

Notes on EOC Teleconference Meeting, 27 February, 2018 (2-3pm)

In Attendance: Pete Thorn, TD Insurance (EOC Chair), Chair; Charles Blaquiere, valeyo; Diane Quigley, CUMIS Group; Sue Manson CIBC Insurance; Moira Gill, TD Insurance; Shawna Sykes, the Co-operators; Brad Kuiper, Scotiabank Financial; John Lewson, BMO Insurance; Rose Beckford, Scotiabank Financial; Laura Bedford, RBC Insurance; Charles MacLean, RBC Insurance; Tony Pergola, Scotiabank Financial (Treasurer); Keith Martin, CAFII co-Executive Director; Brendan Wycks, CAFII co-Executive Director; Natalie Hill, Managing Matters

1a. Outcomes of CAFII Special Purpose Board Meeting, February 7/18

The Board met via teleconference call and approved the 3-5 Year CAFII Strategic Plan; approved the new new Initiation Membership category, which will allow new members to join CAFII at 40% the regular dues, for 2 years; approved the 2018 Operating Budget; was updated on a 28 March, 2018 Media Session to be led by Media Consultant David Moorcroft; and deferred consideration of the Association application by OneMain Solutions to the next in-person Board meeting on 17 April, 2018.

2b. Process for Review/Approval of EOC Minutes, Board Minutes, Summary of Board and EOC Action Items Under New Approach for EOC Meetings

It was proposed that minutes will only be approved at the in-person EOC meetings, and that the Summary of Board and EOC Action Items will only be tabled at the in-person EOC meetings.

2c. Process for Review/Approval of Manulife Financial Application for CAFII Initiation Membership

An expedited process for approval of the Manulife Financial Application was proposed, which would replicate the usual process but grant final approval via a Written Resolution (electronic vote of Directors). The purpose to this expedited process was to grant membership prior to the 17 April, 2018 Board Meeting, so that Manulife could have a Director present at that meeting if their application is approved. It was suggested that the process for approving new members be documented in writing, and shared with the EOC, thereby removing the need for future verbal updates.

2d. Other CAFII Initiation Member, Returning Member, and Associate Prospects

Prospects for Initiation membership are Laurentian Bank—Keith and Brendan met them in Montreal on 9 February; HSBC—Keith and Brendan had lunch with HSBC's Sara Gelgor on 8 February and she expressed interest; Canada Life—Keith and Brendan had a discussion with Canada Life executive David Fear after the Annual Members' Luncheon on 20 February, and he committed to making the case for joining CAFII with his executive colleagues; and OneMain Solutions, whose Associate application is currently under review, and which expressed an interest in Initiation Membership if the Associate application is approved.

Keith and Brendan had lunch in Montreal with National Bank Executive, and former CAFII Vice-Chair, Joane Bourdeau on 9 February, and she indicated that a new executive would soon be in charge of the Bank's insurance division, and this would be an opportunity to revisit National Bank's rejoining CAFII.

Prospects for Associates—Fasken Martineau (Robert McDowell), Stikeman Elliott (Stuart Carruthers), Borden Ladner Gervais (Grace Patenall), Blaney McMurtry (Bruno Soucy).

2e. CAFII Transition to Managing Matters

It was reported that the transition is proceeding smoothly. Managing Matters has demonstrated a real commitment to CAFII and to making the transition work well. Peter Thorn has reviewed the implementation plan and visited Managing Matters at their facilities; Keith and Brendan have had multiple in-person meetings and have a weekly implementation call with Managing Matters. Most of the high-risk migration items have now been successfully transferred over. The CAFII administrator, Natalie Hill, has gone up a steep learning curve quickly and proven to be very capable and committed. Managing Matters' bench strength and their specialized model, where for example a dedicated team works with Natalie on event management, has proven its worth. There have been some small predictable hiccups, such as some difficulty in replacing TO Corp calendar invites with those from Managing Matters, but we are working on resolving these. Overall, the transition is proceeding efficiently and successfully.

