

CAFII Executive Operations Committee Teleconference Meeting Minutes
Tuesday, August 23, 2016

EOC Present:	Rose Beckford Charles Blaquiere Jason Beauchamp Katherine Geisler Moirra Gill Greg Grant John Lewsen Charles Maclean Andrea Stuska	ScotiaLife Financial Canadian Premier Life Insurance BMO Insurance CIBC Insurance TD Insurance CIBC Insurance BMO Insurance RBC Insurance TD Insurance	
			<i>Acting Chair</i>
Also Present:	Emily Cloutier Brendan Wycks Huma Pubani	T•O Corporate Services CAFII TD Insurance	<i>Recording Secretary</i> <i>Executive Director</i> <i>[for part]</i>
Regrets:	Carol Allen Isabelle Choquette Eleanore Fang Sue Manson Diane Quigley Raja Rajaram Jérôme Savard Ana Vu	Assurant Solutions Desjardins Financial Security TD Insurance CIBC Insurance The CUMIS Group CIBC Insurance Desjardins Financial Security BMO Insurance	

1. Call to Order

Acting Chair G. Grant called the meeting into session at 2:04 p.m. and welcomed all present on the call. He noted that the EOC does not typically meet during the summer months of July and August, but this special purpose teleconference meeting was necessary due to an imminent regulatory submission deadline. The monthly financial statements would not be presented at this meeting, he advised.

2. Approval of Agenda and Previous Minutes

a. Draft EOC Minutes of July 19, 2016

R. Beckford suggested removing the words “to compare notes” from the third paragraph on page 3 of these draft minutes, in the description related to CAFII representatives meeting with relevant CLHIA staff executives prior to each Association’s separate stakeholder meetings with the CCIR Travel Insurance Working Group. The draft minutes of the July 19, 2016 EOC teleconference meeting were approved, subject to that minor edit.

Action: Make edit to July 19/16 EOC minutes to remove the words “to compare notes” from third paragraph on page 3. [Brendan, Emily: August 30, 2016]

c. Summary of Board and EOC Action Items

B. Wycks highlighted Action Items that had been updated since the previous Summary, as follows:

- *#4: Update CAFII presentation on "Seven Point Guide to the Creditor Insurance Regulatory Regime."* D. Quigley, Chair of the Research and Education Committee, has advised that she expects to be in a position to circulate an updated presentation to her committee members in early September, with a view to having the revised deck finalized by the end of that month.
- *#8: Bring forward a proposal to the October 4/16 to Board of Directors Meeting recommending engagement of specialized legal counsel with respect to expected overhaul of Quebec's Insurance Act and/or Distribution Act.* Rose Beckford, Isabelle Choquette, Emily Cloutier, and Brendan Wycks had a teleconference meeting with Sylvie Bourdeau of Fasken Martineau DuMoulin's Montreal office earlier today. A proposal recommending CAFII's engagement of Ms. Bourdeau will be brought forward for EOC review and feedback at its September 20 meeting, and subsequent approval by the Board on October 4.

3. Regulatory

a. Current Regulatory Issues

i. Draft CAFII Submission on CCIR Annual Statement on Market Conduct

R. Beckford, Chair of the Market Conduct Committee, provided a summary of the draft CAFII submission on CCIR's Annual Statement on Market Conduct, and facilitated EOC discussion and feedback on a number of key points made in the draft submission.

In discussion, EOC members provided the following feedback:

- the fifth bullet under *Section-by-section points of clarification* should be retained in the submission, as it is better to have CCIR address any possible points of uncertainty;
- with respect to the assertion "we strongly encourage CCIR to take a universal, phased-in implementation approach over 12 to 18 months" at the top of page 2, the recommended timeline should be expanded to have the third and final phase of implementation begin 24 months (two years) after the initial launch;
- the supportive comment on page 1 about the absorption of the National Complaint Reporting System into the Annual Statement can be improved via a precis edit;
- while CCIR's decision to allow insurers to report data based on their own fiscal year-end may lead to some issues with comparability, the flexibility being provided is a net benefit to the industry, so our supportive feedback on that point should remain as is;
- in the second paragraph of the section on *Premiums Written-Based Threshold As Basis For Phased-In Implementation*, we should remove the term "exemption requests" and replace it with "accept best efforts attempts by insurers in the first year"; and
- in our submission, we should ask CCIR to specify when it expects the Annual Statement to be finalized and rolled out to the industry, and the anticipated implementation date; and
- if CCIR will be holding meetings in the Fall with any industry group(s) to discuss feedback on the Annual Statement, we should ask for a short meeting to highlight the key points in our submission.

