

Agenda Item 2(f)
December 3/19 Board Meeting

Committee Reports Addressing CAFII Priorities

Licensing Efficiency Issues Committee; Moira Gill, Chair

At its November 19/19 meeting, the Executive Operations Committee approved a recommendation from Licensing Efficiency Issues Committee Chair Moira Gill that this EOC subcommittee be merged into the Market Conduct Committee based on the following rationale:

- the Licensing Committee has had an extended period of minimal activity due to a dearth of licensing-related consultation opportunities from individual provincial/territorial regulators and CISRO's completion, in 2016, of its overhaul of the Life Licence Qualification Program (LLQP); and
- the fact that the two anticipated licensing-related consultations on the near-term horizon –the FCNB's launch of a Restricted Insurance Agent (RIA) licensing regime in New Brunswick; and the creation of RIA regime in British Columbia, as called for under the recently tabled *Financial Institutions Amendment Act, 2019 (Bill 37)* – both have strong market conduct-related overtones and implications.

CAFII's newly merged and broadened Market Conduct and Licensing Committee will continue to liaise closely and exchange information with David Weir, lead on the FCNB's project to rewrite his province's Insurance Act and, as part of that modernization initiative, introduce a Restricted Insurance Agent (RIA) licensing regime which would be the first in Atlantic Canada.

CAFII has communicated to Mr. Weir, and will continue to reinforce our view, that the FCNB's preliminary intention to change the nomenclature/terminology around its planned RIA regime by calling it an "Incidental Sellers of Insurance Licensing Regime" would be an ill-advised move for a number of reasons, including the fact that it would give rise to some unintended consequences such as precluding the licensure of travel insurance under the regime, as that product is not sold incidentally.

Market Conduct Committee; Brad Kuiper, Chair

The Market Conduct Committee (recently transformed into the Market Conduct and Licensing Committee, with a broader mandate) recently oversaw CAFII's submission to the Financial Services Regulatory Authority of Ontario (FSRA) on its Proposed 2020 Priorities and Budget.

In addition, the Market Conduct and Licensing Committee will turn its attention imminently to an additional FSRA consultation – on its Proposed Guidance Framework – which has a January 31/20 deadline for response submissions.

Other anticipated market conduct and licensing-related regulatory issues and opportunities which the committee expects to have near future involvement in are the following:

- refinement and strengthening of a CAFII deck on *Credit Protection/Authorized Insurance Products Sales Practices and Related Fair Treatment of Customers Considerations*, for presentation in an early 2020 meeting(s) with FCAC staff;
- the BC Ministry of Finance's development of Regulations related to the CAFII-relevant provisions of the province's Financial Institutions Amendment Act, 2019 (Bill 37);
- an updated Sound Commercial Practices Guideline from the AMF; and
- Phase 2 of the FCAC's Domestic Bank Retail Sales Practices Review.

Media Advocacy Committee, Charles Blaquiére, Chair

- has posted Pollara Credit Protection Insurance research on the website, including a visually-pleasing, easy-to-print version that was produced by a graphic designer at Managing Matters
- has posted three videos on the website, two summarizing the Pollara Credit Protection Insurance research, and one on the benefits of Mortgage Life Credit Protection Insurance (English and French).
- is proposing, for the Board's consideration, a 2020 \$35K budget for website investments (same as 2019), and continuing the media consultant retainer relationship with David Moorcroft for 2020.

Research & Education Committee, Diane Quigley, Chair

- after four years as Chair of this EOC Committee, Diane Quigley will be stepping down from that role. During Diane's tenure, the Committee has produced two highly successful Pollara research studies, which have allowed CAFII to deliver key messages to insurance regulators and policy-makers, thereby strengthening those key relationships, and to markedly increase the Association's media and public profile.
- the June 2019 Pollara Credit Protection Insurance research results are now posted on the CAFII website in visually-pleasing form, with two videos summarizing that research also posted on the site.
- the committee has recommended a \$60K research budget for 2020, for the Board's consideration. Background documentation has been posted to the Board meeting package on possible research options for 2020.

Travel Medical Experts Working Group; Afzal Baig, Chair

No activity since October 1/19 CAFII Board meeting.