

CAFII Regulator Visits and Communications Recap

June 18, 2024 to September 12, 2024

CAFII Insurance Regulator and Policy-Maker Meetings/Interactions

Date:	July and August , 2024	Event/Occasion/Issue:	Email Exchange/Phone Call
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On July 8, 2024 Erica Hiemstra sends Keith Martin a note about remaining on the FSRA Sectoral Advisory Committee on Life and Health Insurance, which was in the process of renewing membership terms. On July 15, 2024 Swati Agrawal has a conversation with Keith Martin in which she says that it is important that he remain on the SAC for Life and Health Insurance, and that she and Erica Hiemstra will work on ensuring that happens. On August 8, 2024 Huston Loke sends the following email to Keith Martin:

Dear Keith Martin,

Thank you very much for your interest in participating on the Stakeholder Advisory Committee for Life & Health SAC (L&H SAC). I am pleased to advise that you have been selected to serve on the L&H SAC. Congratulations! We will announce the SAC membership shortly.

We will be in touch soon regarding any upcoming meetings to be scheduled. Should you have any questions regarding the Committee, please don't hesitate to contact me directly.

Sincerely,

*Huston Loke
Executive Vice President, Market Conduct
Financial Services Regulatory Authority of Ontario*

Date:	July and August, 2024	Event/Occasion/Issue:	Email Exchange
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On July 30, 2024 CAFII sends a letter to the Insurance Council of BC on the *Consultation—Insurance Council of British Columbia Restricted Insurance Agency Performance Requirements Framework*. On August 1, 2024 Brett Thibault acknowledges receipt of the submission:

Hi Keith,

Thank you for providing your input and engaging with us as we develop the RIA regime. We appreciate our ongoing dialogue.

Our team will review your feedback and the questions you've provided and will get back to you in the coming weeks.

In the meantime, if you have any further questions please don't hesitate to reach out.

Thanks,

Brett Thibault | Director, Governance and Stakeholder Engagement | **Insurance Council of British Columbia**

Date:

July 12, 2024

Event/Occasion/Issue:

Email Exchange

Marina Makhnach of the BCFSa sends the following email to Keith Martin:

Dear Keith

BCFSa intends to issue a Regulatory Statement "Adjusting and Settlement of Insurance Claims" that sets out our position on the regulation and licensing of businesses and individuals who perform insurance adjusting work involving British Columbia ("B.C.") consumers and insureds.

The Regulatory Statement offers information and clarity as to BCFSa's position on two issues related to insurance adjusting as it is regulated under the Financial Institutions Act ("FIA"):

What activity we consider to constitute insurance adjusting; and
For businesses and persons engaged in insurance adjusting, what constitutes "acting in B.C." and would therefore require being licensed in B.C. or qualify for an exemption.

Marketplace changes in technology have impacted the ability, capacity and practices of businesses who perform insurance adjusting work. BCFSa has assessed the impact and practical integration of changes in the insurance adjusting industry with specific consideration given to the conduct and licensing provisions set out in the FIA applicable to the adjusting of insurance claims. Other Canadian regulators have taken these technical capacity changes into account when setting out their regulatory oversight of adjusting work. Where possible, BCFSa seeks to harmonize the regulation and oversight of adjusters in B.C. with that of other Canadian jurisdictions having similar statutory requirements for adjusting activities.

We are providing you with the opportunity to review the Regulatory Statement on an embargoed basis in advance of a meeting we will be scheduling to take place sometime on the 13th or 14th of August 2024, subject to your availability. Specific agreement to hold the existence of the Regulatory Statement and its content is required from you before it will be provided. Agreement to the terms of release can be facilitated by sending an email back to me at marina.makhnach@bcfsa.ca.

At the time of the meeting you will be able to bring forward thoughts and comments on how the Regulatory Statement impacts your members current and future business practices from a practical perspective. We also expect the meeting to facilitate discussions about long term compliance with the FIA and transition of specific or industry-wide business practices moving forward should they be required.

