

CAFII EOC Meeting Minutes
Tuesday, May 28, 2013
Action Items from the Meeting

Agenda Item	Action Item	Responsible	Deadline
3.a. EOC Minutes April 23, 2013	L. Duigu to provide B. Wycks with meeting notes, separate to the minutes.	L. Duigu	Ongoing
3.b. Board Minutes April 10, 2013	L. Duigu to add additional columns to the board minutes.	L. Duigu	June 6
4. Financials	L. Duigu to create a 1-page results document for the board meeting regarding CAFII's 15 th Anniversary Celebration event.	L. Duigu	June 6
6.a. CCIR E-Commerce Position Paper	B. Wyck to draft a submission for vetting by the DMC Committee, including a high level summary of what CAFII has done and how each issue aligns with member company activities.	B. Wycks	June 20
6.a.iv. Regulator Visit Plan	M. Gill to informally solicit possible meeting dates from the Atlantic Canada regulators.	M. Gill	
7.b. Distribution and Market Conduct Policy Committee	B. Wycks / L. Duigu to ensure the CAFII Board Meeting Agenda clearly defines expectations, such as update, review, discussion or approval. J. Hines to follow-up on the RBC Call Centre Visit by FSCO staff.	B. Wycks / L. Duigu	June 6
7.e. Event and Networking Committee	L. Duigu to draft an invitation for review by J. Hines and B. Wycks.	L. Duigu	May 30
8.c. Board Meeting and EOC Member Roles	L. Duigu to draft a notice regarding EOC member expectations at Board Meeting for J. Hines to review.	L. Duigu	June 6

CAFII EOC Meeting
Tuesday, May 28, 2013
Location: CIBC, Commerce Court
199 Bay Street, 4th Floor, Imperial Room, Toronto, ON

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

The meeting was called to order at 1:00 p.m. J. Hines acted as Chair and L. Duigu acted as Recording Secretary.

2. Approval of Agenda

The agenda was approved as amended.

3. Minutes

a. EOC Minutes and Action Items, April 23, 2013

Review of Action Items

FSCO's Draft Statement of Priorities submission due date is June 2 and a CAFII submission should be prioritized.

Inter-Association Liaison: Global Federation of Insurance Associations – there isn't a formal schedule of fees; however, upon enquiry it was learned that CAFII's membership dues would be approximately \$5K U.S. per annum. It was agreed that CAFII should decline to become a member of GFIA for 2013, but then revisit this in the Fall when the Association's 2014 budget is being prepared.

Minutes should be brief and high level with less commentary.

Action: L. Duigu to provide B. Wycks with meeting notes, separate to the minutes.

b. Board Minutes, April 10, 2013

Financial Consumer Agency of Canada (FCAC). The FCAC is currently focusing on defining the role of the new Financial Literacy Leader, and is not looking at insurance issues at this time.

Action: L. Duigu to add additional "Responsibility" and "Timelines" columns to the Board Action Items.

4. Financials

M. Fabian reported that the bank balance is lower compared to March. The accounts receivable will decrease as membership fees are paid. The reserves are still within the target range. The Statement of Operations shows that spending has been quite low for the month. One Associate Member's dues are still outstanding and B. Wycks will be following up with them.

Action: L. Duigu to create a 1-page results document for the June 11 Board meeting regarding CAFII's 15th Anniversary Celebration event.

On the matter of Regulatory Meetings, these expenditures will be allocated to the Distribution and Market Conduct Committee line item.

2012 Audit. All the final documents have been received and everything is ready for the Annual General Meeting on June 11, 2013.

5. Decision Items

a. Recommendations to Board Re. CAFII Project Next Steps

S. Manson provided an overview of the CAFII Project. The EOC was tasked with developing a proposal for approval at the next board meeting. As a result of this and a follow-up debrief with M. Cummings, a 1-page recommendation will be presented at the Board meeting on June 11.

6. Regulatory Update

a. CCIR E-Commerce Position Paper

B. Wycks provided summary comments based on the attachment in the meeting package. Consultation submissions are due by July 26, 2013.

