

CAFII Executive Operations Committee

Tuesday, September 25, 2018

Managing Matters Inc.

411 Richmond St. E, Toronto ON

MINUTES

EOC Present:	John Lewsen, BMO Insurance (Acting Chair) Scott Kirby, TD Insurance Martin Boyle, BMO Insurance (<i>by teleconference</i>) Diane Quigley, CUMIS Group Inc. Dominique Julien, CIBC Insurance Charles Maclean, RBC Insurance (<i>by teleconference</i>) Charles Blaquiere, Canadian Premier Life Anuraj Bains, CIBC Insurance (<i>by teleconference</i>) Brad Kupier, Scotiabank Financial Tony Pergola, Scotiabank Financial <i>Treasurer (by teleconference)</i> Rob Dobbins, Assurant Solutions Sue Manson, CIBC Insurance (<i>by teleconference</i>)
Also Present:	Natalie Hill, Managing Matters <i>Recording Secretary</i> Keith Martin, CAFII <i>Co-Executive Director</i> Brendan Wycks, CAFII <i>Co-Executive Director</i>
Regrets:	Peter Thorn, TD Insurance, <i>Chair</i> Anita Mukherjee, RBC Insurance Vivek Sahni, RBC Insurance Laura Bedford, RBC Insurance Dallas Ewen, Canada Life Assurance Moirra Gill, TD Insurance Isabelle Choquette, Desjardins Financial Security Nina Desai, Manulife Insurance Dana Easthope, Canadian Premier life Jérôme Savard, Desjardins Financial Security Monika Spudas, Manulife Financial Shawna Sykes, The Co-operators

1. Call to Order

The meeting was called to order at 2:01 p.m.; J. Lewsen acted as Chair; N. Hill acted as Recording Secretary.

2. Consent Items

The following Consent Items were received for the record, without discussion:

2.a. EOC Meeting Notes of June 26/18

2.b. EOC Meeting Notes of July 24/18

2.c. EOC Meeting notes of August 14/18

2.d. Summary of Board and EOC Action Items

2.e. CAFII Input Submission for CISRO's 2019-2022 Strategic Plan

2.f. Joint CAFII/CLHIA Submission as FSRA Fee Rule Industry Advisory Group

2.g. CAFII Submission on Saskatchewan's The Insurance Regulations, 2018

3. Approval of Agenda and Previous Minutes

3.a. Agenda for September 25/18 EOC Meeting

The agenda for this September 25/18 meeting was approved as circulated.

3.b. Minutes of May 29/18 EOC Meeting

The EOC Minutes of May 29/18 were approved as presented.

3.c. Minutes of June 5/18 Board Meeting

The Board Minutes of June 5/18 were approved as presented.

4. Strategy and Governance

4. a. Debrief on September 14/18 CAFII Meeting with FCAC Deputy Commissioner

K. Martin and B. Wycks reminded EOC members that a debrief of the September 14/18 CAFII meeting with FCAC Deputy Commissioner Brigitte Goulard had been circulated. The debrief outlines key messages from Ms. Goulard and discusses options about what CAFII should do as a follow up or next steps coming out of the meeting.

K. Martin highlighted the key messages from Ms. Goulard's presentation, noting that it was a productive meeting and that Ms. Goulard was friendly, but firm. She did say that she felt that Creditor Insurance could be a good product for the right consumers, but product suitability was critical. A key message she made was the importance of The EOC members had a good discussion about the session with the FCAC and what the Association should take as a next step.

ACTION: Prepare recommendations on next steps for the upcoming 2 October, 2018 Board meeting [Keith, Brendan; September 28/18.

4.b. October 2/18 Industry Issues Dialogue with AMF Staff Executives: Issues For Discussion (including a replacement for Distribution Guide)

There was discussion about the upcoming 2 October, 2018 Board meeting in Montreal, at which there will be the annual Liaison meeting with the AMF. B. Wycks advised that a discussion guide had been shared with the EOC in the meeting package. Two key issues at the liaison meeting will be around regulations to implement Bill 141, and the specifics of what will replace the Distribution Guide.

The consultation process was discussed and the process for purchasing on the internet.

B. Wycks noted the intention to invite the Quebec Legal Counsel (Sylvia Bourdeau) to the AMF meeting in Montreal as long as the AMF had no concerns. It was agreed that the AMF will be approached about this to confirm their comfort level, prior to the meeting.

B. Wycks raised an issue that the AMF had brought up around making some of the questions we were planning on posing to them being granular and detailed, with the AMF suggesting that it might be better to make some of these questions higher level.

4.c. Appointment of Market Conduct Committee Chair

B. Wycks mentioned that Rose Beckford has moved on to a different position within ScotiaLife Financial and will no longer be a member of the EOC. Brad Kuiper of ScotiaLife Financial is being proposed as the new Chair the Market Conduct Committee. The EOC formally approved the appointment of Mr. Kuiper as the new Market Conduct Chair.

