

**Agenda Item 4(a)**  
**December 6/22 Board Meeting**

**Summary of November 4/22 One-on-One Virtual Meeting between Peter Thompson, CAFII Board Chair;**  
**and**  
**Eric Jacob, AMF Superintendent, Client Services and Distribution Oversight,**  
**On Finding A Solution To Impasse Issue Re**  
**Applicability Of the Regulation respecting Alternative Distribution Methods (RADM)**  
**to Credit Card-Embedded Insurance Benefits**

At the 11 October, 2022 CAFII/AMF 'Industry Issues Dialogue' in Montreal, CAFII made a presentation to a group of eight (8) AMF staff executives titled "How Can We Work Together To Remove Or Reduce Barriers To Doing DWR Insurance Business In Quebec?" The intent of that presentation was to convey to the AMF why CAFII felt that no headway had been made over the past two years on resolving the impasse issue around the Regulation respecting Alternative Distribution Methods' applicability to credit card-embedded insurance benefits -- given that CAFII members are reluctant to provide the prescribed Fact Sheet and Notice of Rescission to credit card holders, since provisions in those documents are inaccurate and misleading with respect to credit card-embedded insurance benefits.

The AMF staff executives reacted somewhat defensively to CAFII's presentation points, but as the meeting was concluding and they were taking their leave, Eric Jacob, the AMF's Superintendent, Client Services and Distribution Oversight, approached CAFII Board Chair Peter Thompson and suggested that the two of them meet privately, one-on-one, in the near future to try to map out a path to a solution on this impasse issue.

That meeting took place virtually on Friday, 4 November, 2022 for approximately one hour.

The outcomes of that meeting are as follows:

- Mr. Jacob committed to take the credit card-embedded insurance benefits impasse issue under his own wing, to investigate it, and to get back to Mr. Thompson before the December 2022 Holiday season hiatus, with a view to discussing one or more solution option(s) and the next steps required to resolve the issue;
- for the immediate/urgent credit card-embedded benefits impasse issue which requires a swift resolution, and for other issues which may arise over time where there is a difference of opinion between the AMF and CAFII, it was agreed that Eric Jacob and Peter Thompson would each identify a smaller group of relevant team members (CAFII's Co-Executive Directors and a small group of Member representatives on the CAFII side; along with key AMF staff executives) who would then work together to resolve the issue, rather than discussing such issues in a large group forum such as the annual 'Industry Issues Dialogue';

- Eric Jacob proposed that on a go-forward basis, contentious issues such as the credit card-embedded insurance benefits issue should not be discussed at the annual 'Industry Issues Dialogue' but rather only in a small working group forum. The 'Industry Issues Dialogue' should be reserved for mutual information-sharing around non-contentious issues. Peter Thompson agreed with Mr. Jacob's proposal, but explained that CAFII felt that it had not made any headway over two years on the credit card-embedded insurance benefits issue with Mario Beaudoin, and was unsure as to whether AMF staff executives other than he and his direct reports were aware that the matter had reached an impasse;
- Mr. Thompson also took the opportunity to express concern about some of the credit protection insurance and travel insurance 'claims denial' and 'return-of-premium-to-consumers' statistics that were shared by the AMF at the same meeting -- during Mr. Beaudoin's AMF's presentation, which preceded CAFII's presentation -- noting that those numbers needed to be interpreted very carefully and that CAFII member companies may not have fully understood the AMF's related data request. For example, for National Bank Insurance, a "denied credit card claim" might have happened because the card actually had a zero balance at the time of claim. Would that scenario be included among what the AMF is interpreting to be a "denied claim," however? Mr. Jacob found Mr. Thompson's feedback to be very valuable and opined that this was another issue where a joint AMF/CAFII small group forum might need to do some dedicated additional work; and
- for the foreseeable future, Eric Jacob and Peter Thompson committed to meet quarterly to discuss issues of mutual interest/relevance that require dedicated leadership attention at the AMF and at CAFII, respectively.