

CAFII EOC Meeting Minutes
Tuesday, April 26, 2016
Location: CIBC, Imperial Room
199 Bay Street, 4th Floor, Toronto

EOC Present:	Rose Beckford Charles Blaquiere Greg Grant Sue Manson Diane Quigley Raja Rajaram Andrea Stuska	ScotiaLife Financial Canadian Premier Life Insurance Co. CIBC Insurance <i>Chair</i> CIBC Insurance The CUMIS Group <i>(by teleconference)</i> CIBC Insurance <i>(by teleconference, for part)</i> TD Insurance
Also Present:	Emily Cloutier Brendan Wycks	T•O Corporate Services <i>Recording Secretary</i> CAFII <i>Executive Director</i>
Regrets:	Jason Beauchamp Eleanore Fang Moiria Gill John Lewsen Jodi Skeates Isabelle Choquette Carol Allen Ana Vu Jerome Savard	BMO Insurance TD Insurance TD Insurance BMO Insurance The CUMIS Group Desjardins Financial Security Life Assurance Assurant BMO Insurance Desjardins Financial Security Life Assurance

1. Call to Order

The meeting was called to order at 2:03 p.m. G. Grant acted as Chair; E. Cloutier acted as Recording Secretary.

Greg welcomed all in attendance, in particular Charles MacLean who was attending his first EOC meeting and succeeding Derek Blake as a representative from RBC Insurance. Greg also advised that Jodi Skeates would be stepping down from the EOC, as she has accepted a new role at Manulife Financial and would be leaving The CUMIS Group in early May.

2. Approval of Agenda and Previous Minutes

a. Approval of Agenda

Approved as presented.

b. Approval of EOC Minutes of March 29, 2016

Approved as presented.

c. Approval of Board Minutes of April 12, 2016

EOC members concurred with Greg's suggestion that, as they had only been posted to the CAFII meeting site earlier today, review and approval of these draft Board minutes should be deferred to the May 24, 2016 EOC meeting,

Rose suggested that the following edits be made to the Board minutes before the EOC reviews the next draft:

- delete the direct quote attributed to Yann Nachabe, Policy Advisor to Quebec Minister of Finance Carlos Leitao, in 4.3; and
- revise 5.3 to indicate that the Board's discussion of the next *Bank Act* review, has resolved that, as it has done in the past, CAFII will act as a resource to the Canadian Bankers Association in support of its submission.

Action: Draft minutes of the April 12/16 Board meeting to be adjusted to reflect the edits proposed above. [Emily; May 16, 2016]

d. Summary of Board and EOC Action Items

- #7. The 2016 CLHIA Conference in Halifax hasn't yet occurred, so Brendan's summary of regulatory discussions there will be provided after the event.
- #11. Brendan and Emily will make a site visit to St. Andrew's Club and Conference Centre to determine if space is available to accommodate a speaker presentation following the CAFII Annual Meeting and Board meeting there on June 7/16.

3. CAFII Financial Management

a. Financial Statements as at March 31, 2016

Treasurer Raja Rajaram commented on the Statement of Operations, noting that as at the end of the first quarter of the fiscal year, CAFII had a modest surplus year-to-date of just under \$17,000. However, it is expected that significant spending over the remainder of the year in the areas of Research/Studies and Media Outreach, in particular, will move the Association towards our budgeted deficit of \$71,000 for 2016.

With respect to the Balance Sheet, we currently have unrestricted net assets of just under \$376,000, meaning our financial reserves are at 74% of the Association's annual operating expenses. However, with the healthy spending on projects expected over the balance of the year, we anticipate that the reserves will move closer to the 58% of annual operating expenses we've forecasted to the end of the year.

In terms of payments, the first 2016 dues instalment for several members remain outstanding and Emily will be following up regarding payment.

Action: Follow-up with members and Associates who haven't yet paid the 2016 CAFII fees now due. [Emily; May 24, 2016]

4. Regulatory

a. Consultations/Submissions Timetable

Brendan presented the highlights of the updated Consultations/Submissions Timetable as at April 2016, and discussion occurred as follows:

- **BC “Effecting” of CGI issue**

CAFII representatives had a useful teleconference with FICOM staff executives on April 14, to discuss CAFII’s follow-up letter of March 15/16 on the CGI Information Bulletin. Brendan has provided detailed notes from that meeting to EOC members, along with the follow-up response letter received from Harry James of FICOM on April 20. Diane Quigley from CUMIS will provide additional information for FICOM regarding the auto dealers being “creditors for a moment-in-time” argument.

