

**CAFII Executive Operations Committee**  
**Tuesday, November 20, 2018**  
**BMO Insurance**  
**6<sup>th</sup> Floor Boardroom, 60 Yonge St. Toronto ON**  
**MINUTES**

**EOC Present:** Martin Boyle, BMO Insurance *Chair*  
Sue Manson, CIBC Insurance  
Scott Kirby, TD Insurance  
Laura Bedford, RBC Insurance  
John Lewsen, BMO Insurance  
Charles Maclean, RBC Insurance  
Dominique Julien, CIBC Insurance  
Mindy Tarantelli, Scotialife Financial  
Brad Kuiper, Scotialife Financial  
Peter Thorn, TD Insurance *(by Teleconference)*  
Anita Mukherjee, RBC Insurance *(by teleconference)*  
Diane Quigley, CUMIS Group Inc. *(by teleconference)*  
Charles Blaquiére, Canadian Premier Life *(by teleconference)*  
Dallas Ewen, Canada Life Assurance *(by teleconference)*  
Shawna Sykes, The Co-operators *(by teleconference)*  
Tony Pergola, Scotialife Financial *Treasurer (by teleconference)*  
Monika Spudas, Manulife Financial *(by teleconference)*  
Moira Gill, TD Insurance *(by teleconference)*  
Isabelle Choquette, Desjardins *(by teleconference)*  
Anuraj Bains, CIBC Insurance *(by teleconference)*  
Rob Dobbins, Assurant (arrived at 3pm)

**Also Present:** Natalie Hill, Managing Matters *Recording Secretary*  
Keith Martin, CAFII *Co-Executive Director*  
Brendan Wycks, CAFII *Co-Executive Director*  
David Moorcroft, S2C *(for part)*  
Lesli Martin, Pollara *(for part)*  
Mubashera Kothawala, Pollara *(for part)*

**Regrets:** Vivek Sahni, RBC Insurance  
Nina Desai, Manulife Insurance  
Dana Easthope, Canadian Premier Life  
Jérôme Savard, Desjardins Financial Security  
Sharon Apt, Canada Life Assurance

**1. Call to Order**

The meeting was called to order at 2:05 p.m.; M. Boyle acted as Chair; N. Hill acted as Recording Secretary. M. Boyle welcomed new EOC Members Mindy Tarantelli and Sharon Apt.

## **2. Consent Items**

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

### **2.a. EOC Meeting Notes of October 23/18**

### **2.b. Summary of Board and EOC Action Items**

## **3. Approval of Agenda and Previous Minutes**

### **3.a. Agenda for November 20/18 EOC Meeting**

The agenda for this November 20/18 meeting was approved as circulated.

### **3.b. Minutes of September 25/18 EOC Meeting**

The EOC Minutes of September 25/18 were approved as presented.

### **3.c. Minutes of October 2/18 Board Meeting**

The Board Minutes of October 2/18 were approved as presented.

## **4. Strategy and Governance**

### **4. a. Credit Card Balance Protection Insurance and Possible CAFII Next Steps:**

#### **4. a. i. CBC Marketplace and Go Public Stories of November 2018**

K. Martin spoke to the CBC Marketplace and Go Public stories on credit card balance protection insurance of November 2018. He noted that the Media Advocacy Committee has met on numerous occasions, with special representation from media representatives of CAFII members who do not have a representative on the Committee, to coordinate the responses of CAFII members and ensure everyone was on the same page. The CBC Marketplace story was not the lead story, was shorter than expected, and was biased and one-sided. The view of the Media Advocacy Committee was that the story would not have long duration and was lacking in credibility.

**ACTION:** Keith to send links to additional information appearing on the CBC Marketplace website related to the story, to EOC and Board Members.

#### **4. a. ii. CAFII-sponsored research on consumer value proposition and/or international comparisons of Balance Protection Insurance**

K. Martin provided an update on a proposal that CAFII sponsor research on credit card balance protection insurance. There have been criticisms of the product, and action by regulators, in other jurisdictions like Australia, the U.K., and the U.S. What are the issues that caused these concerns; where are there similar practices or features in Canada; and where are there differences in Canada? Knowing this information would allow CAFII and its members to identify areas for better communication, as well as areas of risk where we might wish to explore options to address any concerns. This could also provide a foundation for any other activities that the Association might wish to undertake related to credit card balance protection insurance.

It was agreed that EOC members would explore this issue with their board member in preparation for review of this idea at the next CAFII Board meeting.

