

**CAFII Special Purpose Teleconference Board of Directors Meeting**  
**Wednesday February 7, 2018**  
**Teleconference Only**  
**3:00 – 4:00 p.m.**

		<i>MINUTES</i>
<b>Board Present:</b>	Nicole Benson	Valeyo
	Nick Bilodeau	AMEX Bank of Canada
	Bob Grant	ScotiaLife Financial
	Chris Lobbezoo	RBC Insurance
	Peter McCarthy	BMO Insurance <i>Chair</i>
	Kelly Tryon	The CUMIS Group
<b>Regrets:</b>	Chris Knight	TD Insurance
	André Langlois	Desjardins Financial Security
	Sandra Rondzik	CIBC Insurance
	Robert Zanussi	Assurant
<b>EOC Present:</b>	Jason Beauchamp	BMO Insurance
	Rose Beckford	ScotiaLife Financial
	Charles Blaquiere	Canadian Premier Life
	Moira Gill	TD Insurance
	John Lewsen	BMO Insurance
	Sue Manson	CIBC Insurance
	Tony Pergola	ScotiaLife Financial <i>Treasurer</i>
	Andrea Stuska	TD Insurance
	Peter Thorn	TD Insurance <i>Secretary and EOC Chair</i>
<b>Also Present:</b>	Keith Martin	CAFII <i>Co-Executive Director</i>
	Brendan Wycks	CAFII <i>Co-Executive Director</i>
	Natalie Hill	Managing Matters <i>Recording Secretary</i>

**1. Call to Order; Welcome; and Meeting Confirmation**

The meeting was called to order at 3:12 p.m. P. McCarthy acted as Chair; P. Thorn acted as Secretary; and N. Hill acted as Recording Secretary.

P. McCarthy noted the reason for the Special Purpose Meeting was to secure the Board's approval of several time-sensitive matters, including

- the proposed CAFII Three-to-Five Year Strategic Plan which was presented to the Board for consideration at the board's previous meeting on 28 November 2017;

- a new version of the CAFII 2018 Operating Budget, which had been updated to reflect our Association's current financial situation and some economizing measures which were implemented based on Directors' feedback on the initial draft budget provided during the board's 28 November 2017 *in-camera* discussion; and
- a new concept proposal around a new CAFII "Initiation Membership" category, which responds to some considerable momentum which our Association has recently developed around potential new members.

P. McCarthy summarized by noting that there are four items (4) "For Approval" and one (1) "Information" item on the agenda.

### **1.1. Confirmation of Quorum**

P. Thorn confirmed that notice of the meeting was sent to all Directors in accordance with the Associations By-Law. P. Thorn confirmed that a quorum of Directors was present, noting (6) Directors were on the phone.

P. McCarthy declared this Special Purpose Meeting of the Board of Directors of the Canadian Association for Financial Institutions in Insurance duly convened and properly constituted for the transaction of business. He also welcomed members of the Executive Operations Committee present on the phone, along with the Co-Executive Directors Brendan Wycks and Keith Martin.

### **1.2. Approval of Agenda**

***On a motion duly made, seconded and unanimously carried,***

***IT WAS RESOLVED that:***

***The meeting agenda be and is approved as presented.***

## **2. Strategy, Financial Management, and Governance Matters**

### **2.1. CAFII Three-to-Five-Year Strategic Plan**

P. McCarthy advised that at the previous board meeting on 28 November 2017, Keith Martin presented the highlights of the proposed CAFII Three-to-Five-Year Strategic Plan, which was the result of nine months of intensive work by the EOC and our Co-Executive Directors throughout much of 2017. At that time, Keith indicated that the proposed Strategic Plan would be left with board members to consider and reflect upon for a period of time, prior to a Board vote to approve it in early 2018.

P. McCarthy thanked all EOC and the Co-Executive Directors for their hard work.

K. Martin provided a brief overview on the proposed CAFII Three-to-Five-year strategic plan, with a focus on the process used to arrive at the recommended Strategic Plan, and the key recommendations from the EOC on the Strategic Plan.

Out of this exercise the EOC identified some key areas for CAFII to invest in: maintaining and building on our regulatory strength, developing a significant research program, building an assertive communication and networking program with influencers, continuing to invest in the website, and developing long term proactive regulatory positions. All five areas reinforced each other and together could make the Association more effective, including developing the Association's profile and credibility.

Areas for a “watching brief” and for investment but behind other priorities were also identified. Finally, a CAFII Core Strategic Prioritization Statement, summarizing the key recommendations in the Strategic Plan, was also identified, and together these were the items that the Board was asked to approve.

K. Tyron stated that she is supportive of the plan and recognized the great efforts that were put forward. Chris Lobbezoo asked how the Plan would be formally reviewed. K.Martin explained that it would be reviewed annually by the EOC to assure that what the Plan was being successfully deployed, with updates to the Board after those evaluations.

***On a motion duly made, seconded and unanimously carried,***

***IT WAS RESOLVED that:***

***The proposed High Prioritization elements of the Strategic Plan; the areas that are being relegated to Low support; the areas identified as Medium Support; and the Core Strategic Prioritization Statement which will be an internal reference and guideposts document as the Association moves forward – be and are hereby approved.***

## **2.2. CAFII 2018 Operating Budget**

T. Pergola presented the revised/updated CAFII 2018 Operating Budget and highlighted changes made since the Board had the *in camera* discussion about a Budget Options document at its 28 November 2017 Bmeeting.

