

**CAFII Executive Operations Committee**  
**Tuesday, March 26, 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  
Rob Dobbins, Assurant  
Charles Blaquiere, Canadian Premier Life *(by teleconference)*  
Tony Pergola, Scotialife Financial *Treasurer (by teleconference)*  
Monika Spudas, Manulife Financial  
Moirra Gill, TD Insurance *(by teleconference)*  
Michele Jenneau National Bank Insurance *(by teleconference)*  
Scott Kirby, TD Insurance  
Anita Mukherjee, RBC Insurance  
Joanna Onia, CIBC Insurance  
Brad Kuiper, Scotialife Financial  
Peter Thorn, TD Insurance *(by teleconference)*

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

**Regrets:** Diane Quigley, CUMIS Group Inc.  
Dallas Ewen, Canada Life Assurance  
Vivek Sahni, RBC Insurance  
Anita Mukherjee, RBC Insurance  
Mindy Tarantelli, Scotialife Financial  
Nina Desai, Manulife Insurance  
Jérôme Savard, Desjardins Financial Security  
Nicolas Moskiou, National Bank Canada  
Karyn Kasperski, RBC Insurance  
Sharon Apt, Canada Life Assurance  
Dana Easthope, Canadian Premier Life  
Isabelle Choquette, Desjardins  
Anuraj Bains, CIBC Insurance  
Shawna Sykes, The Co-operators  
Dominique Julien, CIBC Insurance  
Charles MacLean, RBC Insurance

**1. Call to Order**

The meeting was called to order at 2:09 p.m.; M. Boyle acted as Chair; N. Cork acted as Recording Secretary. M. Boyle welcomed new EOC members Joanna Onia of CIBC and Afzal Baig of TD Insurance.

## **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. April 3/19 CCIR Q&A Session/Webinar on Year 3 Changes to Annual Statement on Market Conduct**

It was mentioned that the organizer of the CCIR webinar, Adrienne Warner, had asked if anyone had any questions that should be addressed in this webinar. Anyone who would like a specific issue to be addressed should pass these along to B. Wycks so he can share them with her.

### **2.d. Meeting Notes of February 26/19 EOC Teleconference Meeting**

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

### **3.a. Agenda for March 26/19 EOC Meeting**

The agenda for this March 26/19 meeting was approved as circulated.

### **3.b. Minutes of January 15/19 EOC Meeting**

The Minutes of January 15/19 EOC Meeting were approved as presented

### **3.c. Minutes of November 20/18 EOC Meeting**

The Minutes of the November 20/18 EOC Meeting were approved as presented.

### **3.d. Minutes of March 1/19 CAFII Special Purpose Board Meeting**

The Minutes of the March 1/19 CAFII Special Purpose Board Meeting were endorsed, for presentation to the Board at its next meeting on April 16/19.

## **4. Strategy and Governance**

### **4.a. CAFII Special Project on CCBPI**

#### **4.a.i Next Steps with selected Law Firm Stikeman Elliot**

#### **4.a.ii. RFP Process for Business Consulting Firms**

K. Martin updated the EOC on the Special Project. The first step in the process was the selection of a law firm which would ensure compliance with the Competition Act, and maximize the protection of client-solicitor privilege. Two law firms were shortlisted, Stikeman Elliott (Stuart Carruthers, lead) and Torys (Jill McCutcheon, lead). Upon further investigation and discussion, Stikeman Elliott was chosen as the law firm for the Special Project.

Invoices for the shared costs of engaging the law firm have been sent to members, based on a funding formula that was approved by the Board. However, Stikeman Elliott will only invoice CAFII at the end of the engagement. An engagement letter has also been signed between Stikeman Elliott and CAFII. Stikeman Elliott has also circulated documents related to the protection of privilege, including a Common Interest Privilege and Joint Defense Agreement, which is currently being reviewed by members' internal legal counsel.

The next step in the process is the selection of a business consultancy firm to do the research, benchmarking, and strategy components of the project. An RFP has been circulated and responses are due by Thursday, 28 March, 2019. The full project RFP was circulated to accounting firms with a strategy department, as well as to full-service strategy firms. Two actuarial firms were also invited to bid on the benchmarking component.