#### **4. a. iii. CAFII-developed guidelines/standards and/or training/certification program related to Balance Protection Insurance**

K. Martin noted that at the last Board meeting there was an interest in exploring the possibility that CAFII could develop a certification or training program. There are a range of options that could be looked at. One would be to collect information about the training of employees who sell creditor insurance, and then aggregate this and share it with stakeholders. CAFII could also develop some training programs that could be administered to members who sell these products. An even more involved program would require a training program for anyone selling creditor insurance, with testing, leading to a certification (“CAFII trained”).

K. Martin noted that each of these options involve a significant investment in resources, and the certification program in particular would be a longer term effort with a major budgetary requirement. As this would be on the agenda for the upcoming Board meeting, EOC members were encouraged to discuss this issue with their Board member so that there could be more direction on the approach CAFII should take.

#### **4. a. iv. CAFII Special Purpose GR/PR Campaign in Support of Balance Protection Insurance (proposal from Z. Fuerstenberg, Social Life Financial)**

K. Martin noted that incoming Scotia Life Financial Board member Zack Fuerstenberg has expressed an interest in CAFII engaging in a significant effort to develop a government relations / public relations effort. This would involve a major GR/PR firm leading the development of such a campaign. K. Martin noted that there was a view that such a campaign would first require the research on credit card balance protection insurance that was discussed earlier, or would need to include such research as a first step in the development of a campaign, as it would be challenging to produce a GR/PR program without knowing the fact base and what the specific issues are that we face as an industry.

As this would be on the agenda for the upcoming Board meeting, EOC members were encouraged to discuss this issue with their Board member so that there could be more direction on the approach CAFII should take.

#### **4. b. CAFII Response to Recent Presentation from B. Goulard, FCAC: Next Steps**

K. Martin noted that a document was posted to the meeting site that identifies possible next steps with the FCAC.

One area for engagement could be education around some of the issues raised by Brigitte Goulard in CAFII’s recent meeting with her, that we felt demonstrated a misunderstanding of creditor products or a misunderstanding of the sales practices of our members. This could involve a written submission, a request to present to them, or presenting the results of the Creditor Protection Insurance Pollara consumer research, and using that as an opportunity to raise some of these other issues.

Another area for engagement would be to share any initiatives that CAFII develops around training or certification.

#### **4. c. Proposed Schedule of 2019 CAFII Meetings and Events**

B. Wycks noted that the proposed schedule of meetings and events was sent to all EOC and Board members.

#### **4. d. CAFII Initiation Member, Returning Member, and Associate Prospects**

##### **4. d. i. National Bank Insurance**

B. Wycks mentioned that there has been traction made with getting National Bank back as a member. There is a new president of National Bank, Peter Thompson, and he has indicated that he will be coming to Toronto next week to attend the CAFII Board reception, and may bring a few of his colleagues. He is also meeting Peter McCarthy and Keith Martin in Montreal for lunch next week to discuss National Bank Insurance returning as a CAFII member.

##### **4. d. ii. Chubb Insurance Canada**

K. Martin noted that Zack Fuerstenburg and Scotia Life Financial have a relationship with Chubb insurance. Zack Fuerstenburg has encouraged Chubb to consider joining CAFII. Chubb CEO Andy Hollenberg met with Keith Martin recently and they had a productive discussion about Chubb possibly joining CAFII as an Initiation Member.

##### **4. d. iii. Sunlife Financial**

K. Martin noted he has been in touch with Laura Hewitt from Sunlife about it joining as an Initiation Member. A membership package on the benefits of CAFII has been shared with her. Laura Hewitt and a senior colleague will be at the upcoming Board networking reception.

#### **5. CAFII Financial Management**

##### **5. a. Financial Statements as at October 31/18**

- T. Pergola walked the EOC through the latest financials, and he noted that revenues were higher than anticipated at the beginning of the year, due to new Initiation Members joining the Association. CAFII is still currently in the acceptable band for the target ratio.

##### **5. b. Proposed CAFII 2019 Operating Budget**

T. Pergola discussed the proposed operating budget, noting that the Board will be presented with a variety of scenarios that make different assumptions around revenues, expenses, and operating deficits.

#### **6. Regulatory**

##### **6. a. Consultations/Submissions Timetable**

Brendan noted that there were not many new items from the last update in September.

