



## CAFII EOC Meeting Minutes

Tuesday, September 25, 2012

**Location: Royal Bank Plaza, South Tower, Capital Markets  
200 Bay St., 4<sup>th</sup> Floor, Richardson Room  
Toronto, ON**

**Present:**

Rose Beckford	ScotiaLife Financial
Charles Blaquerie	Canadian Premier Life Insurance Co.
Emily Brown	BMO Insurance
Francois Cholette	Desjardins Financial Security Life Assurance
Andre Duval	Desjardins Financial Security Life Assurance
Wayne Eccles	TD Insurance
Matthew Fabian	BMO Insurance <i>Treasurer (teleconference)</i>
Sara Gelgor	ScotiaLife Financial <i>(teleconference)</i>
Moira Gill	TD Insurance
Jeff Gladwish	American Express
Greg Grant	CIBC Insurance <i>(teleconference)</i>
Jennifer Hines	RBC Insurance
John Lewsen	BMO Insurance <i>Chair</i>
Sue Manson	CIBC Insurance <i>(teleconference)</i>
John Poolman	Assurant Solutions
Maria Sanchez-Chung	MBNA Bank of Canada
Paul Yeung	RBC

**Also Present:** Pamela Smith T•O Corporate Services  
Anne Riley Lawrie Savage and Associates

### Regrets:

#### 1. Call to Order

The meeting was called to order at 1:00 p.m. by Chair Jennifer Hines.

#### 2. In Camera Session

The EOC met initially in camera. A. Riley and P. Smith joined the meeting at 1:20 p.m. In the absence of L Duigu, P. Smith acted as recording secretary.

#### 3. Approval of Agenda

The agenda was approved as circulated.

#### 4. Minutes

The minutes of the June 19<sup>th</sup> Board and the June 26<sup>th</sup> EOC meetings were approved as amended.

## 5. Financials

M. Fabian spoke to the August 31<sup>st</sup> financials noting on the Balance Sheet that CSAFII remains in a good cash position despite its being slightly down. Cash still remains within CAFII's policy limit. The Statement of Operations shows that CAFII is still on track to meet the budget and sufficient money is left to meet expenses for the remainder of the year. By September it is anticipated that the statements will show an improvement in balances as some accounts outstanding reflect a timing issue. The Treasurer has no concerns moving into the 4<sup>th</sup> quarter.

Concerning the 2013 budget it was noted that historically CAFII has contacted recurring partners, i.e. Lawrie Savage and T•O Corporate Services, to ascertain any fee increases. These amounts should be built into the 2013 budget.

**Action:** Chairs of committees and sub-committees are to identify any expenses anticipated and report no later than October 20, 2012. L. Duigu to email a reminder.

## 6. Regulatory Update

### a. Lawrie Savage Report

A. Riley reported on the regulatory update highlighting that:

- FCAC has published a new tool kit.
- FCAC continues with its ongoing push for improved education and relationship building.
- The *New Negative Option Billing Regulations* went into force on August 1, 2012.
- The reports on red tape reduction by BC and CAFII may not be in sync.
- The BC Insurance Council has established a mandatory supervision requirement for new life insurance agents. The level of supervision is determined by the supervisor – this is agreed to be a good model by the different groups in the industry that spoke to the regulators. Regulations are expected to be finalized any day now.
- Ian McIntosh was appointed Saskatchewan's Deputy Superintendent of Insurance in August

**Action:** A. Riley to verify appointment.

- CAFII has been invited to submit suggestions for changes to the new *Insurance Act* by the end of October, 2012.

**Action:** A. Riley to follow up on this matter including investigating how CMHA is commenting.

- Manitoba's Insurance Council Annual Report has been issued

- Ontario is revisiting the enforcement of the proposed changes to the *Lobbyists Registration Act*. The Federal government is also looking at the changes. It was noted that BC was surprised that CAFII was not registered as a lobbyist.

**Action:** M. Gill suggested that CAFII might want to revisit the decision not to register as a lobbyist.

- The annual rendezvous with the AMF being held October 15th in Montreal would be provided in English with simultaneous translation.
- The Quebec finance minister is Nicolas Marceau
- Bank of America has ceased offering credit protection service for credit cards and American Express ceased the credit card account protector product in 2012 and will only cover enrolled customers to the end of December 2012.

She also congratulated those who had met with FCAC to provide input to their *Credit Card Balance Insurance Guide*

## 7. Regulator Visits

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

- There had been a second meeting, on September 24<sup>th</sup>, in Toronto with Saskatchewan Insurance Council Chair R. Fullan.

**Action:** A letter of welcome from CAFII to be sent to Saskatchewan Insurance Council Chair R. Fullan

- C. Honor may be in Winnipeg in October and would it be worthwhile for her to pay a visit to J. Scalena, Superintendent, Financial Institutions Regulation Branch at Manitoba Finance. It was agreed that the timing was not right.

**Action:** M. Gill to follow up with J. Scalena on matters arising from their August meeting.

- The meeting with FSCO in September was very successful and there is opportunity for future meetings. They are particularly interested in e-commerce and social media initiatives. FSCO has been hiring staff and would be interested in visiting a call centre. They are looking to harmonize with Manitoba and had anticipated a 3 – 4 month implementation period. Following discussion with CAFII, Grant Swanson, Exec Dir Licensing & Market Conduct agreed to revisit a more conservative 6 – 18 month implementation schedule.