2f. CAFII Member Perquisite/Benefit Proposal from Insurance-Canada.ca

An offer has been made for Insurance-Canada.ca conferences and events to be shared with EOC members, in exchange for EOC members to be offered a 25% discount at these events. This will be discussed at the next EOC in-person meeting.

3a. Financial Statements as at January 31/18

CAFII Treasurer Tony Pergola reviewed the financial statements. He noted that we are expected to end the year with reserves at 13% of our operating budget, below our minimum 25% target, but that offsetting this are new revenues we anticipate from Desjardins agreeing to pay the Upper Level dues (in a two-step process); and the expectation that ManuLife will join CAFII as an initiation member. January's deficit will be larger than budgeted, mostly because we did not include in the budget double expenses for our Association Management Companies – Managing Matters billed us 50% their usual rate in January while we had TO Corps at their full rate, this doubling up being necessary to train Managing Matters. Tony Pergola reported that in future months there will be a forecast of the actuals for the year, to reflect some new developments that were not incorporated into the original, approved budget, such as new membership dues.

3b. Process for Review/Approval of CAFII 2017 Draft Audited Financial Statements

The process for the review and the approval of the 2017 audited financial statements was explained. It is the same process as in years past.

4a. January 29/18 CAFII Meeting with CCIR Travel Insurance Working Group

This was a successful meeting at which Harry James of the CCIR TIWG indicated that the progress made by industry was greater than what CCIR expected would have occurred by this date. CAFII shared its intention to update the Pollara Travel Insurance Consumer Survey.

4b. February 21/18 CAFII Meeting with CCIR Fair Treatment of Consumers Working Group; and Ensuing Submission on “Guidance: Conduct of Insurance Business and Fair Treatment of Customers”

There was a review of the meeting and the process for completion of this Guidance. CAFII offered feedback on the content of the Guideline and the process, and made the point that where FSCO and other jurisdictions were developing similar Guidelines at the same time as CCIR was engaged in this process, it was important for these efforts to be harmonized to the extent possible. There was a CAFII member request during the EOC teleconference call that a request be made of CCIR that when the final guidance was released, sufficient time was required for CAFII members to implement it within their operations.

4c. Upcoming March 5/18 CCIR Webinar on Year 2 Changes to Annual Statement on Market Conduct

It was noted that this webinar would offer CAFII members the opportunity to hear what changes were being made to the Annual Statement on Market Conduct, and to ask questions.

4d. Proposed CAFII Response to Manitoba on ‘Single Premium’ Insurance Products

There were some different perspectives on how to approach this issue. A letter on Single Premium has been drafted, but there has been a suggestion that prior to sending the letter, there needs to be further due diligence on which members offer this product and how it is offered. To bring this matter to closure, all EOC members will be invited to a conference call on this issue, slated for the week of March 5, 2018.

4e. January 29/18 CAFII/CLHIA Joint Meeting with FSCO on Treating Consumers Fairly (TCF) Guideline

There was a successful meeting with FSCO on the Guideline, and feedback on both the content and the process was offered by CAFII.

4f. February 1/18 CAFII/CLHIA Joint Meeting With FSCO on Incidental Sales of Insurance (ISI) Questionnaire

Detailed feedback was offered on the Questionnaire. It is expected that the next iteration of the questionnaire will be available by late March 2018, and that there will be the opportunity at that time for further feedback to be offered to FSCO.

4g. Upcoming February 28/18 CAFII/CLHIA Joint Meeting with FSCO on “Bank Owned Insurance Company CEO Attestation”

CAFII has worked with CLHIA on our response to the CEO Attestation, and our views will be shared prior to the meeting in written form, and will be shared verbally at the meeting.

The following Agenda Items 4h to 4r were not covered in the teleconference update. These are not notes on the meeting, but a written update sent by email to all EOC members on the agenda items that were not covered.

