

**BOARD MEETING**  
**CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE**  
In-Person/Hybrid Meeting at Vantage Venues in Toronto, Ontario  
Tuesday, April 4, 2023  
3:00 to 5:00 p.m. EDT  
Minutes

<b>Board Members</b>	Peter Thompson	National Bank Insurance and Board Chair
<b>Present in Person:</b>	Nigel Branker	Securian Canada
	Paul Cosgrove	Assurant
	Louie Georgakis	The Canada Life Assurance Company
	Chris Lobbezoo	RBC Insurance
	Rahul Kakar	Chubb Life Insurance Company of Canada
	Wally Thompson	Manulife
	Kelly Tryon	CUMIS/The Co-operators
	Nicole Benson	Valeyo

<b>Present Virtually:</b>	Wayne Hewitt	ScotiaLife Financial
	Ian Oncea	CIBC Insurance
	Simon Lacroix-Hubert	Desjardins
	Rohit Thomas	BMO Insurance
	Adam Vespi	Canadian Tire Bank

<b>Regrets:</b>	Valerie Gillis	TD Insurance
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<b>Also Present:</b>	Brendan Wycks, Co-Executive Director ( <i>present virtually</i> )
	Keith Martin, Co-Executive Director
	Rob Dobbins, Board Secretary
	Karyn Kasperski, Board Vice-Secretary
	Jake Becker, Association Coordinator
	Hudson Lopez, KPMG, Guest ( <i>present in-person for part</i> )
	Stuart Carruthers, Stikeman Elliott, Guest ( <i>present in-person for part</i> )
	Sinziana Hennig, Stikeman Elliott, Guest ( <i>present in-person for part</i> )
	Michael Kilby, Stikeman Elliott, Guest ( <i>present in-person for part</i> )

**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 Vantage Venues, Toronto, Ontario -- as well as virtually on the Microsoft Teams platform, and called the meeting to order at 3.05 p.m. Jake Becker acted as Recording Secretary.

**Item 1(a): Declaration of Meeting Properly Called and Constituted**

Board Secretary Rob Dobbins confirmed that there was Board quorum for the meeting and that the meeting was properly called and constituted.

**Item 1(b): Welcome to New CAFII Directors: Rahul Kakar, Chubb Life Insurance Company of Canada; Nigel Branker, Securian Canada; and Rohit Thomas, BMO Insurance; and Welcome To Imminent CAFII Director Heather McLachlin, CUMIS/The Co-operators**

Peter Thompson welcomed new CAFII Directors Rahul Kakar, Chubb Life Insurance Company of Canada; Nigel Branker, Securian Canada; and Rohit Thomas, BMO Insurance to their first regularly scheduled, in-person CAFII Board meetings, all of whom provided a brief self-introduction for their Board colleagues.

Mr. Thompson also called upon CAFII Director Kelly Tryon to introduce a CUMIS/The Co-operators colleague who had joined her in attending this Board meeting in-person, as a guest observer. Ms. Tryon advised that she would be retiring from CUMIS/The Co-operators on May 11, 2023; and that the company would – after today's meeting – be appointing Heather McLachlin, Vice-President of Strategic Partnerships at CUMIS/The Co-operators, as her successor Director on the CAFII Board. Ms. McLachlin provided a brief self-introduction for her Board colleagues and advised that she was very much looking forward to joining the CAFII Board and participating in its deliberations, beginning with the next meeting in June 2023.

**Item 1(c): 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 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. The consent items approved are as follows:

- a. Draft Board Meeting Minutes, December 6, 2022
- b. Summary of Board and EOC Action Items
- c. January 2023 Regulatory Update
- d. February 2023 Regulatory Update
- e. March 2023 Regulatory Update
- f. Consultations/Submissions Timetable
- g. Regulator and Policy-Maker Visit Plan Recap
- h. Committee Reports Addressing CAFII Priorities
- i. 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 December 6, 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;

**Item 3: Financial Management Matters**

**Item 3(a): Draft CAFII 2022 Audited Financial Statements and Independent Auditor's Report Thereon**

Peter Thompson advised that the CAFII 2022 Audited Financial Statements and Independent Auditor's Report Thereon must be approved by the Board prior to being presented to the membership for approval at the 2023 Annual Meeting of Members which is coming up on Tuesday, June 6, 2023.

Hudson Lopez, partner-in-charge of CAFII's audit at KPMG, presented an overview of the audit findings, noting that a clean audit was delivered and that the Association's finances are very sound. He indicated that the audit process had been smooth and that KPMG had received full co-operation from CAFII management.