Should you have any questions about specific details of the draft Regulatory Statement, you may submit them in writing to insurance@bcfsa.ca. Any responses to your inquiries may be integrated into agenda items set out in the meeting.

We ask that you acknowledge receipt of this email and agreement to the terms of the Regulatory Statement release as soon as practicable. We also ask that your reply email include your availability and intention to attend the meeting tentatively scheduled on 13th or 14th of August 2024.

Thanks and Kind Regards,

Marina

On August 30, 2024 a follow up email was sent to CAFII:

Dear Keith

Thank you for meeting with BCFSA on August 13th, 2024 to discuss our Regulatory Statement "Adjusting and Settlement of Insurance Claims". The statement sets out BCFSA's position on the regulation and licensing of businesses and individuals who perform insurance adjusting work involving B.C. insureds.

Based on the feedback received from our meetings with various stakeholder groups, we recognize the need to make additional changes to the Regulatory Statement in order to make the nomenclature clearer regarding who is considered to be an adjuster. Giving the timing of the B.C. government election and additional work required, we will be deferring the publication of the Regulatory Statement until after the new B.C. government is formed.

In the meantime, we welcome your written feedback about the Regulatory Statement. As previously communicated, we are not consulting on our position regarding the requirements set out in the Regulatory Statement. Those requirements are established by the existing legislation. What we are seeking is a feedback on how to improve the Regulatory Statement to make those requirements clearer. We also wish to hear your thoughts on a reasonably expedited transition period to understand how quickly the industry could adjust to comply with the licensing requirement. We ask you to submit your feedback by October 11, 2024 by sending it to: insurance@bcfsa.ca. We would be happy to have a follow up conversation with you at the end of October 2024 once we had the time to consider all of the feedback.

For your convenience, attached is a confidential draft of the Regulatory Statement that, with the exception of the addition of a footnote, is the same as the one previously shared with you. We ask you not to share the Regulatory Statement broadly with your members, however, feel free to share it on a confidential basis with a select group of members in order to inform your feedback.

We would like to thank CAFII for engaging with BCFSA on this matter.

Thanks and Kind Regards,

Marina

Marina Makhnach (she, her)
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Date:	July 12, 2024	Event/Occasion/Issue:	Email Exchange
Keith Martin participates in a virtual meeting with Diana Ioconi of FCAC at which she lets CAFII know that the FCAC intends to pause its initiative around a new Guideline on complaint-handling procedures for insurance companies.			
Date:	July 22, 2024	Event/Occasion/Issue:	Virtual Meeting
Keith Martin attends a virtual session organized by the CCIR on its report on the adherence of industry to its Guideline on the Fair Treatment of Customers.			
Date:	July 23, 2024	Event/Occasion/Issue:	Virtual Meeting
Keith Martin has a virtual meeting with Mario Beaudoin on AMF priorities and issues.			
Date:	July 25, 2024	Event/Occasion/Issue:	Virtual Meeting
<p>CAFII held a virtual one-hour meeting to meet Hugo Lacroix, Superintendent, Securities Markets and Distribution, on July 25, 2024. Also in attendance from the AMF were:</p> <ul style="list-style-type: none"> • Louise Gauthier, Senior Director, Distribution Policies (reports into Hugo Lacroix); • Mario Beaudoin, Director, Alternative Distribution Practices (reports into Nathalie Sirois); • Nathalie Sirois, Senior Director, Prudential Supervision (reports into Patrick Déry, Superintendent, Financial Institutions). <p>The meeting was moderated by CAFII Executive Director Keith Martin. Questions were also asked by CAFII volunteer leaders. Asking questions were:</p> <ul style="list-style-type: none"> • Val Gillis, CAFII Chair of the Board and SVP, Life, Health and Credit Protection, TD Insurance; • Paul Cosgrove, CAFII Vice-Chair of the Board and President & CEO, Assurant Canada; • Karyn Kasperski, CAFII Board Secretary and EOC Chair (RBC Insurance); • John Burns, CAFII Vice-Board Secretary and Vice-EOC Chair (Securian Canada); • Fay Coleman, Vice Chair, Market Conduct & Licensing Committee (TD insurance); • Jennifer Russell, Chair, Quebec Committee (Assurant Canada); • Jason Beauchamp, Vice Chair, Quebec Committee (Canada Life). 			
Date:	July 31, 2024	Event/Occasion/Issue:	Webinar Invitation
<p>Keith Martin invites the following regulators to a September 11, 2024 webinar on priorities of Atlantic Canada regulatory authorities:</p> <ul style="list-style-type: none"> • Angela Mazerolle, Vice President, Regulatory Operations, FCNB; • Jennifer Crummy, Superintendent of Insurance, Financial Services Regulation Division, Digital Government and Service, Newfoundland and Labrador; 			

