

CAFII EOC Meeting Minutes
Tuesday, April 22, 2014
Action Items from the Meeting

Agenda Item	Action Item	Responsible	Deadline
3a. EOC Minutes and Action Items of March 25, 2014	Raja Rajaram and Brendan Wycks to monitor CAFII's level of financial reserves and contact KPMG for advice regarding the maximum reserves threshold.	R. Rajaram, B. Wycks	Ongoing
3b. Board Minutes and Action Items of April 8, 2014	Jennifer Hines to discuss Board orientation further with Mark Cummings and Rino D'Onofrio for their feedback. Brendan Wycks and Leya Duigu to produce a draft Table of Contents for a Board orientation package, for review.	J. Hines B. Wycks, L. Duigu	Prior to June 10 Board meeting
4. CAFII Financial Statements as at March 31, 2014	Raja Rajaram to direct the Controller to reinvest the maturing GIC proceeds in a two-year cashable GIC at the same financial institution.	R. Rajaram	May 9
5b. Possible CAFII Project on Travel Insurance	<ul style="list-style-type: none"> • EOC Members to reflect on this issue further • This issue to be brought forward to the May 27, 2014 EOC agenda for further discussion. • Brendan Wycks to send the EOC an update on his meeting with CLHIA about the proposed pan-industry project group on travel insurance; and provide a more substantive progress report at the next EOC meeting . 	EOC Members L. Duigu B. Wycks	May 27 May 22 April/May
5c. Application for Voting Membership from The CUMIS Group Ltd.	CAFII members to review consultation submissions made by The CUMIS Group Ltd., to confirm that its stances are well-aligned with CAFII's policy positions and that it is supportive of our perspectives on access and distribution.	EOC Members	May 27
8a. Update on CNCA Continuance	A thank you note to be sent to Fasken Martineau once the CNCA continuance work is fully complete.	B. Wycks	June 15

CAFII EOC Meeting
Tuesday, April 22, 2014
Location: RBC Insurance
RBC Insurance, Royal Bank Plaza, South Tower, Capital Markets
200 Bay St., 5th Floor [Richardson Room], Toronto, ON

Present:	Rose Beckford	ScotiaLife Financial <i>(by teleconference)</i>
	Charles Blaquiere	Canadian Premier Life Insurance Co.
	Emily Brown	BMO Insurance
	Isabelle Choquette	Desjardins Financial Security Life Assurance <i>(by teleconference)</i>
	Moirra Gill	TD Insurance
	Greg Grant	CIBC Insurance
	Jennifer Hines	RBC Insurance, Chair
	John Lewsen	BMO Insurance
	Sue Manson	CIBC Insurance
	Raja Rajaram	CIBC Insurance <i>(by teleconference, for part)</i>
	Maria Sanchez-Chung	TD Insurance <i>(by teleconference)</i>
	Paul Yeung	RBC Insurance <i>(by teleconference, for part)</i>
Regrets:	Derek Blake	RBC Insurance
	Eleanore Fang	TD Insurance
	Andre Duval	Desjardins Financial Security Life Assurance
	Brian Wise	Assurant Solutions
	Cecilia Xiao	Assurant Solutions
Also Present:	Kathryn Beck	Fasken Martineau <i>(for part)</i>
	Leya Duigu	T•O Corporate Services
	Pamela Smith	T•O Corporate Services <i>(for part)</i>
	Brendan Wycks	CAFII Executive Director

1. Call to Order

The meeting was called to order at 1:05 pm. Jennifer Hines acted as Chair and Leya Duigu acted as Recording Secretary.

2. Approval of Agenda

The agenda was approved as presented.

3. Minutes and Action Items

a. EOC Minutes and Action Items of March 25, 2014

The Action Items were reviewed. One of the follow-up items from last month's meeting was confirming CAFII's maximum reserves threshold and it was confirmed that the Association's current reserves already exceed the maximum threshold identified in the policy. It would therefore be prudent to discuss what this means and how to address it. Additional information shall be sought prior to the next meeting, including advice from CAFII auditors KPMG, with the goal of creating a strategy for Board approval.

All other Action Items have either been completed or will be addressed in today's agenda.

Action: Raja Rajaram and Brendan Wycks to monitor CAFII's level of financial reserves and contact KPMG for advice regarding the maximum reserves threshold.

b. Board Minutes and Action Items of April 8, 2014

There are and will be a number of new Directors joining the CAFII Board this year, which prompted the EOC to discuss methods for briefing them on CAFII issues and decisions. Suggestions included building in context and background information on each item requiring a decision; providing previous documents and data; and holding an orientation session for new Board and EOC members. Relevant information could include the Competition Policy and the rationale for it; CAFII research that has been conducted; and the Association's policies.