4h. Upcoming March 6/18 CAFII Meeting with Financial Services Regulatory Authority of Ontario (FSRA) Founding Board of Directors

A small group of CAFII representatives will be meeting with the Financial Services Regulatory Authority of Ontario (FSRA)'s three-member founding Board of Directors -- Bryan Davies (Chair); Kathryn Bouey; and Judith Robertson – on Tuesday, March 6/18 from 11:00 a.m. to 12 Noon, at FSRA's invitation. This meeting will provide CAFII with an opportunity to reiterate the key messages set out in the Association's July 27/17 submission to FSRA on its future regulation of the life and health insurance industry in Ontario; and extend a direct invitation to Mr. Davies to be the guest speaker at CAFII's Reception event on either Tuesday, April 17/18 or Tuesday, June 5/18 (or if Mr. Davies is unavailable on both dates, to extend the same invitation to Ms. Bouey or Ms. Robertson).

4i. Quebec Bills 141 and 150

The Committee on Public Finance of the National Assembly of Quebec is currently doing a clause-by-clause summary of the Bills, with the AMF and Department of Finance participating.

4j. CAFII Insurance Regulator and Policy-Maker Liaison Meeting Opportunities at Upcoming CLHIA Conference, May 2-4/18, in Calgary

We are currently working to arrange CAFII liaison meetings at the CLHIA Conference. Frédéric Pérodeau, successor to Eric Stevenson as Superintendent, Client Services and Distribution Oversight, will definitely be in attendance and will be one of the people we will seek to meet at the conference.

4k. Plans for Spring 2018 CAFII Liaison Visits Tour to Atlantic Canada Insurance Regulators and Policy-Makers

Plans have begun for an Atlantic Canada tour, similar in approach and intent to the October 2017 Western Canada tour. A more detailed update will be provided at the March EOC meeting.

4l. LIMRA/LOMA Canada Annual Conference: June 7/18, Toronto

In the meeting package is a summary of a LIMRA Conference that could be of interest to CAFII members. Keith Martin is planning to attend for CAFII.

4m. 2018 CAFII Website Initiatives

In the meeting package is the summary of initial website investments that the Media Advocacy Committee is recommending. Any concerns, please let Keith Martin know as soon as possible. This set of proposals includes a short video about CAFII that would be on the homepage of the website. The cost of the total set of investments is \$15K, which will leave a significant portion of the 2018 website-related budget provisions of \$28K available for additional investments after these initial ones are completed.

4n. Recent CAFII Media Efforts

A CAFII Alert was sent on 14 February, 2018 about an article that appeared earlier that morning in le Journal de l'assurance. The article quoted Keith Martin in several places and summarized CAFII's position on Quebec Bills 141 and 150.

4o. CAFII Media Awareness & Training Session: March 28/18

All EOC members have been advised via email of this upcoming media session. If you have not responded, please look at the summary of the session (in your EOC meeting package) and let Keith Martin / Natalie Hill know if you are interested in attending Part 1 or Part 2, or both, of the session.

4p. 2018 Research Options For CAFII

Analysis is moving forward on CAFII's research options in 2018, with a focus on what would be most impactful with influencers and media. The Research & Education Committee will review the options at a 22 March, 2018 teleconference meeting. We will be able to provide a more detailed update at the 27 March EOC meeting.

4q. CAFII/Pollara Consumer Research on Travel Health Insurance

The Pollara Travel insurance questions have been finalized and Pollara is now moving forward on putting the survey into the field with online consumer panel respondents. We are on schedule and will be developing a media strategy in conjunction with the release of the research results this spring.

4r. Regulatory Update

The Regulatory Update is in the EOC meeting package; two items of particular interest are the FSRA CEO recruitment posting, and the CLHIA's submission on Quebec Bill 141, which is well-aligned with CAFII's views in its support of the importance of giving consumers the ability to access insurance products through alternate channels, including the Internet.