C. Shevlin of CCIR has indicated that the provincial insurance regulators want to ensure that consumers have an opportunity to talk to someone during an insurance purchase process if they so choose. Assistance from an advisor should be accessible but it should not be mandatory for a licensed intermediary to be involved in a transaction.

The DMC Committee will produce the first draft of CAFII's response to the E-Commerce Position Paper, and EOC will have an opportunity to weigh in on it.

Action: B. Wycks to draft a submission for vetting by the DMC Committee, including a high level summary of what CAFII has done and how each issue aligns with member company activities.

b. Webinar on E-Commerce & Digital and Social Media for CCIR

The following groups will receive an invite to the May 30 webinar: CCIR Members, CAFII Board and EOC members. A test presentation was conducted yesterday; C. Shevlin of CCIR participated and provided feedback.

c. Regulator Visits

i. Alberta Insurance Council, Joanne Abrams

The AIC has been asked by Alberta's Superintendent of Insurance to look into expanding its mandate. Stakeholder meetings on that possibility have been scheduled for June 25 (Calgary) and June 26 (Edmonton) for designated representatives named on the license. Up for discussion will be the proposed change to the Insurance Council's mandate and its 5-year Key Strategy document. Sessions will be two hours long and information can be found online.

Concerns were raised regarding the nature of the meetings which could also be viewed as consultation meetings. It would be beneficial for an EOC member to participate in one of the two meetings. Areas of concern include the Insurance Council's discomfort with certain aspects of e-commerce.

ii. BC Insurance Council, Gerry Matier

A CAFII delegation met with G. Matier in Toronto on May 15. The main issue on his mind was regulation of Managing General Agents (MGAs). He also confirmed for CAFII that CCIR's Agencies Regulation Committee is starting with

a blank slate with respect to its Review of Third Party Administrators (TPAs) initiative, and is looking to CAFII and other industry stakeholders to help educate them on the issue.

iii. Proposed AMF Visit, Quebec City

The meeting has been confirmed for Friday, June 7 from 12:00 -2:00 p.m. Four member of the AMF executive team will be in attendance including CEO M. Albert. CAFII delegates include Richard Hebert (Board Member, National Bank), Rose Beckford (EOC Member, ScotiaLife Financial), Moira Gill (EOC Member, TD Insurance), and Brendan Wycks (CAFII Executive Director).

Preparation for the meeting shall include a review of the Quebec Insurance Act. The two-page Distribution Guide is expected to come up again ,and it was agreed that this issue should be reassigned to the EOC from the DMC Committee.

iv. Regulator Visit Plan

Atlantic Canada regulators Robert Bradley, David Weir and Doug Murphy have indicated that a “joint meeting” between them and CAFII representatives – which would likely be held in Charlottetown or Moncton -- would be ideal.

Action: M. Gill to informally solicit possible meeting dates from the Atlantic Canada regulators.

v. Regulator Newsletter

The regulator newsletter was circulated to members recently and any feedback is to be provided to B. Wycks and L. Duigu.

7. CAFII Priorities and EOC Committee

a. CAFII Priorities by Committee

b. Distribution and Market Conduct Policy Committee

Avalon Survey. This information is important to CAFII members and previous results have been cited regularly in regulator submissions and communications.

EOC Members were in favour of updating the survey and the following tentative time line was proposed:

- Preparation of Survey – July to August 2013
- Board Review of Survey – October 2013
- Final editing of Survey – November to December 2013
- Avalon Actuarial to conduct survey – January to February 2014

- Members will require a few months to respond, then Avalon will collate the results.

The initial 2013 budget for this project was \$42K, some of which could be carried forward into the 2014 budget as the study would be completed in the 2014 fiscal year.

There was a brief discussion about whether to put this survey out to tender or remain with the same supplier. Members felt that the Association builds relationships with particular suppliers and therefore should continue using Avalon Actuarial for this study, so long as we are satisfied with the results.

Action: B. Wycks / L. Duigu to ensure the Board agenda clearly defines expectations, for each particular agenda item, such as update, review, discussion or approval.