B. Kuiper thanked the EOC for its support and said that he looks forward to taking on the role.

4.d. New CAFII EOC Chair

B. Wycks advised that a few offers have been presented to EOC members to take on the Chair role of the EOC but they have been respectfully declined due to heavy workloads. It was mentioned that Board Chair N. Benson will be discussing this issue with the Board at the upcoming 2 October, 2018 Board meeting.

4.e. Proposal/Request Re CAFII EOC “Observers” From Member Companies

B. Wycks noted that Diane Quigley, CUMIS Services Inc., had suggested that it could be beneficial to have non-EOC members sit in through teleconference to EOC meetings, and have access to EOC documentation. This would allow a larger group to have access to the information that the EOC discusses. There was some concern expressed around confidentiality of information and whether EOC members would be as forthcoming on issues if there were individuals on the call they did not know.

There was discussion on this and agreement that compliance and legal departments of CAFII’s members could benefit from access to EOC discussions and materials. It was agreed that this would be further discussed at a subsequent EOC meeting.

4.f. Renewal of CAFII Contract with Managing Matters

K. Martin mentioned that the contract with Managing Matters expires at the end of the year. Negotiations are currently in process on renewal terms, and there will be an update provided at the next board meeting.

4.g. CAFII Archival Records Purge/Clean-Up

K. Martin noted that he joined B. Wycks and N. Hill at CAFII’s storage facility to purge unnecessary or duplicative documents. The intention is to attempt to digitize documents that need to be kept.

4.h. Engagement with New Contact at CAFII Member Amex Bank of Canada

B. Wycks mentioned that there has been a management reorganization at AMEX since June, and Nick Bilodeau has left the company. It was noted that CAFII is attempting to develop a relationship with our new key contact there, Sarah deGruchy. AMEX has paid their second fee installment for 2018, but there is a concern that this is a member that is at risk of not staying with the Association. B. Wycks and K. Martin asked members who might have contacts at AMEX to make the case for the benefits of being a member of CAFII.

4.i. CAFII Initiation Member, Returning Member, and Associate Prospects

4. CAFII Financial Management

5.a. Financial Statements as at August 31/18

T. Pergola gave an update on the August 2018 financial statements.

Mr. Pergola highlighted that for the month of August there were no surprises. Revenues are higher than what was budgeted and expenses are in line with the budget. T. Pergola stated that overall, because of new member revenues, the Association was in good financial shape.

6.Regulatory

6.a. Consultations/Submissions Timetable

B. Wycks reviewed the key items in the Consultations/Submissions Timetable.

It was noted that FICOM is going to become a Crown Corporation, and that CAFII is currently waiting on a clear announcement from the Alberta Government around creating a new super-regulator. B. Wycks mentioned that FSCO is about to release the final version of FSCO's the Treating Financial Consumers Fairly guidelines.

There is a CCIR Stakeholders meeting slated for 25 October, 2018, and a CCIR Travel Insurance Working Group (TIWG) meeting with CAFII slated for 24 October, 2018. CAFII is continuing to pursue a meeting with New Brunswick's FCNB on their work around an RIA licensing regime.

6. b. Regulatory Update

K. Martin mentioned Advocis stated, in its submission to CCIR / CISRO on the Fair Treatment of Customers, that it wanted to play a lead role in the implementation of the Guideline, and that CLHIA was unfit for that role. It was noted that BC had appointed Gerry Matier and Michael Grist to the Financial Institutions Commission (FICOM) Board. K. Martin noted that Professor James Darroch of York University, and former CIBC senior executive Patricia Meredith had won the Donner Prize for their Book *Stumbling Giants: Transforming Canada's Banks for the Information Age*. Mr. Martin knows Professor Darroch personally, and would be inviting him to participate in an upcoming CAFII reception.

6.b.i. FSCO Initiatives Related to Life and Health Insurance

K. Martin noted that at a recent meeting of the FSCO Life Insurance Working Group, FSCO indicated that they would soon be sending out an updated version of the Incidental Insurance Questionnaire.

6.b.ii Next Steps Arising From FSRA's Fee Rule Preliminary Consultation

B. Wycks mentioned that productive meetings had been held around FSRA's Fee Rule Consultation. It was noted that a formal process for consultation would be the next step in the process. There was discussion of the issues related to direct versus net premium as the basis for determining fees, and the recommendation from CAFII that any move to a new formula have a transition period to make the adjustment more gradual. B. Wycks also noted that CAFII might wish in future to request that if it meets FSRA with CLHIA, it still be given the opportunity to make its own written submissions.

6.b.iii Implementation of Saskatchewan's New Insurance Act and Regulations

Tabled.

