

**CAFII EOC Meeting Minutes
Tuesday, February 18, 2014
Action Items from the Meeting**

Agenda Item	Action Item	Responsible	Deadline
5b. CAFII Submission in Response to Proposed New Financial Consumer Code	Brendan Wycks to revise the draft response based on today's discussion as CAFII does not wish to take an official position on the issues at this time. Instead the response shall be high level. Following this: <ul style="list-style-type: none"> Brendan Wycks to circulate the draft to EOC for review and feedback by Friday, February 21. Members to review and respond by early the following week (February 24). CAFII Chair Mark Cummings shall be the signatory on the response and will review the document before it is sent. 	B. Wycks	February 21
	Leya Duigu to setup a meeting for Monday, February 24 to discuss the submission.	L. Duigu	February 20
6. Regulatory Updates	Brendan Wycks to reformat the executive summary of the Regulatory Update to include titles and a small teaser that highlights key points.	B. Wycks	Ongoing
6c (i). Joint Visit to Atlantic Canada Regulators	Media & Advocacy Committee to work on the key messages for this meeting.	MAC	April 15
	Leya Duigu to provide the Media & Advocacy Committee with the two webinar presentations via email for review. The MAC to consider combining and updating the information into a presentation for the Atlantic Canada regulators.	L. Duigu	March 28
6c (ii). April 8/14 Lunch and Discussion with Louis Morisset, AMF CEO	Brendan Wycks and Jennifer Hines to seek guidance from Board Chair Mark Cummings with respect to his preferred Order of Proceedings for the day, and then confirm the final approach to Board and EOC members.	B. Wycks, J. Hines	February 28
6c (iii). CLHIA Compliance Conference, May 7-9, 2014 in Ottawa	Brendan Wycks to accept CLHIA's offer of registration and review the program for potential meetings with key people (compare with our Regulatory Visit Plan and identify regulators for whom no meetings have been scheduled yet).	B. Wycks	March 28

CAFII EOC Meeting
Tuesday, February 18, 2014
Location: RBC Insurance
RBC Insurance, Royal Bank Plaza, South Tower, Capital Markets
200 Bay St., 5th Floor [Dominion Securities Room], Toronto, ON

Present:	Rose Beckford	ScotiaLife Financial
	Derek Blake	RBC Insurance
	Charles Blaquiere	Canadian Premier Life Insurance Co.
	Emily Brown	BMO Insurance
	Vicky Cantin	Desjardins Financial Security Life Assurance (<i>by teleconference</i>)
	Moira Gill	TD Insurance
	Greg Grant	CIBC Insurance
	Jennifer Hines	RBC Insurance, Chair
	Sue Manson	CIBC Insurance (<i>by teleconference, for part</i>)
	Raja Rajaram	CIBC Insurance (<i>by teleconference, for part</i>)
	Paul Yeung	RBC Insurance (<i>by teleconference</i>)

Regrets:	Eleanore Fang	TD Insurance
	Andre Duval	Desjardins Financial Security Life Assurance
	John Lewsen	BMO Insurance
	Maria Sanchez-Chung	TD Insurance
	Brian Wise	Assurant Solutions

Also Present:	Leya Duigu	T•O Corporate Services
	Brendan Wycks	CAFII Executive Director

1. Call to Order

The meeting was called to order at 1:05 pm. Jennifer Hines acted as Chair and Leya Duigu acted as Recording Secretary.

2. Approval of Agenda

The CLHIA Compliance Conference invitation was added and the agenda was approved as amended.

3. Minutes and Action Items

a. EOC Minutes and Action Items of January 14, 2014

Jennifer Hines reviewed the Action Items from the last meeting, noting that follow-ups on most were included in today's agenda.

b. Board Minutes and Action Items of December 4, 2013

An addendum is to be added to the end of these minutes identifying National Bank as the next Board Meeting host on April 8, 2014 in Montreal.

4. 2014 Budget Update

Raja Rajaram reported that changes had occurred to the compensation line item of the budget, as agreed by the Board of Directors recently. No other changes have occurred.

5. Policy Issues and Decision Items

a. Customer Value Proposition of Creditor's Group Insurance Comparative Project

Sue Manson provided a high level overview of the process followed by her Distribution and Market Conduct subcommittee in arriving at the recommendation included in today's meeting materials. Members discussed the actuarial firm candidates and the rationale for the selection recommendation.

