

CAFII EOC Meeting Minutes

Tuesday, March 21, 2017

Location: RBC Insurance RBC Centre
155 Wellington Street West, 11th Floor, Asia Room
Toronto, Ontario

DRAFT

EOC Present:	Jason Beauchamp	BMO Insurance
	Rose Beckford	ScotiaLife Financial <i>(by teleconference)</i>
	Charles Blaquiere	Canadian Premier Life Insurance Company
	Rob Dobbins	Assurant Solutions <i>(by teleconference)</i>
	Eleanore Fang	TD Insurance <i>Chair</i>
	Katherine Geisler	CIBC Insurance
	Moira Gill	TD Insurance <i>(for part, by teleconference)</i>
	John Lewsen	BMO Insurance
	Charles MacLean	RBC Insurance
	Diane Quigley	The CUMIS Group <i>(by teleconference)</i>
	Raja Rajaram	CIBC Insurance <i>Treasurer (for part, by teleconference)</i>
	Andrea Stuska	TD Insurance
Also, Present:	Emily Cloutier	T•O Corporate Services <i>Recording Secretary</i>
	Keith Martin	CAFII <i>Co-Executive Director (by teleconference)</i>
	Brendan Wycks	CAFII <i>Co-Executive Director</i>
Regrets:	Isabelle Choquette	Desjardins Financial Security Life Assurance
	Sue Manson	CIBC Insurance
	Jerome Savard	Desjardins Financial Security Life Assurance

1. Call to Order

The meeting was called to order at 2:05 p.m. E. Fang acted as Chair; E. Cloutier acted as Recording Secretary.

E. Fang welcomed all in attendance and offered a special welcome to Rob Dobbins who was participating in his first EOC meeting as a representative from Assurant Solutions.

2. Approval of Agenda and Previous Minutes

a. Agenda

The agenda for this March 21, 2017 meeting of the Executive Operations Committee was approved as circulated.

b. EOC Minutes of February 21/17

The Executive Operations Committee meeting minutes of February 21, 2017 were approved as presented.

c. Summary of Board and EOC Action Items

B. Wycks provided an update on the Summary of Board and EOC Action Items, briefly commenting on the following item which had been completed since the February 2017 EOC meeting:

- #9: CAFII Refresher & Update Report on Expected Quebec Financial Sector Modernization Omnibus Bill: a refresher memo on this matter had been recently circulated.

3. CAFII Financial Management

a. CAFII Financial Statements as at Feb 28/17

Reporting on CAFII's financial statements as at February 28/17, Treasurer R. Rajaram noted that on the Balance Sheet, Unrestricted Net Assets stood at \$383,284 and the current level of financial reserves was 51% of Annual Operating Expenses.

With respect to the Statement of Operations, Net Income after two months of the fiscal year was \$2,526, reflecting the budgeted additional costs of a Co-Executive Director and website improvements.

All Member and Associate dues invoices were issued in early February and payments have now started to come in, Mr. Rajaram advised.

C. Blaquiere noted that one of the CAFII Associates, Aimia, had recently been acquired by Sigma Loyalty Group. So it would be important to follow-up with them to ensure they will continue their Associate status despite the acquisition. C. Blaquiere further informed the EOC that Tim Rainville, VP, Business Development, was no longer with Aimia/Sigma Loyalty, and that he would investigate to source an alternate contact with whom CAFII could follow-up.

ACTION: Identify an alternate contact at Aimia, now called Sigma Loyalty Group, so that E. Cloutier/B. Wycks can inquire as to whether that company will continue to hold their CAFII Associate status [C. Blaquiere, April 18/17]

b. Draft Audited Financial Statements

Treasurer R. Rajaram advised that the draft audited 2016 financial statements would be presented to the Board of Directors at its next meeting, for review and approval to be brought forward to the Annual Meeting of Members in June.

In comparing the Association's financial results for fiscal year 2016 to those of the prior year, the numbers had not materially changed; however, there was a slight drop on the liabilities side which is a positive sign indicating that the Association has only a modest amount of outstanding receivables, Mr. Rajaram indicated.

B. Wycks added that CAFII had received a clean, unqualified audit opinion from auditors KPMG; and an audit closing call had been scheduled with them for March 29.

The Draft 2016 Audited Financial Statements were approved by the EOC to be presented at the April 5/17 CAFII Board meeting on April 5/17.

