



CAFII EOC Meeting Minutes
Tuesday, November 27, 2012
Location: Royal Bank Plaza
South Tower, Capital Markets
200 Bay St, 5th Floor, DS Boardroom
Toronto, ON

Present: Charles Blaquiere Canadian Premier Life Insurance Co. (*teleconference*)
Emily Brown BMO Insurance
Andre Duval Desjardins Financial Security Life Assurance
Wayne Eccles TD Insurance
Matthew Fabian BMO Insurance *Treasurer*
Sara Gelgor ScotiaLife Financial
Greg Grant CIBC Insurance
Jennifer Hines RBC Insurance *Chair*
John Lewsen BMO Insurance
Sue Manson CIBC Insurance
John Poolman Assurant Solutions (*teleconference*)
Maria Sanchez-Chung TD Insurance (*teleconference*)
Paul Yeung RBC

Also Present: Leya Duigu T•O Corporate Services
Anne Riley Lawrie Savage and Associates
Brendan Wycks CAFII

Regrets: Rose Beckford ScotiaLife Financial
Francois Cholette Desjardins Financial Security Life Assurance
Moirra Gill TD Insurance

1. Call to Order

The meeting was called to order at 1:05pm. J. Hines acted as chair and L. Duigu acted as recording secretary.

2. Approval of Agenda

The agenda was approved as circulated. Action items from the October Board meeting were reviewed.

3. Minutes

a. EOC Minutes October 30, 2012

The EOC Minutes were approved as amended.

b. Board Minutes, October 9, 2012

Amendments were put forward to the minutes.

4. Financials

a. October 2012 Financials

M. Fabian reported that we are in a good cash position and unrestricted net assets are high. We currently have one GIC and can invest more depending on our cash balance at the start of next year. We are currently at 59% of budgeted expenses and expect a few more invoices to come in by year-end including the anticipated \$45K from the Creditor Insurance Project.

b. 2013 Draft Budget

The 2013 Draft Budget was circulated via email prior to the meeting. The expenses have been broken out by association operating expenses and committee expenses. Members discussed the new format and the proposed grouping of expenses by committee.

CAFII 15th Anniversary Budget: members discussed the different options and whether the budget should include some contingency funds in the event our costs increase due to higher attendance or some other unforeseen event.

Insurance: CAFII currently has D&O Insurance which covers everyone working with or for the association up to a maximum of \$5M. Members discussed the cost-benefit of increasing the Limit of Liability on D&O to \$10M. CAFII also has a general office insurance package with coverage to a maximum of \$2M and a recommendation was put forward to increase this to \$5M.

Decision: D&O Coverage to be increased to \$10M at a premium of \$3700
General Office to be increased to \$5M at a premium of \$1050

Management Fees: include the management fees and executive director salary remuneration in this line item.

2013 Reserve Policy: It is being recommended that the policy of maintaining reserves of approximately three months' operating expenses be extended to six months. Now that CAFII has an employee, our obligations are different, with which members agreed.

5. Regulatory Update

a. Lawrie Savage Report

A. Riley presented the Regulatory Report based on the attachment in the package and additional discussion occurred as follows:

- ON. Life Insurance Product Suitability Reviews to commence and CAFII should arrange a meeting with FSCO soon to go over this.

Action: B. Wycks to arrange meeting with FSCO to discuss the Life Insurance Product Suitability Review.

- CCIR. Third Party Administrator (TPA) Regulation could be a priority for CAFII next year and has been added to the agenda for Regulator Meetings.

Action: L. Duigu to send a Save the Date to C. Shevlin for CAFII's 15th Anniversary celebration on April 10, 2013.

- OSFI Superintendent, Julie Dickson, delivered a speech a week ago indicating that Canada is currently under a spotlight in terms of Financial Services regulation and standards. This could eventually become a concern for provincial regulators and trickle down to FI's.

CAFII EOC Members thanked Anne Riley for all her work on the Regulatory Updates which has provided a valuable resource to members.

b. Regulator Visits

A. Riley reviewed the CAFII Regulator Visit Plan noting in particular:

- AMF Meeting. CAFII EOC Members J. Lewsen, J. Hines, M. Gill and G. Grant attended a meeting with Eric Stevenson recently to discuss the priorities of the Quebec ministry of finance. J. Lewsen will be providing a written summary.

Review of the Quebec Distribution Guide will be an action item for the Distribution & Market Conduct Committee.

Action: J. Lewsen to draft a letter to E. Stevenson for review.

Regulator Visit Plan

- FSCO Five Year Review. There was an extensive discussion on social media; however, it appears to be an area that isn't well understood by FSCO and regulators generally.
- CLHIA Compliance and Complaints Conference to be added to the list of meetings.

Action: If anyone has changes to make to the 2013 Regulator Meeting document, send them to A. Riley by Friday, November 30, 2012.

6. CAFII Priorities and EOC Committee

a. CAFII Priorities by Committee

b. Review of Committee Mandates

On the matter of research it was determined that any research undertaken to create key messages or respond to media enquiries will be overseen by the Media and Advocacy Committee. Research such as that conducted by Avalon will be overseen by the Distribution and Market Conduct Committee.

c. Distribution and Market Conduct Committee

Creditor Insurance Project. CAFII was initially approved to spend \$35K on this project. At this time, the project is well over the initial estimates provided and work has ceased temporarily as a result. Reasons for the overage were provided and it was noted that CAFII was the cause of this due to the multiple levels of feedback that exist. It would be ideal to complete the project as intended; and, in order to do so, it was felt the Board needed to be advised and have the opportunity to approve the additional spending required.

Decision:

- a) S. Manson and J. Poolman to setup a call with J. McCutcheon with the goal of getting a realistic idea of what the final cost will be, confirm the deliverables and also an assurance that the new budget can be maintained.
- b) A revised budget to be determined and Board approval to be secured in order to proceed.

d. Licensing Efficiency Issues Committee

No updates.

e. Media and Advocacy Strategy Committee

Deferred.

f. Event and Networking Committee

15th Anniversary Event, April 10, 2013. Venue, speaker and guest list still need to be confirmed. P. Yeung to come up with suggestions and L. Duigu to contact venues for availability and quotes.

February 2012 speaker. Jane Carr, VP Legal, Assurant was suggested and J. Poolman will be following up with her.

January 8, 2013 EOC meeting shall be from 2-5pm, followed by an annual celebration dinner at 5:30pm.

7. Other Business

a. 2013 Draft Calendar

A calendar of 2013 CAFII meeting dates was distributed in its final version.

8. Termination

There being no further business, the meeting terminated at 3:50 p.m. The next EOC meeting will be held on Tuesday, January 8, 2012 at 2:00 pm in Toronto.

Date

Chair

Recording Secretary

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