Action: Conduct further research and provide additional information to support auto dealers being the creditor for a “moment-in-time”. [Diane; May 31, 2016]

- **CCIR Annual Statement on Market Conduct**

In a liaison meeting with CAFII on April 12/16, CCIR Policy Managers Martin Boyle and Sean Jacobs advised that in late April or early May, CCIR will circulate another draft of its Harmonized Annual Statement on Market Conduct to industry stakeholders for comment. The feedback period will likely be 45 days.

- **CCIR Review of Travel Health Insurance**

Sean Jacobs and Martin Boyle have informed CAFII that CCIR will be releasing a Travel Health Insurance Review Issues/Discussion Paper in early summer, for a 90 day consultation period.

- **Saskatchewan Bill 177 Regulations**

Jan Seibel, Legal Counsel with Saskatchewan’s Financial Consumer Affairs Authority, has advised Brendan Wycks that the FCAA now plans to conduct its consultation with the industry on the Regulations in two parts. First, they will ask for comments on some of the more complex issues that arose in the new Act, in particular, viatical regulation, TPAs, and employee benefit plans. The FCAA hopes to provide something on this to the industry later this spring. Thereafter, the FCAA is targeting the actual draft Regulations to be ready for dissemination to the industry for comments by late summer or early fall 2016.

- **FSCO Draft 2016 Statement of Priorities**

Members briefly discussed FSCO’s Draft 2016 Statement of Priorities, with a view to providing preliminary input for the Market Conduct Committee’s development of a CAFII submission. While there are eight priorities set out in the document, FSCO is treating the first four as standard/automatic and asking stakeholders to focus their comments on just priorities 5 through 8. The submission is due May 31.

It was agreed that CAFII’s submission should avail of content in CAFII’s previous submissions on FSCO’s annual statement of priorities, and other recent and relevant regulatory submissions. Based on this, Brendan and Rose will put together a draft submission for review by the Market Conduct Committee, and then provide it to the broader EOC for feedback.

Action: Draft CAFII submission on FSCO's 2016 Draft Statement of Priorities, for review by Market Conduct Committee and EOC. [Brendan, Rose; May 20, 2016]

b. Regulatory Update

No discussion of this document beyond the items addressed under 4(a).

c. Regulator and Policy-Maker Visit Plan

Brendan noted that CAFII has formed a mutually beneficial working relationship with new CCIR Policy Managers Martin Boyle and Sean Jacobs, and our periodic liaison lunch meetings with them have been particularly valuable. At the April 12/16 meeting, Martin suggested that the optimal timing for these meetings is quarterly, shortly after each CCIR meeting. At that meeting, CAFII also learned that Martin and Sean will be attending the 2016 CLHIA Compliance and Consumer Complaints Conference in Halifax, so Brendan has invited them to attend CAFII's liaison lunch with Carolyn Rogers on Wednesday, May 4 where BC regulatory issues and CCIR/national issues will be discussed.

5. EOC Committee Updates

a. Research and Education

Sue reported that CAFII's travel insurance experts group's report containing proposed language for limitations and exclusions had recently been handed off to CLHIA's travel insurance committee so that they can "hit the ground running." The travel insurance experts group would now turn their attention to related deliverables -- "terms and conditions" and "policy layout." When complete, the recommendations in those key areas would also be handed off to CLHIA to benefit the industry.

For the benefit of new EOC members, Greg summarized the evolution of the travel health insurance review initiative over the past two years, starting with CAFII's impetus in forming the Travel Insurance Pan-Industry Project (TIPIP) group in 2014 which had representation from CAFII, CLHIA, and the Travel Health Insurance Association (THiA). More recently, CLHIA has been carrying the ball for the industry in terms of out-front liaison with the CCIR Travel Insurance Working Group (TIWG) around reforms to the product and its distribution. Nevertheless, CAFII's travel insurance experts have been working diligently behind-the-scenes on key initiatives in support of CLHIA's work. The contributions of CAFII and CLHIA have been very well-co-ordinated, as evidenced by the joint stakeholder meeting that the two Associations had with the TIWG on March 16.

Meanwhile, THiA has been working on an education and certification program for those who sell travel health insurance. Greg, Sue, and Brendan, and Joan Weir from CLHIA attended an update meeting hosted by THiA last week where THiA's progress on this initiative was shared.