4. Strategy & Governance

a. 2017 Co-Executive Balanced Scorecard

B. Wycks advised that with the addition of Co-Executive Director K. Martin, it was essential to update the CAFII Balanced Scorecard to accommodate dual Executive Directors. The format would remain the same as that used over the past two years, but with the responsibilities and accountabilities of K. Martin now factored in.

K. Martin reported that one of his accountabilities would be to support the initiatives which Mr. Wycks has been leading; but also to focus on the following proposed new initiatives:

- increase the profile of CAFII by working with liaising with key influencers, thought leaders, and decision-makers;
- develop a CAFII Strategic Plan, i.e. new areas to invest in and new activities to drive additional value for CAFII Members and Associates; and
- develop the readiness and capability to respond to media on CGI and other CAFII-relevant issues.

K. Martin noted that many of these initiatives are connected to the CAFII Strategic Planning session, which will assist in identifying new priorities for both himself and Mr. Wycks.

b. Proposed Strategic Planning Session

B. Wycks provided a high-level timeline for the development of a CAFII Strategic Plan.

In EOC discussion of the proposed timeline, B. Wycks and K. Martin were advised to structure the Strategic Planning Session as a dedicated one hour to 1.5 hour meeting, which could occur immediately before or immediately after a scheduled EOC meeting.

ACTION: Coordinate a meeting poll for a one hour to 1.5 hour Strategic Planning Session to be held before/after the EOC meeting on either May 23/17 or June 20/17. [E. Cloutier, April 7/17]

ACTION: Prepare a Strategic Plan Development Background document, for vetting with the EOC Chair and subsequent presentation to the full EOC. [K. Martin, May 8/17]

c. CAFII Preparedness For Responding To Negative Media Columns/Articles

K. Martin highlighted the recent situation in which Board Chair P. McCarthy had asked whether CAFII might be prepared to respond to a recent Rob Carrick column in the Globe and Mail which was very ill-informed and negative about CGI sold by financial institutions.

Based on conversations with EOC and Board members, Mr. Martin continued, there is no consensus on how we should approach such columns/articles that depict CAFII products and services negatively. There appear to be two possible approaches:

1. Ignore them and let them flame out on their own. These columns/articles are infrequent and by responding, we may only create more of an issue by fanning the flames and thereby keeping the issue “alive”. In addition, there are some materials for response but they have not been approved.
2. A more streamlined and expedited Media Protocol needs to be developed and approved, so that as the Co-Executive Director focused on media matters, K. Martin is empowered with a level of pre-approved authority to prepare responses to such columns/articles, while expedited review and approval authority is vested in one or two Officers only, so that responses can be made quickly to the media entity involved.

A. Stuska suggested that the recent R. Carrick column also emphasized the need for CAFII to regularly refresh its data and research. And, as an alternative to responding directly to a negative column/article, consideration should be given to publishing an article of our own, on the CAFII website, that clearly details our perspective and backs it up with facts, she recommended.

R. Beckford added that because CAFII members are all part of larger financial institutions, it is essential that CAFII be aware of what, if anything, a parent FI may be communicating to the media or the public on a given issue. On a case by case basis, the Association can then decide whether to respond or not.

In concluding EOC discussion on this matter, it was suggested and agreed that K. Martin should update and revise CAFII's existing Media Protocol towards a more streamlined and expedited process for media response preparedness; and bring the revised version forward to the April 5/17 CAFII Board meeting for initial feedback.

ACTION: Update and revise CAFII's existing Media Protocol; and bring the revised version forward to the April 5/17 CAFII Board meeting for initial feedback. [K. Martin, April 5/17]

5. Regulatory

a. Consultations/Submissions Timetable

B. Wycks advised that in a conversation following CAFII's stakeholder with the CCIR Travel Insurance Working Group on February 22/17, Louise Gauthier, the AMF's Senior Director, Distribution Policies and Compensation, advised him that in a cocktails event hosted by the AMF the previous week, Quebec Finance Minister Carlos Leitao had committed to a new deadline for tabling the long-awaited Omnibus Bill intended to modernize the province's financial services sector: before the end of the current sitting of the Quebec National Assembly, which means a deadline of on or before Friday, June 16, 2017.

b. Regulatory Update

i. Canadian Bankers Association Updates On Three CAFII-Relevant Matters

B. Wycks advised that Sandy Stephens, Assistant General Counsel, and Charles Docherty, Senior Legal Counsel, with the Canadian Bankers Association had recently confirmed to him that in the upcoming federal Bank Act review, the CBA does not intend to pursue changes to the long-standing prohibition against banks retailing non-Authorized Insurance Products from their branches. The CBA therefore included only a boilerplate paragraph about this issue as a placeholder in its November 15/16 Review of the Federal Financial Sector Framework submission to the Department of Finance Canada.

