

**BOARD MEETING**  
**CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE**  
**In-Person/Hybrid Meeting at National Bank in Montreal, Ontario**  
**Tuesday, October 8, 2024**  
**2:20 to 5:00 p.m. EDT**  
**Minutes**

**Board Members**

**Present In Person:**

Sarah Armstrong	CUMIS/The Co-operators
Simon Lacroix-Hubert	Desjardins
Peter Thompson	National Bank Insurance
Valerie Gillis	TD Insurance
Louie Georgakis	The Canada Life Assurance Company
Elizabeth Gandolfi	Canadian Western Bank

**Virtually:**

Rohit Thomas	BMO Insurance
Adam Vespi	Canadian Tire Bank
Konstance Allain	CIBC
Julie Gaudry	RBC Insurance
Nigel Branker	Securian Canada

**Regrets:**

Paul Cosgrove	Assurant
Rahul Kakar	Chubb Life Insurance Company of Canada
Wayne Hewitt	Scotia Insurance
Andrew Kugler	Manulife Financial

**Also Present:**

Keith Martin, Executive Director  
Rob Dobbins, Board Surrogate for Paul Cosgrove  
Karyn Kasperski, Secretary  
Robyn Jennings, Research Analyst  
Wendy Bairos, Media Consultant  
Troy Woodland, Association Administrator

## **Item 1: Welcome, Call to Order, Meeting Confirmation, and Board Construction Matters**

### **Item 1(a): Welcome and Call to Order**

CAFII Board Chair Valerie Gillis welcomed all to this meeting of the CAFII Board of Directors, which was hosted by the National Bank in Montreal, Quebec, as well as virtually on the Microsoft Teams platform. The meeting was called to order at 2:30 p.m. CAFII's Research Analyst, Robyn Jennings, acted as Recording Secretary.

### **Item 1(b): Land Acknowledgement**

CAFII Board Member Peter Thompson shared a land acknowledgment for the meeting.

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

Board Secretary Karyn Kasperski confirmed that there was a quorum of Board members present for the meeting, with 6 members present in person and 5 members present virtually, and that the meeting had been properly called and constituted. K. Kasperski also noted that EOC Member Rober Dobbins had been nominated as a Board surrogate for Paul Cosgrove. Board Chair Valerie Gillis declared the meeting convened and constituted.

### **Item 1(d): Approval of Agenda**

Prior to the Agenda approval, Board Chair Valerie Gillis mentioned Read-Only item 5(h—*BCFSA Position on Life and Health Adjustors*) and requested it continue to be monitored carefully. She expressed the need for additional information so the Board may better understand BCFSA's position.

*On a motion duly made, seconded, and unanimously carried, **IT WAS RESOLVED** that the meeting Agenda be and is approved.*

## **Item 2: Consent Items**

Board Chair Valerie Gillis introduced the consent items and called upon CAFII's Research Analyst, Robyn Jennings, to speak to item 2(c). R. Jennings informed the Board of important regulatory and governance matters that occurred during the summer months. In June, Pollara presented at CAFII's reception following the June 4th Board meeting. The presentation discussed Canadians' concerns about the economy, particularly fears about the housing market, inflation, and healthcare. The BCFSA announced that its CEO, Blair Morisson, will be retiring in early 2025. In July, the FCAC informed CAFII that it had withdrawn its proposed guideline on complaint-handling procedures for trust and loan companies as well as insurance companies, an issue CAFII had previously made a submission on. The Federal Department of Finance informed CAFII of its plans to include insurance premiums in the determination of interest and provided a short period for direct feedback (deadline of September 11, which was about 30 days from when the consultation started). FSRA announced that Mark White had stepped down as CEO, and Stephen Power had taken over as interim CEO. The regulator also announced that CAFII's Executive Director, Keith Martin, had been re-admitted to its Life & Health Stakeholder Advisory Committee. On July 15, 2024, Swati Agrawal made a presentation to the CAFII DEI working group on her work with the International Association of Insurance Supervisors. Later in the month, CAFII and its volunteers met with AMF's Hugo Lacroix, the new Superintendent of Securities Markets and Distribution. In August, CAFII met with the BCFSA to discuss its new intentions to make life and health insurance claims officials be viewed as adjustors who need to acquire an individual license. CAFII is also actively monitoring Quebec's new privacy initiative.