Action: Jennifer Hines to discuss orientation for new Directors further with Mark Cummings and Rino D'Onofrio for their feedback.

Action: Brendan Wycks and Leya Duigu to produce a draft Table of Contents for a Board Orientation Package, for the EOC's review.

4. CAFII Financial Management

a. Financial Statements as at March 31, 2014

Raja Rajaram reported on the CAFII Financial Statements as at March 31, 2014. Looking at the Statement of Operations, the excess of revenue over expenses is \$23,399 and membership dues have been received from all but three Associate members. The Balance Sheet is at \$454,298 in total liabilities and unrestricted net assets.

A maturing GIC was discussed and it was decided that, to maintain liquidity, the proceeds should be reinvested in a cashable GIC at the current financial institution.

Action: Raja Rajaram to direct the Controller to reinvest the maturing GIC amount in a two-year cashable GIC.

Raja Rajaram left the meeting at 1:25 pm

5. Policy Issues and Decision Items

a. Balanced Scorecard

Brendan Wycks reported that the Balanced Scorecard had been updated based on feedback received at the April 8, 2014 Board meeting and he summarized the changes. This item will be added to the agenda for the next EOC meeting in May with the goal of discussing progress to date. Regular status reporting at EOC and Board meetings will also apply to the Communications Strategy.

b. Possible CAFII Project on Travel Insurance

Members discussed the issue of travel insurance which has been on the radar of several regulators for some time now. John Lewsen noted that in past years, CAFII has performed benchmarking activities on possible risk areas. Travel insurance has been cited by regulators as a source of concern on a few occasions, so perhaps this is an issue that the Association should look into in a comprehensive manner, such as has been done on other critical industry issues by investing in an assessment report from independent third party experts.

One of the issues with travel insurance is that the product is usually purchased without any advice and there is a perception that this is becoming an area of high risk. It appears that many people don't understand travel insurance and this could be addressed through education. In addition, the potential issue of redundancy of travel insurance coverage should be included as this insurance can be available through a credit card, via an employer-sponsored benefits plan, and purchased directly when booking travel.

It was noted that a special task force or ad hoc committee could be formed to take on this issue.

With respect to a possible CAFII project on travel insurance, it was agreed that the next steps would be:

Action:

- i. EOC Members to reflect on this issue further; and
- ii. This issue to be brought forward to the May 27, 2014 EOC agenda for further discussion.

On a separate but related matter arising from regulators' concerns about travel insurance, Brendan Wycks reported that, as authorized by the Board of Directors on April 8, 2014, he had reached out to CLHIA, via email, about the prospect of forming a pan-industry project group on travel insurance application forms and medical questionnaires, which would also likely include the Travel Health Insurance Association (THIA). He would be meeting with CLHIA representatives about this in two days' time.

EOC members discussed which organization should be leading the project and whether the issue is related to distribution or product design. From an insurance standpoint, it was agreed that banks are more on the periphery so it would be appropriate if CAFII was to co-lead the initiative, which is seen as being central to THIA.

Action: Brendan Wycks to send the EOC an update on his meeting with CLHIA about the proposed pan-industry project group on travel insurance; and provide a more substantive progress report at the next EOC meeting .

c. Application for Voting Membership from The CUMIS Group Ltd.

The Association has received a Voting Member application from The CUMIS Group Ltd. The applicant is aware that its membership must be supported by an existing Foundation Member to be considered.

Brendan Wycks recommended that in addition to this pre-requisite of a referral/recommendation, an interview with one or more principals of an applicant organization should be part of the screening process for a prospective new Voting Member.

Members discussed the possible effects of CUMIS becoming a Voting Member and the likely reasons for its pursuing this type of membership.

It was noted that should CUMIS join the Association, that would contribute to the fulfillment of CAFII's mandate to expand its footprint.

Action: CAFII members to review consultation submissions made by The CUMIS Group Ltd., to confirm that its stances are well-aligned with CAFII's policy positions and that it is supportive of our perspectives on access and distribution.