Next Monday, 1 April, 2019 there will be a full-day set of presentations with the bidding firms and CAFII. It was also mentioned that the final report will be submitted to Stikeman Elliott to protect privilege, but the law firm had no concerns with the RFP and RFP submissions being managed by CAFII. Stikeman Elliott lawyers will be present during the 1 April, 2019 business consultancy presentations. When the business consultancy firm (or firms) is chosen, a second round of member funding will be required.

The winning business consultancy firm will be given eight (8) weeks to complete the research, benchmarking, and strategy project, and a special purpose CAFII Board meeting will be called when the project is complete, at which the results will be presented.

#### **4.b. CAFII Submission to FCAC on Draft Online/Web Consumer Education Materials**

The FCAC invited CAFII to comment on content that FCAC proposed to educate consumers on credit protection insurance and balance protection insurance. The original content was one-sided and biased, and CAFII made a series of detailed changes in its submission to the FCAC on this content. The revised version is still one-sided, but it is much less so than before and significant progress has been made in terms of the content that will be posted.

#### **4.c. Proposal That CAFII Pursue a “Creditor Insurance Education and Dialogue Meeting” with Richard Bilodeau, Acting Deputy Commissioner, FCAC**

It was observed that the meeting in September with FCAC Deputy Commissioner Brigitte Goulard was a positive development that produced useful two-way dialogue. Ms. Goulard has since left the FCAC to join Torys LLP, and it appears that Richard Bilodeau has stepped into her role. It was suggested that a follow-up meeting with him be organized, to continue the dialogue with the FCAC and to educate Mr. Bilodeau about CAFII members’ products.

It was mentioned that the Pollara research on credit protection insurance could form a good basis for the discussion. Developing a relationship would also provide an avenue for ongoing discussion and for FCAC to reach out to CAFII if it had any questions or concerns related to credit protection insurance. Ideally, such a meeting could take place at the offices of the FCAC in Ottawa.

#### **4.d. EOC Feedback on February 18-22/19 Visit of Helen Troup, Executive General Manager, Comminsure, Australia, to CAFII and Member Companies**

The EOC feedback on the visit by Helen Troup was uniformly positive, with both the full CAFII meeting as well as the individual member meetings being viewed as very insightful and useful. However, it was not felt that such a visit from a guest needed to occur every year, as the value of Ms. Troup very much emanated from her personality and communication skills. Rather, the feedback was that this might be worth doing again, but that should occur on an ad hoc, opportunistic basis.

#### **4.e. Strategy Around March 27/19 CAFII Meeting with CCIR/CISRO Fair Treatment of Consumers Working Group**

There was a review of the strategy being proposed for CAFII’s 27 March, 2019 meeting with the CCIR/CISRO Fair Treatment of Consumers Working Group.

It was agreed that Helen Troup's visit might be mentioned to the Working Group at a future date, but tomorrow's meeting was not the right time to do so. An effort will be made at tomorrow's meeting to keep the discussion high level and attempt to avoid getting into individual members' action plans.

#### **4.f. CAFII Membership Status of Amex Bank of Canada**

There has been a management restructuring at AMEX Bank Canada and, as a result, CAFII needs to re-establish relationships with key decision-makers. B. Wycks and K. Martin had a short, late February teleconference meeting with Joe Ryan, the recently appointed Vice-President responsible for making a decision about maintaining membership in CAFII. It was clear that the value of CAFII membership is not well-understood by AMEX. It was agreed that CAFII would send a note with the benefits of membership to AMEX shortly. However, CAFII Co-Executive Directors B. Wycks and K. Martin both communicated to the EOC that the membership of AMEX was tenuous and at risk.

### **5. CAFII Financial Management**

#### **5. a. Financial Statements as at February 28/19**

A financial update was provided by CAFII Treasurer Tony Pergola. The budget is tracking as expected and any deviations from expectations are largely due to timing issues. CAFII is still on track to have a financial reserves ratio of 22% of annual operating expenses at the end of the 2019 fiscal year, which while lower than our preferred minimum of 25% is still in line with our expectations.

