

**CAFII Board Meeting Minutes**  
**Tuesday, October 7, 2014**  
**Location: TD Bank Tower**  
**66 Wellington St. W, 54<sup>th</sup> Floor, Toronto, ON**

**DRAFT**

<b>Present:</b>	Chris Knight	TD Insurance
	Todd Lawrence	CIBC Insurance
	Peter McCarthy	BMO Insurance
	Isaac Sananes	Canadian Premier Life Insurance Co. <i>Chair</i>
	Vivianne Gauci	AMEX Bank of Canada
	Joane Bourdeau	National Bank Insurance Co.
<b>EOC Present:</b>	Carol Allen	Assurant Solutions
	Rose Beckford	ScotiaLife Financial <i>(by teleconference for part)</i>
	Charles Blaquiere	Canadian Premier Life Insurance Co.
	Emily Brown	BMO Insurance
	Andre Duval	Desjardins Financial Security Life Assurance
	Eleanore Fang	TD Insurance
	Moira Gill	TD Insurance
	Greg Grant	CIBC Insurance <i>Secretary</i>
	John Lewsen	BMO Insurance
	Sue Manson	CIBC Insurance
	Rosemary Pulla	BMO Insurance
	Raja Rajaram	CIBC Insurance <i>Treasurer (by teleconference for part)</i>
	Maria Sanchez-Chung	TD Insurance
	Paul Yeung	RBC Insurance
<b>Also Present:</b>	Leya Duigu	T•O Corporate Services <i>Recording Secretary</i>
	Brendan Wycks	CAFII <i>Executive Director</i>
<b>Regrets:</b>	Darrell Bruce	ScotiaLife Financial
	Rino D'Onofrio	RBC Insurance
	Linda Fiset	Desjardins Financial Security Life Assurance
	Robert Zanussi	Assurant Solutions
	Derek Blake	RBC Insurance
	Brian Wise	Assurant Solutions

**1. Call to Order**

The meeting was called to order at 2:10 p.m. I. Sananes acted as Chair; G. Grant acted as Secretary; and L. Duigu acted as Recording Secretary.

**1.1. Approval of Agenda**

On a motion duly made, seconded and unanimously carried

**IT WAS RESOLVED that:**

The Meeting Agenda be approved as circulated.

**1.2. Confirmation of Appointments**

Previous Chair M. Cummings stepped down from the CAFII Board at the Annual and Special Meeting in June. A nominations process was conducted resulting in a motion to appoint a successor Chair and Vice-Chair that was carried out electronically.

The following motions were unanimously carried:

**IT WAS RESOLVED THAT:**

- R. D’Onofrio of RBC Insurance be appointed Chair of the Corporation, effective immediately and for a term concluding with the Annual Meeting in June 2015.
- I. Sananes of Canadian Premier Life Insurance Company be appointed Vice-Chair of the Corporation, effective immediately and for a term concluding with the Annual Meeting in June 2015.

**1.3. Appointment of New Director**

On a motion duly made, seconded and unanimously carried

**IT WAS RESOLVED that:**

Joane Bourdeau from National Bank Insurance be appointed to the CAFII Board of Directors until the next Annual Meeting in June 2015.

**2. Adoption of Minutes:**

**2.1. Draft Board Meeting Minutes, April 8, 2014**

On a motion duly made, seconded and unanimously carried

**IT WAS RESOLVED that:**

The Minutes of the meeting of the Board of Directors held April 8, 2014 be and are adopted in the form presented, and that a copy of these Minutes be signed and placed in the Minute Book of the Corporation.

**2.2. Draft Board Meeting Minutes, June 10, 2014**

On a motion duly made, seconded and unanimously carried

**IT WAS RESOLVED that:**

The Minutes of the meeting of the Board of Directors held June 10, 2014 be and are adopted in the form presented, and that a copy of these Minutes be signed and placed in the Minute Book of the Corporation.

### **2.3. Summary of Board Action Items**

G. Grant presented the summary documents, informing the Board that we have included the combined Board and EOC documents for the Board's information and review. Today, he will be going through the Summary of the Board Meeting. The items will also be put into a proper order at a later date.

## **3. Financial Update:**

### **3.1. Financial Statements as at August 31, 2014**

R. Rajaram presented the financials that were included in the meeting materials, summarizing total assets, unrestricted net assets and the statement of operations which is currently at 70% of the year's budgeted expenses.

On a motion duly made, seconded and unanimously carried

#### **IT WAS RESOLVED that:**

The financial statements for CAFII as at August 31, 2014 be and are approved in the form presented.