Action: J. Hines to follow-up on the RBC Call Centre Visit by FSCO staff. FSCO Travel items will be addressed at the next meeting.

i. AMF Distribution Guide

Covered under 6(c)(iii).

ii. Quebec Insurance Act Re-write

A detailed 100-page document containing 52 recommendations was released on March 29, 2013. At this time no one has any insight on this.

iii. Project on IAIS Core Principles

This project hasn't started yet.

c. Licensing Efficiency Issues Committee

EOC Members discussed whether CAFII's in-process recommendation for representation for Restricted Life Licence holders in Saskatchewan via an Advisory Committee should propose that the Advisory Committee reporting to the Executive Director of the Insurance Councils of Saskatchewan or to the Life Council itself.

CLHIA has been working on a proposal on this issue as well, which will be complimentary to CAFII's. The LEIC will be reviewing the latest version prepared by legal counsel, identifying gaps and bringing it forward to R. Fullan. It was confirmed that during the April 10, 2013 Board Meeting, Directors confirmed that a follow-up presentation on this issue was not required before moving CAFII's proposal forward. The information will therefore be presented to Board Chair M. Cummings for his review and information.

d. Media and Advocacy Strategy Committee

Testimonials. The committee has received two testimonials from members and one more is pending. Each member company still owns the rights to their testimonials which will be displayed on the CAFII site.

i. Communications Strategy

The MAC had a thorough discussion about Communications Strategy at its last meeting. While prioritizing regulatory submissions as appropriate, B. Wycks will also be focusing on producing a Revised Communications Strategy by July for MAC and EOC review.

ii. Logo Redesign & Rebranding Initiative

The committee has reviewed a few iterations of possible logo options, but to date none of which have been ideal. It was acknowledged that perhaps we were too ambitious in trying to seek a new logo that incorporates a pictorial image that would appeal to all Members. As a result, we have now requested new typography-only logo options from the designer. If the next mock-ups don't meet the expectations of the group, then it was agreed that an alternative supplier will need to be engaged.

iii. Industry Issues and Trends E-Newsletter

The first issue was released last week and members were invited to comment on it. To date, many feel that the e-newsletter was user-friendly and featured good content.

e. Event and Networking Committee

i. Speaker for June 11 Regulator Reception

Doug McPhie of Ernst & Young has been confirmed as the next guest speaker on June 11.

Action: L. Duigu to draft an invitation for review by J. Hines and B. Wycks.

8. Governance

a. CAFII Bylaw Provisions Governing Decision-Making Where Board Consensus Can't Be Achieved

According to the Association's Bylaw, the CAFII Board of Directors is supposed to make decisions based on a two-thirds majority vote; however, in practice, all decisions have been based on consensus. It is the preference of Members to make decisions based on consensus.

b. Appointment of CAFII Vice-Chair

Board Chair M. Cummings has discussed the need for the appointment of a Vice-Chair with EOC Chair J. Hines and Executive Director B. Wycks. It is therefore expected that Mr. Cummings will recommend a Vice-Chair candidate at the June 11 Board meeting, and call for a mover and a seconder of a motion to appoint that individual.

c. Board Meetings and EOC Member roles

As a reminder, it was noted that EOC Members are invited to attend Board Meetings as observers and to provide reports and updates on CAFII initiatives. Discussion and debate during Board Meetings should be restricted to Directors. EOC Members have the opportunity to have fulsome discussion of Board agenda matters with their Board Member in advance of meetings, to ensure their perspectives are taken into account. In the event that a Director is not present at a Board meeting, then it is appropriate for an EOC member to participate more fully in a Board meeting, as a proxy on behalf of their Member financial institution.

Action: L. Duigu to draft a notice regarding EOC member expectations at Board Meeting for J. Hines to review.

9. Termination

There being no further business, the meeting terminated at 3:50 p.m. The next EOC meeting will be held on Tuesday, June 25, 2013 at 1:00 pm in Toronto.

Date

Chair

Recording Secretary