6.c Regulator and Policy-Maker Visit Plan

Given CAFII's commitment to meet with regulators in their locations, there is a need to start thinking about a Western Canada tour in the Spring of 2019.

6.c.i CAFII Meeting with CCIR Travel Insurance Working Group, October 24/18

Tabled.

6.c.ii CAFII Annual Stakeholder Meeting with CCIR, October 25/18

CAFII's Annual Stakeholder Meeting with CCIR have been confirmed for October 25/18 and a calendar invite has been sent out. There has been an overwhelming response to attend from CAFII members, and this may require trying to limit participation.

7. Committee Updates

7.a. Market Conduct

Nothing further to report.

7.b.i CAFII Website Report/Metrics

K. Martin highlighted the results of a 19 September, 2018 presentation to CAFII members by RankHigher on metrics around the website since the enhancements to the site had been made. There is a significant increase in traffic to the website, and people going to website now access it through a variety of pages. As well, searching key terms like "Credit Protection Insurance" on Google now produces a direct quote from the CAFII website, which means that CAFII is now viewed as an authoritative voice.

7.b.ii Review of 2018 CAFII Website Enhancements

K. Martin reviewed progress around 2018 website enhancements, most of which have now been completed. This includes CAFII being placed on 100 directories. The News and Research section of the website is completely revamped, and the explanations of the products that CAFII members offer includes visually pleasing consumer examples. As well, the homepage has a slider that allows visitors to see new items on the site easily.

K. Martin mentioned that CAFII is looking at the possibility of developing a Wikipedia entry, and there was discussion of the pros and cons of such a development.

7.b.iii CAFII's First Website Video

K. Martin noted that CAFII's first website video is now live and the response has been positive.

7.b.iv. Next CAFII Website Video: Recommendation

K. Martin noted that the 2018 budget includes provisions for a second video, but it was agreed that this would be tabled until the first video had been launched, to allow for a review to confirm that this was a worthwhile investment. That first video has now been live for several weeks and it is recommended that this is a positive addition to the website, and that a second video should be developed.

K. Martin recommended that this is an opportunity to extend the shelf life of our Travel Medical consumer research study, by developing a video that highlights the results of that research. EOC members supported moving forward with a second video on the Travel Medical consumer research study results.

7b.v. “Proud Member of CAFII” Website Badge

K. Martin discussed the memo that had been circulated around posting “Member of CAFII” badges on the websites of our members. It was noted that this required an internal review and would not be easily or quickly implemented, but it was agreed that this should be pursued and investigated by CAFII members. K. Martin agreed to resend the memo with more details on the benefits of this approach, including metrics supporting the argument that this could increase the credibility of, and traffic to, the CAFII website.

7.c. Licensing Efficiency Issues, Including

7.c.i CAFII/CLHIA Joint Submission Re Saskatchewan RIA Advisory Committee

CAFII/CLHIA Joint Submission Re Saskatchewan RIA Advisory Committee has been revised and re-sent to the Insurance Councils of Saskatchewan.

7.d. Research & Education

7.d.i. 2018 Travel Medical Research Results Presentation at THIA AGM

K. Martin noted that CAFII was invited to present its Travel Medical research results at the Travel and Health Insurance Association (THIA) AGM on 11 September, 2018. B. Wycks and K. Martin made short comments, with Pollara Vice-President Lesli Martin making a detailed presentation. There was a great deal of interest expressed by the 100 plus people in attendance, and the presentation was very well received.

7.d.ii. Travel Medical Research Leave-Behinds

Travel Medical Research Leave-Behinds were sent to everyone.

7.d.iii. Credit Protection Insurance Research Project

D. Quigley mentioned that everything is moving according to plan for the Creditor Protection Insurance consumer research project. She thanked everyone on the Credit Protection Insurance working group for the many hours put into the development of the final questionnaire, which is now ready to go to field.

7.d.iv. 2018 CAFII Research Budget

K. Martin mentioned that the cost of the Credit Protection Insurance research project is higher than what was originally budgeted for. T. Pergola reviewed this additional spend in the context of additional revenues, and felt it was appropriate to move forwards. CAFII Board Chair N. Benson agreed with the recommendation to move forward with the research despite the higher cost, and approved the additional spend.

8. Other Business

8.a. Visitor at November 27/18 CAFII Board Meeting; and Speaker at November 27/18 CAFII Reception

B. Wycks mentioned that Mark White, President and CEO of FSRA, had confirmed that he would speak at the November 27/18 CAFII Reception.

8.b. Reconstitution of CAFII Networking and Events Committee

B. Wycks mentioned that there will be a reconstitution of the CAFII Networking and Events Committee. J. Lewsen offered to Chair the Committee.

9. In Camera Session

An *in camera* session was not held in conjunction with this EOC meeting.

Termination

There being no further business, the meeting was terminated at 4:03p.m.