Drawing attention to the spreadsheet provided, the 2018 proposed budget projects a 2018 deficit of \$89,000. The minimum reserves ratio at the end of the 2018 fiscal year is expected to be 13%, well below the minimum target of 25%. At the end of the 2018 fiscal year, the surplus cash available to the Association will be reduced to 88,993.

While the current situation is not sustainable on an ongoing basis, there are initiatives in place to increase revenue, and there are some discretionary expenses (such as research) that could be reduced later in 2018 if we do not see a positive change in the Association’s financial situation, Mr. Pergola advised.

B. Wycks added that membership dues revenue assumptions underlying the budget are conservative. Dues revenue from the four new Associates is now included in the budget, but it does include the possibility of new Members joining the Association.

***On a motion duly made, seconded and unanimously carried,***

***IT WAS RESOLVED that:***

***The proposed CAFII 2018 Operating Budget – be and is hereby approved.***

## **2.3. Proposed New CAFII “Initiation Membership” Category**

B. Wycks presented the proposed new CAFII “Initiation Membership” Category, and identified which financial institutions and other creditor insurance-related organizations in Canada would be immediate prospects for this form of introductory CAFII membership.

B. Wycks explained that the Initiation Membership category was designed to entice member prospects that are interested in full membership, but who might be experiencing “sticker shock” at the prospect of paying the full membership dues immediately upon joining. The Initiation Membership will create a trial membership for a period of two years, during which a new Member company can enjoy the benefits of full membership with a 40% dues reduction.

After the two year trial period, an Initiation Member will have to decide whether it wishes to continue as a Regular Member, at full Regular Member dues, or leave the Association. But the expectation is that after experiencing the benefits of CAFII for a two year period, they will be in a better position to sign on as full paying Regular Members. Initiation Members will go through the same review and vetting process as all other members, and will have the same privileges as other Regular members, with the following exceptions: Initiation Member representatives cannot serve as Chair of the Board, Vice-Chair of the Board, or as the Chair of the EOC.

A few prospective companies that are potential candidates for the Initiation Membership category are Laurentian Bank, HSBC, Canada Life, and OneMain Solutions Canada.

B. Wycks and K. Martin have an upcoming lunch meeting organized in Montreal with Joane Bourdeau from National Bank, at which they will explore the prospect of National Bank returning to CAFII membership. However, National Bank is not eligible for Initiation Membership offer because applicants may not have been a Member of CAFII for at least the past five years.

However, B. Wycks proposed that CAFII allow National Bank to come back in at the mid-point range between lower and upper tier dues for 2018, and step up to the upper tier in 2019. This suggestion received unanimous support from CAFII Board members.

***On a motion duly made, seconded and unanimously carried,***

***IT WAS RESOLVED that:***

***The proposed new CAFII “Initiation Membership Category – be and is hereby approved.***

#### **2.4. CAFII Media Awareness/Training Session**

K. Martin provided an overview of the CAFII Media Awareness and Training Session planned for Wednesday, 28 March, 2018. All interested Directors and EOC members are invited to participate in the “Setting Expectations” and “Managing the Media” components, during the 60 minutes and subsequent 90 minutes of that session. The last 90 minutes of the session will be for a customized media training session with CAFII media spokesperson K. Martin.

K. Martin noted that the session will include suggestions on how to engage the media, looking at the benefits and risks on engaging the media, and a high level review on the latest developments in the media, in particular the impact of social media.

**2.5. CAFII Associate Status Application from OneMain Solutions Canada**

P. McCarthy informed the Directors that based on previous discussion, it was decided that it would be premature to ask the Board to make a decision on the CAFII Associate Status Application from OneMain Solutions Canada in today’s meeting. The decision will be deferred to the next regularly scheduled Board Meeting on 17 April 2018. More time is needed to complete further research and due diligence on OneMain Solutions Canada before being in a position to determine if it is a good fit for CAFII.

B. Wycks provided background context to OneMain Solutions Canada’s application for CAFII Associate Status. He noted that OneMain Solutions Canada consists of two insurance companies; AHL (American Health and Life Insurance Company) and Triton (Triton Insurance Company).

Mr. Wycks advised that OneMain Solutions has indicated that, if its application for CAFII Associate status is approved, it will then give consideration to applying for CAFII Initiation Membership. It was agreed that OneMain Solutions Canada will be invited to have representatives attend the 2018 CAFII Annual Members’ Luncheon on February 20/18; and its representatives will be positioned at tables with EOC and Board Members.

P. McCarthy thanked everyone for the valuable discussion about OneMain Solutions Canada’s Application for CAFII Associate Status.

**8. Termination**

With the five agenda items for this meeting been discussed and/or approved, and there being no further business, the meeting was terminated at 3:58 p.m. It was noted that the next CAFII Board of Directors meeting will be held on Tuesday, April 17, 2018, from 2:30 to 4:30 p.m., at a location to be announced.

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Date

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Board Chair

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Recording Secretary