

**CAFII Executive Operations Committee
Tuesday, August 22, 2017
Teleconference & Adobe Connect Only**

MINUTES

EOC Present: Rose Beckford, ScotiaLife Financial
John Lewsen, BMO Insurance
Sue Manson, CIBC Insurance
Moira Gill, TD Insurance
Charles MacLean, RBC Insurance
Julie Medeiros, RBC Insurance
Tony Pergola, ScotiaLife Financial *Treasurer*
Diane Quigley, CUMIS Group Inc
Andrea Stuska, TD Insurance
Peter Thorn, TD Insurance, *Chair*

Also, Present: Caroline Bucksbaum, T•O Corporate Services *Observer*
Emily Cloutier, T•O Corporate Services *Recording Secretary*
Keith Martin, CAFII *Co-Executive Director*
Pamela Smith, T•O Corporate Services *Observer*
Brendan Wycks, CAFII *Co-Executive Director*

Regrets: Jason Beauchamp, BMO Insurance
Charles Blaquiére, Canadian Premier Life
Isabelle Choquette, Desjardins
Rob Dobbins, Assurant Solutions
Katherine Geisler, CIBC Insurance
Jerome Savard, Desjardins

1. Call to Order

The CAFII EOC meeting was called to order at 2:07 p.m.; P. Thorn acted as Chair; E. Cloutier acted as recording secretary.

2. Regulatory

2. a. AMF Consultation with Insurance Stakeholders on Managing Conflict of Interest in Relation to Incentives

R. Beckford reminded EOC members that the AMF is looking for feedback on its consultation paper, Managing Conflict of Interest in Relation to Incentives, released in July 2016, 2017 by the 15th of October 2017. The decision was made at the July 25th EOC meeting that CAFII would provide a response.

R. Beckford advised that B. Wycks had developed a critical path with timelines and some discussion points for consideration in determining what it is that CAFII wants to focus on in making a submission. He has also provided an excerpt on sales and incentive management from the Year 1 version of the CCIR Annual Statement on Market Conduct.

B. Wycks spoke to his Discussion Points On AMF's "Managing Conflict of Interest Risk In Relation To Incentives" Issues Paper and Draft Critical Path for CAFII Response Submission which were circulated with the meeting materials. He indicated that this consultation appears to be geared primarily toward companies and corporate entities in the insurance industry – especially insurers/underwriters – and less so towards other industry stakeholders, such as industry associations. He also highlighted the purpose of the Issues Paper; specific questions which did not seem appropriate for CAFII, as an Association, to address; specific questions which CAFII should consider responding to; and more general comments/observations/definitions/assumptions/positions put forward in the paper which CAFII should also consider addressing.

B. Wycks suggested it would be appropriate for collective entities such as CAFII and other industry Associations to refrain from answering seven (7) of the 17 specific questions posed in the Issues Paper, as they are very much geared to an individual company type response. R. Beckford commented that she also saw those seven (7) questions as requiring proprietary company information in order to respond appropriately.

In EOC discussion of the AMF Issues Paper, it was noted that in 2012, CCIR had released a paper indicating that there was no evidence that compensation was unfairly affecting how customers were being treated.

ACTION: Access the 2012 CCIR study to determine if there is anything within it that could be used as content in CAFII's submission; and, if so, to provide it to the Market Conduct Committee [Brendan, September 8/17].

M. Gill reminded EOC members that there are now information sharing agreements among the provinces so that any activity in one province will be shared with other regulatory authorities in other provinces.

EOC members were reminded that there will be two further opportunities for the EOC to review the CAFII submission - a preliminary point form draft available at the next EOC meeting and an advanced draft available in early October. CAFII also plans to have a liaison dialogue with CLHIA before both Associations send in their submission to MF, to ensure that the two Associations are well-aligned.

ACTION: Review the documents tabled at this meeting related to the AMF consultation and provide submission input comments to either R. Beckford or B. Wycks [All EOC; September 8/17].