The subcommittee is seeking approval in advance of the April 8 Board meeting, in order to facilitate the presentation of results at the Fall Board Meeting on October 7, 2014. The interim period shall be used for notifying member organizations of the pending survey and includes the anticipated turnaround time of 12 weeks.

Next Steps:

- The recommendation will be presented by Jennifer Hines and Brendan Wycks to Board Chair Mark Cummings for review and approval, before approval is sought from the Board.
- The recommended supplier, Towers Watson, is expected to provide a contract, including a confidentiality agreement, to formalize the engagement.

b. CAFII Submission in Response to Proposed New Financial Consumer Code

The Distribution and Market Conduct (DMC) Committee met recently to identify CAFII's key messages in response to the proposed new Financial Consumer Code. Following this, Brendan Wycks drafted a response which was reviewed by the DMC Committee and is included in today's meeting materials. The Canadian Bankers Association (CBA) and Canadian Life and Health Insurance Association (CLHIA) are also submitting responses. CAFII has an opportunity to provide a response that is unique and differentiates us from these other Associations.

Following thorough discussion, the EOC's consensus was that CAFII's submission should:

- Avoid supporting a federal consumer code that would conflict with existing provincial insurance regulatory regimes;
- Recommend that if the federal government does proceed with a financial consumer code, it be kept to a high principles-based level so as to avoid a potential scenario of overlapping regulation, confusion, and blurred accountabilities;
- Avoid stating a definitive position on most of the issues raised in the consultation document, allowing CAFII some flexibility in further consultation discussions around the proposed consumer code. Instead, we should recommend that the government not do certain things and highlight where items could potentially be in conflict with provincial regulations.

Action: Brendan Wycks to revise the draft response based on today's discussion, as CAFII does not wish to take an official position on the issues at this time. Instead the response should be high level. Following this:

- Brendan Wycks to circulate the draft to EOC for review and feedback by Friday, February 21.
- Members to review and respond by early the following week (February 24).
- CAFII Chair Mark Cummings shall be the signatory on the response and, as such, will be provided with the opportunity to review the document before it is sent.

Action: Leya Duigu to setup a meeting for Monday, February 24 to discuss the submission.

Sue Manson and Raja Rajaram left the meeting at 2:00 pm

c. CAFII Input Submission on CCIR's 2014-17 Strategic Plan

Brendan Wycks shall be producing a draft for review by the EOC.

d. CAFII Letter of Support for CISRO's LLQP Modernization Initiative

A CAFII delegation attended a one-on-one stakeholder meeting with the CISRO LLQP Committee on February 10, 2014, following which CAFII was asked to submit an official letter of support for the committee's LLQP modernization initiative. Included in today's meeting materials is a draft for review by members of the EOC. A brief discussion ensued, in which members expressed general comfort with the draft letter, subject a minor amendment being made.

6. Regulatory Update

Brendan Wycks reviewed the Regulatory Update highlighting the key points for EOC members.

It was noted that Maria Sanchez-Chung is currently following up with FCAC regarding a potential speaker for the June 2014.

Action: Brendan Wycks to reformat the executive summary of the Regulatory Update to include titles and a small teaser on each item that highlights its key points.

a. Manitoba's ISI Licensing Regime Regulation; and Meeting With Minister

This meeting has been pushed back to mid-March at the earliest, as new Finance Minister Jennifer Howard is engrossed in preparing her first budget. The EOC felt that the Association should continue to press for a meeting with the Minister even though it appeared that most of the industry's concerns about the Manitoba draft ISI Regulation were going to be resolved in a favourable manner.

b. CAFII One-on-One Stakeholder Meeting With CISRO LLQP Committee

A CAFII delegation including Brendan Wycks, Sandy Prokop (RBC Insurance) and Laura Henderson (RBC Insurance) attended a one-on-one stakeholder meeting with the CISRO LLQP Committee on February 10, 2014. A summary is included in today's meeting materials.

c. Regulatory Visit Plan 2014

i. Joint Visit to Atlantic Canada Regulators

Brendan Wycks provided an update on the potential joint visit to the Atlantic Canada regulators which was raised during CAFII's 15th Anniversary Celebration last April. Brendan is currently communicating with the Atlantic Canada regulators and seeking to confirm a

meeting in May. The attendance will be open to anyone in CAFII that wishes to participate. Additional suggestions for creating additional value for the regulators include providing a presentation on the Underserved Market or E-commerce, for which materials already exist. Some of the regulators would have heard this content the first time and this is our opportunity to provide them with an update, emphasizing any changes that have occurred since the last presentation.

Action: Media & Advocacy Committee (MAC) to work on the key messages for this meeting.