In a separate but related CBA update, Ms. Stephens advised that under forceful, full court press pressure from the Senate, consumer interest groups, and Opposition MPs, particularly those from Quebec, the Liberal Government decided in mid-December to remove Division 5 (the Consumer Protection Framework) from Bill C-29, Budget Implementation Act, in order to get the Bill passed.

The pressure point was around the federal financial consumer protection framework's infringing upon provincial responsibility for consumer protection; and, to some degree, its assertion of federal paramountcy over the regulation of banks.

The Government currently intends, after an FCAC exercise of benchmarking against provincial financial consumer protection frameworks, to re-introduce a federal financial consumer protection framework as a stand-alone Bill. If and when the Government starts working on that new Bill or when it is introduced as draft legislation, the CBA intends to intervene with Finance Canada at that time and work with it to resolve the two material, unintended consequence concerns for bank insurance products arising from the original Division 5, which were identified by CAFII member CIBC Insurance and then shared with the CBA for appropriate remedial action with Finance Canada.

And on February 28/17, the CBA announced the appointment of Neil Parmenter as president and CEO, effective May 1/17. Parmenter will succeed Terry Campbell, who announced his retirement in September 2016 and has been in the role for six years. Parmenter is currently Senior Vice-President, Corporate and Public Affairs (Global) and Chief Communications Officer at TD Bank. He leads TD's corporate communications for Canada and the United States as well as the its Canadian government relations practice, and counsels the CEO, CFO, senior executive team and Board on government relations, communications, and public affairs issues.

K. Martin suggested that CAFII try to arrange a get acquainted lunch with Mr. Parmenter before he assumes his new CEO role at the CBA on May 1/17. E. Fang agreed to look into arranging such a liaison lunch through CAFII Board member C. Knight, who is well-acquainted with Mr. Parmenter as a colleague at TD Bank.

c. **Regulator and Policy-Maker Visit Plan**

B. Wycks recalled that at the February 2017 EOC meeting, M. Gill suggested that he speak to R. Fullan, Chair of CISRO, about the possibility of CAFII sponsoring a dinner around one of CISRO's two semi-annual meetings, largely as a liaison and get acquainted opportunity for new Co-Executive Director K. Martin.

Mr. Wycks advised that he spoke to Mr. Fullan about that prospect immediately following CAFII's stakeholder meeting with the CCIR Travel Insurance Working Group on February 21/17. Mr. Fullan's response was that like CCIR, CISRO routinely declines such requests because its policy is that its members will not meet as an entire group, in conjunction with a CISRO meeting, with a stakeholder in a social event or dinner sponsored by that stakeholder – because accepting such a request could be perceived as favouritism towards that particular stakeholder and would likely open up a “pandora's box” of such requests.

However, as an alternative, Mr. Fullan, as Chair of CISRO, extended an invitation to CAFII to make a half-hour presentation to CISRO as part of the agenda for CISRO's meeting in Saskatoon on June 1-2/17.

B. Wycks therefore recommended that:

- CAFII accept R. Fullan's invitation to make a half-hour presentation to CISRO at its June 1-2/17 meeting in Saskatoon;
- CAFII request a separate liaison lunch meeting with R. Fullan immediately following the CISRO meeting on Friday, June 2, which could serve as both a CAFII-relevant debrief on the entire CISRO meeting and an opportunity to resurrect CAFII's Concept Proposal for a Restricted Insurance Agents Advisory Committee to the Executive Director of the Insurance Councils of Saskatchewan, which had been put on the back-burner since October 2013 due to Mr. Fullan's need to dedicate all of his time and energy to leading the LLQP modernization initiative, which is now complete; and
- consideration be given to using CAFII's Seven Point Guide To The Creditors Group Insurance Regulatory Regime, recently updated by the Research and Education Committee, as the topic for the presentation to CISRO.

In EOC discussion of this matter, the following feedback was provided:

- the EOC supports acceptance of R. Fullan's invitation; and a recommendation to that effect should be brought forward to the Board for approval at its April 5/17 meeting;
- M. Gill concurred that the timing is right to resurrect CAFII's proposal for representation for Restricted Licence Holders and a liaison meeting with R. Fullan in Saskatoon presents an ideal opportunity to attempt to have it put back on the rails; and
- the target audience for the Seven Point Guide To The Creditors Group Insurance Regulatory Regime deck is the Atlantic Canada regulators alone; so it likely would not be appropriate to use it as a presentation for CISRO members from across the country. We will need to come up with a topic that is more general and high level, and appropriate for the entire CISRO group.

