

**CAFII EOC Meeting Minutes**  
**Tuesday, April 23, 2013**  
**Action Items from the Meeting**

<b>Agenda Item</b>	<b>Action Item</b>	<b>Responsible</b>	<b>Deadline</b>
General	<b>Action:</b> In future, a person(s) or group responsible and a deadline date should be included with all Action Items in Board and EOC minutes.	L. Duigu	Ongoing
Regulatory Update	<b>Action:</b> B. Wycks to send a reminder notice to members asking them to check in-house re meeting the standard of responding to FSCO-referred complaints within 30 business days.	B. Wycks	May 23
Regulator Visits	<b>Action:</b> AMF liaison meeting in Quebec City.- B. Wycks to confirm Quebec member availability & coordinate with other CAFII Board and EOC members re availability to attend this meeting in a June time frame	B. Wycks	May 31
Financial Statements	<b>Action:</b> Treasurer M. Fabian to direct Senait Ghebru of T•O Corporate Services to re-invest the funds in CAFII's GIC vehicle in a one-year GIC.	M. Fabian	April 30
CCIR Pre-Consultation Re TPAs	<b>Action:</b> B. Wycks to inquire with Carol Shevlin on the expected timing of pre-consultation teleconference;	B. Wycks	
	<b>Action:</b> B. Wycks to identify & communicate Key Messages for use during this call focusing on management of TPAs.	B. Wycks	
FSCO's Consumer Complaint Response Time Improvement Initiative	<b>Action:</b> B. Wycks to explore with CLHIA (Leslie Byrnes) background regarding their perspective on the matter. B. Wycks to prepare a letter to FSCO that CAFII is supportive of its response time improvement initiative.	B. Wycks	
FSCO's Draft 2013 Statement of Priorities	<b>Action:</b> DMC, EOC and B. Wycks to draft submission,	All	
Inter-Association Liaison	<b>Action:</b> B. Wycks to investigate membership in the Global Federation of Insurance Associations (GFIA) further.	B. Wycks	May 28
	<b>Action:</b> B. Wycks to decline the invitation for CAFII to become an Association member of ABIA, but continue to explore the opportunity to co-operate and have an open, reciprocal relationship with this U.S. counterpart Association.	B. Wycks	

**CAFII Executive Operations Committee Meeting**  
**Tuesday, April 23, 2013**  
**Location: TD Insurance**  
**120 – Adelaide Street W, 2<sup>nd</sup> Floor**  
**Toronto, ON**

<b>Present:</b>	Rose Beckford Charles Blaquiere Emily Brown Andre Duval Matthew Fabian Sara Gelgor Moira Gill Greg Grant Jennifer Hines John Lewsen Sue Manson John Poolman	ScotiaLife Financial ( <i>for part</i> ) Canadian Premier Life Insurance Co. ( <i>teleconference</i> ) BMO Insurance Desjardins Financial Security Life Assurance BMO Insurance ( <i>teleconference</i> ) ScotiaLife Financial ( <i>for part</i> ) TD Insurance CIBC Insurance RBC Insurance <i>Chair (teleconference, for part)</i> BMO Insurance CIBC Insurance ( <i>for part</i> ) Assurant Solutions
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<b>Also Present:</b>	Pamela Smith Brendan Wycks	T•O Corporate Services CAFII
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<b>Regrets:</b>	Wayne Eccles Maria Sanchez-Chung Paul Yeung	TD Insurance MBNA Bank of Canada RBC Insurance
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**1. Call to Order**

The meeting was called to order at 1:03 p.m. J. Hines acted as Chair and P. Smith acted as Recording Secretary.

J. Hines advised that due to an unavoidable scheduling conflict, she needed to excuse herself for a short period, during which Executive Director Brendan Wycks would assume the role of Chair.

**2. Approval of Agenda**

The agenda was approved as circulated.

**Action:** In future, a person(s) or group responsible and a deadline date should be included with all Action Items in Board and EOC minutes.

**3. (a) EOC Minutes March 26, 2013**

The Minutes of the EOC meeting held March 26, 2013 were received for information and the record.

Members reviewed the Action Items from the March 26, 2013 EOC meeting noting the following:

- 5(b) Regulatory Update: B. Wycks is waiting to hear from CLHIA regarding their position re FSCO re initiative to improve response times to consumer complaints.

**Action:** B. Wycks to send a reminder notice to members asking them to check in-house re meeting the standard of responding to FSCO-referred complaints within 30 business days.

- 5(c) Representation of Restricted Insurance Agency Licensees in Saskatchewan: S. Gelgor and M. Gill were unable to meet with Ron Fullan in Toronto but will endeavour to do so in Vancouver during the CLHIA Compliance Conference.