*On a motion duly made, seconded, and unanimously carried, **IT WAS RESOLVED** that the Consent Agenda items itemized below be and are approved or received for the record, as indicated in the Action column in the Consent*

section of the agenda.

- a. Draft Minutes, June 4/24 CAFII Board Meeting
- b. Summary of Board and EOC Action Items
- c. June/July-August Regulatory Updates
- d. Consultations/Submissions Timetable
- e. Regulator and Policy-Maker Visit Plan Recap
- f. Committee Reports Addressing CAFII Priorities
- g. Board-Approved CAFII 2024 Schedule of Meetings and Events
- h. EOC Approved Schedule of CAFII 2025 Meetings and Events

Further, **IT WAS RESOLVED** that the minutes of the meeting of the CAFII Board of Directors held June 4, 2024, be and are adopted in the form presented and that copies of those minutes be signed and placed in the corporation's minute book.

### Item 3: Financial Management

#### Item 3(a): CAFII Financial Statements as at August 31/24

CAFII Executive Director Keith Martin provided an overview of the Association's financial statements as at August 31/24, noting that the Association's finances are stable with a healthy balance sheet and income statement. There are, however, some major changes from the original budget. Revenue is above budget expectations due to new membership, along with higher investment earnings than expected; and expenses are down due to effective expense management. In terms of website costs, K. Martin was able to negotiate all deliverables to fall under \$70K, meaning CAFII will have a net saving of over \$20K from what was in the original budget. There will also be net savings in terms of salary expenses due to the departure of CAFII's Operations Manager and the delay in replacing that role. In terms of the current trajectory, CAFII is expected to have a small or no deficit by December if spending remains as expected. The Association also has a solid operating ratio relative to expenses of over 50%.

K. Martin then mentioned an unexpected and erroneous deposit of \$452K into the CAFII bank account. The bank that made the error is aware (as are its senior executives), but it is proving difficult to return the money. CAFII is monitoring the situation closely.

*On a motion duly made, seconded, and unanimously carried, **IT WAS RESOLVED** that the CAFII financial statements as at August 31/24 be and are approved.*

#### Item 3(b): CAFII Forecast as at August 31/24

CAFII Executive Director Keith Martin informed the Board that CAFII's forecast is projecting a much lower deficit, and possibly no deficit, as opposed to what was in the original budget. K. Martin and CAFII's Treasurer Donald Hinnecke are currently working on the forecast for presentation at the December Board meeting. This includes finalizing some key spends like the Deloitte research project and the CAFII website rebuild costs. Generally, however, CAFII is in a very strong financial position.

#### Item 3(c): CAFII 2025 Operating Budget Critical Path

CAFII Executive Director Keith Martin informed the Board that he is currently working with the EOC Chair, Karyn Kasperski, and Vice-Chair, John Burns, to finalize CAFII's 2025 Operating Budget. By the December 3/24 Board meeting, K. Martin expects to have a recommended operating budget for 2025.

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

##### **Item 4(a): Debrief Discussion on Just-Completed Industry Issues Dialogue with AMF Executives, as well as earlier Breakfast with Valerie Gillis, Keith Martin, Hugo Lacroix, and Mario Beaudoin**

CAFII Board Chair Valerie Gillis informed the Board of the breakfast meeting between the AMF and CAFII that occurred earlier in the day. She thought there were great discussions, and the AMF expressed an interest in maintaining open and amicable dialogue. CAFII's Executive Director, Keith Martin, added that he thought the whole day was positive. His key takeaway was that Hugo Lacroix expressed his commitment to maintaining the AMF's relationship with CAFII and its members and wants to develop an independent line of communication. He also said that he does not anticipate any major policy issues arising in the next three to four years. Overall, CAFII's meetings with the AMF went very well.

##### **Item 4(b): Motion to Approve EOC-Endorsed Rescindment of CAFII Reimbursement Policy**

CAFII Executive Director Keith Martin explained to the Board that CAFII is seeking approval from the Board to rescind the CAFII Reimbursement policy. This item was presented to the EOC and endorsed. In short, the CAFII bylaws allow for a member to claim reimbursement of up to \$7500 for hosting a reception and/or CAFII event. Over the entire course of his time with CAFII, only one member has ever used this policy. Therefore, to maintain fairness and consistency, CAFII wants to rescind the policy since it is essentially unused.

