

**BOARD MEETING**  
**CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE**  
In-Person/Hybrid Meeting at CIBC Square, 81 Bay St., Toronto, Ontario  
Tuesday, December 6, 2022  
Minutes

<b>Board Members</b>	Peter Thompson	National Bank Insurance and Board Chair
<b>Present in Person:</b>	Paul Cosgrove	Assurant Canada
	Louie Georgakis	The Canada Life Assurance Company
	Chris Lobbezoo	RBC Insurance
	Ian Oncea	CIBC Insurance
	Simon Lacroix-Hubert	Desjardins Insurance
	Valerie Gillis	TD Insurance
<b>Present Virtually:</b>	Wayne Hewitt	Scotia Insurance
	Kelly Tryon	CUMIS/The Co-operators
	Rob Robinson	Canadian Premier Life Insurance Company
	Nicole Benson	Valeyo
	Wally Thompson	Manulife
	Adam Vespi	Canadian Tire Bank
<b>Regrets:</b>	Peter McCarthy	BMO Insurance
	Sophie Ouellet	Sun Life
<b>Also Present:</b>	Brendan Wycks, Co-Executive Director	
	Keith Martin, Co-Executive Director	
	Rob Dobbins, EOC Chair and Board Secretary	
	Karyn Kasperski, EOC Vice-Chair and Vice-Board Secretary	
	Jake Becker, Recording Secretary	

**Item 1: Welcome, Call to Order, and Meeting Confirmation**

CAFII Board Chair Peter Thompson welcomed all to this meeting of the CAFII Board of Directors, which was held at CIBC Square in Toronto, Ontario, as well as virtually on the Microsoft Teams platform; and he called the meeting to order at 3.05 p.m. Jake Becker acted as Recording Secretary.

**Item 1(a): Welcome to New CAFII Director: Valerie Gillis, TD Insurance**

Peter Thompson welcomed new CAFII Director Valerie Gillis from TD Insurance, who provided a self-introduction and said she was looking forward to working with her fellow CAFII Board members on the Association's priorities.

**Item 1(b): Approval of Agenda**

On a motion duly made, seconded and unanimously carried

**IT WAS RESOLVED** that the meeting Agenda be and is approved.

## Item 2: Consent Items

On a motion duly made, seconded, and unanimously carried

**IT WAS RESOLVED** that the following Consent Agenda items be and are approved or received for the record, as indicated in the Action column in the Consent section of the agenda:

- a. Draft Board Meeting Minutes, October 11, 2022
- b. Summary of Board and EOC Action Items
- c. October 2022 Regulatory Update
- d. Consultations/Submissions Timetable
- e. Regulator and Policy-Maker Visit Plan Recap
- f. Committee Reports Addressing CAFII Priorities
- g. Board-Approved CAFII 2023 Schedule of Meetings and Events

And further, it is **RESOLVED** that the minutes of the meeting of the CAFII Board of Directors held October 11, 2022 be and are adopted in the form presented, and that copies of those minutes be signed and placed in the minute book of the Corporation, with a single amendment to be made to Item 3(b) of those minutes as follows: to include the following words at the end of the Board-approved motion: "on a best-efforts basis."

## Item 3: Financial Management Matters

### Item 3(a): CAFII Financial Statements as at October 31/22

Treasurer Donald Hinnecke provided an overview of the Association's financial statements as of October 31, 2022, noting that CAFII was in a strong financial position and will also finish 2022 with a significant fiscal year surplus mainly due to some expenses, such as legal fees, travel, and event costs, not being incurred.

### Item 3(b): Forecast for CAFII 2022 Fiscal Year as at October 31/22

Treasurer Donald Hinnecke provided an update on the forecast for CAFII's 2022 fiscal year, noting that a significant surplus was expected. There were still some expenses that would be incurred in the latter part of the year, including for research, he advised.

### Item 3(c): Proposed CAFII 2023 Operating Budget (may be assigned to In Camera Session, following initial discussion, if desired by Board)

Treasurer Donald Hinnecke presented the Proposed CAFII 2023 Operating Budget, noting that the budget was unusual in that included some non-recurring expenses, such as additional staff salary to hire a staff successor to Brendan Wycks, who would be retiring at the end of 2023, with several months of overlap with Brendan Wycks being provided to allow for orientation and training; and, in addition, the intention to have two Regulator and Policy-Maker Visits Tours in 2023: one to Western Canada in the spring, and the other to Atlantic Canada in the fall. That would lead to a sizeable fiscal year deficit for 2023, but the Association's finances would remain strong and the end of that year, with its financial reserves still falling within the target range of 25% to 50% of annual operating expenses, Mr. Hinnecke observed.