- 5(d) Regulator Visits Plan: M. Gill was unable to meet with Joanne Abram when she was in Toronto for the CISRO LLQP Stakeholder Information Session, but will endeavour to do so in Vancouver during the CLHIA Compliance Conference.

- 6(b)(ii) Follow-up With AMF Re Distribution Guide: B. Wycks contacted Leslie Byrnes at CLHIA to suggest that both Associations ask the AMF to share the next iteration of the Distribution Guide (DG) with industry stakeholders as soon as possible, to allow time for consultation and response feedback.

Eric Stevenson (AMF) recently advised he has delegated the DG project to two other AMF senior staff members: Stephane Langlois and Louise Gauthier who will meet with CAFII on the DG once the next iteration of the DG is complete.

### **3. (b) Action Items from April 10, 2013 Board Meeting**

- 6.3 Planned Regulator Meetings:  
AMF - B. Wycks will arrange a summer meeting with the AMF targeting the week of June 17-21 as suggested by Eric Stevenson, and ensure Quebec-based Board members (Linda Fiset of Desjardins and Richard Hebert of National Bank) are available to attend.

**Action:** AMF liaison meeting in Quebec City.- B. Wycks to confirm Quebec member availability & coordinate with other CAFII Board and EOC members re availability to attend this meeting in a June time frame

### **4. March 2013 Financial Statements**

Treasurer M. Fabian reported that CAFII's bank balance remains in a strong position; 2013 revenue is about where it should be on year-to-date basis; and the Association's reserves are above where they need to be.

M. Fabian advised that a decision needed to be made about what to do with the funds invested in CAFII's Guaranteed Investment Certificate that was due to mature on May 7, 2013. It was recommended and agreed that the GIC be renewed for a one-year term.

**Action:** Treasurer M. Fabian to direct Senait Ghebru of T•O Corporate Services to re-invest the funds in CAFII's GIC vehicle back into a one-year GIC.

**5. (a) CCIR Pre-Consultation re TPAs**

A lengthy EOC discussion unfolded on this matter related to uncertainty about how CCIR was defining the terms "Third Party Administrator." For the purposes of this review a narrow/ targeted definition of TPA would be most appropriate and it was agreed that CAFII would work with CCIR on communicating this.

**Action:** B. Wycks to inquire with Carol Shevlin on the expected timing of pre-consultation teleconference;

**Action:** B. Wycks to identify & communicate Key Messages for use during this call focusing on management of TPAs. ."

**6. Regulatory Update**

a. CAFII Newsletters - B. Wycks reported that for the second issue of the Regulatory newsletter, and inaugural issue of an Industry Issue and Trends E-Newsletter would be complete & ready for distribution shortly

b. FSCO's Consumer Complaint Response Time Improvement Initiative -

**Action:** B. Wycks to explore with CLHIA (Leslie Byrnes) background regarding their perspective on the matter.

B. Wycks to prepare a letter to FSCO that CAFII is supportive of its response time improvement initiative.

c. DMC discussed FSCO's Draft 2013 Statement Of Priorities, and agreed to make a brief submission.

**Action:** DMC, EOC and B. Wycks to draft submission. It was noted that the statement of priorities makes minimal reference to licensing and harmonization; Accordingly the submission should provide brief comments on some general insurance issues dealt with in FSCO's Statement of Priorities, given the pervasive impact of some proposed initiatives on the business environment for the entire insurance industry.

d. Regulator Visits:

- Gerry Matier, Executive Director, Insurance Council of BC, should be asked about the TPA initiative during CAFII reps upcoming meeting with him
- It has not been possible to arrange a meeting with Carolyn Rogers, CEO FICOM - a congratulatory letter will be sent to her

- the draft regulations associated with the Manitoba Insurance Act will be distributed for consultation shortly. The 8% provincial sales tax has just been extended to insurance policies
- there is a possibility of arranging a liaison meeting with all of the Atlantic Canada regulators -- New Brunswick, Nova Scotia, PEI and Newfoundland -- in Moncton or Charlottetown.
- There is a need to make it a priority to connect with FCAC concerning financial literacy re insurance. M. Gill to probe this when she has lunch with our FCAC contact this week.

## 7. CAFII Priorities and EOC Committee

- a. B. Wycks' report on CAFII Priorities by Committee dated April 2013 was received by the EOC for information.
- b. Distribution and Market Conduct Policy Committee  
S. Manson presented an overview update on the Distribution and Market Conduct Policy Committee's recent initiatives:

- (i) Proposed project on the International Association of Insurance Supervisors' (IAIS) Insurance Core Principles (ICPs):

E. Brown reported the DMC intended to develop a matrix that would map out the ICPs in relation to market conduct issues relevant to CAFII members. This would be an ongoing, dynamic, regularly refreshed matrix that would focus mainly on the ICPs 18 and 19 related to "Treat the Customer Fairly."