In EOC discussion, a consensus was reached around the importance of the three industry Associations remaining in close touch as the travel health insurance review continues to unfold, to ensure that initiatives remain well-co-ordinated and that communications with regulators are consistent.

b. Media Advocacy

Charles advised that he and Greg had recently conducted further due diligence on David Moorcroft as a potential communications and media consultant to CAFII. Before retiring in 2008, David was SVP of Corporate Communications at RBC. After meeting with David and challenging him with a number of questions, Charles and Greg were fully satisfied that he understands the consumer education direction that we want CAFII's external communication strategy to go in; and that we want develop a plan and deliver on it. David is now working on preparing a communications plan, which will be ready for the EOC to review at its next meeting prior to going forward to the June 7 Board meeting.

Action: Have new CAFII Communications Plan ready for EOC review at its May 24/16 meeting. *[Charles, Greg, Brendan; May 19, 2016]*

c. Market Conduct

Rose noted that Quebec's recent budget included an indication that one or both of the province's Insurance Act and Distribution Act will be undergoing a major overhaul when the Ministry of Finance introduces legislation to reform and modernize the province's financial sector, likely later this year. Given that Quebec can pose some unique challenges from the perspective of new legislation and regulations, she suggested that CAFII may want to engage experienced and specialized legal counsel in this area, to be in an optimal position of readiness for a well-informed consultation submission or a legal intervention.

In EOC discussion of this recommendation, it was suggested that Rose should discuss the matter with Isabelle Choquette, who is a lawyer by background and works for a Quebec-based member, and obtain her advice.

Action: Consult on the possibility of engaging specialized legal counsel with respect to expected overhaul of Quebec's Insurance Act and/or Distribution Act, before bringing a proposal back to the EOC. *[Rose, Isabelle; June 15, 2016]*

d. Licensing Efficiency Issues

No update at this time.

6. Other Business

a. .INSURANCE Registration

Brendan provided an update on the opportunity for CAFII to register one or more domains under the .insurance registry soon to be opened by the international coalition of insurance companies, banks, and financial services trade Associations that controls both .insurance and .bank.

Because CAFII currently does not have a nationally registered trademark, the first opportunity for us to register a domain will be at 8:00 p.m. Eastern on June 14/16, during the General Availability period. The cost for registering a domain under .insurance is \$1,000 U.S. annually, and there will be additional regulation fees that will push the yearly cost higher than that. In contrast, the cost of CAFII's current .com domain -- which is locked up until 2021 at which point it will have to be renewed -- is approximately \$10 CAD per month. The relatively high fees associated with .insurance domains help ensure that they will never be corrupted or co-opted by spammers, phishing scammers, or other bad actors. Every domain registered with .insurance will have to go through a re-certification process every two years.

In EOC discussion of this opportunity, it was agreed that more information was needed to make a decision on whether CAFII should register a .insurance domain. It was suggested that members should speak to the IT and/or marketing units within their businesses to find out if they have a viewpoint on the value of registering domains under .insurance; and that Brendan should speak to the Canadian Bankers Association to find out if they have registered any .bank domains.

Action: Speak to IT and/or marketing units within businesses to find out if they have a viewpoint on the value of registering domains under .insurance. [All members; June 6, 2016]

Action: Speak to CBA to find out if they have registered any domains with .bank. [Brendan, May 24, 2016]

b. CAFII Thank You and Appreciation Gathering

There was unanimous support for Greg's suggestion that in the near future, the EOC should hold a casual lunch or reception event to thank and convey best wishes to both Leya Duigu, recently departed CAFII Administrative Co-ordinator, and EOC members who had recently stepped down after completing a term of service with the Association.

It was agreed that Emily and Brendan would reach out to Leya and the past EOC members who'll be special guest invitees and poll them in order to establish a date and time for this informal gathering. Then Brendan, Greg, and Emily will secure a venue and food and beverage arrangements.

Action: Poll Leya Duigu and the past EOC members who'll be special guest invitees, in order to establish a date and time for an informal thank you and appreciation gathering. [Emily, Brendan; May 10, 2016]

Action: Secure a venue and food and beverage arrangements for the CAFII thank you and appreciation gathering [Brendan, Greg, Emily; May 13, 2016]

6. Meeting Termination

There being no further business to discuss, the meeting was terminated at 3:21 p.m. The next CAFII EOC meeting will be held on May 24, 2016, hosted by CIBC Insurance at Commerce Court, Imperial Room, 199 Bay Street, 4th Floor, Toronto.

Date

Chair

Recording Secretary