

**CAFII Working Group on Credit Protection Insurance on Best Practices
Summary Notes of Teleconference Meeting, 15 August, 2019**

In Attendance:

Martin Boyle, BMO Insurance (EOC Chair and Working Group Co-Chair)
Rob Dobbins, Assurant
Greg Caers, BMO Insurance
Asma Desai, Canadian Premier Life
Rebecca Saburi, BMO Insurance
Karyn Kasperski, RBC Insurance
Parm Rai, CIBC Insurance
Joanna Onia, CIBC Insurance
Monika Spudas, Manulife

Martin Boyle, EOC Chair and Chair for the inaugural meeting of the Working Group, called the meeting to order, welcomed everyone, and thanked participants for joining this important initiative.

As a first order of business, Martin Boyle provided the context for this effort. He noted that at the 4 June 2019 Board meeting, the Board's *in camera* session discussion on the Credit Card Balance Protection Insurance (CCBPI) Special Project concluded with a request that a Working Group of the EOC/CAFII membership identify areas where industry practices could be elevated. This work will include assessing regulatory expectations as expressed in the FCAC's 2018 review of Domestic Banks' Sales Practices, the AMF's Sound Commercial Practices Guideline, and CCIR/CISRO's Guidance: Conduct of Insurance Business and Fair Treatment of Customers as well as the CLHIA Guideline G7: Creditor's Group Insurance.

Keith Martin added to this context that it was his understanding that the intention of the Board was to identify the emerging, enhanced regulatory expectations and identify where the industry might build on its existing practices. The effort therefore was not about any shortcomings around compliance with existing regulations, but rather about elevating the industry and proactively meeting heightened expectations.

Martin Boyle noted that there were concerns expressed at the recent 14 August, 2019 EOC meeting around the use of the title "Working Group on Gap Analysis," because it might be interpreted to imply the existence of a gap between regulatory requirements and compliance activity where no such gap exists, and that was not the intention of this exercise. Working Group members agreed with this assessment, and a variety of alternative terms were suggested. At the end of this discussion, three options were identified, and it was agreed that these would be shared with Working Group members in a Survey Monkey survey, to identify which had the most support. The three options were:

Working Group on Balance Protection Insurance Industry Best Practices

Working Group on Regulatory Expectations and Credit Protection Insurance Industry Best Practices

Working Group on Regulatory Expectations and Credit Protection Insurance Industry Best Practices and Optimization

Discussion then turned to the Chair of the Working Group. Martin Boyle indicated that he would be willing to Chair the meetings of the Working Group, but that he would be unable to attend the next two meetings. He asked if members felt that it was appropriate for him to be Chair under those circumstances. Members felt it was appropriate; and Karyn Kasperski, RBC Insurance, offered to chair the next two meetings in Martin Boyle's absence. There was support for this approach, and as a result Martin Boyle and Karyn Kasperski will be the Working Group's Co-Chairs.

There was a discussion around the desire that the Working Group's discussion not stray from the confines required by Competition Law. Much of the requirements around what can and cannot be discussed were documented and distributed to CAFII Board and other members as part of the effort around the Special Project on Credit Card Balance Protection Insurance. It was also noted that the Board has not asked for the original funds collected for that effort to be refunded to the contributing members, and that our legal counsel Stikeman Elliott remains actively available to provide counsel as required.

Keith Martin suggested that tabling at the next meeting the pertinent documents relating to Competition Law, including CAFII's Guidelines on Competition Law which the Board passes a motion of adherence to once a year, and having the Working Group approve a motion that it will adhere to the Guidelines, all of which would be recorded in the minutes of the meeting, might suffice to meet the expectations on this matter. It was agreed that this might be an appropriate approach, but it was suggested that we should ask Stikeman Elliott to offer legal advice on whether that is sufficient. As well, it was suggested that Stikeman Elliott be asked if it would be advisable for them to make a short presentation at the next 22 August, 2019 meeting of the Working Group on what is permissible to discuss and what is not in the context of Competition Law. Keith Martin will reach out to Stikeman Elliott on these matters and report back to the Working Group.

A second legal issue was preserving solicitor-client privilege. Keith Martin reported that for the Special Project, the approach recommended by legal counsel was to have all substantive outputs and recommendations sent to Stikeman Elliott, and they would then present it to the CAFII Board and members in the form of legal advice. It was suggested that a similar approach might be appropriate for the output of the Working Group. Keith Martin will also reach out to Stikeman Elliott on this matter and report back to the Working Group.

With respect to the Working Group's process, it was noted that there will be weekly one-hour teleconference calls every Thursday from 1-2pm, with one 90 minute in-person meeting from 1-2.30pm on 5 September, 2019. The next CAFII Board meeting is on 1 October, 2019 and the Working Group will strive to have some form of output or recommendation by that meeting, and to indicate what remaining work, if any, is required.

With respect to content, there was a discussion of the best approach to take. The Working Group felt that the regulatory materials distributed should be tackled separately at each meeting, in the following order: Australian Report on Consumer Credit Insurance; FCAC Domestic Bank Retail Sales Practices Report; CCIR/CISRO Guidance on the Fair Treatment of Customers; AMF Sound Commercial Practices Guideline; and CLHIA Guidelines G7 and G9.

Brendan Wycks suggested that “thought starter” documents produced by CAFII staff might provide useful context and help to jump-start discussion, and there was strong support for such an approach. Staff will produce an overarching thought starter document, along with a document specific to each week’s discussion.

Appendix A

Members of the Working Group

Martin Boyle, EOC Chair, BMO Insurance, Co-Chair of the Working Group
Karyn Kasperski, RBC Insurance, Co-Chair of the Working Group
Rob Dobbins, Assurant
Greg Caers, BMO Insurance
Dana Easthope, Canadian Premier Life
Brad Kuiper, ScotiaLife Financial
Denzyl Monteiro, ScotiaLife Financial
Joanna Onia, CIBC Insurance
Monika Spudas, Manulife
Parm Rai, CIBC Insurance
Rebecca Saburi, BMO Insurance
Jeremy Flanagan, TD Insurance
Scott Kirby, TD Insurance
Sharon Apt, Canada Life Assurance
Michele Jenneau, National Bank Insurance (alternate: Marie Nadeau)
Caroline Cardinal, National Bank Insurance (alternate: Luce Doyon)

Staff

Brendan Wycks, CAFII Co-Executive Director
Keith Martin, CAFII Co-Executive Director