This could facilitate development of a presentation to regulators on how ICPs are reflected in the Creditor Insurance Market Conduct in Canada, highlighting that creditor insurance products do not give rise to conflict-of-interest situations.

There was general support for both parts of this proposed project, with the recommendation that the matrix be kept very "high level" and, if possible, restricted to a single page.

- (ii) Proposed project on industry complaint statistics:

R. Beckford advised that this initiative would be largely a compilation project bringing existing sources of complaint data together in one central repository, for CAFII's regulatory advocacy use and possible related applications. There was general support for this proposed project.

- (iii) Quebec/AMF Distribution Guide:

It was agreed that with respect to the key issue, the DMC would retain "working group ownership" for this project, but that strategy development and execution of

CAFII's responses to future iterations of the DG would draw upon the entire Executive Operations Committee.

c. Licensing Efficiency Issues Committee

M. Gill updated EOC members on recent developments with respect to efforts to secure representation for restricted insurance agent licensees on the Insurance Councils of Saskatchewan. CLHIA had recently approached Ron Fullan and become involved in this issue, such that there was now a need to interact with them on it. CAFII needed to ensure that the two organizations' proposals to Saskatchewan, while separate and autonomous, would not be in opposition to each other and, thereby, neutralize and negate each other in the eyes of the Insurance Council.

d. Media & Advocacy Strategy Committee

B. Wycks advised that:

- Discussion on logos had been deferred to the May EOC meeting following further work by the designer.
- CCIR Webinar is scheduled for Thursday May 30 from 12 p.m. – 2 p.m. Proposed content outline prepared by PwC has been reviewed & further development is underway.
- Communications strategy; Under development

d. Event and Networking Committee

- In the absence of Committee Co-Chairs Paul Yeung and Maria Sanchez-Chung, the EOC debriefed on the 15<sup>th</sup> Anniversary Event, noting the event was hugely successful for CAFII from many different perspectives, and very positive feedback has been received from many attendees. It was noted that having an "Assigned Host" for each Regulator guest worked very well and is a practice that should be repeated

8. Inter-Association Liaison

B. Wycks reported that CLHIA and IBC are founding members of the new Global Federation of Insurance Associations (GFIA). Membership is open to any organization that liaises with regulators nationally and/or internationally. The EOC agreed that subject to the required annual dues, it might be worthwhile for CAFII to join the GFIA, to raise the CAFII profile even though CAFII does not have an international component.

**Action:** B. Wycks to investigate membership in the Global Federation of Insurance Associations (GFIA) further.

J. Hines and B. Wycks reported on the opportunity for CAFII to form a mutually beneficial, reciprocal relationship with a counterpart Association in the U.S.: the American Bankers Insurance Association (ABIA), where discussion included the opportunity for a reciprocal agreement to access the Best Practices Panel. ABIA was agreeable to allowing CAFII to become an "Association Member" for annual dues of US\$750.00. It was agreed that rather than becoming a paying member, a reciprocal partnership that does not require ABIA membership is preferred.



**Action:** B. Wycks to decline the invitation for CAFII to become an Association member of ABIA, but continue to explore the opportunity to co-operate and have an open, reciprocal relationship with this U.S. counterpart Association.

9. Governance

In response to a concern about what happens when the Board, EOC or other committees cannot reach consensus, B. Wycks advised that section 5.11 of the bylaws deals with that matter:

**5.11 Votes to Govern**

Each director is authorized to exercise one vote. At all meetings of the board, every question shall be voted on and decided by at least a two-thirds majority of the votes cast on the question. Prior to the calling for votes on a question by the chair of the meeting, a director may request to have recorded in the minutes of the meeting the number or proportion of the votes recorded in favor of or against any resolution or other proceeding in respect of the said question.

It was agreed that CAFII had not been following that Bylaw provision in practice, but rather tried to reach consensus/unanimity on all key decisions. EOC members agreed to consider this matter, which would be brought back for discussion at a future meeting.

Concerning CAFII Bylaw provisions related to Chair and Vice-Chair of the Board, B. Wycks' report was received for information.

Concerning CAFII compliance with the new Canada Not-for-profit Corporations Act (CNCA), B. Wycks reported that this legislation required that CAFII, as a federally incorporated Corporation Without Share Capital (non-profit), file Articles of Continuance with Industry Canada by October 26, 2014. While action had not yet been taken to do so, based on his understanding of the Act, Mr. Wycks said he believed that CAFII would not need to amend its fairly straightforward existing Bylaw in order to be in compliance.

**8. Termination**

There being no further business, the meeting terminated at 3:50 p.m. The next EOC meeting will be held on Tuesday, May 28, 2013 at 1:00 pm in Toronto.

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Date

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Chair

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Recording Secretary