6. Regulatory Update

The following items, included in the Regulatory Update for this meeting, were discussed:

a. BC FICOM's Creditor's Group Insurance Issue

A short open letter regarding the Creditors Group Insurance issue was posted online on April 17 and most organizations would have received it by now. Members discussed the letter and determined that CAFII does not need to issue an Association response on behalf of the industry.

b. Regulatory Visit Plan 2014

i. Meeting with Manitoba Minister of Finance (April 29)

A CAFII delegation made up of Brendan Wycks, Moira Gill and Paul Yeung will be travelling to Winnipeg next week to meet with the Manitoba Minister of Finance. An additional meeting with the Superintendent of Insurance, Deputy Superintendent, and Executive Director of the Insurance Council has also been scheduled.

Jennifer Hines noted that since some attendees have no other reason, logistically, to be in Manitoba, therefore CAFII will be covering their travel expenses under the appropriate budget line items.

ii. Joint Meeting with Atlantic Canada Insurance Regulators (May 15)

CAFII is working on the final organizational details for the scheduled joint meeting with the Atlantic Canada Insurance regulators on May 15. Brendan Wycks and Sue Manson are working on an updated presentation on the under-served market for the meeting, which can be delivered in-person as well as online.

iii. One-on-One Stakeholder Meeting with LLQP Committee (May 28)

One-on-one Stakeholder Meetings with CISRO's LLQP Committee will be occurring again at the end of May and Brendan Wycks will be seeking to enlist Sandy Prokop and Laura Bedford from RBC Insurance to join him again in representing CAFII at this meeting.

7. EOC Committee Updates

a. Distribution and Market Conduct Committee

Sue Manson, Chair of the DMC, advised that the Comparative Value of Creditor's Group Insurance Project is proceeding as planned. The final survey of CAFII members, which will be more refined than the draft sent out a few weeks ago, will be distributed in late May or early June.

b. Licensing Efficiency Issues Committee

i. Representation for Restricted Licensees in SK and AB

Moira Gill, Chair of the LEIC, reported that Ron Fullan, Executive Director of the Insurance Councils of Saskatchewan, has confirmed that he is comfortable with CAFII's Concept Proposal for Restricted Licence Holders in Saskatchewan Representation and intends to move forward on it. However, he is currently fully engaged in CISRO's LLQP Committee work which is causing delays for his other projects. He indicated that an instance had arose recently in which the existence of an Advisory Committee would have been beneficial to the Insurance Councils of Saskatchewan.

c. Media and Communications Committee

Brendan Wycks reported that the Media and Communications Committee was currently draft FAQ's on Creditor's Insurance, intended for submission to the FCAC for its website, which he had prepared. The next steps entail a review, for accuracy and completeness, by compliance and/or product people within some member FIs, beginning with RBC Insurance. Once the FAQs are finalized, the updated content can also be used on the CAFII web site.

John Lewsen, Paul Yeung, and Brendan Wycks reported that the half-day Media Training Workshop with Patrick McGee on March 26 had been very successful and productive. The session included some mock interviews for Brendan, as spokesperson for the Association, around creditor's insurance, key messages, proof points, and the need to continually bring a human interest angle to the fore.

In future, CAFII will plan to have a Media Roundtable, which entails inviting friendly media to a general presentation and Q&A about creditor insurance. The goals of that session will be to get CAFII's name out there; for Brendan Wycks to develop a first name-basis relationship with the reporters; and to build towards the Association becoming a "go to" resource on creditor insurance.

It was suggested and agreed that once CAFII's Key Messages, Stock Answers, and Story Scenarios are finalized, it would be worthwhile to have Patrick McGee review and critique them.

d. Events and Networking Committee

Maria Sanchez-Chung confirmed that newly appointed FCAC Deputy Commissioner Brigitte Goulard will be the guest speaker at CAFII's Reception event on June 10, 2014. A preparatory meeting to brief Ms. Goulard is being scheduled for early May.

8. Other Business

a. Update on CNCA Continuance

Pamela Smith provided a brief update on the progress of the CAFII's transition and continuance under the Canada Non-Profit Corporations Act (CNCA). The recently amended CAFII by-laws document has been signed and sent to Industry Canada; this is the last time the Association will require the Industry Minister's approval for such changes.

The CNCA transition documents were approved at the April 8, 2014 Board meeting and will therefore be presented at the Annual and Special Meeting on June 10, 2014, for confirmation by the membership.

The EOC recognized and thanked the members of the CNCA Continuance Task Force for their work on this initiative.

Action: A thank you note to be sent to Fasken Martineau once all CNCA Continuance work is complete.

9. Termination

There being no further business, the meeting terminated at 3:25 p.m. The next CAFII EOC Meeting will be held on May 27, 2014, in Toronto.

Date

Chair

Recording Secretary