On a motion duly made, seconded, and unanimously carried **IT WAS RESOLVED** that the Board hereby approves the Draft 2022 CAFII Audited Financial Statements and Independent Auditor's Report Thereon, in the form presented, for presentation to the Membership for approval at the CAFII 2023 Annual Meeting of Members on June 6, 2023.

### **Item 3(b): Timelines for Membership Approval of CAFII 2022 Audited Financial Statements**

Brendan Wycks reported that the 2022 CAFII Audited Financial Statements and Independent Auditor's Report Thereon would now be included in the materials package distributed to Directors in conjunction with the Annual Meeting of Members on 6 June, 2023 where they will be presented for formal approval.

### **Item 3(c): CAFII Financial Statements as at February 28/23**

CAFII Treasurer Donald Hinnecke provided an overview of CAFII's financial position as at February 28, 2023, noting that the Association was in a very strong financial position at the present time.

### **Item 3(d): Forecast for CAFII 2023 Fiscal Year as at February 28/23**

CAFII Treasurer Donald Hinnecke reported that the Association was on target in its 2023 fiscal year forecast in relation to the Board-approved budget.

### **Item 3(e): Receipt of 2023 CAFII Member Dues Payments; and 2023 Associate Dues Payments**

Brendan Wycks reported that Member and Associates dues invoices for the entire 2023 year had been distributed in early February. CAFII was still following up around the collection of some Members' dues, and he encouraged Member companies to confirm that their organizations were in the process of settling the dues.

## **Item 4: Strategic and Regulatory Matters**

### **Item 4(a): Insights Gained and Next Steps Arising from February 24/23 CAFII Virtual Meeting with FCNB Staff Executives Re Questions and Clarification Issues Around Compliance with Rule INS-001 (Stikeman Elliott Visitors: Stuart Carruthers, Mike Kilby, Sinziana Hennig)**

CAFII Co-Executive Director Keith Martin provided an overview of the introduction of a new Restricted Insurance Representative (RIR) regime by the Financial and Consumer Services Commission of New Brunswick (FCNB), noting that very few of the CAFII-recommended amendments to an earlier draft of the underlying FCNB Rule INS—001 had been incorporated into the final version of the Rule. Mr. Martin noted that CAFII was particularly concerned about the Rule's Section 46, which mandated that when credit protection insurance is offered to a customer, the customer must be told they may wish to consult with a licensed agent. However, Mr. Martin also noted that as a concession, the FCNB had recently volunteered to CAFII and other industry stakeholders that this disclosure could be included in the written fulfillment materials distributed to the customer, so long as that was done during the period during which the customer could cancel the insurance without penalty. CAFII was considering writing a letter to the New Brunswick Minister of Finance asking for Section 46 to be removed from Rule INS-001.

Legal advisors from Stikeman Elliott then made a presentation at this meeting, in which they said that legally, there was no basis for challenging Section 46.

CAFII Board members were not supportive of writing a letter to the Minister of Finance, and instead encouraged the Association to continue to demonstrate to FCNB the benefits of credit protection insurance. As well, it was recommended that CAFII suggest, at an appropriate moment, to FCNB that it consider adjusting the language of Section 46 such that it would state that to satisfy the mandated disclosure, the RIR representative could suggest to the customer that they may wish to consult the insurer which underwrites the protection being offered, a financial advisor, or an individually licensed insurance agent.

*[Action Item: At an appropriate time, suggest to the FCNB that they broaden the language of Section 46 to include advising the customer that they may wish to consult the insurer which underwrites the protection being offered, a financial advisor, or an individually licensed insurance agent; B. Wycks, K. Martin, 2023.]*

**Item 4(b): Outcomes of March 7/23 CAFII Virtual Meeting with Éric Jacob and Mario Beaudoin, AMF, To Reaffirm ‘Unwritten Understanding’ Resolution to Credit Card-Embedded Insurance Benefits Impasse Issue**

Peter Thompson provided an overview of a 7 March, 2023 virtual meeting which CAFII held with Éric Jacob, the AMF’s Superintendent, Client Services and Distribution Oversight, at which Mario Beaudoin from the AMF and Keith Martin from CAFII were also present, and at which Mr. Jacob reconfirmed the “unwritten understanding” that the AMF understood and accepted that some CAFII members would not be distributing the Fact Sheet and Notice of Rescission for credit card-embedded insurance benefits.

**Item 4(c): Insights Gained and Next Steps Arising from March 22/23 One-on-One Virtual Meeting Between CAFII Board Chair Peter Thompson and AMF’s Éric Jacob**

Peter Thompson provided an overview of a 22 March, 2023 one-on-one virtual meeting he had with Éric Jacob of the AMF, at which it was agreed that two follow-up special purpose meetings would be held with appropriate additional individuals from the AMF and CAFII attending: one such meeting focused on the AMF regulation on complaints handling and dispute resolution; and the other meeting focused on how the AMF intends to use the statistics it has gathered on claims denial rates, and the “return of premium” to customers.