- David McCarron, Superintendent of Insurance, Financial Institutions Division, Department of Finance and Treasury Board, Government of Nova Scotia;
- Steve Dowling, Director, Financial and Consumer Services, Superintendent of Insurance, Department of Justice and Public Safety, Government of Prince Edward Island.

Date:	August 9, 2024	Event/Occasion/Issue:	Virtual Meeting
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CAFII members participate in a virtual meeting with Rob O'Brien and colleagues of his from BCFSa on their new Guideline on Incident Reporting.

Date:	August 13, 2024	Event/Occasion/Issue:	Virtual Meeting
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Keith Martin and Robyn Jennings (CAFII Research Analyst) participate in a meeting on August 13, 2024 on BCFSa's intention to require life and health insurance claims officials who "make decisions" to be viewed as adjustors who need to acquire an individual license. In attendance from BCFSa were:

- Harry James, Director, Regulation Advisory Service;
- Sean Sisett, Director, Inspections & Case Management;
- Marina Macknach, Director, Market Conduct Financial Institutions;
- Kari Toovey, Manager, Policy Team.

Date:	August 15, 2024	Event/Occasion/Issue:	Virtual Meeting
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Swati Agrawal of FSRA participates in a virtual meeting with the CAFII DEI Working Group on initiatives she is working on with the International Association of Insurance Supervisors (IAIS). Ms. Agrawal agrees to follow up with a CAFII webinar on this issue in 2025.

Date:	August 27, 2024	Event/Occasion/Issue:	Virtual Meeting
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Keith Martin confirms with the AMF that Board Chair Valerie Gillis, accompanied by Keith Martin, will have breakfast on October 8, 2024 in Montreal with Hugo Lacroix and Mario Beaudoin. The AMF also confirms the attendees for the October 8, 2024 lunch and Industry Issues Dialogue meeting with CAFII in Montreal will be Hugo Lacroix, Nathalie Sirois, Louise Gauthier, Véronique Martel, and Mario Beaudoin.

Date:	August/September, 2024	Event/Occasion/Issue:	Virtual Meeting
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Keith Martin writes to Mark Radley and Anne Loosen of the Federal Ministry of Finance requesting a one-month extension on the consultation the Department of Finance is engaged in around the draft legislative amendments to the *Criminal Code*, which includes provisions to include insurance costs in the calculation of interest. Following is the email exchange:

From: Keith Martin

Sent: September 4, 2024 5:12 PM

To: Radley, Mark <Mark.Radley@fin.gc.ca>

Cc: valerie.gillis@td.com; paul.cosgrove@assurant.com; karyn.kasperski@rbc.com;

John.Burns@securiancanada.ca; bradley.kuiper@scotiabank.com; fay.coleman@td.com; Robyn Jennings

<Robyn.Jennings@cafii.com>; Loosen, Anne <Anne.Loosen@fin.gc.ca>; Islam, Tanjana

<Tanjana.Islam@fin.gc.ca>; Ward, Connor <Connor.Ward@fin.gc.ca>

Subject: RE: Request from the Canadian Association of Financial Institutions in Insurance (CAFII)

Hello Mark,

I first of all would sincerely like to thank you for your response below, which was much appreciated.