On a motion duly made, seconded, and unanimously carried

**IT WAS RESOLVED** that the Proposed CAFII 2023 CAFII Operating Budget be and is approved, as presented.

## Item 4: Strategic and Regulatory Matters

### Item 4(a): Insights Gained and Next Steps Arising from November 4/22 One-on-One Virtual Meeting Between CAFII Board Chair Peter Thompson and AMF Superintendent Eric Jacob Re Finding A Solution To Issue Around RADM's Applicability to Credit Card-Embedded Insurance Benefits

Board Chair Peter Thompson provided an overview of his 4 November, 2022 virtual meeting with Eric Jacob, the AMF's Superintendent, Client Services and Distribution Oversight, and said that he was now waiting on a follow-up from Mr. Jacob with respect to resolving the impasse between CAFII and the AMF around the RADM's applicability to credit card-embedded insurance benefits.

Mr. Thompson said that in the meeting, he found Mr. Jacob to be sincere in his stated desire to resolve the impasse; and he felt that it was positive that there was a now new line of communication open at a more senior level with the AMF.

*[Action Item: Maintain ongoing dialogue with AMF Superintendent Eric Jacob and keep CAFII management and the EOC Chair and Vice-Chair informed of any developments re resolving the impasse issue re the RADM's applicability to credit card-embedded insurance benefits and any other CAFII Member-relevant issues; P. Thompson, Ongoing]*

### Item 4(b): EOC Decision To Wind Down 'Working Group on Compliance with AMF's Expectations Around RADM's Applicability to Credit Card-Embedded Insurance Benefits'; and Replace It with A Full Status 'CAFII Committee on Quebec/AMF Issues'

Keith Martin reported that the *CAFII Working Group on Compliance with the AMF's Expectations Around RADM's Applicability to Credit Card-Embedded Insurance Benefits* had been meeting regularly for nearly two years, with the focus in 2022 being on implementation of member company Action Plans to comply with the RADM-based expectations for credit card-embedded insurance benefits. With that implementation nearly complete for most members, the Working Group and the EOC have both suggested that a new "CAFII Quebec/AMF Committee" should be struck, with the intention of reviewing and examining emerging issues in Quebec, including the AMF initiative around statistics on Debtor Life, Health, and Employment Insurance (DLHE) claims denial rates, and return of premium to customers; on Bill 96 (Charter of the French language); privacy initiatives; AMF initiatives on Sound Commercial Practices, and on Complaints and Dispute Resolution. Member companies will be invited to appoint members to this new EOC sub-committee once the EOC has approved its Terms of Reference, Mr. Martin concluded.

### Item 4(c): Insights Gained from November 22/22 AMF Rendez-Vous Mini-Conference

Keith Martin reported that he had attended the 22 November, 2022 AMF Rendez-Vous Mini-Conference in Montreal, which featured practically no content on insurance.

AMF Superintendent, Client Services and Distribution Oversight Eric Jacob focused his comments at the mini-conference on other issues, including crypto-currency and the regulatory challenges it produced.

At the Rendez-Vous, Mario Beaudoin, the AMF's Director of Alternative Distribution Practices in Insurance, made a point of reaching out to Keith Martin, and he was very friendly and forthcoming in a private 20-minute conversation.

Mr. Beaudoin said that he found it difficult to understand the trends in travel insurance as there were so many different policies, exceptions, limitations etc. and a lack of common definitions. Keith Martin replied that different policies and approaches was the sign of a healthy, competitive marketplace.

Mr. Beaudoin then asked if CAFII members had received their letters from the AMF on their performance around claims Debtor Life, Health, and Employment insurance (DLHE) claims denial rates, and return of premium to customers. Keith Martin replied that relevant CAFII members had received those letters and he thanked Mr. Beaudoin for the extension of the deadline for members to respond.