ACTION: Bring forward a recommendation to the Board at its April 5/17 meeting, for discussion and approval, that CAFII accept R. Fullan's invitation to make a presentation to CISRO during its June 1-2/17 meeting [Brendan, March 28/17].

6. Committee Updates

a. Market Conduct Committee

R. Beckford updated the EOC on the current status of CCIR Annual Statement. Insurers are receiving communications from CCIR about their obligation to complete the Statement in year one; and CCIR has posted related FAQs on its website.

b. Media Advocacy Committee

i. CAFII Website Modernization

C. Blaquiere, Chair of the Media Advocacy Committee, advised that his committee is currently working closely with media consultant David Moorcroft and search engine optimization (SEO) consultant RankHigher on content and design changes to our CAFII website to make it more appealing for consumers and media and to increase traffic to it, thereby making it a more strategically advantageous tool for the Association and its members.

As such, the Committee is also looking forward to playing an active, input-providing role in the development of a new CAFII Strategic Plan, particularly with respect to proposed initiatives related to media engagement and related research and thought leadership. As well, there will be an in-person committee update meeting in early April.

Mr. Blaquiere distributed a one-page handout which illustrated the proposed secondary navigation for the Association's proposed new consumer education-focused website; and invited EOC members to review the navigation diagram and provide him with any feedback they may have.

c. Licensing Efficiency Issues Committee

M. Gill, LEIC Chair, reported that she has been working closely with Co-Executive Director K. Martin, who will be supporting the LEIC, by facilitating orientation and learning opportunities for him related to insurance licensing issues. An in-person LEIC meeting has been scheduled for April 25/17, she advised, the purpose of which will be to develop a work plan and resume an active agenda.

d. Research and Education Committee

No updates at this time.

e. Travel Medical Experts Working Group

On behalf of S. Manson, Chair of the Travel Medical Experts Working Group, B. Wycks reported that the Group's recent work has included:

- participation in CAFII's February 22/17 stakeholder meeting with the CCIR Travel Insurance Working Group related to its Draft Recommendations for inclusion in its Travel Health Insurance Products Position Paper; and the related March 10/17 CAFII submission to the TIWG on those Recommendations; and
- completion of the output of the committee's extensive and detailed work on "policy layout" for travel health insurance policies.

7. Other Business

a. CAFII 20th Anniversary Celebration on April 5/17

B. Wycks provided an update on expected regulator and policy-maker attendees attendance at CAFII's 20th Anniversary Celebration on April 5/17, as confirmed by CCIR Policy Manager S. Jacobs. With respect to those VIP guests, Mr. Wycks also advised that he would be putting together a CAFII Assigned Hosts document.

ACTION: Prepare and circulate to the EOC and Board a CAFII Assigned Hosts document for the 20th Anniversary Celebration [B. Wycks, April 4/17]

E. Cloutier reported that all event logistics and special requests for food and beverage had been addressed. 20th Anniversary silver pens will be distributed to the attendees as a gift. In addition, two 20th Anniversary pop-up banners have been received and the design is very impactful. Expected attendance at the event was now more than 90 persons.

ACTION: Circulate list of attendees to each EOC member to ensure there are sufficient attendees from their respective member companies. [E. Cloutier, March 24/17]

b. CAFII Trademark Renewal

B. Wycks reported that he had received a recent communication from B. Soucy of Blaney McMurtry, the Association's trademark law firm, which indicated that the firm had received a further office action with respect to our application to register the CAFII logo as a trademark in Canada. Regrettably, the Examiner has maintained her objection on the basis that the trademark is clearly descriptive of the underlying services.

Mr. Soucy advised that he found the arguments made by the Examiner to be "incongruent." She is asserting that the average Canadian would naturally understand CAFII to mean the Canadian Association of Financial Institutions in Insurance. The major shortcoming in her analysis is that the Trademarks Office has already approved the registration of the acronym CAFII, which suggests that it is sufficiently distinctive on its own. For them to take a different position in terms of the related logo, of which CAFII is obviously the predominant element, is puzzling. It also ignores the fact that CAFII successfully registered its prior logo which included the same combination of acronym and words.

B. Wycks advised he has agreed to Blaney McMurtry's request that it be instructed to file additional arguments to challenge the Examiner's assertions. The cost to prepare such arguments will be nominal.

8. Termination

The meeting was terminated at 4:16 p.m. EST.

Date

Chair

Recording Secretary