

CAFII EOC Meeting Minutes
Tuesday, March 25, 2014
Action Items from the Meeting

Agenda Item	Action Item	Responsible	Deadline
4a. 2013 Audited Financial Statements	Brendan Wycks to contact Matt Fabian and/or Raja Rajaram to confirm whether CAFII has a Maximum Threshold in its Reserves Policy. In the event there isn't a maximum, KPMG advice to be sought on setting one.	B. Wycks	April 22
5a. Balanced Scorecard	EOC members are to review Balanced Scorecard document and get back to Brendan Wycks regarding any changes by the end of the week.	EOC	March 28
	Brendan Wycks to revise the Balanced Scorecard based on today's discussion and include it in the Board meeting materials for April 8, 2014.	EOC	April 4
5b. Proposed Revised CAFII By-Law and Articles of Continuance	Next Steps: i. Advise the Board of Directors about need for a Special Meeting of Foundation Members to confirm amendment of By-law 2009-5 to remove Associate Members as a membership class. ii. A one-page summary for the Board to be provided by the Task Force, summarizing significant changes and providing an overview of the CNCA compliance and continuance process. Leya Duigu to confirm member corporate names that will appear in the new By-law.	CNCA Task Force CNCA Task Force L. Duigu	April 4 April 4 April 4
5c. CAFII Communications Strategy Implementation Timelines	Brendan Wycks to revise document to reflect EOC feedback, and include achievements in the first quarter of 2014.	B. Wycks	April 4
6. Regulatory Update	New Brunswick. DMC to review the information on "Insuring Your Debts" recently posted on the Financial and Consumer Commission of New Brunswick's new web site. CISRO LLQP Meeting in Toronto on May 28. Brendan Wycks to request meeting with Gerry Matier, Executive Director of Insurance Council of BC, while he is in Toronto for the CISRO LLQP meetings.	DMC B. Wycks	April 30 April 11
6b(ii). Regulatory Visit Plan 2014	The AMF liaison meeting agenda to be reviewed by Board Chair Mark Cummings and Vice-Chair Rino D'Onofrio before it is submitted to the AMF. Once the agenda is finalized Brendan Wycks to send it to Eric Stevenson at the AMF.	B. Wycks, J. Hines	March 28
7. Event and Networking Committee	Maria Sanchez-Chung to confirm an FCAC speaker for CAFII's June 10/14 event; and facilitate a meeting to discuss topics and logistics.	M. Sanchez-Chung	April 30

CAFII EOC Meeting
Tuesday, March 25, 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. <i>(by teleconference)</i>
	Emily Brown	BMO Insurance
	Vicky Cantin	Desjardins Financial Security Life Assurance <i>(by teleconference)</i>
	Moira Gill	TD Insurance <i>(by teleconference, for part)</i>
	Greg Grant	CIBC Insurance
	Jennifer Hines	RBC Insurance, Chair
	John Lewsen	BMO Insurance
	Sue Manson	CIBC Insurance
	Maria Sanchez-Chung	TD Insurance <i>(by teleconference)</i>
	Cecilia Xiao	Assurant Solutions <i>(by teleconference)</i>
	Paul Yeung	RBC Insurance <i>(by teleconference, for part)</i>

Regrets:	Eleanore Fang	TD Insurance
	Andre Duval	Desjardins Financial Security Life Assurance
	Raja Rajaram	CIBC Insurance <i>(by teleconference, for part)</i>
	Brian Wise	Assurant Solutions

Also Present:	Kathryn Beck	Fasken Martineau <i>(for part)</i>
	Koker Christensen	Fasken Martineau <i>(for part)</i>
	Leya Duigu	T•O Corporate Services
	Pamela Smith	T•O Corporate Services <i>(for part)</i>
	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 agenda was approved as presented.

3. Minutes and Action Items

a. EOC Minutes and Action Items of February 18, 2014

Jennifer Hines reviewed the Action Items from the previous meeting, noting that most had been completed or would be addressed in today's meeting agenda.

4. CAFII Financial Management

a. 2013 Audited Financial Statements

Brendan Wycks, Executive Director, reported on the 2013 Audited Financial Statements, included in the meeting package, on behalf of Treasurer Raja Rajaram, who was unable to attend.

Overall, there are no substantive comments. The Association's cash position remains healthy and we have received a clean audit opinion from KPMG. There is an excess of revenue over expenses higher than last year's due to lower operating costs and lower spending on Distribution and Market Conduct Committee initiatives. There are also no changes from previous years in the auditor's notes to the financial statements.

A brief discussion ensued regarding CAFII's Reserves Policy and whether there is a Maximum Reserves Threshold, which once surpassed would trigger the Association to make a decision on lowering dues or spending on additional projects.