#### **5. b. Draft CAFII 2018 Audited Financial Statements**

KPMG's audit of CAFII's 2018 financial statements has been completed and it was a clean audit, with no significant issues or concerns identified.

### **6. Regulatory**

#### **6. a. Regulatory Update**

##### **6.a.i CAFII Submission to AMF on Other than Debtors/Spousal Coverage Issue**

The AMF has been challenging to deal with on the issue of spousal balance protection insurance. A submission has been developed and circulated for feedback, and after feedback is received will be submitted to the AMF to meet the stated March 29/19 deadline.

##### **6.a.ii Next Steps Arising From AMF's Regulation Respecting Alternative Distribution Methods**

It was noted that submissions to the AMF on its Regulation Respecting Alternative Distribution Methods (RADM) were made on December 10/18, nearly four months ago. No final version of the Regulation has been circulated, and the Regulation is supposed to be in-force on 13 June, 2019. CAFII did request a one-year implementation timeline, but no response to that request has been received. At tomorrow's CAFII meeting with the CCIR/CISRO Fair Treatment of Consumers Working Group, which is chaired by the AMF's Louise Gauthier, timelines for next steps on the RADM will be queried privately.

##### **6.a.iii Communication to Insureds Arising From Manitoba Change in PST Rate**

Some CAFII members have questions about the impact of the decision by the Government of Manitoba to reduce the PST rate by 1% on periodic insurance premium payments. These questions have been sent to the Manitoba Ministry of Finance and CAFII is waiting for a response.

## **6.b. Regulator and Policy-Maker Visit Plan**

### **6.b.i. Proposed Change In Timing For 2019 CAFII Western Canada Insurance Regulators and Policy-Makers Visits Tour**

CAFII's Strategic Plan calls for visits with regulators in their own jurisdictions no less than once every 18 months, and that means that a Western tour (B.C., Alberta, Manitoba, and Saskatchewan) should take place this Spring. However, the Special Project is just underway and the output from it might provide valuable material to speak to with regulators, and might permit a proactive, positive discussion as opposed to one that is defensive. Furthermore, many of the regulators we would meet will be at the 8-10 May, 2019 CLHIA Conference in Niagara Falls. For those reasons, it was proposed and the EOC supported a delay in the Western regulators and policy-makers visit to the Fall of 2019.

### **6.b.ii. CAFII Insurance Regulator and Policy-Maker Liaison Meetings During 2019 CLHIA Compliance and Consumer Complaints Conference, May 8-10/19, Niagara Falls**

Feedback was shared by some EOC members that there were too many meetings CAFII meetings with insurance regulators and policy-makers during the 2018 CLHIA Conference in Calgary, making it difficult to balance those meetings with the conference sessions. It was suggested that perhaps a lunch on the Friday afternoon with multiple regulators might be a better approach, although it was noted that many regulators might no longer be around by then. B. Wycks will review the approach to regulator and policy-maker meetings during the 2019 CLHIA Conference.

### **6.b.iii. FCNB 2019 "Consumer Protection Conference," June 11/19, Fredericton**

FCNB is holding a one-day consumer protection conference in Fredericton on Tuesday, June 11, 2019 which will be a good opportunity to have side-bar discussions on a variety of New Brunswick regulatory developments. B. Wycks and K. Martin are planning on attending on behalf of CAFII.

## **7. Committee Updates**

### **7. a. Research & Education**

#### **7.a.i Public/Media Results Release of Pollara Consumer Research on Mortgages/HELOCs, including Webinar for CCIR/CISRO**

The recommendation of the EOC, the Research & Education Committee, and the Media Advocacy Committee, was to publicly release an executive summary on and press release about the Pollara consumer research on mortgage and HELOC credit protection insurance. The Board agreed with this approach in principle, but there have been some subsequent reservations expressed about the timing, with concerns that some regulators may view the public release of this research as provocative.