## **4. Balanced Scorecard**

The Balanced Scorecard outlines the work that CAFII has committed to and provides a measure for the EOC and Executive Director, B. Wycks, to be reviewed against.

G. Grant provided an item-by-item update on performance against the Balanced Scorecard noting that a great deal had been accomplished since the previous Board meeting, but much remained to be done.

## **5. Matters Arising From CNCA:**

### **5.1. CAFII CNCA Compliance Confirmation**

During the Annual and Special meeting held June 10, 2014, CAFII members approved the documents necessary for the Association to achieve continuance under the Canada Non-Profit Corporations Act (CNCA); and this continuance became effective August 25, 2014. Those involved in the review process were thanked for their participation including members of the EOC, Fasken Martineau, and TO Corporate Services.

### **5.2. Draft Competition Law Policy**

On a motion duly made, seconded and unanimously carried

#### **IT WAS RESOLVED that:**

The Competition Law Policy be adopted in the form presented.

### 5.3. Draft Associates Policy

On a motion duly made, seconded and unanimously carried

#### **IT WAS RESOLVED that:**

The Associates Policy be adopted in the form presented.

## 6. Regulatory:

### 6.1. Travel Insurance Pan-Industry Project Group (TIPIP)

TIPIP group is comprised of CLHIA, THiA and CAFII, and Jill McCutcheon of BLG is acting as legal counsel. TIPIP members have committed to meeting every two weeks for the purpose of making recommendations to the CCIR on addressing issues related to travel insurance. Each of the participating Associations has a different stake in the initiative. Since travel insurance is its raison d'être, THiA has the largest stake in the effort and is driving much of the process. TIPIP's short-term goal is to create a Briefing Document and send it to the CCIR in advance of its November stakeholder meetings. The names of all three organizations will appear on the document's cover and the EOC will be asked to review and approve the document before it goes forward to the CCIR.

### 6.2. Joint Visit to Atlantic Canada Regulators: Oct 1/14

- Manitoba Insurance Council: Erin Pearson provided an update on the implementation of the ISI regime, through which the regulator is anticipating approximately 500 Restricted Insurance Agent licensees. A draft Application Form has been shared with B. Wycks and M. Gill, to give CAFII an opportunity to provide informal feedback. Plans for an ISI committee are also being developed.
- Alberta. Mark Prefontaine, Superintendent of Insurance, indicated there are no pending changes on the horizon with respect to life and accident & sickness insurance. The Superintendent's office recently hired a new deputy and Laurie Balfour has a new inter-jurisdictional role with the Canadian Council of Insurance Regulators (CCIR).
- Atlantic Canada Regulators Meeting. CAFII members G. Grant and J. Lewsen presented on the Underserved Insurance Market. The presentation was well-received and it was felt that a slide to summarize our "ask" of the regulators would be a helpful addition. Travel insurance was noted as a hot button issue; however, the exact nature of these issues in the Atlantic Provinces is unclear. Introduction of a Restricted Licensing Regime is not on the horizon; however, if it's adopted in the rest of Canada, the Atlantic regulators expect there will be more pressure for them to join in on this approach.

### 6.3. Stakeholder Meeting with CCIR: 2014-17 Strategic Plan

A CCIR Stakeholder meeting has been confirmed for November 5, 2014 at 9:00 a.m., and shall be attended by P. McCarthy, C. Knight, T. Lawrence, D. Bruce and B. Wycks. One item that will require a decision before this meeting is whether travel insurance should be discussed as a 'CAFII' issue. The EOC shall discuss this in more detail.

#### **6.4. Regulatory Update**

B. Wycks summarized the Regulatory Update that was included in the meeting materials.

### **7. Committee Reports Addressing CAFII Priorities:**

#### **7.1. Distribution and Market Conduct Policy Committee**

The committee has been quite involved with the AMF distribution guide response submitted recently, as well as preparing the Underserved Market presentation for CAFII's Oct 1, 2014 meeting with Atlantic Canada regulators.

##### **7.1.1. CAFII Value Proposition Project**

The Creditor Value Proposition study has been completed by all CAFII members. At this time, the individual insurer survey has been distributed to 24 companies and, to-date, 12 completed responses have been received. To secure more responses, the sub-committee has recently decided to extend the deadline for individual insurers and this may delay the presentation to the Board.