I also want to thank you for the offer of a meeting. It will be difficult to us to get this organized prior to the current deadline of September 11, 2024, but if an extension is offered I will definitely follow up with you and would welcome a meeting after that date for us to engage in a dialogue.

CAFII will be making a preliminary submission to the Department of Finance by your current deadline of September 11, but if an extension is offered we could expand on that submission with more detailed comments and as noted above, we would welcome the opportunity to participate in a meeting with you and your colleagues after that date. With additional time, I believe we can better prepare and make the meeting more robust and beneficial for you and your colleagues.

Please do not hesitate to reach out to me on this or any related matters, and thank you again for your consideration.

Regards,

--Keith

Keith Martin

Executive Director / Directeur général

Canadian Association of Financial Institutions in Insurance

L'association canadienne des institutions financières en assurance

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From: Radley, Mark <Mark.Radley@fin.gc.ca>

Sent: August 30, 2024 4:54 PM

To: Keith Martin <Keith.Martin@cafii.com>

Cc: valerie.gillis@td.com; paul.cosgrove@assurant.com; karyn.kasperski@rbc.com; John.Burns@securiancanada.ca; bradley.kuiper@scotiabank.com; fay.coleman@td.com; Robyn Jennings <Robyn.Jennings@cafii.com>; Loosen, Anne <Anne.Loosen@fin.gc.ca>; Islam, Tanjana <Tanjana.Islam@fin.gc.ca>; Ward, Connor <Connor.Ward@fin.gc.ca>

Subject: RE: Request from the Canadian Association of Financial Institutions in Insurance (CAFII)

Hi Keith,

Sorry for the delay in responding. Thank you for your email regarding your concerns around the consultation on potential Criminal Code amendments. I would note that the draft legislation is for consultative purposes only. As such, on timelines, we have not determined or finalized any dates for next steps with regards to this draft legislation. We are awaiting all stakeholder comments to help inform next steps, including potential final legislation, and we appreciate your comments written below and look forward to receiving a formal submission on the issue.

We have noted your request for an extension on the submission deadline, which we will return to you on. If you have any interest in meeting with us so we may answer any questions you may have or to discuss your initial thoughts, please let us know and we can set something up for next week, if you are amenable.

Thank you,
Mark

From: Keith Martin <Keith.Martin@cafii.com>

Sent: Tuesday, August 27, 2024 12:03 PM

To: Radley, Mark <Mark.Radley@fin.gc.ca>; Loosen, Anne <Anne.Loosen@fin.gc.ca>

Cc: 'valerie.gillis@td.com' <valerie.gillis@td.com>; 'paul.cosgrove@assurant.com' <paul.cosgrove@assurant.com>; 'Karyn Kasperski' <karyn.kasperski@rbc.com>; Burns, John <John.Burns@securiancanada.ca>; Bradley Kuiper <bradley.kuiper@scotiabank.com>; 'Coleman, Fay' <fay.coleman@td.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

Subject: Request from the Canadian Association of Financial Institutions in Insurance (CAFII)

Hello Mr. Radley and Ms. Loosen,

My name is Keith Martin and I am the Executive Director of the Canadian Association of Financial Institutions in Insurance (CAFII), whose members include Canadian banks, credit unions, and insurers. CAFII focuses on optional insurance products including life insurance offered with loan instruments like mortgages, HELOCS, and loans, as well as credit card balance protection insurance.

I am writing you about the consultation the Department of Finance is engaged in around the draft legislative amendments to the Criminal Code, which includes provisions to include insurance costs in the calculation of interest. We are very concerned about whether this provision intends to capture optional credit protection and balance protection insurance. These optional products provide critical protection to Canadians, and as worded it is not clear to us what the provisions you are consulting on apply to, and specifically whether optional credit protection and balance protection

insurance is captured by these provisions. It should be noted that these products are not tied to the extension of credit nor do they protect against credit risk, but rather provide optional insurance risk protection against a borrowers' life and health related risks as well as in some instances, job loss, and are transacted under separate contracts for customers who wish to purchase this protection.

