

***Agenda Item 2(d)***  
***March 26/19 EOC Meeting***

**CAFII Executive Operations Committee Teleconference-Only Meeting**  
**26 February, 2019**  
**Meeting Notes**

Martin Boyle, EOC Chair, welcomed new member Joanna Onia from CIBC Insurance.

It was also noted that Afzal Baig of TD Insurance would be taking over the role of Chair of the CAFII Travel Medical Experts Working Group, as current Chair Sue Manson of CIBC was retiring at the end of February, 2019. Given that transition, Mr. Baig would also be joining the EOC as a new member, and would likely attend the March 2019 meeting.

Treasurer Tony Pergola provided an overview of the CAFII financial statements as at January 31, 2019 were shared with member.

A timeline for review and approval of the 2019 CAFII audited financial statements and their presentation to the membership at the Annual Meeting of Members in June was provided, with Brendan Wycks noting that the process was moving smoothly and expeditiously with KPMG this year.

Mr. Wycks provided an update on possible venues for the April 16, 2019 CAFII Board meeting and ensuing Reception which would be hosted by CUMIS Services Inc., with The National Club at 303 Bay St. in Toronto being the most likely location.

It was also noted that due to renovations at Manulife's corporate headquarters, the date of the June 2019 CAFII Board meeting and ensuing Reception which Manulife will host had been moved forward by one week to June 4, 2019.

There was extensive EOC discussion on the CAFII/industry response to the AMF regarding the spousal coverage issue. Concern was expressed around the intransigence of the AMF, and the timelines proposed by the AMF for both an industry response (March 8, 2019) as well as Detailed Action Plans from individual affected Members (end of March, 2019). As both of the AMF's stated deadlines were viewed as being unrealistic, it was agreed that CAFII would request extensions on both.

There was discussion of CAFII's response to the FCAC on its request for feedback on two draft online consumer education documents regarding "credit card balance insurance" and "credit or loan insurance," with both drafts of the website materials being notable for their biased and negative attitude against credit protection insurance, including many statements which were not objective and not grounded in evidence. It was agreed that CAFII would provide a detailed set of recommended changes. It was also agreed that to ensure optimal alignment and thereby maximum consistency and impact from industry stakeholders as a whole, CAFII would work with the Canadian Bankers Association (CBA) and the Canadian Life and Health Insurance Association (CLHIA), both of which were also planning to submit written responses, although it was also felt that compressed timelines would prohibit a single, combined response from the three Associations together.

It was reported that the 19 February, 2019 presentation by Helen Troup of Comminsure, Australia to the CAFII Board was viewed as an outstanding success, as were her individual meetings with 11 of the 13 CAFII members during the week that Ms. Troup spent with our Association. Many members reported that the information and context provided by Ms. Troup was both influential and consequential.

Keith Martin provided an update on the next steps flowing out of the 21 February, 2019 presentations by four law firms bidding on the competition law/legal advisory component of the Special Project on Credit Card Balance Protection Insurance. It was noted that of the four law firms that presented to CAFII (Torys, Stikeman Elliott, BLG, and Fasken), two were shortlisted: Torys and Stikeman Elliott. Each was asked to make a further presentation, which took place just prior to this EOC meeting, to a Working Group nominated by the Board and consisting of CAFII Board Chair Nicole Benson; ScotiaLife Financial's CAFII Director Zack Fuerstenberg; and CAFII Co-Executive Directors Brendan Wycks and Keith Martin. These two firms were also invited to respond to written comments submitted to them after the 21 February, 2019 presentations.

Torys was viewed as having demonstrated strong legal expertise in Jill McCutcheon, and it was felt that having former Deputy Commissioner of the Financial Consumer Agency of Canada (FCAC) Brigitte Goulard as part of the Torys team was a benefit. However, Torys indicated that they wanted to do the entire research effort on their own, without the engagement of a business consultancy firm. The CAFII Board had decided against such an approach, and there were some concerns expressed about the ability of Torys to adapt to this model and to engage appropriately with an external consultancy firm.

Stikeman Elliott was viewed as being much better aligned to CAFII's intended business model for the Special Project, but lead lawyer Stuart Carruthers did not demonstrate his subject matter expertise as effectively as possible, and the firm had included less detail around their project management timelines and milestones in their proposal.

These were the issues these two firms were asked to address in the follow-up meetings and in their follow-up written submissions.

As a next step, Mr. Martin advised that he would be reaching out to each CAFII Board member to share the outcome of today's follow-up session with the shortlisted law firms; and to solicit their feedback as a CAFII Director.

Following EOC deliberation and discussion, new Associate applicant PwC (formerly Price Waterhouse Coopers) was unanimously approved for admission to CAFII Associate status.

Mr. Martin reported that the Pollara consumer research on mortgages and HELOCs was moving forward. A consumer-friendly version of the results report is being developed by marketing and consumer research expert Craig McKendrick of CIBC, and media consultant David Moorcroft is developing a press release. These will be reviewed by the Research & Education Committee (Chair, Diane Quigley) and the Media Advocacy Committee (Chair, Charles Blaquiere), with the expectation that a recommendation will be made shortly to the Board of Directors to release these documents publicly. If that is the wish of the Board, prior to such a public release a webinar will be organized to share the results with CCIR/CISRO members, with Lesli Martin of Pollara as the lead presenter, to ensure that insurance regulators across the country receive the results and are informed of CAFII's intention to release them publicly, prior to that actually happening.

Brendan Wycks advised that CAFII had engaged in several very successful interactions with the Financial Services Regulatory Authority of Ontario (FSRA)'s management and Board of late, through its representation, with CLHIA, on FSRA's Industry Advisory Group-Life and Health Insurance; and that good relationships were being developed with FSRA's management team, many of whose senior leaders were now in place. It was noted that a strategic consideration that had been shared with FSRA is the importance of having individuals with life and health insurance expertise on both the Board and on the senior management team.

Mr. Wycks reported that work was continuing on how best to approach the upcoming 27 March, 2019 CAFII quarterly meeting with CCIR/CISRO's Fair Treatment of Customers Working Group regarding the implementation of the "Guidance: Conduct of Insurance Business and Fair Treatment of Customers."

Mr. Wycks also provided an update on BC FICOM's follow-up survey on insurer implementation of the September 2015 CGI Information Bulletin.

Keith Martin reported that the second CAFII website video, summarizing the results of the travel medical insurance consumer research study, was nearly complete and should be posted on the CAFII website within the next few weeks. He noted that we were now ready to move forward with further 2019 website investments. The list of proposed investments was part of the materials posted for this meeting, for pre-reading; and would be a formal agenda item at the upcoming 26 March, 2019 EOC meeting.