

**Agenda Item 4(a)(iv)
November 20/18 EOC Meeting**

From: Fuerstenberg, Zack [mailto:Zack.Fuerstenberg@scotiabank.com]
Sent: Tuesday, November 06, 2018 11:50 AM
To: Keith Martin; 'McCarthy, Peter'; Grant, Bob; 'Lobbezoo, Chris'; 'Chris Knight'; 'Rondzik, Sandra'
Cc: Benson, Nicole; 'Charles Blaquiere'; Brendan Wycks
Subject: RE: CAFII Update Note to Bank Board Members of CAFII, Regarding CBC Marketplace Story on Credit Card Protection Insurance

Thank you for the update Keith.

Regarding your two specific asks: we would definitely support the need for a quick teleconference meeting or in-camera session prior to Friday night's airing of the CBC Marketplace episode as well as a broader discussion on potential additional investments we could make to bolster our media effectiveness.

In full disclosure, we are strongly of the view that we should expand our efforts at the industry level to demonstrate the value that our creditor offerings deliver to consumers and perhaps even adopt a more proactive media footing. Relatedly, and given the government's recent expansion of the FCAC's mandate and other regulatory headwinds, we do not believe that this particular story will blow over as quickly as others might have historically. A lot is at stake.

Bob and I look forward to hearing the views of our colleagues on the Board and the other Committee members on this issue.

Thank you,
Zack Fuerstenberg | Senior Vice President, Insurance Canada

ScotiaLife Financial | Insurance Canada
44 King St West, Suite 2500, Toronto, M5H 1H1

T 416-866-4415. M 416-710-0634
zack.fuerstenberg@scotiabank.com
Scotialifefinancial.com
ScotiaLife Financial is a business name used by Scotia Life Financial Services Inc.

From: Fuerstenberg, Zack [mailto:Zack.Fuerstenberg@scotiabank.com]
Sent: Monday, November 12, 2018 11:03 AM
To: Brendan Wycks; Keith Martin; david@strategy2communications.com
Subject: RE: Weekend Reading: Banks Behaving Badly (Again) Edition

While we can't please or persuade everyone in this industry (particularly the pundits or brokers who benefit personally from taking an anti-bank stance) that doesn't mean we shouldn't build a more sophisticated and robust strategy at the industry level – including at its core: research & tangible examples of customers who benefit from and advocate for the programs – while at the same time we work to enhance customer experience at the proprietary level.

I think that a crisp PR/GR strategy effort will challenge our own thinking and give us a positive focal point for a higher level of proactive change. We still need to ensure that our key audiences – including mainstream consumers, lawmakers, regulators, and our own employees understand the value proposition. And I would advocate that the current operating environment necessitates that we give it greater investment and focus.

Mortgage might be more defensible in certain ways but Credit Card protection requires more effort and investment and it's in the cross-hairs of the FCAC so it must become a top priority. If we don't have the resources to do both simultaneously I would advocate that we need to discuss ways to increase resourcing.

Thank you,
Zack

Zack Fuerstenberg | Senior Vice President, Insurance Canada

Scotiabank Financial | Insurance Canada
44 King St West, Suite 2500, Toronto, M5H 1H1

T 416-866-4415. M 416-710-0634
zack.fuerstenberg@scotiabank.com
Scotiabankfinancial.com

Scotiabank Financial is a business name used by Scotia Life Financial Services Inc.

From: david@strategy2communications.com [mailto:david@strategy2communications.com]

Sent: Monday, November 12, 2018 3:16 PM

To: Keith Martin; Brendan Wycks

Subject: RE: Weekend Reading: Banks Behaving Badly (Again) Edition

Keith and Brendan, in case I don't make it onto the call tomorrow, I wanted to share with you my preliminary views on what an effective PR/GR strategy on credit card balance protection insurance might look like in terms of what we should do and not do:

The Do's

- Research and analyse the current credit card balance protection insurance product, customer experience and regulatory environment in similar markets such as the U.K., Australia and U.S. in order to determine best product features, pricing and sales practices.
- Engage the FCAC and other pertinent regulators in one-on-one conversations about credit card balance protection insurance so that CAFII can identify the biggest "hot button" criticisms they have about the product, provide relevant facts about the product and sales practices to those regulators, and assure them of the industry's desire to improve any shortcomings.
- Based on research and discussions with regulators, suggest tweaks/enhancements to the value proposition of credit card balance protection insurance in Canada, and recommend standards of product knowledge and sales practices for employees of CAFII members who are selling the product.
- For the foreseeable future, pursue a reactive media strategy with respect to credit balance protection insurance, and only engage media on this topic where necessary (e.g. to correct factual errors and to do so on a low-key basis).
- Add several examples to the CAFII website of how credit card balance protection insurance benefits the consumer. It would be beneficial if CAFII members could provide real-life examples, but it is not essential.

- After tweaks/enhancements have been made to the credit card balance protection value proposition, look at the viability of doing Canadian market research on credit card balance protection insurance.
- Do a consumer-oriented video on credit card balance protection insurance for the CAFII website that realistically addresses who, why and when consumers can benefit from the product.
- Engage in discussions with some selected consumer advocates and financial bloggers to hear their product criticisms, and to provide them with some updated facts.

The Don'ts

- Do not proactively engage with media on the topic of credit card balance protection insurance until we have a better story to tell. There are currently too many consumer advocates ready to line up against this product, ably supported by insurance agents and brokers.
- Do not “add legs” to the CBC Marketplace story by over-reacting to it; the story lacked credibility and traction, and we do not want to give it either.
- Do not allow credit card balance protection insurance to become the “poster child” for creditor group insurance. We want to avoid this type of linkage in the media:
“Balance protection insurance is part of a list of useless products that are designed to enrich banks and dupe unsuspecting customers. It should be banned along with other insidious products such as mortgage life insurance, extended warranties, and deferred sales charges.”
- Weekend Reading: Banks Behaving Badly (Again) Edition, Robb Engen, November 10, 2018

- David