

Draft CAFII EOC Meeting Minutes
Tuesday, May 27, 2014
Action Items from the Meeting

Agenda Item	Action Item	Responsible	Deadline
2. Approval of Agenda	EOC Members to follow-up with their Directors regarding attendance at the next meeting. Brendan Wycks to follow-up with FIs that don't have representation on EOC.	EOC, B. Wycks	May 30
4a. Fasken Martineau Invoice Re CNCA Continuance Legal Services	Brendan Wycks to request a comparison report of the initial proposal vs overrun proposal. Upon confirmation that the information is reasonable and acceptable, CAFII shall offer to pay half of the overrun cost, conditional upon Board approval.	B. Wycks	June 10
4b. Application for Voting Membership from The CUMIS Group Ltd	<ul style="list-style-type: none"> Brendan Wycks to seek further clarification from CUMIS as to which Foundation Member of the Association will be the sponsor of its membership application. Upon confirmation of the sponsoring Foundation Member, Brendan and one or two EOC members (one being from the sponsoring Member) to meet with CUMIS representatives, in an interview setting, to discuss such things as: <ul style="list-style-type: none"> alignment between CUMIS and CAFII around fundamental policy issues; fit between CUMIS' goals and expectations related to membership and CAFII's expectations of members; and rights and responsibilities of CAFII members. A summary report of that interview meeting to be presented to the EOC, which will then make a recommendation on the membership application to the Board. 	B. Wycks	June 19

4c. Industry Working Group on Travel Insurance Application Forms	<ul style="list-style-type: none"> The industry activity needs to slow down as CAFII needs to do more groundwork on this issue. CAFII has reached out to other industry Associations, as a preliminary step to garner interest on collaborating. Now that we have confirmed there is interest, we need to do some additional work on the scope of the initiative. 	B. Wycks	Ongoing
	<ul style="list-style-type: none"> Regarding the communique, it was requested that this be deferred or at least CAFII's name be removed, until it has completed the internal scoping process. 		May 28
	<ul style="list-style-type: none"> The Distribution and Market Conduct Committee to review this issue over the summer with the goal of determining the scope of the project. Additional volunteers with expertise will need to be recruited for this initiative. Greg Grant (CIBC), Rosemary Pulla (BMO), Isabelle Choquette (Desjardins) volunteered to join the committee for this project. 	DMC	Summer 2014
	<ul style="list-style-type: none"> Members with representatives on THiA to contact them and confirm what is being done already. 	All	June 19
4g. CAFII External Communications Strategy	Brendan Wycks to identify the key 2014 deliverables in the External Communications Strategy document and add them to the Balanced Scorecard.	B. Wycks	June 19
4h. CAFII Policies	Leya Duigu to include the Competition Policy on the agenda for the September 2014 EOC meeting, for review and discussion as to whether it should be included and acknowledged at each EOC meeting in addition to Board meetings. The Competition Policy should then be brought forward to the October 7, 2014 Board meeting for approval.	L. Duigu	September
5a. Distribution and Market Conduct Committee	Once the DMC has a better idea of when the survey will be released, they are to notify the EOC members so they can provide their teams with an update.	S. Manson, E. Brown	June 19
5dii. Confirmed Speaker for October 7, 2014 Event	Brendan Wycks to prepare and send a formal speaker request letter to Carolyn Rogers.	B. Wycks	June 10
7a. Enquiry Re Saskatchewan Insurance Council	Brendan Wycks to advise the member that the firm should seek independent legal advice on this.	B. Wycks	June 10

CAFII EOC Meeting
Tuesday, May 27, 2014
Location: CIBC Insurance
Commerce Court, 199 Bay Street, 4th Floor [Imperial Room], Toronto, ON

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

John Lewsen introduced Rosemary Pulla to the EOC, noting that she will be joining the EOC in future on behalf of BMO Insurance.

2. Approval of Agenda

The agenda was approved with the following addition under Other Business - Enquiry Re SK Insurance Council.

Jennifer Hines informed members of a potential quorum issue with respect to the next Board of Directors meeting on June 10, 2014 and asked members to follow up with their Directors to confirm their attendance.

Action: EOC Members to follow-up with their Directors regarding attendance at the next Board meeting.
Brendan Wycks to follow-up with FIs that don't have representation on the EOC.

a. EOC Minutes and Action Items of April 22, 2014

The Minutes and Action Items of the EOC Meeting held April 22, 2014 were reviewed.

3. CAFII Financial Management

a. Financial Statements as at April 30, 2014

Raja Rajaram, CAFII Treasurer, was unable to attend the meeting and provided his report on the April CAFII financial statements via email to Brendan Wycks as follows:

- the Balance Sheet is healthy and the GIC has been re-invested;
- the Association has an Excess of Revenue over Expenses of \$29,844 after four months of the fiscal year;
- all first instalment membership dues have been collected from Foundation and Voting Members, but 2014 dues from three Associates currently remain outstanding; and\
- the Treasurer is currently working with the TO Corporate Services Financial Controller, Senait Ghebru, and with the Executive Director on updating the computation of the minimum and maximum targets for the Association's financial reserves.