There are many important implications to these provisions for our members depending on their scope, and these insurance products are also under the jurisdiction of provincial and territorial regulators and policy-makers.

While in principle we are very concerned if optional credit protection insurance and balance protection insurance is intended to be captured by the proposed amendment, in practice it is also extremely problematic to announce a draft change that is intended to be implemented in four months or less (January 1, 2025). We typically request that any change that requires system changes and policy modifications have an implementation window of at minimum 12-18 months.

The consultation period is also extremely short. CAFII has fifteen members that represent large, complex financial institutions. We need time to internally formulate our feedback on any new regulatory or legislative approach, and to prepare our response.

We would be pleased to share our thoughts with you in a detailed written submission, and would like to request an extension beyond the September 11, 2024 deadline for responding to your consultation, if possible by a month. In the meantime, any clarification you can provide about the scope of the provisions with respect to the inclusion of insurance products in the calculation of interest rates would be helpful as we formulate our response.

Thank you in advance for considering this request.

--Keith Martin, CAFII Executive Director

About CAFII: The [Canadian Association of Financial Institutions in Insurance](#) is a not-for-profit industry association dedicated to the development of an open and flexible insurance marketplace. CAFII believes that consumers are best served when they have meaningful choice in the purchase of insurance products and services. CAFII's 15 members include the insurance arms of Canada's major financial institutions-- BMO Insurance, CIBC Insurance, Desjardins Insurance, National Bank Insurance, RBC Insurance, Scotia Insurance, and TD Insurance, along with major industry players Assurant Canada, The Canada Life Assurance Company, Canadian Tire Bank, Canadian Western Bank, Chubb Life Insurance Company of Canada, CUMIS Services Incorporated, Manulife (The Manufacturers Life Insurance Company), and Securian Canada.

Keith Martin

Executive Director / Directeur général

Canadian Association of Financial Institutions in Insurance

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Date:	August 29, 2024 and September 5, 2024	Event/Occasion/Issue:	Virtual Meeting
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Keith Martin meets virtually on August 29, 2024 with Sarah O'Connor, CCIR Secretariat, to request that the new CCIR ASMC reporting requirements around complaints escalation be changed from May 1, 2026 (which would require collecting 2025 data) to May 1, 2027, to allow CAFII members to have 18 months to implement this change. Keith Martin also wrote an email explaining the request on August 28, 2024. On September 5, 2024 Sarah O'Connor writes the following email:

Good afternoon Keith,

Thanks again for your time last week, it was a pleasure to meet you. Please do send invitations to your upcoming events to this email and I hope to be able to attend soon.

CCIR members will be accommodating for the first year of implementation, which has been always been the case for changes made to the Annual Statement on Market Conduct (ASMC). We make every effort to announce changes far in advance to help insurers prepare.

As for the changes to the collection of the complaints via the Complaint report tool, the information to be provided is already available to capture in the tool, so those who are set and ready can proceed. We understand that others will have to update their system in order to capture complaints in accordance with the complaints disclosure process. CCIR members will be open to discussion / delay as long as an insurer demonstrates that it has initiated the necessary changes.

The closing of a bank's financial year has no impact on the filing of a complaint, which can be carried out as and when required via the AMF's E-services. The filing of these complaints for the period is carried out with all the complaints filed for the period and CCIR members will be accommodating for the first year of implementation.

I hope this addresses the concerns of your members. If there are further questions please advise. They may be addressed during the September 19, 2024 information session that will present questions and examples received regarding the complaints disclosure process (English at 1:00 PM ET and French at 2:00 ET), following the consultation on the type and nature of complaints to be reported as part of the CCIR's ASMC and Complaint Report. Invitations for these sessions will be sent out this week.

*Thanks again,
Sarah*