Action: Brendan Wycks to contact Matt Fabian and/or Raja Rajaram to confirm whether there is a Maximum Threshold in CAFII's Reserves Policy. In the event there isn't a stated Maximum Reserves Threshold, KPMG's advice should be sought on setting one.

b. Financial Statements as at February 28, 2014

Brendan Wycks, Executive Director, reported on behalf of Treasurer Raja Rajaram on CAFII's financial statements for the two months ended February 28, 2014, which were included in the meeting package.

To date, 65% of 2014 membership dues have been received and revenue will continue increase as more members pay their dues renewals for the current year. In terms of expenses, there is nothing significant to report at this time.

5. Policy Issues and Decision Items

a. Balanced Scorecard

Jennifer Hines reported that the Balanced Scorecard was developed at the request of the Board of Directors, to focus CAFII's financial and human resources on goals and objectives that are agreed-upon and measurable. Brendan Wycks had prepared the first draft of the Balanced Scorecard with advice from Jennifer Hines and Greg Grant, prior to today's presentation.

In future, the Balanced Scorecard will be reviewed quarterly or more frequently to help address whether we are taking on more than we can reasonably deliver in a given time period.

She noted that broad goals and specific objectives were set out in the Balanced Scorecard and the purpose of today's discussion was to reach a consensus on

- What initiatives we are going to focus on?; and
- Does the Balanced Scorecard provide an objective tool for measuring the performance of the Executive Director and EOC?

In discussion, EOC members agreed that having a high level CAFII strategic plan was an essential foundation document for a Balanced Scorecard aimed at monitoring and assessing the performance of the Executive Director and the EOC. CAFII has not yet held a formal strategic planning session and members discussed which group would be best to undertake this: the Board or the EOC?

In addition, minor editorial changes to the Balanced Scorecard were proposed and agreed-upon; and consensus was reached on presenting the document to the Board on April 8, with the caveat that it will be a living document that may change from time-to-time due to intervening and/or competing priorities, as determined by the EOC.

Action: EOC members are to review the Balanced Scorecard document and get back to Brendan Wycks regarding any changes by the end of the week.

Action: Brendan Wycks to revise the Balanced Scorecard based on today's discussion and include it in the Board materials for the April 8, 2014 meeting.

b. Proposed Revised CAFII By-Law and Articles of Continuance, to comply with Canada Non-Profit Corporations Act (CNCA)

Pamela Smith, Governance Officer at T•O Corporate Services who had been engaged by CAFII to assist the Association in meeting the requirements for compliance with and continuance under the CNCA, introduced Koker Christensen and Kathryn Beck from Fasken Martineau, the Association's legal counsel on the CNCA matters.

Ms. Smith summarized the changes which the CNCA Compliance Task Force – which also included John Lewsen, Brendan Wycks, and Leya Duigu – were proposing in a revised CAFII Bylaw and Articles of Continuance to be filed to meet CNCA requirements, as follows:

- The Articles of Continuance will allow for a minimum of three and maximum of 25 CAFII Directors, to provide flexibility for the Board to grow or shrink based on the number of members.
- Associate Members are currently a non-voting membership. However, under the CNCA, all classes of members will have the right to vote on certain fundamental matters, including changes to membership classes. And to achieve continuance under the CNCA, the new Act requires that CAFII give non-voting members the right to vote on the removal of their membership class at an Annual or Special Meeting of Members.

Therefore, to deal with this constraint, It was agreed that CAFII should follow a two-step process to changing its By-law, as recommended by Fasken Martineau. This will involve having the Board approve a By-law change first, removing the Associate member class from the Association's By-law, which change shall then be confirmed by the Foundation Members in a Special Meeting of Foundation Members only. Thereafter, the former Associate Members will be referred to as "Associates."

Once this By-law amendment has been confirmed, the Board will then approve the CNCA transition documents (in the form presented or amended) for presentation for approval at the Annual and Special Meeting of Members in June 2014.

Following the Annual Meeting in June, the terms and conditions related to Associates shall be addressed via a CAFII operational policy.

In addition, the EOC clarified and agreed upon the following points for the CNCA transition documents:

- The Board shall appoint a Secretary and that person shall act as EOC Chair.
- The person filling the Treasurer role does not necessarily have to come from a Foundation Member.
- The Executive Director role will be referred to as an appointed position.
- EOC members are not formally appointed and the method for adding or deleting EOC members shall be addressed via an operational policy.

Next Steps:

- i. Advise the Board of Directors about the Special Meeting to amend By-law 2009-5, which will remove Associate Members as a membership class.
- ii. A one-page summary to be provided by the Transition Task Force, summarizing the significant changes and providing an overview of the process for the Board of Directors.

Action: Leya Duigu to confirm the proper corporate names of member organizations which should appear in the new By-law.

c. CAFII Communications Strategy Tactical Implementation Timelines

Jennifer Hines recalled that consensus had been reached at the Board level on CAFII's overall communications goals moving forward; and the next step was to develop specific tactics and timelines that will achieve those goals. The Communications Strategy Tactical Implementation Timelines document was drafted by Brendan Wycks; had been reviewed by the Media and Communications Committee; and was now being presented for EOC review and feedback.

