management**

**5. a. Financial Statements as at April 30/19**

T. Pergola gave a financial overview, in which he noted that CAFII's finances were progressing as expected with no surprises. The departure of AMEX as a member had resulted in reduced revenue, which will be more than offset by a reduction in expenses, mostly in the research budget, he advised.

**6. Committee Updates**

**a. Research & Education**

**i. Presentation of Pollara Consumer Research Results on Credit Protection Insurance on Mortgages/HELOCs to CCIR/CISRO**

K. Martin highlighted that the CAFII Board has indicated that it still recognizes the value of conducting independent, third party consumer research on insurance topics relevant to CAFII and of the strategy of releasing such research results publicly. However, there are concerns that the time may not be right for a public release of the Pollara research results on consumers' experiences and satisfaction with credit protection insurance, given the increased regulatory scrutiny that has been observed.



In response, the Board asked that a presentation be given to regulators to gauge their attitude towards the research results.

K. Martin reported that Pollara Vice-President Lesli Martin would be leading a webinar presentation tomorrow, 29 May, 2019, to CCIR and CISRO representatives, with expected attendance of over 20 regulators. As well, separate presentations on the research were being set up with FSRA, and with the AMF. The results of the CCIR/CISRO presentation would be shared at the 4 June, 2019 Board meeting, and a decision made at that time about publicly releasing the research results, and on issuing a press release on the results.

#### **b. Market Conduct**

No further updates at this time.

#### **c. Media Advocacy**

##### **i. Media Coverage of CAFII Release on Ontario's Ending OHIP Out-of-Country Medical Coverage**

K. Martin advised that CAFII had issued a press release on Ontario eliminating OHIP coverage for Ontarians travelling outside of the country. The news release got excellent pick-up, including being quoted in the editorial page of the Toronto Star. This type of coverage increases CAFII's credibility, improves our search results on Google, and signals that the Association will be a strong advocate for consumer choice and the insurance solutions which CAFII members offer to meet their needs.

##### **ii. Draft Script for CAFII Website Video on Creditor's Group Mortgage Life Insurance**

K. Martin advised that a storyboard for a video on mortgage life insurance had now been developed, and was included in the materials package for this meeting.

**ACTION: Keith to send the videoscript storyboard in a separate email with a request for feedback.**

##### **iii. Streamlined Process for Approving CAFII Media Releases**

K. Martin noted that having 12 Directors provide feedback on media releases is a slow process. It might be better to have a Working Group provide the feedback, and this is something he will propose at the next Board meeting on 4 June, 2019.

#### **d. Licensing Efficiency Issues, including**

##### **iv. Saskatchewan Restricted Insurance Agent Advisory Committee**

B. Wycks mentioned that CAFII and CLHIA had successfully worked with the Insurance Councils of Saskatchewan to prepare a Concept Proposal and Terms of Reference for a Restricted Insurance Agent Advisory Committee in Saskatchewan. However, launching the RIA Advisory Committee requires a change to ICS Bylaws; and, after the currently underway Superintendent's review and approval of draft revised ByLaws, the RIA Advisory Committee would not officially come into being until 1 January, 2020.

As a result, the formal launch of this initiative cannot occur before then; but we have been advised that an informal, "soft-launch" could possibly occur in 2019, with the Superintendent of Insurance's approval.



**v. FCNB Consultations on Licensing Matters**

B. Wycks advised that the FCNB currently had underway an informal consultation on licensing exemptions and a formal consultation on changes to the province's licensing regime for insurance appraisers and adjusters, both of which related to the multi-year Insurance Act Rewrite project which David Weir of FCNB was leading. The insurance appraisers and adjusters consultation had a July 2, 2019 deadline for responses. While the informal insurance licensing exemptions consultation had no stated deadline for input, but David Weir had advised that a submission in July would still allow him to consider CAFII's comments.

**b. Travel Medical Insurance Experts**

**i. CCIR Collection of Travel Health Insurance Data Via ASMC**

B. Wycks mentioned that CAFII has been a part a pan-industry group providing feedback to the CCIR Travel Insurance Working Group (TIWG) regarding its intention to collect data on travel insurance metrics. He further advised that H. James, Chair of the TIWG, had more recently indicated that this data request would now be incorporated into CCIR's Annual Survey on Market Conduct, which was a positive development for the industry.

