

***July 19/16 CAFII EOC Meeting
Agenda Item 3(a)(i)***

From: Grant, Greg [mailto:Greg.Grant@cibc.com]

Sent: Tuesday, July 12, 2016 12:13 PM

To: 'Gill, Moira'; 'Blaquiere, Charles'; 'Beckford, Rose'; 'charles.maclean@rbc.com';
'diane.quigley@cumis.com'; 'isabelle.choquette@dsf.ca'; 'eleanore.fang@td.com'; 'Beauchamp, Jason';
'Carol.Allen@assurant.com'; 'Lewsen, John'

Cc: 'Brendan Wycks'; Manson, Sue; 'Bourdeau, Joane'

Subject: RE: Letter to Joanne Abram re: Critical Illness benefits sold as Creditors' Group Insurance and under a RIA license

EOC colleagues,

Brendan and I chatted with Joanne Abram & Anthonet Maramieri from the AIC today and were told that, in fact, no decision had been made by the council. Rather, they are gathering information regarding the types of products that can be sold under a Restricted Certificate of Authority. The information collected will be put in front of the council in September or October. Whether we would have a chance to make a formal in-person presentation to the council was unclear but we can certainly ask to do so.

Joanne did not dispute the arguments I put forward (from our letter) but rather focused on what products are appropriate to be sold under a Restricted Certificate of Authority. To that end, it was suggested that we include information on how our products are sold and how we train our sellers. They also requested that we include a copy of an application. We also briefly discussed the simplicity of our products so perhaps a copy of a certificate would be a useful addition. I have included a transcript of Joanne's May email to Brendan on this subject and what she said then is actually not inconsistent with what we learned today.

Monday, May 09, 2016 2:34 PM

To: Brendan Wycks (brendan.wycks@cafii.com)

Subject: Life Insurance Council Review of Restricted Certificate Holders

Good afternoon, Brendan.

I just wanted to follow up with you as agreed after the Life Insurance Council (LIC) met in April and had the opportunity to consider the information gathered from the AIC review of the types of products offered by holders of Restricted Certificates of Authority (RCHs).

As we previously discussed, the purpose of the AIC review was to ensure that the products being sold were consistent with the products approved for sale by RCHs. During the course of the review, we found numerous instances where Critical Illness Insurance was being sold under a Certificate authorizing "Credit Related Insurance."

Credit Related Insurance, as approved by the LIC, includes creditors' group life insurance, creditors' group disability insurance, and creditors' loss of employment insurance. Critical illness insurance was not approved to be sold under a Restricted Certificate of Authority.

If your member companies wish to distribute this product through RCHs, a request would need to be made to the Life Insurance Council. Any request should include full product details, copies of application forms, copies of all information and disclosures provided to consumers on purchase, as well as information on the claims processes in place.

Further information on this issue will be provided as it becomes available.

In any case, we will be revising our submission to reflect today's discussion and will send out a new draft for review later this week. Much of the new content is contained in previous submissions, most recently regarding FICOM's 10-year review of the FIA and the "effecting issue", so we have a lot of good content to work from.

Greg