**Action:** M. Gill to send a thank you letter and the CCIR Ecommerce submission.

- C. Honor may be in Halifax in October (17 – 18) and would it be worthwhile for her to pay a visit any of the Atlantic Provinces' regulators? It was agreed that the timing was not right.

**Action:** A. Riley to look into status of Nova Scotia's consumer advocate.

- Funding for the webinar presentation with CCIR is down.

**Action:** CAFII to consider moving it up as a priority

C. Blaquerie offered to share the PowerPoint from the Premiers Conference and the CHI Travel Sub-Committee.

## **8. Manitoba Superintendent and Council**

The next steps and follow-up items to the August meeting in Winnipeg were highlighted.

**Action:** M. Gill to send letter to J. Scalena, focusing on the needs for a sufficient implementation timeline, and CAFII's willingness to work with Manitoba on the consultations on the regulations. The letter to include a note on beneficiary designations, highlighting what has changed in Alberta and BC and why CAFII's customers need Manitoba to allow it to be done electronically.

**Action:** M. Gill to send letter to Manitoba council (cc superintendent) discussing each of the 5 points where Manitoba is proposing to differ from Alberta and Saskatchewan, and recapping the discussion on representation.

**Action:** M. Gill to send letter to J. Scalena, with proposed draft language for representation

## **9. Financial Services Commission of Ontario**

The Report of September 13<sup>th</sup> was received for information, including the 5 follow-up items.

**Actions:** 1) Thank you note to Grant Swanson – also mentioning Insurance Act review implementation timing of 18 months; 2) Include new staff on reception invitations; 3) Respond to G. Swanson with a) key market facts and b) how CAFII could provide an example of the customer experience for web-based and contact center purchases; 4) Follow up to see if FSCO want to see the full presentation on creditor products; and 5) Provide the CCIR Ecommerce submission.

## **10. CAFII Priorities and EOC Committee**

### **a. CAFII Priorities by Committee**

**b. Distribution and Market Conduct Committee**

- Membership: J. Hines to step down; S. Manson considering serving as new co-chair; new representatives include S. Manson, W. Eccles, E. Brown, J. Lewsen, A. Duval and R. Beckford.
- Webinar Debrief: thanks to D. Minor, M. Gill, J. Hines and C. Honor for their role in the recent Webinar; thanks to CLHA who stepped in 2-days before to assist with glitches in technology; the 1-hour presentation was found to be a good length as was having multiple speakers; in future questions should be planted in audience; in future there should be a final ‘next steps’ slide; pre-meeting with C. Shevlin was absolutely critical; need to look for other opportunities to present webinars; webinar content to be interwoven into the website.

**Action:** A. Riley to prepare a 1-pager summary report for posting on the website.

**Action:** PDF with no speaker notes to be shared with broader audience

**Action:** L. Duigu to forward PDF with speaker notes to CAFII members.

- UK PPI J  
Status update completed. Credit Card Insurance Survey Update

**Action:** Some retainers still need to be signed. Still outstanding include CAFII, CPL, CIBC, American Express and TD

**Action:** Confirm who has signing Authority vis-à-vis the bylaws<sup>1</sup>

**Action:** Member survey interview process needs to be confirmed. J. Hines to follow-up with J. McCutcheon concerning date that interviews will begin noting that members doing the survey on-line will go first.

**c. Media and Advocacy Strategy Committee**

There was no meeting in September. The committee will meet before the next EOC meeting.

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<sup>1</sup> 2.04 Execution of Instruments

The following are the only persons authorized to sign any document on behalf of the Corporation, other than in the usual and ordinary course of the Corporation’s business:

- (a) any person or persons appointed by resolution of the board to sign a specific documents, that type of document, or generally on behalf of the Corporation; or
- (b) any two of the following: the Chair, a Vice-Chair, the Treasurer, the Secretary, the Executive Director or any director.

**d. Event and Networking Committee**

Speaker presentation for October 9<sup>th</sup> – Carolyn Rogers, CEO, BC Financial Institutions was approached September 24<sup>th</sup> to speak – waiting for her response – in the event that she is not available, Vivian Bercovici, Partner with Heenen Blakie was suggested – her practice focuses include insurance regulatory matters and insurance brokers & brokerages

15<sup>th</sup> Anniversary Celebration – agreed to separate this event from the December Reception and move the event to 2013 – there was a gala dinner with regulators to celebrate the 10<sup>th</sup> anniversary – consider moving event in conjunction with the AGM on June 11<sup>th</sup>

Speaker presentation for February, 2013 – J. Lewson has suggested someone.

**11. Other Business**

**a. New Canadian Not-for-Profit Corporations Act**

It was agreed that any required activities related to the transition to the new Act will be deferred until the new Executive Director is in place.

**b. 2013 Draft Calendar**

It was noted that all board and EOC meetings will be held at 1:00 p.m. unless otherwise specified.

**Action:** All EOC to review the calendar and advise of any concerns with the dates provided.

**12. Termination**

There being no further business, the meeting terminated at 3:50 p.m. The next EOC meeting will be held on Tuesday, October 29, 2012 at 1:00 pm in Toronto.

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Date

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Chair

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Recording Secretary