#### **7.2. Licensing Efficiency Issues Committee**

##### **7.2.1. Nova Scotia Bill 43**

M. Gill updated the Board on changes that have been proposed to the Nova Scotia Act affecting direct sellers. At this time, CLHIA is tracking this matter and has communicated with the province about preserving the exemption for insurance found in the previous version of the Act. To date, CAFII has not made a representation to Nova Scotia on this matter; however, we are dealing directly with the regulator to supplement the communications coming from CLHIA.

##### **7.2.2. Representation for Restricted Licensees in Saskatchewan**

M. Gill provided an update on the licensing committee's initiatives, including those relating to Saskatchewan, as follows:

- New Brunswick: a consultation paper will be released this fall, with the goal creating a more streamlined individual licensing process.
- The licensing committee continues to track issues related to LLQP modernization and, as the situation evolves, we are considering the timing of a follow-up CAFII letter of support.
- Manitoba: CAFII members recently had dinner with the Executive Director of the Insurance Council, which was a great success and opened opportunities for further dialogue and relationship-building.
- Alberta: initially, the concept of representation for restricted licence holders in this province wasn't an option; however, we have since made great progress.

- Saskatchewan: we continue to work on a model for achieving representation for restricted licence holders through an advisory committee to the Executive Director of the Insurance Councils; however, due to a predominant focus on the LLQP modernization initiative and this province's leadership on that issue, representation as well as some other issues has been delayed.
- British Columbia: the Financial Institutions Act is up for a mandated 10-year review beginning this fall. The exemption for creditor insurance is in this Act and it seems obvious that it will become a topic of conversation. British Columbia has a history of doing things on its own, so it might be beneficial to consider what we would like and start making submissions on this.

### **7.3. Media and Communications Committee**

#### **7.3.1. External Communications Strategy Summary**

M. Gill and J. Lewsen presented the summary. It was noted that creditor insurance is repeated a number of times throughout the document and now travel is starting to be a recurring topic of discussion. In future, it would be ideal to expand our field of expertise to "alternate distribution"; however, right now creditor insurance is a starting point for growing CAFII recognition in the various stakeholder groups.

#### **7.3.2. Update on Media Outreach**

Directors discussed a recent missed opportunity to communicate with the media and challenges with moving the communications agenda forward. Consideration was given to whether CAFII had the right resources and/or processes to deal with communications matters. To-date, CAFII has done a great job with our regulator audience which is a slower moving environment. The media is a faster moving environment and we need to decide as a Board whether B. Wycks should be given a license to communicate the CAFII message with confidence.

Directors felt that the Board has expressed a desire to have a buttoned down plan/strategy that is proactive. This would include documenting who our spokesperson is and what their boundaries are for communicating, and then confirm those recommendations with the Board. G. Grant confirmed that the direction from the Board was clear and that it is time to execute. He has provided a list of eight items and a document of key messages to move forward with and the approach was not to react but begin building our relationships with friendly media. His view is that we have received approval and are at the point of execution.

Directors were informed of a media opportunity that was recently confirmed through which B. Wycks shall engage in a practice educational discussion with a business reporter from the Toronto Star. The goal of this interview is to provide education to a friendly media person in a controlled environment. A document shall be circulated to the Executive Operations Committee (EOC) on this matter and we will reassess after this initial experience with a friendly reporter.

The Board confirmed that once a Key Messages Map and Key Messages are provided for approval G. Grant and B. Wycks are empowered to make a decision. Should anything occur outside of this plan, then G. Grant and B. Wycks can make a decision on this at that time.

**Action:** Key Messages Map and Key Messages to be provided to the board for approval. [B. Wycks, G. Grant: date]

#### 7.4. Networking and Event Hosting Committee

##### 7.4.1. Events & Speakers: Oct 7/14 and Feb 10/15

The speaker presentation and reception today will be well-attended, as we received 110 acceptances. P. Yeung highlighted the key regulators who will be in the audience.

The 2015 Annual Members luncheon speaker has been confirmed as Jane Rooney of the FCAC, Canada's first Financial Literacy Leader. The date for this event is February 10, 2014. The venue shall be confirmed shortly.

Suggested speakers for subsequent 2015 events included the new CEO of FSCO as well as Jeremy Rudin, Superintendent of Financial Institutions and the head of OSFI.

#### 8. *In Camera* Discussion

The Board of Directors met *in camera* for the remainder of the meeting.

#### 9. Termination

The Board of Directors meeting was terminated upon completion of the *in camera* discussion. The next CAFII Board of Directors meeting will be held on December 2, 2014, in Toronto.

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Date

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Chair

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Recording Secretary