4. Policy Issues and Decision Items

a. Fasken Martineau Invoice Re CNCA Continuance Legal Services

Brendan Wycks reported that the Fasken Martineau's *pro forma* invoice (not yet issued) related to its CNCA Transition services to CAFII was higher than anticipated due to additional work, requested by CAFII, that wasn't anticipated in the initial proposal. A summary of this issue was included in the meeting materials.

The *pro forma* invoice amounts to \$22,266.10 which is more than double the initial \$9K that was proposed. While CAFII changed the scope of the project, it is good practice for legal firms to notify their clients in advance of any potential cost overruns, which didn't occur in this case. As a result, Mr. Wycks was proposing that CAFII meet Fasken Martineau half-way and be willing to pay half the overrun for a total of \$15,663.05 plus HST.

It was noted that this is the second time the Association has received a higher than anticipated invoice from its legal consultants. Therefore, strategies should be developed to avoid having this occur again in future.

It was suggested that while the *pro forma* invoice included an accounting of the time worked and charges, it would be ideal to receive information about where the cost overruns occurred specifically. Moving forward, when engaging legal and other consulting services, the Association should be vigilant about potential cost overruns.

Next Steps:

- Brendan Wycks to request a comparison report of the initial proposal vs *pro forma* invoice from Fasken Martineau. Upon confirmation that the information is reasonable

and acceptable, CAFII shall offer to pay half of the overrun cost, conditional upon Board approval.

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

Charles Blaquiére of Canadian Premier Life provided some background analysis and insights on The CUMIS Group Ltd. with respect to its application for Voting Membership in the Association.

Members discussed the addition of a credit union entity member and what affect this may have on the scope and objectives of the Association. It was noted and agreed that while comprehensive online research had not turned up any regulatory submissions by CUMIS, discussions with several provincial insurance regulators and internal discussions at member FIs had not produced any red flags that would indicate that CUMIS might be misaligned with CAFII's Mission, Vision, and policy positions.

Action Items:

- Brendan Wycks to seek further clarification from CUMIS as to which Foundation Member of the Association will be the sponsor of its membership application.
- Upon confirmation of the sponsoring Foundation Member, Brendan and one or two EOC members (one being from the sponsoring Member) to meet with CUMIS representatives, in an interview setting, to discuss such things as:
 - alignment between CUMIS and CAFII around fundamental policy issues;
 - fit between CUMIS' goals and expectations related to membership and CAFII's expectations of members; and
 - rights and responsibilities of CAFII members.
- A summary report of that interview meeting to be presented to the EOC, which will then make a recommendation on the membership application to the Board.

c. Industry Working Group on Travel Insurance Application Forms

Brendan Wycks provided a progress update on the Pan-Industry Group on Travel Insurance Issues, based on the summaries of two initial teleconferences included in today's meeting materials.

Subsequent to the second meeting last week, Karen Voin of CLHIA had just drafted a brief communique, for of the three participating Associations (CAFII, CLHIA, and THiA) to be able to share a consistent message with its members. A copy of the communique was provided to members onsite at this meeting.

In addition to participating in the group, Brendan Wycks recommended that CAFII support the pan-industry project by providing Secretariat services, through Leya Duigu. Being responsible for producing Meeting Notes would give CAFII a degree of extra influence by having primary "control of the pen" for the group.

Members discussed the proposed industry group and concerns were raised that CAFII hasn't fully scoped out the project internally and therefore cannot move forward with full participation in the group until it has considered the full extent of the project and its requirements.

Members were in favour of the project overall; however, before proceeding it was felt that CAFII must identify specific issues that will be addressed through the initiative, why CAFII should be involved, and what resources will be needed in order to participate.

Action Items and Next Steps:

- The industry activity needs to slow down as CAFII needs to do more groundwork on this issue. CAFII has reached out to other industry associations, as a preliminary step to garner interest on collaborating. Now that we have confirmed there is interest, we need to do some additional work on the scope of the initiative.

Regarding the communique, it was requested that this be deferred or at least CAFII's name be removed, until it has completed the internal scoping process.

- The Distribution and Market Conduct Committee to review this issue over the summer with the goal of determining the scope of the project. Additional volunteers with expertise will need to be recruited for this initiative. Greg Grant (CIBC), Rosemary Pulla (BMO), Isabelle Choquette (Desjardins) volunteered to join the committee for this project.
- Members with representatives on THiA to contact them and confirm what is being done already.

d. Balanced Scorecard

Brendan Wycks highlighted the key changes recently made to the Balanced Scorecard, which included combining the four separate worksheets into a single worksheet and the addition of a "Status" column.

Moving forward, the Balanced Scorecard will become a Consent Agenda item and initiatives will be updated as to their current status. Members agreed that the purpose of the document is to serve as an annual scorecard to determine if we are meeting our objectives.

e. CAFII External Communications Strategy

Brendan Wycks highlighted this updated document, noting that all items have now been prioritized as high, medium, or low, based on recent feedback from the Media and Communications Committee and the EOC.