##### **6. b. Regulatory Update**

##### **6. b. i. Response Submission on AMF's Regulation on Alternative Distribution Methods**

K. Martin noted that the AMF held a Webinar on 17 October, 2018 that was very informative. K. Martin has developed a summary of the key points that will be helpful in developing CAFII's submission to the AMF on the Regulation on Alternative Distribution Methods.

B. Kuiper expressed appreciation to Keith for all his hard work and time spent working on the draft to the AMF.

#### **6. b. ii. Response Submission on FSRA's Proposed Fees and Assessments Rules**

B. Wycks noted that the Market Conduct Committee is beginning to work on CAFII's submission on FSRA's proposed fees and assessment rules.

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

B. Wycks mentioned that he had sent out a number of documents re: Saskatchewan's New Insurance Act and Regulations, which currently has a January 2019 implementation.

B. Wycks noted that Jan Sibel had sent an email about the possibility of a delay in the enactment of the new Insurance Act and Regulation. Members agreed with the benefits of a delay and requested that the delay be for one year.

#### **6. b. iv. October 24/18 CAFII Meeting With CCIR Travel Insurance Working Group**

S. Manson provided an update on a recent meeting with Harry James and others from the CCIR Travel Insurance Working Group, noting that the TIWG was requesting a set of new data from industry. CAFII is engaged with the TIWG on consultation related to this request.

#### **6. b. v. October 25/18 CAFII Stakeholder Meeting With CCIR**

B. Wycks mentioned that there was about 9-10 representative from CAFII at the Stakeholder Meeting with CCIR, where the Fair Treatment of Customers was a major topic of interest to the CCIR. There is a CCIR Fair Treatment of Customers meeting scheduled for November 28, 2018 to talk to CAFII about its members' plans around the implementation of the FCT guidelines.

#### **6. b. vi. November 16/18 FSCO Life and Health Insurance Market Conduct Symposium**

K. Martin provided an update on the November 16, 2018 Market Conduct Symposium, which he noted focused heavily on the Fair Treatment of Customers guideline. He mentioned that FSCO said that if a company was not sure whether to follow the FSCO or CCIR Guideline, they should "just pick one, either is fine." K. Martin also noted that Izabel Scovino took him aside at the Symposium to let him know that FSCO would be re-engaging CAFII on the Incidental Sale of Insurance Questionnaire.

#### **6. b. vii. New Brunswick Insurance Act Rewrite**

B. Wycks mentioned that David Weir has reached out to CAFII about a meeting on a multi-year effort in New Brunswick around the Insurance Act Rewrite.

### **7. Committee Updates**

#### **7. a. Research & Education**

##### **7. a. i. Results of Pollara Credit Protection Insurance Research Project**

L. Martin noted that the initial results are now being studied from the Pollara Credit Protection Insurance Research Project. He reminded the EOC that the research focused on life, critical illness, disability, and job loss insurance for mortgages and for HELOCs.

Lesli Martin, Vice President at Pollara, then provided a review of the key findings, which generally were positive and showed that the purchase experience was positive, and a high percentage of claims were paid out.

### **7. a. ii. Deployment of Credit Protection Insurance Research Results**

K. Martin indicated that the results looked sufficiently positive to warrant a public release and a press release. Media consultant D. Moorcroft highlighted his view that the research provides a lot of positive information that could be made public and put into the media. He noted that there are some things that should not be included because they are too detailed or they are proprietary. A draft press release was also shared with the EOC.

### **7. c. Media Advocacy**

#### **7. c. i. New CAFII Website Video on Travel Medical Insurance Research Results**

K. Martin mentioned that CAFII is currently in the process of developing a second website video, this one on the research results from the Pollara Travel Medical Insurance consumer research study.

### **7. f. Networking & Events**

#### **7. f. i. Proposed Presentation Concept for 2019 CAFII Annual Members' Luncheon**

B. Wycks spoke to the reconstitution of the CAFII Networking/Events Committee. He noted that Scott Kirby and John Lewsen are the new members.

B. Wycks proposed for the 2019 Annual Members Luncheon that CAFII have three lawyers on a panel speaking on regulatory developments.

### **8. Other Business**

#### **8. b. Proposal That All Future EOC In-Person Meetings Be Scheduled for 2.5 Hours Duration**

K. Martin requested approval to make all EOC in-person meetings 2.5 hours in duration moving forward. The EOC approved this proposal.

### **9. Termination**

There being no further business, the meeting was terminated at 4:30p.m.