Mr. Beaudoin that some CAFII members were performing admirably with respect to the AMF's expectations around DLHE insurance, but others were not; and it was important for the reputation of the industry that outliers make an effort to improve their results. Keith Martin replied that data provided by industry needed to be interpreted carefully and with proper context. Mr. Beaudoin said that this was a long-term initiative, and the intention of the AMF was to work with industry co-operatively. He said that the AMF needed to have the data that it had been requesting from CAFII members and other industry players in order to properly oversee the industry.

Finally, Mr. Beaudoin said that there was much confusion at the AMF about Bill 96, the new Charter of the French language, and how it was to be interpreted and applied in practice.

**Item 4(d): Insights Gained from November 4/22 CAFII Virtual Stakeholder Feedback Session with CCIR on Its Draft 2023-2026 Strategic Plan; and Reflecting Them in CAFII Written Feedback Submission (November 30/22 Deadline)**

Keith Martin provided an update on the 4 November, 2022 CAFII Virtual Stakeholder Session with CCIR on its Draft 2023-2026 Strategic Plan, at which there was some surprise at CCIR Chair Robert Bradley essentially rebutting many of the constructive feedback points which CAFII had just offered.

Mr. Martin noted that the AMF's Nathalie Sirois had responded to the comment that CAFII preferred that provincial jurisdictions not have their own version of a fair treatment of customers guideline, by saying that the comment was, no doubt, directed at the AMF. In fact, that CAFII feedback comment was made in connection with a current BCFSa consultation on its own proposed Insurer Code of Market Conduct, and Keith Martin noted that CAFII intended, in its November 30/22 written submission on the CCIR Strategic Plan, to note that it understood that there were legitimate reasons for which Quebec/the AMF had its own version of an FTC Guideline, and to subsequently share that part of the submission specifically with Nathalie Sirois. The EOC also suggested that CAFII management reach out to Ms. Sirois for a meeting, which outreach has occurred. Peter Thompson thanked CAFII's Co-Executive Directors for what he felt was an excellent presentation to the CCIR in the Virtual Stakeholder Feedback Session on 4 November, 2022.

**Item 4(e): Insights Gained from October 19/22 CAFII 25<sup>th</sup> Anniversary Celebration**

Brendan Wycks reported that there was a strong contingent of insurance regulators and policy-makers in attendance at CAFII's 25<sup>th</sup> Anniversary Celebration on October 19/22, and that the remarks delivered on that occasion by Board Peter Thompson were very well-received. The remarks, the slideshow displayed at the celebration, and photos taken at the event will all be posted online and made available to all those who were invited to the event, to review at their leisure, Mr. Wycks concluded.

*[Action Item: Post CAFII 25<sup>th</sup> Anniversary Celebration photos, slideshow and speeches on MS 365 and circulate to CAFII Member representatives and insurance regulator and policy-maker invitees to the 25<sup>th</sup> Anniversary Celebration; J. Becker, December 20/22.]*

**Item 4(f): Planned Timing of and Approach to CAFII Western Canada Insurance Regulators and Policy-Makers Visits Tour in Spring 2023; and CAFII Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour in Fall 2023**

Brendan Wycks reported that CAFII intends to return to in-person Insurance Regulator and Policy-Maker Visits Tours in 2023, with a visit to Western Canada in the spring and a visit to Atlantic Canada in the fall.

**Item 4(g): Insights Gained from December 1/22 CAFII Webinar ‘A Fireside Chat with Blair Morrison, CEO of BCFSA’**

Keith Martin reported that there was excellent regulator and policy-maker attendance at CAFII’s recent December 1/22 webinar, and that the discussion with Blair Morrison, CEO of BCFSA, was very positive, informative, and productive. The webinar was recorded and will be posted to the CAFII website, Mr. Martin concluded.

**Item 5: Governance Matters**

**Item 5(a): Plans for December 6/22, 5:30 to 7:30 p.m. CAFII Year-End/Holiday Season Reception, Immediately Following This Board Meeting**

Brendan Wycks provided an overview of the plans for the Year-End/Holiday Season Reception which would immediately follow this Board meeting at the nearby Vantage Venues.

**Item 6: Meeting Termination**

On a motion duly made, seconded, and unanimously carried

***IT WAS RESOLVED*** that the meeting be terminated at 4:40 p.m.