Amendments to the press release have therefore been made, and this will be discussed at the 16 April, 2019 Board meeting. It was also noted that Pollara has advised that although the research was completed in the Fall of 2018, and the report was completed in January 2019, it was not uncommon for organizations to want to study research results before publicly releasing them; and, as such, releasing the research in the early summer period of 2019 would still be credible and legitimate.

## **7.a.ii CAFII Research Priorities, 2019**

The Research & Education Committee is aware that it has not yet provided recommendations on 2019 research priorities. There are two reasons for this. First, a final decision on the public release of the Pollara consumer research has not been made, and that decision is necessary before committing to further research; if the Board does not have an appetite for releasing research publicly at this time, perhaps further investments in research should be delayed. Second, the Special Project includes a significant amount of research, and if that occurs it may not be possible or desirable to spend the \$60,000 budgeted for research in 2019. After there is more clarity on these two points, the R&E Committee will make a recommendation, but it may be the case that it is recommended that the 2019 research budget not be spent at this time.

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

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

### **7.c.i. New CAFII Website Video On Travel Medical Insurance Research Results**

### **7.c.ii. CAFII Website Enhancements, 2019**

A new video has been published on the CAFII website on the results of the Pollara Travel Medical insurance consumer research results. Feedback has been very positive. K. Martin will be attending the CLHIA Travel Medical Committee meeting tomorrow and will update that committee on the video.

Now that the video is published, we can move forward on the 2019 website investments. C. Blaquiere and K. Martin updated the EOC on those investments, which include new videos, bi-annual reporting, and additional visually-pleasing vignettes on CAFII products. The EOC was supportive of the direction being taken to continue to enhance the CAFII website.

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

### **7.d.i. Saskatchewan Restricted Insurance Agent Advisory Committee**

Among the Licensing Committee priorities will be the launch of a Saskatchewan Restricted Insurance Agent (RIA) Advisory Committee with the Insurance Councils of Saskatchewan; and discussion with New Brunswick on the development of an RIA regime.

## **7.e. Travel Medical Experts**

The Travel Medical Experts Working Group is engaged with CLHIA on how best to respond to the data requests from the CCIR Working Group on Travel Medical Insurance.

## **7.f. Networking & Events**

### **7.f.i. EOC Feedback on 2019 CAFII Annual Members' Luncheon**

The EOC provided positive feedback on the 2019 CAFII Annual Members' Luncheon, including the three-lawyer panel format used this year. It was suggested that a similar-type approach could be used in alternating years at future CAFII Annual Members' Luncheons.

#### **7.f.ii. Speaker for April 16/19 CAFII Reception**

A data analytics expert has agreed to be the speaker at the April 16, 2019 reception. His name is Vikram Kamath, and he is the Director of LIMRA's Center of Excellence for Analytics.

#### **7.f.iii. Speaker For June 4/19 CAFII Reception**

Various possible speakers are being explored for the 4 June, 2019 Reception. One topic that is being looked at is the impact of climate change on health and life insurance. While typically climate change is discussed in connection with property damage (floods, fires, hurricanes), there is increasing attention being paid to its impact on mortality and morbidity.

### **8. Other Business**

#### **8.a. Proposal That Duration of CAFII EOC Teleconference-Only Meetings Be Extended To 90 Minutes, To Be Used Only If Necessary**

It was noted that in alternating months, the EOC meeting is currently slated to be a one hour-long teleconference-only meeting. As of late, 60 minutes has not been long enough for some of these meetings, so it was agreed that on a go-forward basis, EOC teleconference-only meetings would be scheduled for 90 minutes, but the additional 30 minutes would only be used if necessary.

#### **8.b. Feedback On Powerpoint Template Used To Highlight Agenda Items and Related Documents**

At this EOC meeting, the Zoom webinar portion included a powerpoint template that allowed not-in-person participants to follow along more easily. EOC members, both those attending via the Zoom link and those present in-person, provided very positive feedback on that innovation and asked that it be continued for future EOC in-person meetings.

### **9. Termination**

There being no further business, the meeting was terminated at 4:18pm.