Action: Revise draft CAFII submission on CCIR Annual Statement on Market Conduct, based on EOC feedback; circulate to EOC and Market Conduct Committee members for final review; and send to CCIR by August 26 deadline. In E. Fang's absence, G. Grant to be signatory on document. [Brendan, Rose, Greg: August 26, 2016]

ii. CCIR Travel Health Insurance Issues Paper

G. Grant reported that six CAFII representatives participated in the Association's stakeholder meeting with CCIR's Travel Insurance Working Group (TIWG) on August 10, focused on the its recently released Travel Health Insurance Issues Paper.

While the Issues Paper and the related discussion at the meeting was in many ways disappointing – because the regulators appear to be acknowledging only minimally the industry's progress on travel insurance reforms over the past two years – there was some solace in the statement made in the meeting by Harry James, TIWG Chair, that *“the Issues Paper is not the ‘way forward.’ The way forward will be based on consultation around the initiatives that the industry has undertaken. Are they adequate reforms? Are they or will they make an appreciable difference?”*

In the stakeholder meeting, G. Grant continued, CAFII provided an update on the work it has done in the area of travel health insurance reforms; and its co-ordination in this area with the CLHIA.

Much of the discussion, however, focused on particular questions and issues raised in the Issues Paper. CAFII representatives highlighted a number of “our research shows” issues where the CAFII-commissioned independent research by Pollara Strategic Insights on Canadians' perceptions, confidence, and satisfaction with travel medical insurance had produced data and insights that differ from the assertions made in the Issues Paper.

CAFII asked the TIWG to share the aggregated results from its 2015 survey of travel health insurers, but that request was declined.

B. Wycks indicated that a Regulator Visit Report on the August 10 stakeholder meeting would be circulated to EOC members shortly. He advised that towards the end of the meeting, Harry James introduced a new concern that had not been previously raised or discussed with the industry. Harry said there is a new travel health insurance issue that has recently come to regulators' attention related to two recent court cases in the U.S. related to Canadian travelers and their Canadian insurers which engaged TPAs to manage claims incurred in the U.S. on a “cost containment basis” moreso than on a true “claims management basis.”

G. Grant advised that in a meeting of the CAFII Travel Medical Insurance Working Group on August 19, it was decided that each FI represented on the committee will take on four or five questions raised in the Issues Paper and craft a response to each from a CAFII perspective. The answers will be sent to S. Manson, Chair of the Working Group, and then aggregated and refined into the first draft of CAFII's response submission on the Issues Paper, which is due September 30, he concluded.

iii. CAFII Next Steps Re Alberta Decision on CI Sold Under a Restricted Certificate of Authority

B. Wycks reported that he recently reached out to J. Abram, CEO of the Alberta Insurance Council, with a query as to whether any further information or assistance was required from our Association with respect to the Life Insurance Council's deliberations, at its September and/or October meeting(s), towards reaching a resolution decision on the selling of critical illness insurance benefits under a Restricted Certificate of Authority.

J. Abram's response indicated that the Life Insurance Council was scheduled to meet on September 14/16 and the issue of group critical illness distribution would be on the agenda. The materials CAFII provided have been very helpful and she does not believe that the LIC will require any further information or clarification. Depending on the extent of the discussions and the other agenda issues that must be dealt with, she anticipates that a decision will be reached at the September 14 meeting or at the latest at the subsequent meeting scheduled for October 12/16. She promised to call B. Wycks and advise of the LIC's decision by the day after a decision is reached.

In EOC discussion of this matter, there was agreement that this was too important an issue to just sit back hope for the best, and risk having the final decision go against CAFII's position; and therefore, we should follow-up and try to secure a brief teleconference with A. Maramieri, Chief Operating Officer at the AIC, and/or J. Abram to get a sense of what options AIC management will be putting on the table for the LIC's consideration towards reaching a resolution decision at its September 14 meeting or its subsequent meeting on October 12.

Action: Follow-up with A. Maramieri and/or J. Abram of the AIC management team to secure a brief telephone meeting to find out what resolution options will be on the table for the LIC's consideration [Brendan, September 9/16].

iv. Saskatchewan Consultation on Regulations In Support of Bill 177 (The Insurance Act)

B. Wycks reported that he had recently reached out to Jan Seibel, the FCAA lawyer who is the lead on this file, for an update as to timing and process for the planned consultation with the industry on draft Regulations, but found out that she will be on vacation until September 12/16.

5. Meeting Termination

There being no further business, the meeting was terminated at 2:58 p.m.

It was noted that the next EOC meeting is scheduled for Tuesday, September 20/16, 2:00 p.m. at TD Insurance, 320 Front St., 2nd Floor, Jasper Room, Toronto, ON.

It was also noted that the next CAFII Board meeting is scheduled for Tuesday, October 4, 2016 hosted by RBC Insurance at 1 Place Ville Marie, 41st Floor, Montreal, QC and, as per our customary practice, this meeting will be preceded by a lunch and industry issues dialogue with AMF staff executives.

Date

Chair

Recording Secretary