Members agreed that the Balanced Scorecard is a separate document containing all the items that the Board has prioritized for accomplishment by the end of the year. The External Communications Strategy document shall contain more detail as well as the evergreen list of items that are of lesser priority. At this stage, the 2014 priority items need to be extracted from the Communications Strategy and transferred into the Balanced Scorecard.

Action: Brendan Wycks to identify the key 2014 deliverables in the External Communications Strategy document and add them to the Balanced Scorecard.

f. CAFII Policies

Leya Duigu reported that up to this time, CAFII's Competition Policy had been set out in the Association's bylaw. However, we received advice from legal counsel that under the Canada Non-Profit Corporations Act, it would be more appropriate for the Competition Policy to be an operational policy rather than a bylaw requirement. As a result, the Competition Policy has not been included in new CAFII Bylaw #1 which will be confirmed at the Annual and Special Meeting on June 10.

Included in today's meeting materials was a draft of the Competition Law Policy that will be put forward at the October 2014 Board meeting for approval.

Members agreed that the Competition Policy should continue to be read and recorded as received in the minutes of each Board of Directors meeting.

Action: Leya Duigu to include the Competition Policy on the agenda for the September 2014 EOC meeting, for review and discussion as to whether it should be included and acknowledged at each EOC meeting in addition to Board meetings. The Competition Policy should then be brought forward to the October 7, 2014 Board meeting for approval.

5. EOC Committee Updates

a. Distribution and Market Conduct Committee

Sue Manson reported on the Distribution and Market Conduct Committee's recent work with Towers Watson on the Comparative Project on Creditor's Mortgage Life, Disability, and Critical Illness Insurance; and Equivalent Individual Insurance.

She advised that in connection with this project, the DMC was seeking approval for the purchase of The LifeGuide Professional Software at a cost of \$470 for an annual license, as per a document to that effect that had recently been circulated electronically, copies of which were also available onsite.

Decision: EOC members discussed the benefits of the software to the project and supported the committee's recommendation that it be purchased. While this item was unforeseen, it was still within the committee's budget.

The committee anticipates releasing the survey of the seven CAFII member FIs in July, somewhat later than originally anticipated, which may impact the plans for presenting the results of the project to the Board at its October 7, 2014 meeting. However, the additional time being spent on development of the survey will result in a more focused and targeted instrument which will benefit member FIs by making it easier and more straightforward to complete.

Action: Once the DMC has a better idea of when the survey will be released, they are to notify the EOC members so they can provide their teams with an update.

b. Licensing Efficiency Issues Committee

Brendan Wycks provided an update on agenda topics planned for discussion in a May 28 meeting with Gerry Matier, Executive Director of the Insurance Council of BC, which would be attended by Moira Gill, Greg Grant, Derek Blake, and himself.

c. Media and Advocacy Committee

Members discussed and agreed that CAFII will not communicate with the media on travel insurance issues at this time. However, the Association may do so in the future.

d. Events and Networking Committee

i. Confirmed Speaker for June 10, 2014 Regulatory Reception

Paul Yeung reported that Brigitte Goulard, Deputy Commissioner of the Financial Consumer Agency of Canada, would be guest speaker at the June 10 CAFII event; and a preparation meeting will be held with her on June 2 to go over final details. A save the date message was sent to CAFII's guest list and Paul Yeung stressed the urgency with which the follow-up invitation must be sent.

ii. Confirmed Speaker for October 7, 2014 Event

The next event will be held on October 7 and Carolyn Rogers, BC Superintendent of Insurance and Chair of CCIR, has accepted CAFII's invitation to be the guest speaker.

Action: Brendan Wycks to prepare and send a formal speaker request letter to Carolyn Rogers.

6. Regulatory Update

Items were reviewed for urgency and a brief verbal update was provided by Brendan Wycks.

- **BC FICOM:** Brendan Wycks reported on a conversation he had recently with Harry James of BC's FICOM on the Commission's two question survey of the industry on the structuring of creditor's group insurance products, a summary of which was included in the Regulatory Update in the meeting materials. While FICOM is still awaiting responses from several stragglers, Harry James indicated that a picture is emerging and there seems to be an issue in three particular markets. Further updates and communication have been scheduled for June.

a. Draft CAFII Submission on FSCO 2014 Statement of Priorities

Members were reminded to provide feedback to Brendan Wycks on the draft submission within the next two days, in order for the Association's document to be finalized and submitted by the May 30 deadline.

7. Other Business

a. Enquiry Re Saskatchewan Insurance Council

A member recently flagged an issue of concern from the Saskatchewan Insurance Council. Members discussed and it was agreed that it could impact principles under the Bank Act.

Action: Brendan Wycks to advise the member that the firm should seek independent legal advice on this.

b. Alberta E&O Insurance Requirements for Restricted License Holders

Members discussed this issue. It was agreed that no further action on the part of the Association was required.

c. *In Camera* Discussion

Members met *in camera* to discuss a proposal with respect to CAFII Admin support.

8. Termination

The EOC meeting was terminated upon completion of the in-camera discussion. The next CAFII EOC Meeting will be held on June 19, 2014, in Toronto.

Date

Chair

Recording Secretary