ACTION: Schedule two (2) Market Conduct Committee teleconference meetings, to provide input for CAFII's submission to the AMF; and to review an advanced draft [Caroline; September 1/17].

It was further noted that in 2005, there was a CCIR consultation on conflict of interest that came out of the 2004 contingent commission scandal in the U.S. At the time, CCIR was looking at conflicts of interest to ensure that the same thing was not happening in Canada, which they concluded it was not. It was suggested that it might be useful to review the final report as part of the preparation for CAFII's response to the AMF consultation.

ACTION: Search for a copy of 2005 CCIR conflicts of interest paper and forward a copy to B. Wycks; so that if there is content therein that is relevant to CAFII's submission, the paper can be shared with Market Conduct Committee members [Caroline; September 8/17].

2. b. CAFII BC, Alberta, and Manitoba Regulators and Policy-Makers Visits Tour, October 16-19, 2017

It was reported that for each of the six meetings to be held in Western Canada in mid-October, four or five EOC or Board members will be in attendance. It would be ideal to have one or two more members attend; however, CAFII is still well-represented with the volunteers who have stepped forward to date.

EOC Members' attention was drawn to the two-page document: *Confirmed CAFII Delegation Representatives for Western Canada Insurance Regulators and Policy-Makers Visits Tour October 17-19, 2017.*

2. c. CAFII Stakeholder Meeting with CCIR, October 25/17

CAFII's annual 40-minute stakeholder meeting with CCIR is scheduled for October 25, 2017. There are currently seven confirmed representatives for the CAFII delegation, including two Board members who have not participated in such meetings before. The time of the meeting has not been confirmed but CAFII has requested a morning slot on October 25.

2. d. Sean Jacobs, CCIR Policy Manager

EOC Members were advised that Sean Jacobs had resigned from FSCO and the Ontario Public Service, to move to the Canada Pension Plan Investment Board as Manager, Investment Risk. His last day as a CCIR Policy Manager will be August 25/17.

Martin Boyle will now be CAFII's primary contact as the remaining CCIR Policy Manager.

Concerning CCIR's plan to reach out to stakeholders in the summer to determine if there is any need to tweak the Annual Statement on Market Conduct, B. Wycks advised that he had heard nothing about that. He recalled that in addition to the Annual Statement matter, CCIR had previously indicated that it would be reaching out to stakeholder Associations in the summer to arrange follow-up meetings to discuss the Travel Health Insurance Products Position Paper, released May 27/17.

ACTION: Follow up with Martin Boyle about (a) tweaks to the Annual Statement on Market Conduct; and (b) a CAFII meeting with TIWG representatives about the Travel Health Insurance Products Position Paper [Brendan, September 15/17]

3. Other Business

3. a. CAFII Website Modernization

K. Martin reported that plans are moving forward to finalize all website content, after which it will be sent for translation into French.

It is anticipated that the new website will be ready to be reviewed at the next EOC meeting in September. The content will also be available to a larger audience of EOC members and friends of CAFII by that time – enabling more comments and broader feedback. Following a demo presentation at the September EOC meeting, the EOC will discuss next steps including a media release and any other public marketing information to be released as part of the launch.

3. b. Date and Location of October 2017 CAFII Board and AMF Liaison Meetings

Plans are well underway for the October 23/17 CAFII Board meeting and AMF liaison meeting in Levis, Quebec. Linda Fiset (Director, Desjardins Financial Security Life Assurance Company) has put E. Cloutier in contact with Elisabeth Reyt at Desjardins. Currently, there are 15 in-person confirmations of attendance, and another six who will participate via Adobe Connect/teleconference.

B. Wycks reported that seven (7) Board Directors are expected to attend in-person, and one (1) by phone (Robert Zanussi), so there should definitely be a quorum of six Directors present for the meeting.

4. Termination

With no further business to discuss, the EOC meeting was terminated at 2:41 p.m. EST.