*[Action Item: Keith Martin to set up two follow up meetings with the AMF, one on the regulation on complaints handling and dispute resolution, the other on how the AMF intends to use the statistics it has gathered on claims denial rates, and the “return of premium to customers”; K. Martin, April-May 2023.]*

**Item 4(d): Insights Gained from March 23/23 AMF Virtual Presentation, in French Only, on Plans to Review the Consultation Process for the Prudential and Regulatory Framework Applicable to Financial Institutions (Optimizing The Compliance Burden)**

Keith Martin reported that this French-only meeting, which he attended, was very high level and saw the AMF commit to more transparency around consultations with industry on emerging regulations and guidelines. However, there was no reference at the meeting to specific burden reduction recommendations which had been made by CAFII and other industry stakeholders to the AMF over a year ago.

**Item 4(e): ‘Deeper Dive Research’ to Inform Possible Utilization of Results of CAFII 2022 Tracking Study Research with Pollara Strategic Insights on ‘Consumers’ Satisfaction with Credit Protection Insurance’**

Keith Martin provided an overview of the results of the recently completed CAFII research with Pollara Strategic Insights on consumers’ satisfaction with credit protection insurance. In general, the research results were positive and consistent with findings from the previous 2018 edition of this tracking study.

However, there was one result around whether CPI customers thought that the insurance was mandatory that required further investigation, and as a result CAFII commissioned Pollara to do a follow-up “deeper dive” on this aspect of the research, which demonstrated that, in fact, there was no greater percentage of customers who did not think that the insurance was optional than in 2018. It was also noted that there was an increase in the percentage of customers who complained about the claims process; and a lower percentage of customers who were satisfied with how those complaints had been handled.

On 17 April, 2023, Pollara will present the findings of the research to CAFII members in a virtual presentation, following which the EOC will be asked to make a recommendation to the Board on whether to publicly release the research results, Mr. Martin concluded.

*[Action Item: Work with and through the EOC to secure a recommendation to the Board on the public release of the Pollara CPI research results; K. Martin, B. Wycks, April-May 2023.]*

#### **Item 4(f): Plans for May 9/23 2023 CAFII Annual Members and Associates Luncheon**

Brendan Wycks provided an overview of the upcoming May 9, 2023 CAFII Annual Members and Associates Luncheon, at which two leading insurance lawyers, Jill McCutcheon of Torgys LLP, and Stuart Carruthers of Stikeman Elliott, would engage in a fireside chat with Keith Martin on domestic and international trends in insurance regulation.

#### **Item 4 (g): Planned Timing of 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; and Related Attendance/Representation Opportunities**

Brendan Wycks provided an overview of plans for a CAFII 2023 Western Canada and Atlantic Canada Insurance Regulators and Policy-Makers Visits Tours. CAFII member representatives will be invited to participate in the meetings that are arranged as part of those two tours, Mr. Wycks concluded.

### **Item 5: Governance Matters**

#### **Item 5(a): Draft Principles-Based Guideline on Appointment of CAFII Board Members Into Leadership Roles of Board Chair and Board Vice-Chair**

Rob Dobbins provided an overview of a draft principles-based *Guideline On the Appointment of CAFII Board Members Into the Leadership Roles of Board Chair and Board Vice-Chair*. In general, it was proposed that, on a go-forward basis, CAFII Board Chairs would typically come from the financial institution distributor members of the Association, while Board Vice-Chairs would typically come from the insurer members of the Association, and that the Chair could be appointed without having previously served as Vice-Chair. The Board was supportive of adopting the proposed Guideline.

On a motion duly made, seconded, and unanimously carried **IT WAS RESOLVED** that the Board hereby approves the proposed *Guideline On the Appointment of CAFII Board Members Into the Leadership Roles of Board Chair and Board Vice-Chair*, as presented in the materials package for this meeting.

#### **Item 5(b): Implementation of Board-Approved “New CAFII Management Structure (Post-2023)”**

Keith Martin provided an overview on the status of the new CAFII management structure initiative, noting that progress was being made in the process of hiring of two new CAFII staff members, to succeed Brendan Wycks who will be retiring as Co-Executive Director at the end of 2023.

**Item 5(c): Plans For Immediately Ensuing April 4/23 CAFII Reception Event with Kartik Sakthivel, LIMRA As Guest Speaker**

Brendan Wycks provided an overview of the immediately ensuing CAFII Reception event at Vantage Venues, from 5:30 to 7:30 p.m., which would feature Kartik Sakthivel of LIMRA as the guest speaker.