Members agreed that the document captured many deliverables and was therefore quite ambitious; it was suggested an "evergreen list" be created for items that would be nice to achieve but are not particularly high on the priority list.

It was suggested and agreed that the presentation of the information should be revised into quarters rather than months, highlighting the deliverables in each period and accomplishments made in the previous quarter. Responding to regulatory consultations should be accounted for in every quarter regardless of whether we knew about them in advance.

Action: Brendan Wycks to revise the Communications Strategy Implementation Timelines to reflect the EOC's feedback and incorporate achievements in the first quarter of 2014; and bring the revised document forward to the Board meeting on April 8, 2014.

d. Possible CAFII Project on Travel Insurance *Deferred to next EOC Meeting.*

6. Regulatory Update

The following items, included in the Regulatory Update in the materials for this meeting, were discussed:

- New Brunswick. New content on “Insuring Your Debts” was recently posted to the Financial and Consumer Commission of New Brunswick (FCNB)’s new web site.

Action: DMC to review the information on “Insuring Your Debts” for potential revisions.

- The CISRO LLQP Committee will be holding one-on-one stakeholder group meetings in Toronto on May 28, which presents an opportunity for CAFII to have a liaison meeting with one of the provincial regulators on the committee.

Action: Brendan Wycks to request a meeting with Gerry Matier, Executive Director of the Insurance Council of BC, while he is in Toronto for the CISRO LLQP meetings on May 28.

a. BC FICOM’s Creditor’s Group Insurance Issue

Brendan Wycks reported on the most recent discussion he had had with Harry James, Director, Policy Initiatives at BC’s FICOM, about the creditor’s group insurance in that province that had recently come to light. He highlighted the information that Harry James had shared about the Consent Order details and the absence of a related cease and desist order.

Harry James had advised that with respect to such issues of concern, the BC regulator’s approach, if there is no immediate harm to the consumer, is to weigh and assess the situation before deciding on what should be done. Should they discover that there are other creditor’s group insurance products in the market that, similarly, appear to be in violation of the province’s insurance legislation and/or regulations, they will work with industry to address the situation.

FICOM does not want to impose an undue burden on the industry across the board, so it will be coming up with two to three “filter questions” in a short survey that will assist the industry in responding to an open letter that will be issued shortly. The purposed of that letter, with an embedded short survey, will be to get a sense of the magnitude of the problem in the market. It is FICOM’s hope that responses to the filter questions will remove the vast majority of players in the market from the universe of possible problem situations.

b. Regulatory Visit Plan 2014

Brendan Wycks provided an update on regulator and policy-maker meetings to date based on the document included in the meeting package. The EOC reviewed the following matters:

i. March 17, 2014 Liaison Meeting With Alberta Insurance Council

The Alberta Insurance Council regards travel insurance as an area of significant regulatory concern. Joanne Abram, CEO, and Ron Gilbertson, Council Chair, liked CAFII's suggestion of a Joint Industry Working Group on Travel Insurance Application Forms and Medical Questionnaires.

ii. April 8, 2014 Liaison Discussion with Louis Morisset, CEO

An agenda has been created in collaboration with the AMF to help guide the discussion on April 8, 2014. Members agreed that the conversation should start with a high level topic before getting into more specific, detailed topics.

Action: The AMF agenda will be reviewed by Board Chair Mark Cummings and Vice-Chair Rino D'Onofrio before it is submitted to the AMF. Once the agenda is finalized Brendan Wycks to send it to Eric Stevenson at the AMF.

iii. May 15, 2014 Liaison Meeting with Atlantic Canada Regulators

This meeting will be held in Halifax on May 15, beginning at 11:30 a.m. and running until 4:30 p.m. The session will begin with a presentation on creditor's group insurance by CAFII, followed by discussion of agreed-upon topics. Brendan Wycks has developed a draft agenda of discussion topics to propose to the Atlantic Canada regulators.

7. Events and Networking Committee

Maria Sanchez-Chung reported that the FCAC has agreed that one of Commissioner Lucie Tedesco or recently appointed Deputy Commissioner Brigitte Goulard was available to be the guest speaker at CAFII's event on June 10, 2014. Deputy Commissioner Goulard is a former CAFII EOC member, having worked previously for TD Meloche Monnex, and would be an excellent speaker.

Action: Maria Sanchez-Chung to confirm the speaker with FCAC, and facilitate a meeting to discuss topics and logistics.

8. EOC Committee Updates

No further updates were provided.

9. Termination

There being no further business, the meeting terminated at 4:20 p.m. The next CAFII EOC Meeting will be held on April 22, 2014, in Toronto.

Date

Chair

Recording Secretary