*On a motion duly made, seconded, and unanimously carried, **IT WAS RESOLVED** that the motion to approve the EOC-endorsed rescindment of CAFII's reimbursement policy be and is approved.*

##### **Item 4(c): Review of EOC-Endorsed CAFII 3-5 Year Strategic Plan**

CAFII Executive Director Keith Martin updated the Board on the EOC-endorsed CAFII 3-5-year strategic plan. At a high level, after several conversations with the Board, the feedback received was approval for the general direction the Association is taking, with only some minor tweaks recommended. The EOC has been discussing and working on these tweaks during many meetings held in recent months, including the July EOC meeting, which was on the Strategic Plan alone. CAFII's vision statement remains focused on credit protection insurance, but the Association can address other topics if that is the desire of the membership. CAFII's mission statement is to advocate for financial institutions in insurance and to commit to policies and practices consistent with the fair treatment of customers. The strategic plan emphasizes that CAFII is customer-focused through its members. The following are more overarching principles of the mission statement:

- Prioritizing fair regulation;
- Working towards an open and flexible marketplace;
- Fostering relationships with regulators;
- Prioritizing and promoting DEI;
- Engaging in research and education initiatives;
- Investing in digital assets like the website;
- Focusing on key trends like digitalization, international policies, or technology developments.

CAFII is focused on both reactive and proactive advocacy with policymakers. Reactive advocacy is focused on formal written submissions coming out of consultations, while proactive advocacy is a long-term effort to share key messages with regulators and policy-makers and influence their thinking. A key element of the Strategic Plan is continued work with regulators on consumer education through communication. This collaboration on shared priorities allows CAFII to achieve its goals. Research is a lynchpin for these various priorities because it creates talking points with regulators, new educational tools for consumers, and better industry knowledge for CAFII members.

Digital assets, like the CAFII website and LinkedIn, are important parts of CAFII's new strategic plan. Both will promote consumer and industry education. This also ties into CAFII's new media strategy, which is assertive but not aggressive, cautious but nevertheless more visible.

Board Member Konstance Allain suggested removing the term "friendly association" in the Strategic Plan and felt there could be better language; the wording was changed to "CAFII will collaborate with Associations aligned with the interests of our members." Board member Elisabeth Gandolfi noted that the measures of success were qualitative rather than quantitative and asked if CAFII would or could attribute a metric to its success measurement to demonstrate progress in 3-5 years. EOC Chair Karyn Kasperski commented that, as the strategic plan is implemented, CAFII can develop quantitative metrics. She added that media is an area where the Association will be able to see actual quantitative metrics like the number of articles published and shared.

*On a motion duly made, seconded, and unanimously carried, **IT WAS RESOLVED** that the motion to approve the EOC-endorsed CAFII's 3-5-year strategic plan be and is approved.*

#### **Item 4(d): Review of EOC-Endorsed CAFII Media Plan**

CAFII's Media Consultant, Wendy Bairos, updated the Board on CAFII's EOC-endorsed media strategy. She explained that the media plan accounts for many of CAFII's diverse objectives, including educating the public and building relationships with regulators. In the package, a proposed final draft of the media plan has been included. CAFII's own blog articles, published on the website, are another part of the media plan. The strategy also includes publishing on LinkedIn and ongoing content to be added to the CAFII website, both of which can improve search results (search engine optimization or SEO).

Considering that CAFII is cautious around engaging with the media, another way to achieve the Association's objectives while increasing public visibility is through a byline op-ed. This allows for CAFII to speak to a broader audience while controlling the narrative. W. Bairos added that something to remember is that byline articles and op-ed editors may edit for length or other things; it is important to know that while the article is CAFII's narrative, there will likely be adjustments.

Another part of the media plans includes paid editorials; this is something to be considered at a future date and CAFII has no budget currently for sponsored media. CAFII's Executive Director Kieth Martin explained that at the last EOC meeting, concerns were raised around the cost of sponsored content. Therefore, it was agreed that the language in the media plan would be modified so that paid content is not something recommended but rather an option if desired in future.