**c. Networking & Events**

**i. Speaker For June 4/19 CAFII Reception: Dr. Kai Lakhdar, PwC**

S. Kirby mentioned that he was exploring different possibilities for speakers for CAFII events, including on the implications of climate change for life and health insurers.

B. Wycks noted that the speaker at the 4 June, 2019 reception, PwC Partner Kai Lakhdar, had prepared a preliminary draft of his remarks that he would be reviewing with CAFII.

**7. Regulatory**

**7. a. Regulatory Update**

**a. CAFII/Industry Next Steps On AMF Spousal Coverage Issue**

B. Wycks mentioned that Friday May 3, 2019 was the deadline for affected members to submit their action plans to the AMF on the spousal coverage issue. He noted that there had been further interventions on the issue led by the CLHIA, but, to date, it appeared that the AMF would not budge on the file.

P. Thorn mentioned that at its own request, TD Insurance had recently met with AMF representatives in Quebec City, to review TD Insurance's action plan.

**b. Final Version of AMF Regulation Respecting Alternative Distribution Methods**

K. Martin noted that the final version of the Regulation had now been circulated, and that it was fully consistent with what the AMF had previously shared as the major amendments and changes. As such, there is no new information to share.

The remaining issue, on which CLHIA is leading an industry outreach to the AMF, is to exempt certain products, such as travel health insurance, from the right granted to consumers to cancel coverage within 10 days of purchasing it.



**c. Saskatchewan Guidance Re Implementation of New Insurance Act and Regulation**

B. Wycks reported that Saskatchewan's Financial and Consumer Affairs Authority (FCAA) had recently posted on its website a new Guideline and new Interpretation Bulletin to assist the industry in understanding its expectations re compliance with the province's new *The Insurance Act* and related regulations which are scheduled to come into force on January 1, 2020.

**d. Report on 2019 CLHIA Compliance and Consumer Complaints Conference**

K. Martin reported that he had developed a comprehensive report on the 8-10 May, 2019 CLHIA Compliance and Consumer Complaints Conference, reflecting the many valuable presentations made there. K. Martin noted that there were many "Insurance 101" reviews of fundamentals at the Conference, making the report a potentially valuable resource for a new employee.

B. Wycks highlighted that the Appendices to the report included summaries of CAFII's five meetings with regulators who were present at the conference.

**e. Regulator and Policy-Maker Visit Plan**

**i. May 17/19 CAFII Preliminary Dialogue Meeting With Harry James, BC FICOM Re Industry Funding of New BC Financial Services Authority**

At a preliminary meeting on funding the new BC Financial Services Authority, H. James indicated that he expected to share a consultation document with industry sometime in June 2019, with a likely 45-day period for responding.

**ii. May 17/19 CAFII Liaison Lunch With Glen Padassery, EVP, Policy, FSRA**

K. Martin reported that CAFII had a very productive liaison lunch meeting with FSRA's EVP Policy Glen Padassery on 17 May, 2019. Mr. Padassery is very much aligned in his overall regulatory philosophy with FSRA President and CEO Mark White, emphasizing consultation, collaboration, dialogue, and harmonization. He said that a top FSRA priority was burden reduction.

**iii. FCNB 2019 "Consumer Protection Conference," June 11/19**

B. Wycks and K. Martin reported that they have registered for the FCNB 2019 "Consumer Protection Conference" to be held on 11 June, 2019 in Fredericton, New Brunswick. They expect to have a side meeting with David Weir on the New Brunswick Insurance Act Re-write, and to discuss where he stands now on New Brunswick's plan to introduce an RIA regime.

**iv. Proposed Dates and Tentative Itinerary For October 2019 CAFII Western Canada Insurance Regulators and Policy-Makers Visits Tour**

B. Wycks reported that plans are firming up for the 2019 CAFII Western Canada insurance regulators and policy-makers visits tour, with 21-25 October, 2019 likely to be the dates for the tour. It is likely that the tour will start in Manitoba, and work its way west with the concluding visits to take place in British Columbia.

**8. Other Business**

**Termination**

There being no further business, the meeting was terminated at 4:17 p.m.