Action: Leya Duigu to provide the Media & Advocacy Committee with the two webinar presentations via email for review. The MAC to consider combining and updating the information into a presentation for the Atlantic Canada regulators.

ii. April 8, 2014 Lunch and Discussion with Louis Morisset, AMF CEO

EOC Members discussed the proposed timing for the meeting and luncheon with Louis Morisset and AMF executives and the ensuing CAFII Board meeting in Montreal on April 8, 2014.

Action: Brendan Wycks and Jennifer Hines to seek guidance from Board Chair Mark Cummings with respect to his preferred Order of Proceedings for the day, and then confirm the final approach to Board and EOC members.

iii. CLHIA Compliance Conference, May 7-9, 2014 in Ottawa

John Lewsen, Greg Grant, Moira Gill and Rose Beckford will be attending this CLHIA conference in Ottawa. CLHIA has also extended a discounted regulator registration rate invitation to Brendan Wycks as CAFII Executive Director.

Action: Brendan Wycks to accept CLHIA's offer of registration and review the program for potential meetings with key people (compare with our Regulatory Visit Plan and identify regulators for whom no meetings have been scheduled yet). Once a regulator meeting opportunity in Ottawa is identified, the best time to schedule it would be during dinner on the Tuesday night before the conference.

7. EOC Committee Updates

a. Distribution and Market Conduct Committee

Most of the DMC's updates have been addressed earlier in the agenda. In addition, a subcommittee is working on the IAIS matrix for which they are seeking the assistance of individuals from compliance to review and provide feedback. They anticipate producing a slide presentation in a few months on this initiative. RBC may have a potential volunteer for the committee and Derek Blake shall follow-up on providing a name.

b. Licensing Efficiency Issues Committee

The majority of the LEIC issues have been addressed in earlier agenda items. On the matter of representation for restricted licence holders in Alberta, an updated analysis of options has been received from Stikeman Elliott and is awaiting the committee's review. A concept proposal was

submitted to Saskatchewan last year on representation for restricted licence holders and we don't anticipate hearing back from Ron Fullan on it until March at the earliest.

c. Media and Advocacy Committee

The MAC Committee met last week and achieved the following:

- Visual Identity: the new logo was reviewed and approved on the PowerPoint presentations, regulatory newsletters, and website and email communications.
- Testimonials: last year members provided video testimonials which were to be posted online using a third party video hosting site; however, it was later confirmed that member organizations provided express permission to post the testimonials on www.cafii.com only. Since then TO Corporate Services has been working on developing video hosting capabilities on the CAFII site and shall be contacting site developer CompanyB for assistance.
- CAFII External Communications Strategy: there was some discussion around this, as while the Board approved the strategy, Directors wished to see some more details and examples of the strategy in practice.
- Media Training: Brendan Wycks will be scheduling this and inviting members of the Media & Advocacy Committee, some of whom will participate in the session and assist with the positioning of media issues.

d. Events and Networking Committee

i. Feedback on February 11/14 Annual Members Luncheon

Members reported that the topic and speaker were excellent and the venue and format worked out well. In future, we should have someone onsite taking pictures of the event such as staff from TO Corporate Services. A copy of the speaker's presentation and supplementary handout provided after the event shall be distributed via email to all who attended.

ii. Proposed Speakers: June 10 and October 7, 2014

Maria Sanchez-Chung is working on a speaker from FCAC for the June event. Other potential speakers could be sourced from CAFII auditors KPMG who have their own subject matter experts.

iii. Feedback on January 14, 14 EOC Dinner

Members were satisfied with the annual dinner held at Momufuku recently. Next year, we can decide to return to Momofuku again or try a new place.

8. Other Business

a. CAFII Compliance with Canada Non-Profit Corporations Act (CNCA)

Brendan Wycks provided the EOC with a brief update on the recent meeting he attended with John Lewsen, Pamela Smith, and Leya Duigu. Next, they will be meeting with lawyers from Fasken Martineau Dumoulin to review the proposed changes and receive further recommendations (if any). The initiative is proceeding as planned with the expectation that a proposal and update will be provided to the EOC for approval at the next meeting on March 25.

b. Succession Planning

There are no updates as of today. The issue of succession planning has been tabled for discussion at the next meeting with Board Chair Mark Cummings that will occur before the end of February.

9. Termination

There being no further business, the meeting terminated at 3:20 p.m. The next CAFII EOC Meeting will be held on March 25, 2014, in Toronto.

Date

Chair

Recording Secretary