Board Chair Valerie Gillis suggested that CAFII consider having at least one member's legal department review external media articles as part of the process of review, and noted that a lawyer from TD had reviewed the

current article being considered for publication with the National Post. Val Gillis also suggested rotating distribution responsibilities between member companies to mitigate the potential issue of high volumes of comments. EOC Chair Karyn Kasperski agreed with the suggestion and added that CAFII could look at engaging in this going forward.

A matter raised by the Board Chair is the importance of EOC and Committee members raising concerns or views consulting first internally within their organizations to ensure that they reflect the views of that organization more generally.

*On a motion duly made, seconded, and unanimously carried, **IT WAS RESOLVED** that the motion to approve the EOC-endorsed CAFII Media Plan be and is approved.*

**Item 4(e): Review of EOC-Endorsed Article for National Post**

*It was agreed that this item would not be approved at the meeting but by email-approval by the board after the article is updated.*

*[Action Item: Edit National Post article to reflect the feedback received from TD's legal team; K. Martin and W. Bairos, 2024].*

**Item 4(f): Federal Department of Finance Proposed Amendment to the Criminal Code to Include Insurance Costs in the Calculation of Interest**

CAFII's Board Chair, Valerie Gillis, informed the Board that CAFII submitted a submission to the Federal Department of Finance on its proposed amendment to the criminal code to include insurance costs in the calculation of interest. The issue is that the Department clearly did not consider some of the amendment's implications, particularly the fact that organizations that are not engaged in predatory lending will be affected. The Department has not responded yet to CAFII's submission or offer to meet.

**Item 4(g): Update on Research with Deloitte on Technology Trends and AI**

CAFII's Executive Director, Keith Martin, updated the Board on CAFII's research on technology trends and AI with Deloitte. Deloitte has interviewed most of CAFII's members and will soon send out a written survey. K. Martin is currently working with Deloitte to make some minor edits to the survey, but it is nearing completion. In terms of timelines, the intention is to continue to collect information in the coming months with the intention to publish the report in early 2025.

**Item 4(h): Update on Plans to Visit FCAC and the Federal Department of Finance in Ottawa**

CAFII's Executive Director, Keith Martin, update the Board on CAFII's plans to visit the FCAC and the Federal Department of Finance in Ottawa. He explained that since CAFII's last visit to the FCAC was in March 2020, CAFII should try to visit again soon. The Association did not go this year due to an active consultation on the extension of complaints regimes to insurance companies, which CAFII had made a submission on. Now that this has concluded, CAFII intends to visit, but it may be prudent to wait until a permanent Commissioner is named. If CAFII does go to Ottawa to visit the FCAC, it is also recommended that CAFII should also meet with the Department of Finance

**Item 4(i): Update on Executive Director September 17-18 Meetings with Regulators in Alberta and BC**

CAFII Executive Director Keith Martin informed the Board of his meeting with several regulators from Alberta and British Columbia on September 17 and 18, 2024. K. Martin was invited to participate in an industry panel for the Insurance Council of BC in Richmond, BC, with CLHIA, Advocis, and CAILBA also participating. In conjunction with that visit out west, K. Martin also met with the new Superintendent of Insurance in Alberta, Chris Merriman, and the new CEO of the Alberta Insurance Council, Amina Deiab, along with two members of her staff. The meetings were cordial and productive, and both regulators were very engaged and interested in CAFII's priorities and key messages.

**Item 4(j): Update on Hiring New Operations Manager**

CAFII's Executive Director, Keith Martin, informed the Board that CAFII has not yet hired a new Operations Manager. He is actively working with Managing Matters to find someone suitable. While the process is taking longer than expected, the intention is to find a strong fit as soon as possible.

**Item 4(k): Update on Expansion of Quarterly RSM Canada Benchmarking Study to Include HELOC Penetration Rates**

CAFII's Executive Director, Keith Martin, updated the Board on the expansion of the quarterly RSM Canada Benchmarking study to include HELOC penetration rates. RSM Canada can incorporate HELOC penetration rates into the study, there will likely be a modest additional investment increase. Once the cost of this expansion is confirmed, K. Martin will present this to the Board for approval.